

NINETEENTH JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

JAMES J. DONELON,  
COMMISSIONER OF INSURANCE  
FOR THE STATE OF LOUISIANA, IN  
HIS CAPACITY AS REHABILITATOR  
OF LOUISIANA HEALTH  
COOPERATIVE, INC.,

Plaintiff

vs.

TERRY S. SHILLING ET AL.,

Defendants

Number: 651,069

Section: 22

Judge: TIMOTHY E. KELLEY

**CGI'S MOTION FOR SUMMARY JUDGMENT**

Defendant CGI Technologies and Solutions Inc. ("CGI") respectfully submits this Motion for Summary Judgment, further representing as follows:

1.

In 2011, Louisiana Health Cooperative, Inc. ("LAHC") was formed to offer individual health insurance plans in accordance with new federal healthcare legislation.

2.

On or about February 15, 2013, LAHC executed a service agreement ("the Original Agreement") with CGI pursuant to which CGI would serve as LAHC's third-party administrator from January 2014 to December 2016.

3.

By March 2014, LAHC began looking to replace CGI with a new third-party administrator. CGI and LAHC ultimately agreed to mutually dissolve their contractual relationship.

4.

On June 19, 2014, as part of the dissolution of their contract, CGI and LAHC mutually released and settled any potential claims each party might have arising out of the February 2013 Original Agreement. Less than two weeks later, LAHC officially hired a new third-party administrator.

5.

Fifteen months later, LAHC had become a failing insurance company and was placed in receivership by the Louisiana Department of Insurance.

6.

In November 2016, the receiver in control of LAHC sued various current and former LAHC contractors, including CGI. In particular, the receiver claimed that CGI had failed to perform its duties pursuant to the February 2013 Original Agreement.

7.

All of the claims that the receiver has made against CGI were the subject of the settlement agreement that CGI and LAHC executed on June 19, 2014. Because such claims have been duly compromised, the receiver is prohibited from asserting them in the present action.

8.

No material facts relevant to CGI's compromise with LAHC are genuinely disputed. CGI is accordingly entitled to judgment as a matter of law dismissing the receiver's claims.

9.

Pursuant to Uniform District Court Rule 9.8(a), CGI represents that (1) no trial date has been set in this matter, and (2) CGI does not intend to offer any testimony at the hearing of this Motion.

WHEREFORE, for the reasons set forth in the attached memorandum and exhibits, CGI prays that the Court grant this Motion for Summary Judgment and dismiss with prejudice all of Receiver's and LAHC's claims against CGI.

Respectfully submitted,

TAYLOR, PORTER, BROOKS & PHILLIPS LLP

By 

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*Attorneys for CGI*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing pleading has been sent to all counsel of record by electronic delivery or parcel via U.S. mail, properly addressed and postage prepaid, this 13<sup>th</sup> day of April, 2017.

  
Ryan K. French

## STATE OF LOUISIANA

## Defendants

Judge: TIMOTHY E. KELLEY

Respectfully submitted,

TAYLOR, PORTER, BROOKS & PHILLIPS LLP

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Defendants

Number: 651,069

Section: 22

Judge: TIMOTHY E. KELLEY

**MEMORANDUM IN SUPPORT OF CGI'S  
MOTION FOR SUMMARY JUDGMENT**

Defendant CGI Technologies and Solutions Inc. ("CGI") respectfully submits this Memorandum in Support of its Motion for Summary Judgment. As set forth below, all of plaintiff's claims against CGI are barred by an unambiguous release, entitling CGI to judgment as a matter of law.

**I. BACKGROUND**

In early 2010, the U.S. Congress passed the Patient Protection and Affordable Care Act ("ACA"), a statute designed to expand coverage in the individual health insurance market.<sup>1</sup> To broaden the insurance options available to everyday consumers, the ACA established and temporarily subsidized a new type of insurance company—the Consumer Operated and Oriented Plan ("CO-OP").<sup>2</sup> Unlike commercial insurers, CO-OPs were going to be member-run, non-profit organizations, capable of providing cheaper insurance to individuals and small businesses. In 2011, Louisiana Health Cooperative, Inc. ("LAHC") was formed as Louisiana's first and only ACA CO-OP.

Like many other insurance companies, LAHC selected a third-party administrator to process and pay insurance claims. Here, LAHC initially chose CGI to be its third party administrator. LAHC and CGI's relationship was more particularly governed by a detailed written

<sup>1</sup> See *King v. Burwell*, 135 S. Ct. 2480, 2485 (2015).

<sup>2</sup> See 42 U.S.C. § 18042.

service agreement (“the Original Agreement”) dated February 15, 2013. *See* Exhibit A (Original Agreement). Among other things, the Original Agreement required CGI to process and pay LAHC insurance claims and perform related administrative functions. Nonetheless, at all times LAHC “retain[ed] ultimate responsibility” for the scope and performance of the duties assigned to CGI. Exhibit A at § 3.6.6. According to the terms of the Original Agreement, CGI would provide its services through the end of 2016. Exhibit A at 6.

On January 1, 2014, LAHC’s first insurance policies became active, and CGI assumed its corresponding administrative obligations. Not even three months later, LAHC began looking for a replacement administrator.<sup>3</sup> By June 19, 2014, LAHC and CGI had formally agreed to part ways and sever all ties. In a contractual amendment signed that day (“the Amendment”), CGI and LAHC terminated the Original Agreement as of April 30, 2014, but agreed that CGI would provide limited transitional or “wind-down” services through the end of June 2014. Exhibit B (Amendment) at 1.<sup>4</sup> Beyond June 30, 2014, the Amendment specified, CGI’s only obligation was to provide document printing services and access to an identified software program. Exhibit B at 1; Exhibit A at 31-32. Any other third-party administrator services would be provided only if LAHC submitted a written request and CGI’s cost estimate was acceptable. Exhibit B at 4.<sup>5</sup> LAHC never submitted any such requests, however, and CGI thus ceased serving as third-party administrator on June 30. *See Affidavit of Daniel Neice*, ¶ 5.

Particularly relevant to the instant dispute is another provision of the Amendment. Given the Original Agreement’s early termination, both LAHC and CGI wished to be relieved of any potential liability to the other party. The Amendment consequently contained the following mutual release:

Except for obligations assumed herein, LAHC and CGI hereby release each other, and their respective directors, officers, agents, employees, representatives, insurers,

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<sup>3</sup> *See* Receiver’s Petition (supplemental and amended), ¶¶ 34, 45 (“By approximately March 2014, just three (3) months after its ill-advised roll-out, the D&O Defendants compounded an already bad situation by deciding to replace CGI with GRI as [third-party administrator].”).

<sup>4</sup> The Amendment provides, “For the convenience of LAHC, the Original Agreement shall terminate on April 30, 2014. CGI shall continue to perform the Delegated Functions through April 30, 2014, to be followed by a six month wind-down period as specified in Section 2.5 of the Original Agreement. For the six month wind-down period, CGI shall provide such wind-down services as the parties may agree in a wind-down plan, all in accordance with Sections 2.5 and 2.5.1 of the Original Agreement.”

<sup>5</sup> The Amendment provides, “Beginning July 1, CGI will perform all services on a Time and Materials basis, at the request of LAHC using the rates in the table below. LAHC will make requests in writing and CGI will provide an estimate for approval by LAHC before any work is performed.”

parents and subsidiaries, from any and all claims that either may have against the other arising out of or relating to the Original Agreement.

Exhibit B at 2.

On July 1, 2014, ten days after the Amendment was executed, LAHC replaced CGI with a new third-party administrator.<sup>6</sup> LAHC subsequently operated for another fourteen months, during which CGI provided no claims administration or processing services to LAHC. *See Affidavit of Daniel Neice*, ¶ 5.

In July 2015, LAHC announced that it was discontinuing all insurance coverage at the end of the year. In September 2015, LAHC, like nearly all other ACA CO-OPs,<sup>7</sup> was declared a failing insurance company, and was accordingly placed under the control of a receiver (“the Receiver”) appointed by the Louisiana Department of Insurance.<sup>8</sup> More than a year later, the Receiver initiated the above-captioned action by suing virtually every person or entity with whom LAHC had ever had any relationship. The Receiver more specifically claimed that LAHC’s failure was the fault of its officers, its directors, its consultants, its actuaries, and its third-party administrator. The Receiver also sued CGI, alleging that during CGI’s brief stint as third-party administrator, it had breached the Original Agreement in various ways.<sup>9</sup>

Conspicuously absent from the Receiver’s lawsuit is any reference to the Amendment or the reciprocal release it contains. Indeed, it appears that at the time it filed suit, the Receiver was unaware that LAHC had already settled its dispute with CGI. That settlement, however, utterly forecloses the claim now asserted by the Receiver against CGI. Because none of the material facts

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<sup>6</sup> See Receiver’s Petition, ¶ 48 and Exhibit 2 thereto (LAHC service agreement with Group Resources, Inc.).

<sup>7</sup> To give the proper context to the Receiver’s lawsuit, it should be noted that, of 23 CO-OPs created at the prompting of the ACA, at least 18 have failed (so far). Much of the blame for the notoriously-unsuccessful CO-OP model has been placed on the ACA itself, which attempted to simultaneously limit insurance rates, spread risk between CO-OPs, and promise reimbursement to CO-OPs afflicted with high expenses. However, artificially-limited premiums, unexpected “risk-adjustment” bills from the CO-OP program, and undelivered federal payments have combined to effectively destroy most CO-OPs. *See, e.g., “Obamacare’s Co-Op Disaster: Only 7 Remain,”* FORBES MAGAZINE, July 25, 2016, accessed at <https://www.forbes.com/sites/sallypipes/2016/07/25/obamacares-co-op-disaster-an-unfunny-comedy-of-errors/#71abdcab5d5b>; “Two more Obamacare health insurance plans collapse,” THE WASHINGTON POST, October 16, 2015, accessed at [https://www.washingtonpost.com/national/health-science/two-more-obamacare-health-insurance-plans-collapse/2015/10/16/cc324fd0-7449-11e5-8d93-0af317ed58c9\\_story.html?utm\\_term=.319c1183a7e7](https://www.washingtonpost.com/national/health-science/two-more-obamacare-health-insurance-plans-collapse/2015/10/16/cc324fd0-7449-11e5-8d93-0af317ed58c9_story.html?utm_term=.319c1183a7e7).

<sup>8</sup> See Exhibit C (*James J. Donelon, Commissioner of Insurance for the State of Louisiana v. Louisiana Health Cooperative, Inc.*, 19<sup>th</sup> JDC No. 641,928, Section 26, Permanent Order of Rehabilitation and Injunctive Relief (entered September 21, 2015)).

<sup>9</sup> See Receiver’s Petition, ¶¶ 41-44 (“LAHC and CGI entered into an Administrative Services Agreement (‘Agreement’) whereby CGI agreed to perform certain administrative and management services . . . CGI breached its obligations and warranties set forth in the Agreement in a grossly negligent manner.”).

are genuinely disputed, CGI is entitled to summary judgment dismissing all of the Receiver's claims.

## **II. MOTION FOR SUMMARY JUDGMENT STANDARD**

"[A] motion for summary judgment shall be granted if the motion, memorandum, and supporting documents show that there is no genuine issue as to material fact and that the mover is entitled to judgment as a matter of law." LA. CODE CIV. PROC. art. 966(A)(3). Because the Receiver will bear the burden of proving his breach-of-contract and negligence claims at trial, CGI needs only to "point out to the court the absence of factual support for" the Receiver's claims. *Id.* at (D)(1). If CGI does that, it is entitled to summary judgment unless the Receiver responds with evidence showing that his claims are factually supported. *See id.* To the extent the dispute hinges on a provision in a contract, "the question of contractual interpretation is answered as a matter of law and summary judgment is appropriate." *See Olympia Minerals, LLC v. HS Res., Inc.*, 2013-2637 (La. 10/15/14), 171 So. 3d 878, 891.

## **III. LAW & ARGUMENT**

As suggested above, this dispute can be resolved by reference to one, basic, undisputed fact: CGI and LAHC mutually released all potential claims against each other in June 2014. This Court should accordingly grant summary judgment and dismiss all of the Receiver's claims against CGI.

### **A. Contracts of Compromise in Louisiana**

When two parties enter into a contract, the effect of that contract is well-settled:

[L]egal agreements have the effect of law upon the parties, and, as they bind themselves, they shall be held to a full performance of the obligations flowing therefrom. In other words, a contract between the parties is the law between them, and the courts are obligated to give legal effect to such contracts according to the true intent of the parties. This intent is to be determined by the words of the contract when they are clear, explicit, and lead to no absurd consequences.

*Hampton v. Hampton, Inc.*, 97-1779 (La. Ct. App. 1st 6/29/98), 713 So. 2d 1185, 1188-89 (citations omitted).

Frequently, the purpose of a contract is to resolve a dispute between the contracting parties.

While still considered a contract, this type of agreement has earned distinct recognition:

A release of a claim, when given in exchange for consideration, is a compromise. A compromise is a contract whereby the parties, through concessions made by one

or more of them, settle a dispute or an uncertainty concerning an obligation or other legal relationship. A compromise precludes the parties from bringing a subsequent action based upon the matter that was compromised.

*Garrison v. James Const. Grp., LLC*, 2014-0761 (La. Ct. App. 1st 5/6/15), 174 So. 3d 15, 18.

“[P]ersons, by such a contract, may settle any difference they may have in the present or in the future that is the subject of a lawsuit or that could result in litigation.” *Daigle v. Clemco Indus.*, 613 So. 2d 619, 622 (La. 1993). Importantly, “[c]ompromise agreements between parties to avoid litigation are favored by law, and courts will not declare a settlement void without a clear showing that it violates good morals or public interest.” *Walton v. Walton*, 597 So. 2d 479, 484 (La. Ct. App. 1st 1992).

**B. Because LAHC has already compromised the relevant claims against CGI, there is no basis for the Receiver’s suit.**

In the instant case, it is indisputable that CGI and LAHC have already compromised the claims now asserted by the Receiver. This Court should accordingly grant summary judgment in favor of CGI.

As an initial matter, CGI *did* enter into the Original Agreement with LAHC and *did* agree to “competently perform all of those task[s] expected and required of a Third Party Administration.” Receiver’s Petition, ¶ 43. But less than three months into CGI’s tenure, LAHC wanted to replace CGI with a brand new administrator.<sup>10</sup> No longer working well together, both CGI and LAHC wished to simply part ways without risk that the other party would file a lawsuit—*i.e.*, they wished to agree to a compromise. To that end, CGI and LAHC executed the Amendment, with the senior-most officer of LAHC, its CEO, signing on behalf of the CO-OP. In this way, CGI expressly waived its right to future contractual payments, released LAHC from any potential liability, and obtained a similar release from LAHC. More precisely, the parties released each other “from any and all claims that either may have against the other arising out of or relating to the Original Agreement.” Exhibit B at 2.

Notwithstanding the Amendment, the Receiver is now asserting the very claims that LAHC released and compromised. *See* Receiver’s Petition, ¶ 44 (“CGI breached its obligations and

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<sup>10</sup> *See* Receiver’s Petition, ¶ 45 (“As of March 2014, just three (3) months after its roll-out, LAHC described the system designed and implemented by CGI to process enrollment, eligibility, and claims handling, as a ‘broken’ process.”).

warranties set forth in the [Original] Agreement in a grossly negligent manner, all in the following, non-exclusive ways: . . . ”). Of course, a compromised claim cannot be the basis of a subsequent lawsuit. *See Smith v. Isle of Capri Casino & Hotel*, 2010-0161 (La. Ct. App. 1st 9/10/10), 47 So. 3d 642, 647 (“The claim for which plaintiff now seeks recovery clearly falls under this language of the compromise agreement.”).<sup>11</sup>

While the Receiver is the nominal plaintiff in the present case, he is merely the appointed manager of LAHC’s affairs.<sup>12</sup> *See* La. R.S. § 22:2008 (receivership statute) (“The commissioner of insurance . . . shall be vested by operation of law with the title to all property, contracts, and rights of action of the insurer.”).<sup>13</sup> Accordingly, the Receiver’s judicial charge was to assume control of LAHC’s property and enforce LAHC’s rights. Exhibit C at 3. It follows that the Receiver cannot assert a claim on LAHC’s behalf that LAHC does not itself possess. As LAHC has already extinguished its right to sue CGI, the Receiver now has no ability to sue CGI.<sup>14</sup>

Of course, receivers (like bankruptcy trustees) do have a limited set of rights beyond those of the debtor under their control. In particular, receivers may avoid certain transfers of property by the insurer and cancel the insurer’s extant contracts. *See* La. R.S. § 22:2009(E). In general, “a receiver has the right to either adopt or reject executory contracts of the corporation entered into prior to the receivership.” *Weber v. Press of H. N. Cornay, Inc.*, 144 So. 2d 581, 588 (La. Ct. App. 4th 1962). The Receiver’s right to unwind completed contracts, however, is much more limited.

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<sup>11</sup> *See also Childs v. Woods*, 2001-1444 (La. Ct. App. 1st 6/21/02), 822 So. 2d 732, 735 (“[A]t the time she signed the agreement, [Plaintiff] released any and all . . . claims existing at the time . . . ”); *Fascio v. Lee*, 94-1149 (La. Ct. App. 4th 2/23/95), 650 So. 2d 1236, 1238 (“[T]he evidence unequivocally demonstrates that the [plaintiffs] executed an agreement compromising all claims against [Defendants] and releasing them from liability.”); *Randall v. Martin*, 03-1311 (La. Ct. App. 5th 2/23/04), 868 So. 2d 913, 918 (“[T]he specific terms of the release which was read and signed by plaintiff clearly indicate that plaintiff understood that he was releasing defendants from any and all claims he may have had as a result of the automobile accident.”); *Red River Waterway Comm’n v. Succession of Fry*, 45,103 (La. Ct. App. 2d 4/28/10), 36 So. 3d 401, 407 (“Based upon the evidence presented, there was no showing that in signing the compromise, the succession intended anything other than to settle and dismiss all claims related to the validity of the expropriation.”).

<sup>12</sup> In the Permanent Order of Rehabilitation, a judge of this Court placed LAHC “under the direction and control of” the Receiver. Exhibit C at 1. Effectively placing the Receiver in charge of LAHC, the court further authorized him to take possession of LAHC’s assets, manage its business affairs, and enforce its contracts. *See* Exhibit C at 2 (“[T]he Rehabilitator, the Receiver, their agents and/or employees, shall be and hereby are directed to take possession and control of the property, business, affairs . . . and all other assets of LAHC . . . conduct all of the business and affairs of LAHC, or so much thereof as he may deem appropriate, manage the affairs of LAHC, and to rehabilitate same.”).

<sup>13</sup> *See also* LA. CODE CIV. PROC. art. 693 (“The receiver appointed by a court of this state for a domestic insurer is the proper plaintiff to sue to enforce a right of the domestic insurer, or of its receiver.”).

<sup>14</sup> An analogous situation occurs when an insurer claims to be subrogated to a claim already compromised by the insured. *See Bosch v. Cummings*, 520 So. 2d 721, 722 (La. 1988) (“Accordingly, if the insured has already discharged the tortfeasor from his obligation by entering a compromise with him, the carrier cannot acquire the insured’s right against the tortfeasor because it no longer exists.”).

A receiver may only undo a preferential transfer of property occurring in the four months preceding the receivership petition. *See* La. R.S. § 22:2020(B). Even fraudulent obligations or transfers are only subject to recall if the transaction occurred within the year preceding the receivership petition. *See* La. R.S. § 22:2021.

In the present case, the Commissioner of Insurance filed LAHC's receivership petition on September 1, 2015. Any transactions occurring prior to September 2014 are thus beyond the Receiver's power to unwind. Because CGI and LAHC completed the relevant transaction on June 19, 2014, it is simply not subject to a receivership challenge. In any event, the Receiver has never even purported to attack or reverse the compromise or the Amendment. There is thus no foundation whatsoever for the Receiver's present suit against CGI.<sup>15</sup>

While the Receiver admittedly filed its suit just a few months ago, he failed to disclose the existence of a valid release directly addressing certain of his claims. Now that the relevant release is before the Court, this needless and costly exercise should not be allowed to proceed any further. Every allegation in the Receiver's petition concerning CGI arises out of or relates to CGI's performance of the Original Agreement. These are precisely the claims that were compromised in June 2014, and all of the Receiver's claims against CGI should accordingly be dismissed. *See, e.g., Danzy v. U. S. Fid. & Guar. Co.*, 380 So. 2d 1356, 1360 (La. 1980) (affirming grant of summary judgment based upon compromise agreement).<sup>16</sup>

#### IV. CONCLUSION

For the reasons set forth above, CGI prays that the Court grant this Motion for Summary Judgment and dismiss with prejudice all of Receiver's and LAHC's claims against CGI.

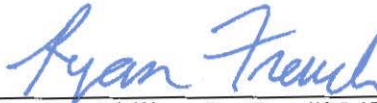
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<sup>15</sup> Because a compromise is tantamount to a binding court judgment, Louisiana courts have held that such agreements may not be "collaterally attacked." In other words, a compromise must first be judicially invalidated before the compromise's invalidity may be asserted in any other judicial proceeding. *See Audubon Ins. Co. v. Farr*, 453 So. 2d 232, 234 (La. 1984) ("A compromise cannot be collaterally attacked."); *Tschirge v. Land-O-Lakes Developers*, 98 So. 2d 270, 273 (La. Ct. App. 1st 1957) ("And, where a compromise settlement, such as involved here, is not an absolute nullity, it can not be attacked collaterally, and a direct action is necessary to set it aside since the Codal provision above quoted gives to it the same force and attributes of a judgment of court.). To maintain its suit against CGI, it would thus appear that the Receiver must first obtain a judgment invalidating the Amendment as defective or otherwise a preferential or fraudulent transfer.

<sup>16</sup> *See also Travelers Indem. Co. v. Anderson*, 533 So. 2d 118, 120 (La. Ct. App. 4th 1988) ("The settlement agreement is clear and unambiguous and, as a matter of law, Travelers is entitled to enforce its provisions."); *Palmer v. Walker*, 09-756 (La. Ct. App. 5th 1/12/10), 31 So. 3d 443, 446 ("We find that the words of this settlement and release are clear and unambiguous. . . . Thus, the trial judge correctly granted the summary judgment.").

Respectfully submitted,

TAYLOR, PORTER, BROOKS & PHILLIPS LLP

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Ryan K. French

**AFFIDAVIT OF DANIEL SCOTT NEICE**

**COUNTY OF COLLIN**

**STATE OF TEXAS**

Before the undersigned Notary personally appeared:

DANIEL SCOTT NEICE

who under oath swore and attested to the following:

1. My name is Daniel Scott Neice. By my signature below, I represent that I have personal knowledge of, and am competent to testify concerning, the matters and facts which are stated in this affidavit. I am over the age of 18, a citizen of the United States, of sound mind, and able to read and understand English.
2. I am an Account Executive at CGI Technologies and Solutions Inc. ("CGI"). I have worked at CGI for 4 years, where I have generally been responsible for providing consulting and managed services for customers. I am familiar with CGI's business relationship with Louisiana Health Cooperative, Inc. ("LAHC"), which contractually retained CGI to provide third-party administrator services in conjunction with LAHC insurance policies.
3. The LAHC policies serviced by CGI became active on January 1, 2014. By about March, however, LAHC began expressing interest in replacing CGI as LAHC's claims administrator. Soon thereafter, LAHC and CGI mutually agreed to part ways and dissolve their contractual relationship. On June 19, 2014, LAHC and CGI accordingly executed the letter agreement attached hereto as Exhibit B. That document is a true and correct copy of the original letter agreement.
4. Pursuant to the June 19 agreement, CGI would no longer provide comprehensive third-party administrator services to LAHC beyond June 30, 2014. After June 30, 2014, CGI's only continuing obligation to LAHC was to provide limited document printing services and access to a particular software program to which CGI had subscribed.
5. The June 19 agreement further provided that CGI might provide additional future services if LAHC submitted a written service request and CGI

responded with a cost estimate acceptable to LAHC. However, LAHC never submitted any such requests, and CGI provided no third-party administration or claim-management services beyond June 30, 2014.

6. I represent under oath that this affidavit is true, complete, and correct to the best of my recollection. If called upon to testify concerning any of the statements made in this affidavit, I would do so to the same extent that I have made the statements contained herein.

I declare under penalty of perjury under the laws of Louisiana and the United States of America that the foregoing is true and correct.

Executed on the 13<sup>th</sup> day of APRIL, 2017.

DANIEL SCOTT NEICE

Printed Name

[Signature]

Signature

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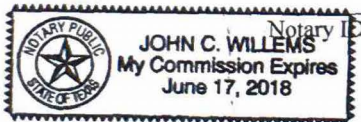
#### NOTARIZATION

On the date identified above, the individual Daniel Scott Neice appeared before me in the above-identified county, affirming his agreement with the statements in this document by signing above.

SWORN TO BEFORE:

[Signature]  
Signature

\_\_\_\_\_  
Printed Name



\_\_\_\_\_  
Commission Expiration

**ADMINISTRATIVE SERVICES AGREEMENT**

**By and between**

**CGI Technologies and Solutions Inc.**

**And**

**Louisiana Health Cooperative, Inc.**



**Exhibit A to CGI's Motion  
for Summary Judgment**

**ADMINISTRATIVE SERVICES AGREEMENT**

**By and between  
CGI Technologies and Solutions Inc.  
And  
Louisiana Health Cooperative, Inc.**

This Administrative Services Agreement (this “Agreement”) is entered into effective as of February 15, 2013 by and between the Louisiana Health Cooperative, Inc., a Louisiana not-for-profit corporation located at 3445 North Causeway, Suite 310, Metairie, LA 70070 (“LAHC”) and CGI Technologies and Solutions Inc., a Delaware corporation having its principal place of business at 11325 Random Hills Road, Fairfax, Virginia 22030 (“CGI”).

WHEREAS, LAHC has been organized to operate as a qualified nonprofit health insurance issuer within the meaning of Section 1322(c)(1) of the Affordable Care Act (Pub. L. 111-148) (the “CO-OP Program”), that once licensed, will offer health insurance plans that assist providers to deliver high quality health care to citizens of the State of Louisiana; and

WHEREAS, LAHC is a party to that certain Loan Agreement (the “Loan Agreement”) with the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services (“CMS”), dated September 27, 2012 pursuant to which LAHC is obligated to use funds provided to LAHC pursuant to the Loan Agreement to form a consumer-focused, member-governed health insurance company (“CO-OP”) pursuant to the CO-OP Program; and

WHEREAS, CGI provides various administrative services in accordance with Applicable Law, Applicable Regulatory Agency, Accreditation Agency and LAHC standards; and

WHEREAS, LAHC and CGI desire to enter into this Agreement whereby CGI will perform certain administrative and management functions (the “Delegated Functions”); and

WHEREAS, nothing herein shall limit LAHC’s responsibility or LAHC’s ultimate authority with regard to Delegated Functions as required by Applicable Law.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**ARTICLE 1  
DEFINED TERMS**

All capitalized terms in this Agreement, unless otherwise defined herein, shall have the following meanings:

“Access” means, with respect to all Delegated Functions performed by CGI for LAHC –

Direct Access: direct, on site Access, during normal business hours, upon 2 Days prior written notice, to the site(s) where the Delegated Function is being performed unless an Applicable Regulatory Agency requires a shorter period.

Remote Access: real time read-only Access at LAHC’s offices to all CGI Systems used to perform Delegated Functions, computer system inquiry capability including the ability to run reports and make inquiries and to pull historical information;

Personnel Access: Direct Access to, and reasonable cooperation from, all CGI staff performing the Delegated Functions; and

Records Access: electronic or paper copies of records relating to Delegated Functions when reasonably requested.

Unless Access is limited to one form of Access (e.g., Personnel Access), LAHC is entitled to all forms of Access. The Parties acknowledge that Access shall not include information related to individuals enrolled through other insurers.

“Accreditation Agency” means any non-governmental accreditation agency generally recognized in the health care industry which monitors, audits, accredits or performs other similar functions with respect to health care organizations and entities providing services to health care organizations, including without limitation the National Committee for Quality Assurance (“NCQA”), the Joint Commission on Accreditation of Health Care Organizations (“JCAHO”) and the Utilization Review Accreditation Commission (“URAC”).

“Affiliate” of a Party means any other entity that directly or indirectly controls, or is under common control with, or is controlled by, the Party. As used in this definition, “control” means actual or equitable ownership of a majority of the shares (or other securities, partnership interests or means of ownership, as the case may be) of an entity or management of the entity as a result of a management contract.

“Agreement” means this Administrative Services Agreement between LAHC and CGI, including all exhibits, appendices, and attachments hereto and listed in Article 8, as any of these may be amended, supplemented, or modified from time to time.

“Applicable Law” means (i) such federal, state and local laws, rules and administrative regulations and guidance, including manuals, guidelines, policy letters, court decisions, and CMS instructions to LAHC, that are adopted and/or published or sent to LAHC by CMS or any State agency or other federal, state or local governmental body, or agent thereof, with authority over LAHC, CGI, Providers or Payors (the “Applicable Regulatory Agencies”), and communicated in writing by LAHC to CGI, and (ii) applicable Accreditation Agency requirements and policies; and (iii) health insurance exchanges on which LAHC is approved to offer Benefit Plans. Without limiting the generality of the foregoing, “Applicable Law” shall include all federal and state insurance requirements, all federal and state privacy, security and confidentiality requirements, bonding requirements, licensure requirements, financial solvency requirements, prompt pay requirements, claims administration requirements and fraud and abuse requirements. Adherence to these laws, policies, regulations and guidance shall be a material requirement. It is understood by the Parties that the Applicable Laws are subject to change during the term of this Agreement, such that the Parties agree that any substantive change will require the parties to react promptly and in good faith by negotiating appropriate modifications or alterations to this Agreement.

“Benefit Plan” means a Member’s health benefits program as described in the Member Materials and underwritten or administered by LAHC.

“Claims Administration” means the process of determining: whether a claim submitted for payment is entitled to be paid, the appropriate payment amount according to the terms of the Participating Provider agreement, and the Non-Participating Provider payment rules, as applicable, and issuing payment in accordance with claim payment requirements, including timeliness, of Applicable Law, tracking and reporting Provider claims, timely redirecting claims for Non-Covered Services, collection

and submission of encounter data, timely transmission of notification to Members and such other tasks as described in Exhibit 2.

“Clean Claim” means a request for reimbursement for Covered Services (i) that has no material defect or impropriety (including any lack of any reasonably required substantiating documentation) which materially prevents timely adjudication of the claim; or (ii) such other definition as may be required by Applicable Law.

“Client Group” means an insurer that LAHC or an Affiliate brings to CGI and/or that CGI accepts as a client and enters into an agreement to purchase Services substantially the same (including platform, scope, etc.) as those Services described herein. All volume-based pricing discounts shall include the combined business of all insurers participating in Client Group. The current list of insurers (including companies in the process of seeking licensure as insurers) is listed at Exhibit 11.

“CMS” means the federal Centers for Medicare and Medicaid Services.

“Cold Site” means a backup site that contains infrastructure, all of the server hardware and certain software components necessary for and configured for restoration of the Systems in the event of an emergency or disaster, but does not contain all of the software and data components necessary to do an immediate restore of all business functions. Upon an emergency or disaster the remaining software applications necessary for the restoration of the Systems will be obtained out of escrow and installed at the cold site.

“Confidential Information” means information belonging or relating to one Party the “Disclosing Party”) that is non-public, confidential and/or proprietary in nature such as financial information, customer contacts, operating policies and business methods, but does not include information that the recipient (the “Receiving Party”) demonstrates (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party or its representatives, (ii) was within Receiving Party’s possession prior to its being furnished to Receiving Party or its representatives by the Disclosing Party or its representatives pursuant hereto, but only to the extent that the source of such information was not bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the Disclosing Party or any other Party with respect to such information; (iii) is or becomes available to the Receiving Party from a source other than the Disclosing Party or any of the Disclosing Party’s representatives, but only to the extent that such source is not bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the Disclosing Party or any other Party with respect to such information; or (iv) is independently developed by the Receiving Party without reference to the Disclosing Party’s Confidential Information.

“Covered Services” means those Medically Necessary health care services or supplies that a Member is eligible to receive according to the terms of his / her Benefit Plan.

“Day” means, with respect to any action to be taken under this Agreement, a calendar day; provided however, that when the date an action is to be taken falls on a Saturday, Sunday or federal holiday, then the day on which the action must be taken shall be the first business day following such day.

“Delegated Functions” means those administrative claims processing and payment functions relating to services provided to Members, including Member enrollment, responding to Member and Provider phone or other inquiries, creation and distribution of Member materials, Explanation of Benefits, Explanation of Payments and other communications which shall be performed by CGI on behalf of LAHC pursuant to the terms and conditions of this Agreement.

“Deposit Materials” means all CGI-developed or CGI-owned software source code related to application support for Delegated Functions, including administration of Benefit Plans, claims coding, claims processing, document management, claims adjudication and payment of claims for Covered Services, including System documentation, related compiler command files, build scripts, scripts relating to the operation and maintenance of such application, application programming interface(s), graphical user interface(s), object libraries, instructions on building the object code of the software, all documentation relating to the foregoing, and a list of all third party applications and tools required in the use and compilation of the software.

“Dispute” shall have the meaning given to such term in Article 7 the Agreement.

“Effective Date” with respect to each Delegated Function, has the meaning given to such term in Section 2.2.

“Escrow Agent” means the agent selected by CGI to hold the Deposit Materials.

“Hot Site” means a backup site for the Systems that is fully prepared to resume business operations immediately in the event of a disaster or emergency, including all the needed infrastructure, space and hardware, software and equipment necessary to immediately resume operation of the Systems.

“Joint Operations Committee” or “JOC” means the committee established between the Parties and Client Group to discuss issues of shared concern among the Client Group and ways to collaborate for increased performance and efficiency.

“Loan Agreement” has the meaning in the Recitals to this Agreement.

“Medically Necessary” or “Medical Necessity” has the meaning stated under the Member’s Benefit Plan.

“Member” means any individual who is entitled to receive Covered Services as a result of an arrangement between LAHC and the Member or a person or entity on the Member’s behalf and for whom LAHC has assigned CGI to perform the Delegated Functions.

“Member Month” means any calendar month or portion of a calendar month during which a Member is entitled to receive Covered Services. For example, if a person becomes a Member on January 15 and remains a Member through June 3, such person would be enrolled for six (6) Member Months.

“Non-Covered Services” means those health care services and supplies which are not covered under the Member’s certificate of coverage and are, therefore, the financial responsibility of the patient, including those services provided to a patient who is determined ineligible for coverage at the time services were rendered (i.e., a retroactively disenrolled patient).

“Party” means either LAHC or CGI.

“Parties” means LAHC and CGI.

“Participating Provider” means a provider who has a participating provider agreement with LAHC or has a contract with a rental network with which LAHC has contracted.

“Non-Participating Provider” means a Provider who does not, directly or indirectly, have a Participating Provider agreement with LAHC.

“Payor” means an insurer, health maintenance organization, self-insured plan or other entity that has a contract or other arrangement with LAHC for the provision of Covered Services to its insureds.

“Person” means a natural person, partnership (general or limited), corporation, Limited Liability Company, trust, estate, association or other entity.

“Prepaid Rate” means the monthly amount paid to CGI for the Delegated Functions, as set forth in Exhibit 1.

“Protected Health Information” means individually identifiable health information that is transmitted by electronic media, maintained in electronic media or transmitted or maintained in any other form or medium except individually identifiable health information and educational records described at 20 USC § 1232g(a)(4)(B)(iv) and employment records held by a covered entity in its role as an employer.

“Provider” means a person or organization who or which is certified, licensed or otherwise legally permitted to provide health care services or supplies.

“Quality Improvement” or “QI” means the continuous quality improvement program to monitor the quality and appropriateness of care and services provided to Members or the quality of the Delegated Functions rendered and their compliance with the terms of this Agreement..

“Risk Management” means that part of the Quality Improvement process involving the reduction and/or prevention of losses and injuries to Members, for identification, analysis, and evaluation of areas of potential loss, and for review of specific incidents (both reported and unreported).

“Systems” means the computer, management and administrative systems that CGI is using and will use to provide the Delegated Functions under the Agreement including, but not limited to Healthation software.

“Term” means the Initial Term and Renewal Terms, if any, as defined in Section 2.1.

## ARTICLE 2 TERM AND TERMINATION

2.1. Duration of Agreement and Renewal. The Initial Term of this Agreement shall commence on the date set forth in the Preamble and extend until December 31, 2016 (the “Initial Term”). This Agreement shall thereafter be automatically renewed for consecutive one (1) year terms (each a “Renewal Term”) if permitted by Applicable Law unless terminated in accordance with this Article 2.

2.2. Effective Date for Delegated Functions. The Effective Date for each Delegated Function to be performed hereunder shall be determined separately and upon written notification by LAHC to CGI. With respect to each Delegated Function, as outlined in the table below, the Effective Date shall be no earlier than the date on which CGI shall assume initial responsibility for performing the function and, as applicable: i) the Day that LAHC has completed its review, including all testing and determined that CGI has met the mutually agreed upon capability criteria in accordance with Section 3.2; and ii) the date an Applicable Regulatory Agency has provided any necessary approval for CGI to assume the Delegated Function. The Parties acknowledge that the Effective Date, with respect to each Delegated Function, must occur on or before January 1, 2014, or as listed in Table 1 below.

ADDENDA – Delegated Function/Date Due	
Delegated Function	Function Start Date /
Claims Processing	1/1/2014
Enrollment	10/1/2013
Printing and Fulfillment (New Member Kit Materials)	10/1/2013
Printing and Fulfillment (Member Communication Materials)	1/1/2014
Premium Billing On Exchange	10/1/2013
Premium Billing Off Exchange	12/1/2013
Member Provider Support Services (pre-1/1/2014)	10/1/2013
Member/Provider Support Services (Post 1/1/2014)	1/1/2014

Notwithstanding any Effective Date above or the effective date in the initial paragraph of this Agreement, this Agreement shall not become effective unless and until a second CO-OP joins the Client Group not later than ten (10) business Days following the date this Agreement is fully executed by LAHC and CGI.

2.3. **Termination on Written Notice.** Any Party may terminate this Agreement, in its entirety or with respect to one or more Delegated Functions, as of the end of the Initial Term or any Renewal Term by providing written notice of termination to the other Party no later than one hundred and eighty (180) Days prior to the end of such Initial Term or Renewal Term.

2.4. **Termination for Cause.** LAHC or CGI may terminate this Agreement, with prior written notice to the other upon one or more of the following, subject to the notice periods set forth below:

2.4.1. Effective immediately if the other Party files a petition in or for bankruptcy, reorganization or an arrangement with creditors, makes a general assignment for the benefit of creditors, is adjudged bankrupt, is unable to pay debts as they become due, has a trustee, receiver or other custodian appointed on its behalf, or has any other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding commenced against it.

2.4.2. Effective as of the date that termination of this Agreement is required by an Applicable Regulatory Agency pursuant to Applicable Law including, but not limited to, exclusion of a Party from participation in federal programs;

2.4.3. Effective as of the date of the other Party's loss of a license necessary to perform the obligations assumed under this Agreement, including CGI's loss of its license to perform one or more Delegated Functions;

2.4.4. Effective upon thirty (30) Days written notice if LAHC or CGI commits a material fraud with respect to its duties hereunder; or

2.4.5. Effective upon thirty (30) Days written notice for failure to cure a material breach identified by the non-breaching Party within thirty (30) Days of such identification.

2.5. Wind-Down. Upon termination, expiration, or non-renewal of this Agreement pursuant to this Article 2, or revocation of delegation of a Delegated Function pursuant to Article 3 or for any other reason, the Parties shall each work in good faith to cooperate and effect a smooth and orderly transition including, without limitation, the following, as determined by LAHC, in LAHC's sole discretion: (1) CGI shall perform one or more Delegated Functions for a period of up to six (6) months after the effective date of termination as requested by LAHC; and (2) LAHC may perform such Delegated Function or redelegate such Delegated Function to a third party. Notwithstanding the foregoing, CGI shall not be required to provide services beyond the effective date of termination in the event that CGI terminates the Agreement for cause in accordance with Section 2.4. Upon completion of any wind down services, CGI shall return all LAHC documents and data to LAHC and all Access shall terminate provided, however, that CGI will retain an archive of the Member data for a period of ninety (90) days or such longer period as the parties may agree in a wind-down plan.

2.5.1. CGI shall comply in good faith with any information requirements and exchanges reasonably requested by LAHC or any third party engaged by LAHC, in formats reasonably required by LAHC or the third party engaged, as necessary to orderly transfer the Delegated Functions, including complying with wind-down protocols reasonably established by LAHC or any third party engaged by LAHC. If some Member or claims records are retained by CGI, CGI shall: i) store said records in accordance with Section 5.1, and ii) provide LAHC and its engaged third parties, auditors, authorized agents, Payors and Applicable Regulatory Agencies with jurisdiction over LAHC with timely Access to said records. During any wind down, CGI shall provide LAHC and any third party engaged by LAHC reasonable Direct Access to CGI facilities, staff, Systems and other resources related to this Agreement or the performance hereunder for purposes of effectuating a smooth and orderly transition.

2.5.2. If the Agreement is terminated due to breach by CGI prior to successful completion of the implementation, or CGI's failure to timely implement the Delegated Functions, CGI shall only be paid for services properly performed through the point of termination, plus expenses to transition pursuant to this Agreement. In the event of any termination of the Agreement for any reason *other than* breach by CGI prior to successful completion of the implementation, or CGI's failure to timely implement the Delegated Functions, any deferred implementation fees pursuant to Exhibit 1 shall immediately become due and LAHC will pay its obligation within thirty (30) days of the effective date of termination. All services provided by CGI after the effective date of termination shall be paid in accordance with Section 2.5.3. CGI shall provide all services after the effective date of termination in the same manner as services were provided prior to the termination, unless otherwise specified by LAHC.

2.5.3. Fees for Wind Down Services. CGI agrees that it shall not be paid any amount for performing the Delegated Functions during a wind down period in addition to its monthly fees at the rates in effect prior to the non-renewal or termination, for a period of six months. Non-prepaid services will be paid in accordance with the rates outlined in Exhibit 1 for a period of six months. The Parties will negotiate in good faith for rates for Delegated Functions services beyond the six-month wind down period. Any services CGI provides that are outside the scope of the Delegated Functions shall be paid at CGI's then-current rates.

2.5.4.

2.6. Survival. Definition of Access, Sections 2.5, 2.6, 3.1, 3.2.3, 3.2.6, 3.3, 3.4.1 and 3.6 (but only to the extent necessary to cover claims arising during the term of this Agreement, any renewals thereof

and any wind-down period), 3.8, 3.9, 3.11, 3.17 through 3.19, 4.4, 4.5, 5.1, 6.3, 6.6, 6.7, 6.11, 6.16, 6.17 and Article 7 shall survive the termination of this Agreement for any reason."

**ARTICLE 3**  
**GENERAL PROVISIONS APPLICABLE TO ALL DELEGATED FUNCTIONS**

3.1. Independent Contractors. LAHC and CGI are independent contractors and separate legal entities. The relationship between LAHC and CGI is reflected in this Agreement, and neither LAHC nor CGI or the employees, servants, agents or representatives of either of them, shall be considered the employee, servant, agent or representative of the other. No provision of this Agreement is intended to create or shall be construed to create any agency, partnership, joint venture or employer-employee relationship between or among LAHC and CGI, or any of their respective employees, servants, agents or representatives or between CGI and any Payor.

3.2. CGI Qualifications & Representations and Warranties.

3.2.1. Legal, Regulatory and Accreditation Compliance. CGI represents and warrants that all Delegated Functions performed hereunder will be in accordance with Applicable Law and Accreditation Agency standards, including without limitation those applicable to LAHC that are provided to CGI by LAHC, subject to Section 6.14.

3.2.2. Licensure. CGI represents and warrants to LAHC that CGI shall at all times during the term of this Agreement be appropriately licensed, bonded and certified, as applicable, and operating in material compliance with Applicable Law in each regional or product market. As required by Applicable Law or as consistent with Accreditation Agency standards, CGI shall obtain, and maintain in good standing all required licenses, bonds and certifications. CGI shall provide LAHC with a copy of its licenses, bonds and/or certifications prior to the Effective Date of any Delegated Function and upon the anniversary date of such Delegated Function thereafter. CGI shall notify LAHC within five (5) Days if any required license, certificate, bond or any other similar requirement is, voluntarily or involuntarily, found to be deficient, is in jeopardy, or is withdrawn.

3.2.3. CGI shall notify LAHC within five (5) Days of any action taken or sanction issued against CGI, and/or any of its employees or contractors, or by any Applicable Regulatory Agency related to its services performed including under this Agreement.

3.2.4. CGI shall submit the following financial information to LAHC upon request as proof of CGI's continued financial solvency:

3.2.4.1. Recent audited financial statements for CGI's parent company (balance sheet, statement of operations, statement of cash flows, and notes to the financial statements).

3.2.4.2. Unaudited financial statements for CGI with an attestation by the CFO on a basis no less frequently than annually. To the extent that CGI is required to provide financial statements for Louisiana TPA licensure or regulatory compliance, LAHC would request copies of said statements. All such financial statements shall be treated as Confidential Information in accordance with this Agreement.

3.2.5. CGI represents and warrants that the CGI personnel who perform the services under this Agreement shall have appropriate training, licensure, and or certification to perform each task assigned to them. CGI shall provide LAHC with a staffing plan outlining the key staff roles that will have primary interaction with LAHC staff. LAHC shall be notified immediately of any staffing

changes for key staff. LAHC reserves the right to request a change in designated CGI personnel as LAHC deems necessary, in LAHC's determination, which may negatively impact successful implementation of all facets of this Agreement. For continuity of service and to guard against loss in productivity, CGI will make a good faith effort to maintain consistent staff performing the delegated functions for LAHC. The key personnel at a minimum are defined as follows:

- Project/Implementation Manager (on site at LAHC through implementation)
- Compliance Officer
- Integration Lead, during implementation

3.2.6. CGI represents, warrants and covenants that (i) it has a valid, legal and non-exclusive license to use the Systems and that such Systems are sufficient to administer all aspects of the Delegated Functions; (ii) it is authorized to place the source codes into escrow pursuant to Section 3.23; (iii) it will retain complete authority and/or rights to use the Systems for the Term of this Agreement and any wind-down or transition period; (iv) it will provide or arrange for maintenance for the Systems so that such Systems remain operational during the term of this Agreement and any wind-down or transition period; (v) there are no other third party entities who have the right to claim control or ownership over the Systems; and (vi) it shall indemnify, defend, at its own expense, and hold LAHC harmless for any and all claims or actions of infringement of copyrights, patents, trademarks or other intellectual property rights that arise or are enforceable under the laws of the United States of America and CGI will pay all settlements, costs, damages and damages, or expenses (including reasonable attorney fees) finally awarded relating to CGI's or LAHC's use of the Systems. CGI agrees to provide LAHC with prompt notice of any claim specified in this section that is made against CGI, LAHC, or the Systems. If such a proceeding claiming infringement in accordance with (vi) above is brought or appears to CGI to be likely to be brought, CGI shall at CGI's expense and with prior written notice to LAHC either obtain the right for LAHC to continue to access the Systems or replace or modify the Systems to resolve such proceeding. If neither of these alternatives is reasonably available to CGI, CGI may be required to terminate LAHC's access, in which case CGI shall cooperate with LAHC's efforts to transition to another vendor and shall pay LAHC's reasonable costs to transition to another vendor. This section states CGI's entire obligation to LAHC and LAHC's exclusive remedy with respect to any claim of infringement. CGI is not responsible for any infringement claim or claimed breaches of the foregoing warranties caused by: (i) modifications made to the Systems by anyone other than CGI and its subcontractors working at CGI's direction; (ii) the combination, operation or use of any System component with other components or items CGI did not supply; (iii) LAHC's misuse of the Systems; or (iv) CGI's adherence to LAHC's specifications or instructions.

3.3. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, INTEGRATION, PERFORMANCE AND ACCURACY, AND ANY IMPLIED WARRANTIES ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE. CGI DOES NOT WARRANT THAT THE SERVICES OR ACCESS TO THE CGI SYSTEM WILL BE UNINTERRUPTED OR THAT THE RESULTS OF THE SERVICES WILL BE ERROR-FREE. CGI DOES NOT GUARANTEE THE ACCURACY OF ANY ADVICE, REPORT, DATA, OR OTHER PRODUCT DELIVERED TO LAHC THAT IS PRODUCED WITH OR FROM DATA OR SOFTWARE PROVIDED BY LAHC.

3.4. Representations and Warranties of LAHC. LAHC represents and warrants to CGI that LAHC is, and at all times during the term of this Agreement shall operate, in material compliance with Applicable Law.

3.4.1 LAHC shall use all commercially reasonable efforts to ensure that Members' Notices of Privacy Practices inform them that an administrative services provider may handle their claims.

3.4.2 LAHC is responsible for the adequacy and accuracy of all data and information that LAHC furnishes to CGI and the results obtained therefrom. LAHC warrants that any LAHC-provided specifications or requirements around which services are configured will be in compliance with Applicable Laws.

3.4.3 LAHC warrants that it (i) will not disclose, download, decompile, or re-engineer any portion of the Systems (ii) will maintain the security of any user or identification codes and associated passwords assigned to LAHC by CGI to enable LAHC and its engaged third parties, auditors and authorized agents to Access the Systems. LAHC agrees that neither it nor its employees or agents will attempt to gain or allow access to any data, files or programs of CGI to which they are not entitled under the Agreement, and that if such access is obtained, LAHC will immediately report such access to CGI, cease all unauthorized access, return all CGI, third party, or CGI customer information obtained as a result of such unauthorized access, and safeguard any CGI, third party, or CGI customer information obtained as a result of unauthorized access to CGI Confidential Information. LAHC will be responsible for the actions of its employees, agents, and permitted contractors in connection with their access to and use or misuse of the Systems.

3.4.4 LAHC warrants that (i) any information, data, and any other materials placed by LAHC and/or Providers, Payors or Members and/or by CGI on the LAHC's behalf onto the Systems ("Content") does not and will not contain unlawful, discriminatory, libelous, harmful, obscene or otherwise objectionable material of any kind and does not and will not violate any right of privacy or publicity, (ii) the Content does not infringe any copyright, patent, trademark or other intellectual property right that arises or is enforceable under the laws of the United States of America, (iii) the Content transmitted during the term of this Agreement and the use of the Systems pursuant to the Agreement will not encourage conduct that could constitute a criminal offense, give rise to civil liability or otherwise violate any Applicable Laws, and (iv) LAHC shall not attempt to gain unauthorized access to other computer systems, any application/service for which LAHC has not paid fees to use, or data and information belonging to others that is also hosted on the Systems. LAHC warrants that it will use all commercially reasonable efforts, including industry-standard processes to avoid propagating computer worms, disabling codes or viruses, or use the Systems to make unauthorized entry into any other computer or machine.

3.5. LAHC's Standards for and Approval of Delegated Functions. LAHC and CGI agree that:

3.5.1 LAHC shall establish terms and standards for the Delegated Functions ("LAHC Standards") which, along with LAHC's interpretation of Applicable Law, Accreditation Agency standards and Payor standards, shall be the standards required for the performance of each Delegated Function described in this Agreement. CGI's performance of any Delegated Function shall not adversely affect the status of LAHC with any Accreditation Agency or Applicable Regulatory Agency. LAHC agrees to indemnify and hold harmless CGI and CGI's Affiliates, and their respective shareholders, directors, officers, employees, agents, and assigns (the "CGI Indemnified") from and against any claims, liability, obligation, costs, or expense, including reasonable attorneys' fees, filed against or incurred by any of the CGI Indemnifieds arising out of CGI's following LAHC Standards if and only if all of the following apply:

- 3.5.1.1 The LAHC Standard is a specific and unique standard developed by LAHC; and

- 3.5.1.2 CGI has raised concerns about the legality of LAHC Standard or its compliance with Applicable Law in writing in advance of the implementation; and
- 3.5.1.3 Despite receiving the written concern, LAHC has, in writing, required CGI to comply with the LAHC Standard.

3.5.2 CGI shall have written policies and procedures for all LAHC Delegated Functions. In accordance with the agreed upon implementation project plan, LAHC shall conduct an initial review of CGI's operations, policies and procedures regarding the Delegated Functions and its readiness to assume each Delegated Function in accordance with the terms of this Agreement. Within thirty (30) Days after the review, LAHC shall determine whether to approve CGI's policies and procedures as satisfying the requirements of Section 3.2.1 and issue a written decision. Notwithstanding the foregoing sentence, LAHC shall review such policies as quickly as possible. At all times this Agreement in effect, CGI shall provide LAHC with Records Access to its policies. If such policies are determined problematic for the efficient and secure operation or are not in compliance with Applicable Law with regard to the Delegated Functions, CGI will implement updated policies in a timely manner to remedy such issues.

3.5.3 As a condition of LAHC delegating one or more Delegated Functions, CGI shall provide a certification by CGI's manager in charge of the LAHC account, as provided in §3.5.2, of the readiness of CGI, including its Systems, to meet the requirements of the Applicable Law with respect to each Delegated Function.

3.5.4 Once reviewed and approved by LAHC, CGI shall maintain each Delegated Function as so approved, unless CGI provides LAHC with prior notice of, and receives approval for, any change to its approved process.

3.5.5 LAHC shall provide CGI with thirty (30) Days prior written notice of any changes to LAHC's delegation standards or other administrative requirements under this Agreement. If the Parties cannot agree on the proposed change within thirty (30) Days, the matter shall be submitted to dispute resolution in accordance with Article 7.

### 3.6. The Relationship between CGI and LAHC.

3.6.1. CGI shall appoint a manager whose responsibility it shall be to serve as the central contact point between CGI and LAHC. As necessary to meet the requirements of this Agreement, the manager shall devote his or her full time efforts to overseeing the Delegated Functions and serving as the liaison between the Parties. LAHC shall have the ability to review the credentials of the manager and approve the manager, including having input on CGI's periodic evaluations of the manager's performance. LAHC's approval shall not be unreasonably withheld.

3.6.2. CGI shall provide, at its own expense, a representative who will be dedicated to the LAHC implementation, and based at LAHC facilities, in order to provide real-time project management updates to the LAHC leadership during the implementation phase through either (i) the commencement of LAHC's commercial business process operations on 1/1/2014, or (ii) the Effective Date of all Delegated Functions, whichever comes first. The Manager referred to in Section 3.2.5 and the representative may be the same person, but shall have the necessary authority within CGI to perform under this Agreement. LAHC shall provide office space and equipment (tools, supplies, telephone lines and service, office support, etc.) for the use by such representative at no cost to CGI. Travel expenses related to the on-site services of such representative would be the responsibility of

CGI, while other travel expenses for necessary CGI personnel assisting with the successful implementation process for LAHC will be reimbursed by LAHC for expenses (i) approved in advance by LAHC's CEO or CFO, and (ii) which are subject to reimbursement under the terms and provisions of LAHC's travel policies. In a timely manner but not later than within thirty (30) days of execution of this Agreement, CGI will provide LAHC with a preliminary implementation plan and within ninety (90) days a mutually agreed upon detailed implementation plan, sufficient to ensure all tasks are completed in accordance with all of the requirements in this Agreement pertaining to the Delegated Functions. The final implementation plan will be incorporated as an Exhibit to this Agreement.

3.6.3. Delegated Functions that require access to Protected Health Information shall be performed by staff members located in the United States.

3.6.4. CGI shall notify LAHC if any lead development staff or individuals considered mission critical to this Agreement, whether employed or independent contractors, are terminated or discontinue work for any reason, and CGI shall inform LAHC of its arrangements to maintain the required performance standards for the Delegated Functions.

3.6.5. CGI shall provide all Delegated Functions acting as LAHC's delegate for respective Delegated Functions, including identifying itself in the manner indicated by LAHC when answering the telephone and corresponding or communicating with Members, Providers and any others on behalf of LAHC.

3.6.6. The Parties acknowledge that LAHC retains ultimate responsibility for the performance of the Delegated Functions and that LAHC may change the scope of the Delegated Functions, impose additional or different performance standards, and review CGI's performance from time to time during the term of this Agreement. LAHC and CGI shall cooperate to agree on the impact and implement any such changes as soon as reasonably possible. If, as a direct result of LAHC's changes to the scope of one or more Delegated Functions, CGI anticipates a net cost increase/decrease for the Delegated Functions performed under this Agreement, CGI shall promptly notify LAHC and LAHC and CGI shall negotiate a payment rate adjustment specific to the scope change according to Section 6.14.

3.6.7. The Parties shall cooperate in good faith to establish and comply with a process to determine, validate, and reconcile the Members that are subject to this Agreement in accordance with Exhibit 1.

3.7. CGI Insurance.

3.7.1. CGI, at its sole cost and expense, shall maintain:

3.7.1.1. comprehensive general liability policies including coverage against any claim or claims for damages arising by reason of personal injury or death occasioned directly or indirectly by CGI or its agents, servants or employees in connection with the performance of any Delegated Function or CGI's responsibilities hereunder, for CGI, its agents, servants and employees consistent with industry standards in the amount of at least five million (\$5,000,000) dollars per occurrence and ten million (\$10,000,000) dollars annual aggregate; and

3.7.1.2. professional liability policies including coverage for errors and omissions arising from professional services rendered in an amount of at least two million (\$2,000,000) per claim and three million (\$3,000,000) annual aggregate.

3.7.2. If such policies are "claims made" policies as distinguished from occurrence policies, prior to termination of such insurance, CGI shall procure and maintain continuing "tail coverage" or similar coverage in the same coverage amounts. CGI shall also maintain (i) workers' compensation insurance, and (ii) any other insurance coverage required to meet minimum requirements of Applicable Law.

3.7.3. CGI shall provide LAHC with evidence of coverage within thirty (30) days following the execution of this Agreement and then annually thereafter upon policy renewal, and shall give LAHC immediate notice of any material changes in insurance coverage, including any notice of cancellation, reduction or material modification.

### 3.8. Indemnification

3.8.1. CGI. CGI agrees to indemnify and hold harmless LAHC and LAHC's Affiliates, and their respective shareholders, directors, officers, employees, agents, and assigns (the "LAHC Indemnifieds") from and against any claim, liability, obligation, costs, or expense, including reasonable attorneys' fees, filed against or incurred by any of the LAHC Indemnifieds arising out of any grossly negligent act or omission or willful misconduct by CGI or any CGI Affiliate or their respective employees, directors, officers, agents, or contractors in connection with their responsibilities under this Agreement. CGI and its Affiliates agree to supply LAHC with information, including documents, contracts or other materials as LAHC reasonably deems necessary within thirty (30) Days of the request subject to more stringent timeline(s) set by the respective Applicable Regulatory Agency, to respond to inquiries by any Applicable Regulatory Agency, or court of competent jurisdiction concerning the matters under this Agreement and all attachments hereto.

3.8.2. LAHC. LAHC agrees to indemnify and hold harmless CGI and CGI's Affiliates, and their respective shareholders, directors, officers, employees, agents, and assigns (the "CGI Indemnifieds") from and against any claim, liability, obligation, costs, or expense, including reasonable attorneys' fees, filed against or incurred by any of the CGI Indemnifieds arising out of any (i) grossly negligent act or omission or willful misconduct by LAHC or any LAHC Affiliate or their respective employees, directors, officers, agents, or contractors in connection with their responsibilities under this Agreement or (ii) breach of Sections 3.4.3 or 3.4.4. LAHC and its Affiliates agree to supply CGI with information, including documents, contracts or other materials as CGI reasonably deems necessary within thirty (30) Days of the request subject to more stringent timeline(s) set by the respective Applicable Regulatory Agency, to respond to inquiries by any

Applicable Regulatory Agency, or court of competent jurisdiction concerning the matters under this Agreement and all attachments hereto.

3.8.3. Indemnification Procedures. A Party's indemnification obligations specified in this Agreement are conditioned upon the indemnified Party timely notifying the indemnifying Party in writing of the proceeding, providing the indemnifying Party a copy of all notices received by the indemnified Party with respect to the proceeding, cooperating with the indemnifying Party in defending or settling the proceeding, and allowing the indemnifying Party to control the defense and settlement of the proceeding, including the selection of attorneys. The indemnified Party may observe the proceeding and confer with the indemnifying Party at its own expense.

3.9. Liability.

3.9.1. Each Party to this Agreement may seek damages resulting from the other Party's breach of this Agreement.

3.9.2. Each Party explicitly waives any right to consequential, special, incidental, indirect, exemplary, or punitive damages (including, without limitation, lost profits, loss of business, loss of data, loss of use, lost savings) under this Agreement, even if a Party has been advised of the possibility of such damages.

3.9.3. If either Party shall become entitled to claim damages from the other Party for any reason (including without limitation, for breach of contract, breach of warranty, negligence or other tort claim), the Party that is liable (the "Party at Fault") shall be liable to the injured Party for an amount equal to the damages sustained by the injured Party; however, in no event shall the Party-at-Fault's total liability in the aggregate for all claims exceed Two Million Dollars (\$2,000,000). The foregoing limitations do not apply to the payment of settlements, costs, damages, and legal fees with respect to any indemnification provided hereunder, or for unauthorized disclosure of Confidential Information due to a breach of Section 3.17. Notwithstanding the foregoing, if there has been a breach of CGI's obligation with respect to Exhibit 5, CGI's total liability to LAHC shall not exceed one hundred twenty-five percent (125%) of the amounts paid by LAHC to CGI under the Agreement. In addition, in the event LAHC in good faith makes any formal demand(s) of, or files any claim(s) against, CGI while this Agreement is in effect for an amount equal to or greater than 50% of the total liability limitation indicated above, then LAHC may, at its option, elect to transition the Delegated Functions to another vendor, and upon completion of such transition terminate this Agreement on notice of such to CGI, notwithstanding any other term or provision herein.

3.9.4 Governmental Sanctions. If any Party, in performing or arranging for the performance of its obligations and responsibilities as set forth in this Agreement, fails to comply with Applicable Law and as a result fines or monetary sanctions are imposed on the other Party, then the Party whose action or inaction failed to comply shall indemnify the Party on which such fine or sanction was imposed for the amount of such fines or sanctions, which shall be considered direct damages and subject to Section 3.9.3.

3.9.5 In no event will CGI be liable for: (i) any damages arising out of or related to the failure of LAHC or its affiliates or suppliers to perform their responsibilities; or (ii) any claims or demands of third parties (other than those third party claims for which CGI has indemnified LAHC).

3.9.6 The limitations of liability set forth in this Section 3.9 will survive and apply notwithstanding the failure of any limited or exclusive remedy for breach of warranty set forth in this

Agreement. The parties agree that the foregoing limitations will not be read so as to limit any liability to an extent that would not be permitted under Applicable Law.

- 3.10 Notification of Applicable Law. Each Party shall use reasonable efforts to notify the other Party if, in its opinion, any act or omission on the part of the other Party in administering the Delegated Functions or providing the services violates a provision of Applicable Law.
- 3.11 Audits and Access. CGI acknowledges and agrees that periodic audits are necessary to monitor the quality and effectiveness of CGI's programs and services to ensure that CGI is able to meet its continuing obligations hereunder. Problems identified by LAHC shall be resolved in accordance with Section 3.13.

3.11.1 Once any Delegated Function has been delegated, LAHC, the Payor(s), and all Applicable Regulatory Agencies shall be entitled to audit CGI (including, without limitation, using onsite visits and document requests) in order to verify performance of CGI's duties under this Agreement. LAHC shall use reasonable efforts to cause Payors to coordinate / combine audits and conduct audits in such a way as to minimize interference with CGI operations. Periodically, LAHC will review documentation pertinent to this Agreement, including without limitation, CGI's applicable policies and procedures (e.g., Claims Administration, Medical Management, Quality Improvement, data collection, clinical criteria, medical records) and other documents, records and information necessary to determine the adequacy of CGI's performance pursuant to this Agreement. LAHC may engage a third party to assist it in conducting the audit, provided that: (a) the third party agrees in writing to maintain Confidential Information, and (b) LAHC retains final authority with respect to such audits. If LAHC discovers deficiencies during the audit, it shall issue a corrective action request within thirty (30) Days of completing the audit, and provide guidance to CGI in connection with CGI's responsive corrective action plan. LAHC shall be permitted to re-audit CGI quarterly until the corrective action plan has been implemented. CGI shall provide LAHC, or any Applicable Regulatory Agencies with jurisdiction over LAHC or CGI, immediately upon request with copies of financial reports of CGI's parent company. If CGI provides documents to an Applicable Regulatory Agency, CGI shall contemporaneously provide copies of such documents to LAHC. CGI agrees to provide the right to audit CGI's records with respect to its performance of this Agreement to the Comptroller General and the U.S. Department of Health and Human Services or its designees for ten (10) years or for periods in excess of ten (10) years as necessary to complete an audit, provided, however, CGI has been notified prior to the end of the ten (10) year period of the need for such continued Access. Provided that CGI has complied with its obligations under Section 2.5, the foregoing shall not be interpreted to require CGI to retain LAHC documents and data or any Member data beyond the retention period specified in Section 2.5.

3.11.2 At all times that CGI is performing a Delegated Function, LAHC, all of LAHC's designees, all Payors and all Applicable Regulatory Agencies shall be permitted Direct and Records Access to CGI's operations, facilities, records, Systems, and staff performing the Delegated Function. LAHC shall provide CGI with advance notice of any on site visit unless prohibited by Applicable Law.

3.11.3 Subject to Section 6.14, the Parties shall comply with each others' reasonable recommendations regarding the performance of Delegated Functions and associated time frames to implement any recommendations arising from such audits, including corrective actions, as provided in Section 3.11. CGI shall cooperate with LAHC, Payors, and third party auditors.

3.11.4 Subject to Applicable Laws, CGI shall provide LAHC and any third party engaged by LAHC with Records Access to claims payment records, credentialing files, medical management and medical records, and any other documents pertaining to Members. CGI shall provide Direct and Records Access to Payors, Accreditation Agencies and all Applicable Regulatory Agencies during the term of this Agreement and for all periods afterwards as required by Applicable Law. The obligations of this Section shall survive termination of this Agreement for any reason whatsoever for so long as CGI is required to retain records hereunder.

3.11.5 Subject to Applicable Law and notwithstanding any other provision in this Agreement, the Parties will permit all Access contemplated by this Agreement for purposes of effectuating smooth and orderly transitions and wind-down.

3.11.6 Annually during the term of this Agreement, CGI will provide LAHC with an independent service auditor's report compliant with SSAE No. 16, describing whether Healthation's description of its System controls used by CGI to prevent, detect, and correct errors or omissions in the information reported to LAHC are fairly presented and whether the controls over that system were suitably designed. This service auditor's report shall be at no expense to LAHC.

3.11.7 Where applicable for the purpose of this section, LAHC's third party auditor must provide LAHC's written authorization to act as its external auditor and will then be deemed to be LAHC's representative. No proposed auditor will be a competitor of CGI. Any third party auditor will execute a non-disclosure agreement reasonably acceptable to CGI. All audit reports contemplated by this section and their content will be deemed Confidential Information and will be subject to the confidentiality provisions contained in this Agreement.

3.12 Compensation. LAHC shall compensate CGI in accordance with the provisions in Exhibit 1. Compensation for each Delegated Function will begin upon the Effective Date for each pursuant to Section 2.2.

3.13 Corrective Action Plan Procedure. If LAHC reasonably determines that CGI is not performing a Delegated Function in accordance with Section 3.2.1 or any other provision of this Agreement, the following procedures shall apply:

3.13.1 LAHC shall issue a corrective action request ("CAR") to CGI;

3.13.2 Upon receipt of such CAR, CGI must: (a) promptly respond to LAHC in writing disputing the determination; or (b) if CGI does not dispute the determination, then (i) if reasonable and possible, take immediate action if such is indicated in the CAR, and (ii) submit to LAHC a corrective action plan ("CAP") within thirty (30) Days of receipt of the CAR (unless otherwise specified in the CAR) that includes specific time frames for achieving compliance;

3.13.3 CGI shall immediately implement the CAP, provided that LAHC may reject (or amend) a CAP if LAHC reasonably determines that such CAP is inadequate. If LAHC rejects a CAP, LAHC and CGI shall work together to develop a mutually agreeable CAP. LAHC may audit CGI according to the Audit and Direct Access provisions of this Agreement to determine CGI's compliance with the CAP;

3.13.4 If the Parties cannot agree on a CAP or in the event of repeated noncompliance with any material provisions of a CAP or noncompliance in more than one regional or product market, then LAHC may, in addition to any other remedy provided hereunder, revoke delegation of

one or more Delegated Functions that are the subject of the CAR, identify a third party to perform such Delegated Function, or assume responsibility for performing the Delegated Function subject to the approval of any Applicable Regulatory Agency. If any such third party is engaged to perform one or more Delegated Functions, then CGI shall reimburse LAHC for the difference between (i) the compensation agreed upon between LAHC and CGI for the applicable Delegated Function, and (ii) the compensation paid to the third party and cost incurred by LAHC.

3.13.5 If CGI fails to comply with a CAP or notifies LAHC that it has determined that it is unable to comply with a CAP, then LAHC, in its sole discretion may take one or more of the following actions:

3.13.5.1 amend the time to comply with a CAP; or

3.13.5.2 increase the frequency of review and audits; or, provide CGI with LAHC's resources to perform; or

3.13.5.3 any combination of the above; or

3.13.5.4 revoke any or all Delegated Functions immediately upon written notice to CGI.

During any CAP process, LAHC may reduce payments to CGI for the Delegated Functions that are the subject of the CAP, in accordance with the Service Level credits outlined in Exhibit I.

3.13.6 If a Delegated Function is revoked in accordance with this Section 3.13 and LAHC determines, in LAHC's sole discretion, that one or more Delegated Functions must be transitioned, the Parties shall each work in good faith to cooperate and effect a smooth and orderly transition including, without limitation, the following as determined by LAHC in LAHC's sole discretion: (1) CGI shall perform such Delegated Functions for the period of time requested by LAHC; and (2) LAHC may resume performing such Delegated Function or re-delegate such Delegated Function to a third party.

3.13.7 CGI shall comply, at LAHC's expense, in good faith, with any information requirements and exchanges reasonably requested by LAHC or any third party engaged by LAHC, in formats reasonably required by LAHC or the third party, as necessary for the orderly transfer of Delegated Functions, including complying with the transition protocols reasonably established by LAHC or the third party. If some Member or claims records are retained by CGI, CGI shall: i) store said records in accordance with Section 5.1, and ii) provide LAHC and its engaged third parties, auditors, authorized agents, Payors, and Applicable Regulatory Agencies with jurisdiction over LAHC with timely Records Access to said records. During any transition period, CGI shall provide LAHC and any third party engaged by LAHC reasonable Records, Direct or Personnel Access to CGI facilities, records, staff, Systems, and other resources related to this Agreement or the performance hereunder for purposes of effectuating an orderly and smooth transition.

3.13.8 Immediate Revocation of Delegated Functions. LAHC may revoke delegation of a Delegated Function immediately upon notice if:

3.13.8.1 CGI, in performing the Delegated Function, threatens the health or safety of a Member, or fails to comply with Applicable Law, or may subject LAHC to

regulatory or legal actions from any Applicable Regulatory Agency, including CMS, or an Accreditation Agency; or

3.13.8.2 CMS or any Applicable Regulatory Agency acts or threatens to act to issue an adverse finding against LAHC with respect to a Delegated Function, including revoking its license, terminating any contract; or imposing any sanction or fine; or

3.13.8.3 two (2) consecutive CARs for the same or similar performance standard in Exhibit 1 fail to result in CGI achieving substantial compliance with the standards for the Delegated Function; or

3.13.8.4 two (2) consecutive CARs fail to result in timely and complete submission by CGI of claims, encounter data, and any other data required to satisfy HEDIS (to the extent otherwise required under this Agreement), in formats specified herein.

3.14 Sub-Delegation & Location of Performance. CGI may not sub-delegate any Delegated Function or any task included as a portion of a Delegated Function without the prior written approval of LAHC and, as required, Applicable Regulatory Agencies, provided that LAHC acknowledges that CGI has subcontracted hosting of the Systems by Healthation. All services and Delegated Functions must be performed within the United States.

3.15 Participation In Meetings, Task Forces, and Committees. At any time multiple CO-OPs belong to the Client Group, the Parties and CO-OPs belonging to the Client Group shall form a Joint Operations Committee ("JOC") which shall be comprised of the following representatives from CGI: the manager, as provided in §3.5.2, representatives from each CO-OP in Client Group as determined by CO-OP, which may include an operations executive, plus leadership from claims, customer service and other areas as determined by the Client Group. The JOC shall discuss and review all activities related to or involving the delivery of the Delegated Functions. The JOC shall meet at least monthly and there shall be a standing list of agenda items for addressing issues related to the Delegated Functions.

3.16 NCQA Accreditation. CGI shall comply with Accreditation Agency standards with respect to its performance of each Delegated Function or portion thereof subject to Section 6.14, and shall actively support LAHC in activities related to NCQA accreditation with respect to performance of the Delegated Functions.

3.17 Protection of Confidential Information.

3.17.1 Confidential Information. LAHC and CGI agree that in the process of contracting and performing the services contemplated by this Agreement each is expected to disclose or exchange Confidential Information. This Confidential Information may have competitive value in the market. The Parties desire to preserve and protect the confidential nature of the Confidential Information and acknowledge that disclosure of the Confidential Information would cause the Party that owns the Confidential Information and is making the disclosure (the "Disclosing Party") substantial and irreparable harm. The Parties agree to receive and hold all such Confidential Information in confidence, whether relating to CGI or LAHC, whether presented in oral, electronic, or written form, and to use it only for the purpose of carrying out their respective obligations under this Agreement, irrespective of whether the information independently qualifies as entitled to legal protection.

3.17.2 Nondisclosure. Neither Party shall, without the prior written consent of the other, sell, market, or disclose (directly or indirectly, in whole or in part) Confidential Information to any third person, firm, corporation, entity, or association, or take any action or make any disclosure that permits any third person, firm, corporation, entity, or association to use or benefit from such Confidential Information. The Parties further agree that they will adhere to, and fully comply with, any additional restrictions or limitations as may be specifically indicated on the documents or information disclosed to them, or as may be otherwise communicated to them in writing by the Disclosing Party or its representative. Such additional restrictions or limitations, or the lack thereof, on any documents or information disclosed by either Party shall not negate in any way the general requirements of this Agreement.

3.17.3 Restrictions on Use of Confidential Information. The Parties will use the Confidential Information solely for the purposes of carrying out their responsibilities under the Agreement, and neither will use the information in any way, directly or indirectly, for any other purpose or in any way that may be detrimental to the other Party. Without prior written consent of the Disclosing Party, the Receiving Party will not disclose, discuss, or make known the Confidential Information to any third party or entity. Each Party will ensure that its employees, agents, and affiliates who receive such Confidential Information are made aware of the obligation to maintain the Confidential Information in confidence and will not disclose such Confidential Information to any third party. Each Party shall require that all of its employees, agents, and contractors who provide services pursuant to this Agreement execute an agreement with that Party ensuring that such individuals will protect all Confidential Information and Protected Health Information. This employee agreement can be a general agreement to maintain confidentiality and need not specifically reference this Agreement.

3.17.4 Subpoenas and Requests for Disclosure. If a Receiving Party is requested or required by legal process to disclose any Confidential Information, the Receiving Party shall promptly give notice of such request or requirement to the Disclosing Party, so that the Disclosing Party may, at its own cost and expense, seek an appropriate protective order, or in the alternative, waive compliance to the extent necessary to comply with the request or order. If a protective order is not obtained, or if a waiver is granted, the Receiving Party may disclose only so much of the Confidential Information as is required by the court order or permitted by the waiver.

3.17.5 Protected Health Information. The Parties further agree that to the extent Protected Health Information is disclosed by a Party hereto, the Receiving Party will adhere to the privacy and security standards of Applicable Law, including specifically, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH") and as hereafter adopted or amended, as well as any and all applicable health information standards, rules, guidelines, regulations, and laws of the United States or of any states where the Parties conduct business, or of Accreditation Agencies. Such data, whether contained in claim or medical records, other written records, electronic records, facsimiles, electronic mail, or any other similar format, shall not be disclosed to any person, except (a) to any employee or agent of LAHC or CGI to the extent such employee or agent has an identifiable need, as determined by the Disclosing Party, for such information and such information is necessary to carry out the responsibilities set forth in this Agreement; (b) to the extent necessary under Applicable Law; or (c) upon the express consent of the Party. The Parties further incorporate by reference, as if fully stated herein, the Business Associate Agreement, attached hereto as Exhibit 5.

3.17.6 Remedies. Each Party hereby agrees that its breach or threatened breach of this Section 3.17 would cause serious and irreparable injury to the other Party and, therefore, each

non-breaching Party, in addition to any other remedies at law or in equity it may have, shall be entitled to equitable relief, including without limitation, injunctive relief and specific performance.

**3.17.7 Termination of Agreement.** The Parties agree that upon the termination of the Agreement for any reason, they will promptly return or destroy in accordance with the Disclosing Party's instructions (or as specifically indicated on the document or information itself), the original and all copies and extracts of any Confidential Information, and all copies of any analyses, compilations, studies or other documents prepared by them containing or reflecting any Confidential Information. The Parties further agree that the confidentiality obligations of this Agreement shall survive the termination of the Parties' contractual relationship and that, thereafter, neither Party will use, reveal or divulge any Confidential Information, except as specifically provided in this Agreement. Subject to the continuing confidentiality obligations hereunder the Receiving Party (i) shall not be obligated to erase the information contained in archived computer system backups in accordance with its security and/or disaster recovery procedures, and (ii) may maintain one copy of any of the information in the Receiving Party's records in accordance with the Receiving Party's usual, customary, and prudent business practices, including secure destruction of the records following the end of the Receiving Party's record retention period, as may be required by the Applicable Law.

**3.17.8 No License.** The disclosure of Confidential Information under this Agreement will create no license, right, interest, or ownership in any such Confidential Information in the Receiving Party. Each Party agrees that all Confidential Information is and shall remain the exclusive property of the Disclosing Party.

**3.18 Member Communications.** CGI shall not send any form or other communication to any Member unless such form has received prior approval by LAHC. CGI and LAHC shall cooperate to establish processes for CGI to submit Member communications and for LAHC to approve or to obtain approval for them, as required.

**3.19 No Incentive to Reduce or Deny Medically Necessary Care or Interfere with Member Communications.** CGI shall not provide incentives to deny, limit, or discontinue Medically Necessary services. Nothing contained in this Agreement is intended by LAHC to be a financial incentive or payment that directly or indirectly acts as an inducement for the CGI to limit Medically Necessary services.

**3.20 Cooperation with LAHC Quality Improvement Activities.** Notwithstanding CGI's assumption of responsibility for performing certain Quality Improvement (QI) activities in Article 4 of this Agreement, CGI acknowledges LAHC's obligation to conduct QI activities. CGI agrees to cooperate with LAHC's QI activities.

**3.21 Screening for Individuals Excluded from Federal Programs.** CGI agrees not to employ or contract with an individual or entity that is excluded from participation in Medicare, Medicaid, or another governmental program, or with an entity that employs or contracts with such an excluded individual or entity. CGI agrees to maintain a system consistent with industry standards for monitoring and periodically re-monitoring its employees and contractors to ensure compliance with this requirement.

**3.22 Business Continuity.** The Parties shall mutually agree on and CGI shall implement the business continuity plan, which shall be appended to this Agreement as Exhibit 4. Such plan shall address security, joint management oversight, power management, hazard protection, resilience, system

continuity, back-up, emergency preparedness, incident management, disaster recovery, testing, and quality assurance. As specified in the plan, CGI shall either (i) set up and maintain a Cold Site or (ii) contract to create and maintain a Hot Site.

**3.23 Source Code Escrow.** During the Term, CGI shall place into escrow, with Escrow Agent, all Deposit Materials. During the term of this Agreement, CGI shall update the Deposit Materials from time to time. Any and all fees and expenses associated with establishing and maintaining the aforesaid source code escrow shall be borne solely by CGI, and CGI will be solely responsible for establishing the source code escrow arrangement with the Escrow Agent. CGI shall certify to LAHC, no later than the earliest Effective Date, complete compliance with all conditions in this section of the Agreement.

If, during the Term of this Agreement, CGI becomes insolvent within the meaning of §2.4.1 or the Agreement is terminated by LAHC for CGI's breach as provided in Sections 2.4.2, 2.4.3, 2.4.4 or 2.4.5 or CGI ceases ongoing business operations, including temporarily for a period expected to last five Days or longer or loses key programming staff, rendering it incapable of performing the Delegated Functions, LAHC may instruct the Escrow Agent to release all Deposit Materials to LAHC, subject to the provisions of any escrow agreement that the Parties and the Escrow Agent may enter. For the avoidance of doubt, no breach of this Agreement other than those specifically stated in this paragraph will allow LAHC to instruct the Escrow Agent to release Deposit Materials to LAHC.

If the Deposit Materials are released to LAHC as aforesaid, CGI hereby grants LAHC an irrevocable, world-wide, paid-up, and royalty-free right and license to use the software, the Deposit Materials, and each manual, workbook, and any other materials made available to users during the Term in connection with the Access or use of the platform by users, and to use, modify, and create derivative works therefrom (including any source codes) for the sole purpose of supporting LAHC's use of the software for the purposes contemplated herein. Such right and license shall be limited in duration to the unexpired Term of the Agreement, plus any period needed to transition to another system or Vendor at LAHC's option. If the Deposit Materials are released to LAHC as aforesaid, LAHC shall be permitted to allow Access and use thereof by third-party vendors providing software support services for LAHC, provided that such third parties may use the Deposit Materials solely to provide services in connection with maintaining the functionality of the software, and not for their own benefit or for the benefit of any other third party, and each third-party vendor providing such services must enter into a written confidentiality agreement prior to gaining Access to the Deposit Materials agreeing not to use or disclose the Deposit Materials except as permitted in this paragraph.

#### **ARTICLE 4** **QUALITY IMPROVEMENT.**

**4.1. Responsibility for Quality Improvement.** The Parties agree that CGI's obligation to conduct quality assessment and quality improvement activities pursuant to this Article 4 is in addition to any quality assessment or quality improvement activities of LAHC.

**4.2. Quality Improvement Committee.** CGI shall maintain a QI Committee to evaluate its performance of each Delegated Function performed under this Agreement and develop and implement ongoing recommendations to improve the processes and procedures for each Delegated Function undertaken under this Agreement. CGI shall supply LAHC with minutes and reports of its QI Committee.

**4.3. Cooperation.** CGI shall cooperate with and participate in QI related activities as set forth herein and shall assist and cooperate with any LAHC QI activities.

4.4. Investigations. CGI shall fully cooperate with any quality of care investigation initiated by LAHC as the result of Member or Provider complaints or grievances or an adverse event. CGI shall institute any reasonably recommended actions resulting from such investigation.

4.5. Quality Reporting. CGI shall maintain records of all activities of its QI Committee and shall report on its Quality Improvement Activities to LAHC and to Applicable Regulatory Agencies as required.

## ARTICLE 5

### ***DATA RETENTION, CREATION, COLLECTION AND PERFORMANCE REPORTING***

5.1. Retention. CGI shall retain all records, documents, and information (i) as required by Applicable Law, and (ii) in accordance with LAHC's then current policies and procedures, whichever is more restrictive. CGI has provided LAHC with copies of CGI's current records retention policies and procedures. CGI shall periodically review and update, as necessary and appropriate, its retention policies so as to maintain its compliance with Applicable Law and this Agreement. Prior to the destruction of any records related to its performance under this Agreement, CGI shall give LAHC notice of the records scheduled to be destroyed and the opportunity to have those records retained at LAHC's own expense.

5.2. Performance Reports. For each Delegated Function, CGI shall collect data and monitor its performance according to the frequency and in the formats as mutually agreed by the deadlines contained in Exhibit 1. CGI's failure to meet a deadline shall subject CGI to the corrective action program set forth in Section 3.13.

5.3. Data Transmission. CGI shall furnish, at no expense to LAHC, any and all,; staffing and Systems necessary to receive from and transmit to LAHC or its designee data required to be exchanged hereunder, and will allow Access to and provide to LAHC or its designee all data required by Applicable Law, PPACA, LAHC, or Accreditation Agency standards including any documentation, records, files, or data necessary to perform the functions delegated under this Agreement.

5.4. HIPAA Standard Transaction Sets for Electronic Exchange.

CGI will additionally support electronic exchange of data for the purposes of loading the system, maintaining records of eligibility and benefits, supporting functions of CGI, and integrating with LAHC. CGI will support all of the following in the HIPAA standard format indicated, or in a proprietary format if required by LAHC or a Payor:

5.4.1. Health Care Eligibility Benefit Inquiry and Response ASC X12N 270/271

5.4.2. Health Care Claim Status Request and Response ASC X12N 276/277

5.4.3. Health Care Services Review-Request for Review and Response ASC X12N 278

5.4.4. Benefit Enrollment and Maintenance ASC X12N 834

5.4.5. Health Care Claim Payment/Remittance Advice ASC X12N 835

5.4.6. Health Care Claim: Professional/Institutional ASC X12N 837P/837I

5.4.7. Electronic Premium Payment/PPACA – 820 health care premium payment

5.5. Other Electronic Exchange

CGI will support all HIPAA standard transaction formats including those indicated, as well as other standardized formats in accordance with PPACA and as required by LAHC or any Applicable Regulatory Agency or Accreditation Agency. CGI will support electronic exchange, in proprietary format, as follows:

Benefits Accumulators

Employer Group Data  
Benefit Plan Data  
Claims Adjudication Logic  
Provider Demographic, Credentialing and Provider Network Information

## ARTICLE 6 GENERAL PROVISIONS

6.1. Entire Agreement; Modification. This Agreement, its Attachments and Appendices constitutes the entire understanding of the Parties and supersedes any and all prior written or oral agreements, representations, or understandings regarding the specific subject matter hereto. Except as otherwise set forth herein, no modifications, discharges, amendments, or alterations to this Agreement shall be effective unless signed by both Parties.

6.2. Invalid Provisions. It is understood that any provision of this Agreement which is determined to be in violation of any Applicable Law shall be null and void and that no such provision shall affect the validity or enforceability of any of the other provisions of this Agreement; provided, however, that if a provision of this Agreement which materially affects the financial terms and conditions of this Agreement is deemed null and void in accordance with this Section, the Parties shall negotiate in good faith modifications to such financial terms and conditions that are in compliance with Applicable Law. If the Parties cannot successfully renegotiate such financial terms and conditions of this Agreement within thirty (30) Days, the matter shall be submitted to arbitration pursuant to Article 7.

6.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana without giving effect to the principles of conflicts of law.

6.4. Compliance with Law. At all times during the Term of this Agreement and any renewal thereof, CGI and LAHC each agree to comply with Applicable Law. LAHC agrees to pay directly or reimburse CGI for any taxes arising out of the CGI's performance under the Agreement, excluding taxes on CGI's net income and all employer reporting and payment obligations with respect to its personnel.

6.5. No Waiver. No responsibility, condition, or undertaking contained in this Agreement may be waived except by the written agreement of the Parties. Forbearance or indulgence in any other form by either Party in regard to any responsibility, condition, or undertaking to be kept or performed by the other Party shall not constitute a waiver thereof, and until complete satisfaction or performance of all such responsibilities, conditions, and undertakings have been satisfied, the other Party shall be entitled to invoke any remedy available under this Agreement, despite any such forbearance or indulgence.

6.6. Notices. All notices, requests, demands, and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given on the Day of delivery if personally delivered; the following Day if sent for next Day delivery by a recognized overnight delivery services as verified (e.g., Federal Express); and upon receipt, if sent by certified or registered mail, return receipt requested, to the address in the initial paragraph of this Agreement.

6.7. Ownership of Records. The Parties acknowledge and agree that each party's business records, including but not limited to those related to the Delegated Functions, including Member eligibility, benefits, policies and procedures, Benefit Plans, and Covered Services, shall remain the property of such Party, unless as otherwise required by Applicable Law. The Parties agree that, as between the Parties, all data relating to Delegated Functions are the property of LAHC.

6.8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original; however, all shall constitute one and the same Agreement.

6.9. Headings. The Section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof. Any attachments, Exhibits, Appendices, tables, or schedules referred to herein and/or attached or to be attached hereto are incorporated herein to the same extent as if set forth in full herein.

6.10. Assignment and Delegation.

6.10.1. This Agreement, and the right to receive payment hereunder, may not be assigned by CGI, and none of the duties assumed by CGI under this Agreement may be delegated or subcontracted to any Person without the prior written approval of LAHC, which approval shall not be withheld unreasonably. CGI shall provide thirty (30) Days prior written notice to LAHC of a proposed assignment, subcontract, or delegation of any duty described hereunder to an Affiliate. Any attempt by CGI to assign this Agreement or any rights hereunder, or subcontract any duties hereunder without the prior written consent of LAHC, shall void the attempted assignment.

6.10.2. LAHC shall be permitted to assign this Agreement to any Affiliate or successor organization.

6.10.3. All provisions hereof shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors and permitted assigns of the Parties hereto.

6.11. No Third-Party Beneficiaries. This Agreement is not a third party beneficiary contract and shall not in any manner whatsoever confer any rights upon or increase the rights of any Member with respect to LAHC or the duties of LAHC to any Member.

6.12. Communications. Any public announcement of this Agreement shall be subject to the mutual approval of the Parties.

6.13. Non-Exclusive Arrangement. The Parties acknowledge that this is not an exclusive arrangement.

6.14. Change Orders.

6.14.1. Either Party may propose changes to the Delegated Functions under this Agreement. Requests for changes will be submitted to the other Party in writing for consideration of feasibility and the likely effect on the cost, schedule, and service levels for performance of the Delegated Functions. The parties will mutually agree upon any proposed changes, including resulting equitable adjustments to costs and schedules for the performance of the Delegated Functions. The agreed changes will be documented in an amendment to the Agreement ("Change Order").

6.14.2. Response and Addenda supplied by CGI. The order of precedence should be determined as follows: CGI will be entitled to an equitable adjustment in the schedule for performance, service levels, and/or the compensation otherwise payable to it under the Agreement if the net effect of all (i) changes in Applicable Law and actions and standard directed by Applicable Regulatory Agencies or Accreditation Agencies causes a material increase in CGI's cost of performing services under this Agreement; and (ii) action or inaction by LAHC prevents CGI from or delays CGI in performing its services (CGI should provide the policies and procedures to meet all requirements so as to not delay the service). In such event, the parties will mutually agree upon a Change Order documenting the adjustments.

6.14.3 Change Control Process: Modifications to existing processes or maintenance of processes. Following contract signing, the parties will document and mutually agree to a change control process that at a minimum addresses and outlines the following:

- Process Summary,
- Identification and Documentation of Change Request
- Impact Analysis
- Approval of Change Requests
- Implementation of Approved Change Requests
- Closing of Change Requests
- Change Request Monitoring
- Change Request Meetings

6.15 Priority of Documents. If any conflict exists between the provisions of this Agreement and any Applicable Law, Exhibit or any policy implemented after the effective date of this Agreement (collectively, the “Documents”), the Parties agree that the Documents shall be interpreted in the following order of priority:

- 1) Applicable Law shall govern all Documents, and all Documents shall be applied in a manner consistent therewith;
- 2) The Agreement shall supersede any conflicting provision in another Document;
- 3) The terms of any Exhibit shall supersede any conflicting provision in any policy or any other writing or oral agreement.

6.16 Internet Not Secure. Electronic transmissions over the Internet are not secure, and CGI does not warrant the security or privacy of any transmissions, messages, conduct or communications by LAHC or any third party. CGI shall monitor and disclose any conduct, content, or communications on the Systems to the extent necessary to protect the Systems, identify or resolve service problems, protect the rights and property of CGI and its customers, or as otherwise permitted or required by Applicable Law. Notwithstanding the foregoing, CGI does not have the practical ability to restrict conduct, content, or communications that might violate this Agreement before it occurs on the Systems, nor can CGI assume any liability for any action or inaction with respect to such conduct, content, or communications. The foregoing provisions do not affect or negate CGI’s obligations to fulfill its security obligations with regard to the Systems as part of CGI’s performance of any Delegated Functions.

6.17 Nonsolicitation. During the term of the Agreement and for twelve (12) months after its expiration or termination, neither Party will, either directly or indirectly, solicit for employment or employ (except as permitted below) by itself (or any of its affiliates) any employee of the other Party (or any of its Affiliates) who was involved in the performance of the Party’s obligations under the Agreement, unless the hiring Party obtains the written consent of the other Party. The actual damages attributable to a breach of the provisions of this Section would be difficult to determine and prove. Accordingly, the parties agree that if either Party breaches this Section, the breaching Party will promptly pay the non-breaching Party liquidated damages in an amount equal to the employee’s annual salary (including bonuses and incentive compensation) prior to the breach, such sum being a reasonable measure of the damages reasonably anticipated by the parties. The foregoing provision will not (i) prohibit a general solicitation of employment in the ordinary course of business or prevent a Party from employing any employee who contacts such Party as a result of such a general solicitation; or (ii) be read so as to limit employment opportunities to an extent that would not be permitted under Applicable Law.

6.18 Force Majeure. Neither Party shall be liable for any damages for delays or failure in performance under the Agreement caused by acts or conditions beyond its reasonable control, without its fault or negligence, which could not have reasonably foreseen or prevented by reasonable precautions. Such acts or conditions (each a “Force Majeure”) shall include, but not be limited to: acts of God or of the public enemy; civil war; insurrections or riots; acts of war; acts of government; acts of terrorism; fires; floods; storms; explosions; earthquakes or accidents; unusually severe weather; epidemics or public health restrictions; strikes or labor troubles causing cessation, slowdown or interruption of work; and other similar events, or any event referred to above preventing a subcontractor from performing its obligations under a subcontract. In the event of a Force Majeure, (i) the Party experiencing the Force Majeure shall exercise due diligence in endeavoring to overcome any Force Majeure impediments to its performance and shall provide prompt notice to the other Party of the Force Majeure; and (ii) the time for performance shall be extended by a period equal to the delay caused by the Force Majeure and, if warranted, the fees payable to CGI shall be equitably adjusted.

## **ARTICLE 7**

### ***DISPUTE RESOLUTION***

If any controversy, dispute, or claim (“Dispute”) between the Parties arises out of or relates to this Agreement, which the Parties cannot settle by good faith negotiation between them during the time frames set forth herein, the Parties agree that the Dispute shall be resolved by mediation or arbitration. Financial issues that cannot be resolved between the Parties within thirty (30) Days of the identification of the issue by either Party shall proceed directly to arbitration. The Parties agree to take the following measures to resolve the Dispute:

7.1 Internal Dispute Resolution Process. The Parties shall work together in good faith to resolve all Disputes. Disputes shall include all operational matters regarding the implementation of this Agreement, and all issues over amounts due. Either Party may give the other notice of a Dispute. Notices shall be addressed as set forth in Section 6.6. If the Dispute is not resolved within fifteen (15) Days by the Parties directly involved (or their designees), it shall be forwarded to the CEOs (or their designees) of LAHC and CGI for resolution within fifteen (15) Days. If the Dispute is not resolved, each Party shall select a mediator. The two mediators shall select a third mediator who will resolve the Dispute. During any Internal Dispute Resolution Process described in this Section 7.1, the Parties agree to toll any time limits applicable to appeals or external remedies.

7.2 Alternate Dispute Resolution.

7.2.1 If the Dispute is not resolved within sixty (60) Days in accordance with Section 7.1, above, the Parties shall submit it to mediation, which shall be conducted in the State of Louisiana in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Mediation.

7.2.2 If the Dispute has not been resolved to the satisfaction of both Parties following conclusion of the mediation in Section 7.2.1, then the Dispute shall be submitted to arbitration in Louisiana in accordance with the arbitration rules of the American Health Lawyers Association (AHLA) Alternative Dispute Resolution Service, or such other dispute resolution service as the Parties may agree. The arbitration shall be commenced by either Party submitting a notice to the other of the intent to commence arbitration and by notifying the AHLA Alternative Dispute Resolution Service in Washington, D.C.

7.2.3 The Parties covenant and agree to be bound by the decision of the arbitrator or, if applicable, the decision of a majority of the arbitrators. The arbitrator(s) shall apply Applicable Law, and shall have the jurisdiction to decide all claims between the Parties. The arbitrators shall also have the power to decide procedural matters in accordance with the rules of the AHLA Alternative Dispute Resolution Process, and shall not be bound to state or federal evidentiary or procedural rules. The arbitrator(s) shall issue findings of fact and conclusion of law, and shall be bound by Applicable Law. Any court(s) having jurisdiction over the Parties may enter judgment upon the award rendered by the arbitrator(s). The Parties each agree to pay their own legal fees and expenses in connection with the arbitration and, in addition, to pay one-half of the cost of the arbitration, including fees charged by the arbitrator(s).

7.2.4 During any alternate dispute resolution procedure pursuant to this Section 7.2, the Agreement shall remain in full force and effect, provided that LAHC continues to meet its payment obligations to CGI during the pendency thereof. If amounts due to CGI or refunds to LAHC are the subject of the dispute, the Party that is claimed to owe the funds / refunds shall place the funds into escrow. All arbitration proceeding evidence and decisions shall be confidential.

7.3 Financial Issues. LAHC and CGI may, at their option, agree to submit disputes regarding any payment or compliance with financial terms hereunder to an independent third party auditor or actuary for purposes of resolving such dispute pursuant to mutually agreeable terms.

## ARTICLE 8 *EXHIBITS & APPENDICES*

The following Exhibits and Appendices are attached to and incorporated into this Agreement by reference:

Exhibit 1	Payment Terms
Exhibit 2	Claims Administration Services
Exhibit 3	CGI Information Technology Security Plan
Exhibit 4	CGI Business Continuity Plan
Exhibit 5	Business Associate Agreement
Exhibit 6	Enrollment Services
Exhibit 7	Printing, Fulfillment, and Ancillary Services
Exhibit 8	Software Configuration and IT Related Services
Exhibit 9	Premium Billing and Collection Services
Exhibit 10	Member & Provider Support Services
Exhibit 11	Participants in Client Group
Exhibit 12	Project Implementation Plan

IN WITNESS WHEREOF, this Agreement has been duly executed by the authorized representatives of LAHC and CGI.

LOUISIANA HEALTH COOPERATIVE, INC.

BY: \_\_\_\_\_

Terry S. Shilling

ITS: Chief Executive Officer

DATE: \_\_\_\_\_

3/21/2013

CGI TECHNOLOGIES AND SOLUTIONS, INC.

BY: \_\_\_\_\_

[[NAME]]

JODY K. BEASLEY

ITS: [[TITLE]]

VICE PRESIDENT

DATE: \_\_\_\_\_

March 21, 2013

**EXHIBIT 1**  
**Payment Terms**

1. **Implementation Fees.** LAHC shall pay a total of \$707,500.00 toward the cost of CGI's services implementing the Systems. The implementation fee shall be payable in the following increments:

Payable at contract execution	\$175,000
Payable Dec 31, 2013	\$133,500
Payable Dec 31, 2014	\$133,000
Payable Dec 31, 2015	\$133,000
Payable Dec 31, 2016	\$133,000

Each new member joining the Client Group will have an implementation fee designed for the scope of services and the timeframe required, that will be separate and unique.

As the initial investment made by the LAHC and LAHC will enable additional members to leverage elements of the initial implementation, LAHC and LAHC will receive credits, equally shared between them, for each new member that joins the Client Group for a minimum of three years based on the date that the new member's contract is executed:

<u>Date</u>	<u>Amount</u>
Before March 31, 2013	\$50,000.00
April 1 - December 31, 2013	\$40,000.00
After December 31, 2013	\$30,000.00

LAHC shall pay its portion of the implementation fee, net of any credit resulting from additional insurers in the Client Group as described above, within thirty (30) Days of receiving an invoice from CGI.

2. **Monthly Fees.** LAHC shall be responsible for paying monthly fees which shall include all Delegated Functions described in the Agreement and Exhibits unless a separate fee is contained in this Exhibit 1. Beginning October 1, 2013, the Client Group shall be responsible for paying monthly fees according to the following schedule:

<b>Membership</b>	<b>PMPM</b>
1 to 35,000 (35,000 minimum)	\$4.12
35,001 to 42,000	\$4.00 for all Members
42,001 to 49,000	\$3.88 for all Members

49,001 to 52,000	\$3.78 for all Members
52,001 to 60,000	\$3.68 for all Members
60,001 to 100,000	\$3.30 for new Members and \$3.68 for first 60,000 Members
100,001 to 150,000	\$3.20 each additional Member
150,001 to 175,000	\$3.10 each additional Member
175,001 to 200,000	\$3.00 each additional Member
200,001 to 225,000	\$2.85 each additional Member
225,001 to 250,000	\$2.76 each additional Member

Until the 35,000 monthly minimum membership is reached, the minimum monthly fees of \$144,200 will be evenly divided among the Client Group participants. The monthly fees shall be shared by all insurers belonging to the Client Group. For purposes of determining each insurer's share of the monthly fee, CGI shall combine their total Members for all insurers as of the first Day of the previous month. CGI shall then apportion the total monthly fee among all insurers according to the number of Members enrolled through each as a percentage of the total Members enrolled through all as of the first Day of the previous month. LAHC shall pay its portion of the monthly fee within thirty (30) Days of receiving an invoice from CGI.

For example, if the Client Group contains CO-OP A with 100,000 Members and CO-OP B with 50,000 Members, the monthly fee would be calculated as follows:

$$150,000 \text{ Members} = (60,000 \times 3.68) + (40,000 \times 3.30) + (50,000 \times 3.20) = 512,800 / 150k = \$3.42 \text{ pmpm}$$

CO-OP A pays \$341,867; CO-OP B pays \$170,933

3. Healthation Access Fee. LAHC shall be responsible for paying monthly access fees to CGI which CGI shall pass through directly to Healthation. Beginning October 1, 2013, the Client Group shall be responsible for paying monthly access fees according to the following schedule:

Membership Range	PMPM
1 to 30,000 Members (30,000 minimum)	1.21 per Member
30,001 to 50,000	1.21 each additional Member
50,001 to 100,000	1.16 each additional Member
Above 100,000	0.96 each additional Member

Until the 30,000 monthly minimum membership is reached, the minimum monthly access fee of \$36,300 will be evenly divided among the Client Group participants. The monthly access fees shall be shared by all insurers belonging to the Client Group. For purposes of determining each insurer's share of the monthly access fee, CGI shall combine the total Members for all insurers as of the first Day of the previous month. CGI shall then apportion the total monthly access fee among all insurers according to the number of Members enrolled through each as a percentage of the total Members enrolled through all as of the first Day of the previous month. LAHC shall pay its portion of the Healthation access fee within fifteen (15) Days of receiving an invoice from CGI.

For example, if the Client Group contains CO-OP A with 100,000 Members and CO-OP B with 50,000 Members, the monthly Healthation fee would be calculated as follows:

$$150,000 \text{ Members} = (50,000 \times 1.21) + (50,000 \times 1.16) + (50,000 \times 0.96) = 166,500/150k = \$1.11 \text{ pmpm}$$

CO-OP A pays \$111,000; CO-OP B pays \$55,500.

4. **Direct Expenses.** LAHC shall reimburse CGI at its actual cost for the following direct expenses: postage, paper, card stock, ink, electronic data interchange costs, and such other direct expenses as the Parties may agree in advance. LAHC shall pay this monthly fee within fifteen (15) Days of receiving CGI's invoice. CGI is expected to act as a "prudent purchaser" and thus shall provide cost estimates and invoices for all initial activities in this area, to LAHC Finance Department for review and approval, and upon periodic request. CGI shall supply cost estimates and invoices during any audit or annual oversight meeting to demonstrate that CGI is acting as a competitive, prudent purchaser in the marketplace. Examples include:

**PRINTING AND FULFILLMENT FEES:** Will be billed separately according to volume and services

ITEM	RATE
<b>LETTERS</b>	
-Folding/Finishing/Metering	\$0.0849 per piece
-Envelope	\$0.0195 per piece
-Return Envelope	\$0.0180 per envelope
-Paper	\$0.0060 per piece
-Print	\$0.0056 per piece
-Presort	\$0.0285 per piece
<b>OTHER</b>	
-Welcome and Renewal Kits	\$0.60 per kit (8 to 12 components)
-Labels	\$0.0095 per piece
-ID Card Stock	\$8,000 per m (10,000)
-ID Card Print	\$0.0171 per piece
-Envelopes	\$0.5168 per piece
-Overnight Shipping	\$2.50 per piece
-Postage Pass through	Actual postage with no mark up at presorted rate

5. **Credits.** Any payments due from LAHC shall be reduced by the amount of the credit(s) accrued as provided below. If CGI's invoice does not reflect the credit, then LAHC shall be entitled to submit a revised invoice showing the calculation of the credit and the explanation therefor, along with payment of the net balance due. If a dispute arises over whether LAHC is entitled to a credit, LAHC shall place the disputed amount of the payment into escrow and pay the balance to CGI while pursuing the dispute resolution procedures in Article 7.

6. **Service Level Credits**

Service Levels shall be in force beginning with the third month that plan Members receive benefits from the plan. Service level credits shall be calculated as indicated for each Service Level Specification listed

below. Without limiting any of LAHC's rights or remedies, should CGI fail to attain one or more Service Level Specifications, LAHC shall be entitled to the corresponding Service Level Credit, to be applied to the next succeeding invoice(s) but calculated based upon the applicable month's Monthly Fee. The maximum amount of all Service Level Credits payable for which CGI may be liable for failure to meet the Service Levels described below in any given monthly billing period will not exceed ten (10) percent (10%) of the Monthly Fees (pmpm) in Section 2 of this Exhibit 1, except as provided below. Nothing in this Section 6 Service Level Credits shall limit LAHC's ability to invoke the corrective action procedures in Section 3.13 of the Agreement.

Dept.	Service Level	Measurement Frequency	Service Level Specification	Service Level Credit
Claims	Clean Claim Processing Timeliness	Monthly	99.5% of Clean Claims will be adjudicated (paid or denied) within 30 Days of receipt	15%
Claims	Unclean Claim Processing Timeliness	Monthly	100% of all unclean claims will be adjudicated (paid or denied) within 60 Days of receipt	10%
Claims	Claims Processing Accuracy - Procedural	Monthly	97% of adjudicated claims will be adjudicated with clerically accurate processing	5%
Claims	Claims Processing Accuracy - Financial	Monthly	99.5% of total dollars paid, for all claims adjudicated	15%
Member Service	Abandonment Rate	Monthly	Abandonment rate for all calls that have made it to the queue in a month shall be no greater than 4%.	5%
Member Service	Telephonic Average Speed of Answer	Monthly	80% of calls shall be answered within 30 seconds	10%
Member Service	Non-telephonic electronic contact response speed	Monthly	CGI Staff will respond to 100% of non-telephone inquiries whether made by facsimile, electronic mail or web inquiry within one business day	5%
Member Service	Maximum resolution time	Monthly	99.5% of all telephone and written inquiries will be resolved/closed within 21 Calendar Days	10%
Enrollment	Enrollment File loading	Monthly	CGI will load enrollment/eligibility files from the state or federal Health Insurance Exchange (HIX), cooperative website, third party "private" exchanges, or paper submissions into the claim/eligibility system within one (1) Day of receipt. Timeframe begins when a valid file is received by CGI	5%
Enrollment	ID Cards	Monthly	CGI will mail ID cards within five (5) days of completing an accepted enrollment.	5%

Auth	Prior Authorization file loading	Monthly	CGI will load prior authorizations into the system within one (1) Days of receipt. This 1 Day timeframe begins when a valid file is received from LAHC	10%
System	CGI System Availability	Monthly	CGI system will be available 99.75% of scheduled uptime for LAHC users	5%
Premium Billing	Premium Billing Accuracy	Monthly	97% of the Members' premium bills will be financially accurate.	5%

In addition, CGI agrees to add extra weighting to two of the above SLAs that measure claim accuracy and timeliness. (**Clean Claim Processing Timeliness and Claims Processing Accuracy - Financial**)

- CGI will allow 125% of the maximum weighting value on these two SLAs.
- If CGI misses either of these SLAs in two consecutive months, the weighting factor will be increased by 150% and the maximum cap is also increased by 150%.
- At the end of each calendar year LAHC may re-assign one or both of these extra weighting factors from the two service levels described above to a different service level.

The Service Level Credit will be calculated as follows:

- Service Level Credit = A times B times C
  - A is the Monthly Fee or PMPM charge billed for the month in Section 2 of this Exhibit 1
  - B is ten percent (10%) (amount at risk)
  - C is the Service Level Credit percentage for the Service Level(s) missed for the month (if any).

Example: If the total Monthly Fees in Section 2 of this Exhibit 1 are \$100,000.00, then A = \$100,000; B = \$10,000 and C = 5% for System availability for a resulting Service Level Credit of \$500.00.

**7. Payment Terms.** Service Fees may be invoiced on the first (1<sup>st</sup>) Day of the month for the prior month's Delegated Functions. The invoice shall be accompanied by the Service Level summary report to allow LAHC to determine and verify Service Level Credit status. LAHC will have Access to the data and report details for further review as necessary.

All fees and expenses are to be paid to CGI in United States Dollars, by electronic funds transfer to an account designated by CGI or by check sent to Bank of America, c/o CGI Technologies and Solutions Inc. at 12907 Collections Center Drive, Chicago, IL 60693. CGI's invoices are due and payable in full within thirty (30) days from the date of the invoice. If LAHC withholds any invoiced amount which it disputes in good faith, LAHC must pay all undisputed amounts on the invoice within the agreed payment period and promptly notify CGI of the specific amount in dispute and the reasons why it disputes the amounts. CGI and LAHC will work together in good faith to resolve any timely disputed amount in a prompt and mutually acceptable manner. If a disputed amount is not resolved within thirty (30) days after the original payment due date receipt, the parties will resolve such dispute as provided in Article 7. LAHC will pay any disputed amounts within five (5) days after the dispute has been resolved. Disputes with respect to invoiced amounts will be waived unless the invoiced amounts are either paid or the

disputes are raised in writing as provided in this Section. If LAHC withholds payment of any amount due under an invoice without following the procedures set forth above, or if LAHC withholds all payment for two months or more, CGI may suspend performance. CGI will provide LAHC with fifteen (15) days prior written notice before suspending performance. CGI will resume performance within a reasonable period of time after the payment dispute is resolved.

Late Payment Interest. If LAHC does not pay an invoice when due, CGI may add an interest charge of one and one-half percent (1 1/2%) per month, or the maximum rate allowed by law if less; this interest will begin to accrue on the day after the payment due date and will accumulate on the outstanding balance on a daily basis until paid in full.

**EXHIBIT 2**  
**Claims Administration Services**

CGI shall perform the Claims Delegated Function in accordance with Agreement and the terms of this Exhibit 2.

**1. CGI Obligations.**

- 1.1 Financial Guaranty. CGI shall provide any financial guarantee required to obtain certification as a Third Party Administrator.
- 1.2 Claim Payment. CGI shall accurately process and pay claims, as applicable, for Covered Services provided to Members by Participating Providers according to the payment terms (timeliness requirements and rates) in the Participating Provider Agreements. CGI shall process and pay claims for Covered Services provided to Members by Providers *other than* Participating Providers in accordance with the non-Participating Provider Payment Rates.
- 1.3 Claim Adjudication. CGI shall develop a method that must be approved in advance by LAHC and in accordance with Applicable Law for:
  - 1.3.1 Determining Covered Services, paying claims, and tracking utilization for LAHC's Benefit Plans;
  - 1.3.2 Identifying and processing clean and unclean claims (as those terms are defined in Applicable Law), and timely redirecting misdirected claims, if any, to the applicable payor; and drafting payment for clean claims, consistent with Applicable Law.
  - 1.3.3 Collecting and submitting to LAHC all encounter data in the format agreed between the Parties (including data from claims processed by and/or redirected to and/or processed by CGI) for Providers as required by Applicable Regulatory Agencies and/or Accreditation Agencies pertaining to Covered Services;
  - 1.3.4 Transmitting denial notifications to Members and Providers, explanations of benefits to Members, and explanations of payments to Providers in such formats and with such frequency as mutually agreed to in writing by the Parties;
  - 1.3.5 Transmitting initial authorizations and denial notifications, including notice of appeal rights timely to Members and Providers;
  - 1.3.6 Tracking and reporting on its performance of the Claim Administration function using agreed upon reporting formats, not limited to those metrics identified in the Service Level Credits section of Exhibit 1 of the Claims Administration function, using agreed-upon formats; and

- 1.3.7 Tracking, reporting, and reconciling with a Payor's records Member deductible usage and benefit accumulators.
- 1.4 Claim Monitoring. If any Participating Providers are paid on other than a fee-for-service basis, CGI shall assist LAHC to correct encounter under-reporting, incomplete and/or inaccurate encounter reporting by Participating Providers. CGI shall provide LAHC with documentation of results of monitoring activities and all corrective actions taken to address such under-reporting incomplete and/or inaccurate encounter reporting.
- 1.5 Submission of Claims. CGI shall establish a mailing address for providers to submit claims directly to the delegated entity for covered services and communicate this address to participating providers. CGI shall also communicate to Participating Providers that claims for Covered Services provided to Members are required to be submitted directly to CGI. CGI shall provide LAHC with a monthly management report regarding misdirected claims and documenting its process for identifying misdirected claims.
- 1.6 Interest on Late Paid Claims. If CGI fails to pay claims within time frames required by Applicable Law, CGI shall be responsible for paying any required interest penalty to Providers. However, to the extent that such interest penalty is due, in whole or in part, to the actions or failure to act of LAHC or a Payor (including failure to timely fund claims), then as between CGI and LAHC, LAHC shall be responsible for paying that portion of the interest penalty.
- 1.7 Claims Administration Performance Standards. In addition to the requirements in the Agreement, CGI shall meet the performance standards in Exhibit 1. CGI shall comply with all Applicable Law and Accreditation Organization requirements to which LAHC is subject with respect to any denial or appeal of claim payment in all communications made to Members, and use only language that has been reviewed and approved by LAHC.
- 1.8 Fraud, Waste & Abuse and Coordination of Benefits. CGI shall cooperate with LAHC's program to detect patterns and practices indicating fraud, waste and abuse and shall capture coordination of benefits information and report it to LAHC in a mutually agreed-upon format.
2. Current Coding. CGI's claims processes shall be compliant with the most current versions of the American Medical Association's Current Procedural Terminology ("CPT") codes the Healthcare Common Procedure Coding System ("HCPCS") code sets, the International Classification of Diseases, 9<sup>th</sup> edition or 10<sup>th</sup> edition, when effective ("ICD9" or "ICD10") code sets, Centers for Medicare & Medicaid Services ("CMS") guidelines and national coverage determinations and the CMS Correct Coding Initiative ("NCCI").
3. LAHC Obligations
- 3.1. If LAHC receives claims from Participating Providers for services to Members, LAHC shall timely transmit them to CGI for processing and payment. LAHC and CGI shall create a management report regarding misdirected claims, document the process to identify misdirected claims, and shall provide said report to CGI monthly and work cooperatively with CGI to minimize incorrect claim submissions.

- 3.2. LAHC shall provide CGI with Access to the payment provisions of LAHC contracts with Participating Providers and other provisions necessary to ensure CGI's compliance with all legal, regulatory, and contractual requirements, which shall be considered Confidential Information in accordance with Section 3.17 of the Agreement.
- 3.3. LAHC shall provide CGI with information on Member eligibility, including changes to Member eligibility, through its Member Services Center and will provide information on Member eligibility changes from internal electronic sources (website, brokers, etc.) when received..
- 3.4. Claims Data. CGI shall transfer "claims paid" data and reports for claims paid for Covered Services to Members by Providers occurring in the previous week to LAHC by the Tuesday of each week, or other mutually agreed date. Such claim data shall be in a mutually agreed upon format and shall include, but not be limited to, claims received, ratio of clean to non-clean claims, claims adjusted, claims paid, claims denied, claims suspended, errant claims submissions, interest owed, claims paid to non-Participating Providers, and average time between receipt and adjudication of clean and non-clean claims. Within ten (10) Days of receipt of a transmission from LAHC of claims for services to Members which were incorrectly submitted, CGI shall provide LAHC with a confirming list acknowledging receipt and processing of all such claims.
- 3.5. Encounter Data. On request, CGI shall transfer encounter data and reports for encounter activity to LAHC according to mutually agreed schedules and formats.
- 3.6. Aged Claim Reports. CGI shall, by the fifteenth (15<sup>th</sup>) Day of each month for monthly reports and within ten (10) Days following the end of each quarter, transmit to LAHC aged claim reports that detail at a minimum the following data: the number of claims received, processed, approved, denied, or pending, as well as the average time for processing claims (i.e., number and percent of claims processed and paid or unprocessed within 30, 60, 90, 120 and 120+ Days.
- 3.7. Benefit and Deductible and Out-of-Pocket Accumulators. On request, CGI shall cooperate with LAHC efforts to determine and track historical accumulator information. CGI shall track accumulator data associated with Members, which information shall be shared between LAHC and CGI on a mutually agreed upon schedule and format.
- 3.8. Maintenance of Information on Member Eligibility, Covered Services, Provider Participation. CGI shall receive, retain, and apply weekly reports updating Member eligibility for Covered Services as well as changes to the Covered Services and Participating Providers, and shall integrate this information into its claims processing function.
- 3.9. Payor Fund Files. The Parties shall agree to establish an Account at a mutually agreed upon financial institution. The Parties further agree to establish mutually agreed upon payment terms, timelines, and procedures to meet all prompt payment requirements and other related Applicable Laws. CGI shall maintain information on the balances in Payor funding files by Payor name, and shall communicate daily funding requirements, fund balances, fund expenditures, etc., to LAHC as requested. CGI shall notify LAHC's CFO of any Payor's failure to adequately and timely fund claims. LAHC shall have Remote Access to CGI Payor Fund Files. On request, at any time LAHC administers Administrative Service Only ("ASO") Benefit Plans for other payors, the Parties shall agree to establish the respective Account, payment terms, timelines, and procedures to meet all prompt payment requirements and other related Applicable Laws. The Parties, and any prospective ASO Client representative, shall meet to finalize the operational flow of funding for the ASO payor to the applicable account in order to ensure timely payment.

LAHC shall maintain information on the balances in the ASO Payor funding files by ASO Payor name, and work with the ASO Payor to ensure all daily funding requirements, fund balances, fund expenditures, etc. are adequate for ongoing operations. LAHC and ASO Payor shall also ensure that CGI will be provided Remote View Access to ASO Payor Fund File Accounts as needed. CGI shall notify LAHC's CFO of any ASO Payor's failure to adequately and timely fund claims.

- 3.10. Ad Hoc Reporting. CGI agrees to provide up to 500 hours annually of additional ad hoc reporting as reasonably requested by LAHC in order to complete oversight of claims processing and/or denial activity and any other reporting required by CMS, or another Applicable Regulatory Agency or body or to meet Accreditation Agency standards.
- 3.11. Capturing Payor Override Information. On request, CGI shall have a system for capturing information concerning all claims paid by a Payor, which system shall, at a minimum, deduct the amount paid from the proper account, report on the level, amount, and type of Payor claim payments, as well ensure that the data is included appropriately in its cumulative utilization and claim payment statistics.
4. Payor Payments. CGI acknowledges that LAHC and any payor for whom LAHC is providing administrative services retains the right and final authority to pay any claim for their respective Members, regardless of the delegation of such claim adjudication function to CGI. CGI shall pay such claim upon notice.
5. EOBs, Notices of Appeal Rights. CGI shall ensure that each paid claim is accompanied by the appropriate notice, containing all information required by Applicable Law and Accreditation Agency standards and guidelines, including a description of the applicable appeal process, availability of external review, and the correct addresses for notifying state insurance department contacts and federal Department of Labor contacts and other contacts, as applicable.
6. Handling of Appeals. CGI acknowledges that appeals by Members or others, including Providers acting as a Member's authorized representative (collectively referred to hereinafter as the "Claimant") relating to an organization determination must be directed to LAHC or its designee as soon as reasonably possible for processing. CGI acknowledges that expedited appeals must be processed within 48 hours or as soon as the Member's condition requires. Upon receipt of a Member appeal, CGI shall, as required to meet the expedited time frame, provide LAHC with all records regarding such appeal and all necessary information required to process such appeal including, without limitation, any supporting documentation, such as review by persons of the same medical specialty as the physician ordering the care. For urgent appeals, this information shall be transmitted to LAHC or its designee no later than twelve (12) hours following receipt of the information reasonably indicating that an appealable dispute exists. For standard appeals, this information shall be transmitted to LAHC or its designee no later than one Day following receipt of the information reasonably indicating that an appealable dispute exists. LAHC shall inform CGI of the outcome of the appeal within one Day of the rendering of a decision. CGI shall comply with any full or partial reversal of payment above, or by an external appeals agency.

**EXHIBIT 3**  
**CGI Information Technology Security Plan**

*To be supplied by CGI by May 31, 2013*

**EXHIBIT 4**  
**CGI Business Continuity Plan**  
*To be supplied by CGI by May 31, 2013*

**EXHIBIT 5**  
**Business Associate Agreement**

**EXHIBIT 6**  
***Enrollment Services***

CGI shall provide enrollment services in accordance with the Agreement and this Exhibit 6. CGI will process and maintain enrollment and eligibility information of Members and ensure the completeness of the enrollment information.

CGI is responsible for verifying the eligibility of Members for benefits under the Plan based on the information provided by the employer units, Members and LAHC.

CGI will receive and process enrollment data in both hard copy and electronic format from multiple sources:

- State Health Insurance Exchange (if applicable)
- Federal Health Insurance Exchange
- Third Party Exchanges
- LAHC website
- Paper

CGI will collect and maintain HIPAA compliant and demographic information on each Member within the eligibility system.

CGI will provide electronic scanning, storage, and retrieval for health enrollment forms submitted for initial enrollment and enrollment/status changes.

CGI is responsible for providing full administration of the Consolidated Omnibus Budget Reconciliation Act (COBRA).

CGI agrees to provide any eligibility data to state or federal insurance exchanges as required.

CGI agrees to provide eligibility data to third party entities as required by LAHC.

CGI will load enrollment/eligibility records from the state or federal Health Insurance Exchange (HIX), cooperative website, third party "private" exchanges, or paper submissions that are verified as complete into the claim system within one (1) Day of receipt.

**Enrollment Performance Standards.** In addition to the requirements in the Agreement, CGI shall meet the performance standards in Exhibit 1. CGI shall comply with all Applicable Law and Accreditation Organization requirements to which LAHC is subject.

## EXHIBIT 7

### *Printing, Fulfillment, and Ancillary Services*

CGI shall provide printing, fulfillment, and ancillary services in accordance with the Agreement and this Exhibit 7. CGI is responsible for assisting in the design of, as well as printing and distribution of, customized brochures, forms, and other Member/provider material with LAHC's approval, as necessary and required to install and administer the services to Members, employer units, and LAHC. CGI shall seek written approval for all Member fulfillment activities, including, but not limited to: quality, stock replenishment, and order size via a detailed project plan established in cooperation with LAHC designee(s). Examples of these Member materials are, but not limited to:

- ID Card
- Welcome Kits
- Provider Directories
- Explanation of Benefits (EOB)
- Explanation of Payment (EOP)
- Billing Statements
- Surveys
- Delinquent and termination notifications
- Informational Letters
- Benefit Summaries
- Provider Manuals (upon request)
- Ballots, Annual meeting materials

CGI is responsible for producing and mailing Member ID cards, and mailing ID cards to the Member's home address within five Days under the following circumstances:

- Initial enrollment of the Plan
- New hires of Group employees
- Enrollees who change coverage category (e.g. single to family)
- Replacement of lost cards
- Upon request of a Member

CGI will conduct at least one (1) Member satisfaction survey annually. The format and process for conducting the survey must be presented to and approved by LAHC prior to conducting the survey.

Printing, Fulfillment, and Ancillary Services Performance Standards. In addition to the requirements in the Agreement, CGI shall meet the performance standards in Exhibit 1. CGI shall comply with all Applicable Law and Accreditation Organization requirements to which LAHC is subject with respect to the services provided in this Exhibit 7.

**EXHIBIT 8**  
***Software Configuration and IT Related Services***

CGI shall provide software configuration and IT related services in accordance with the Agreement and this Exhibit 8. CGI will be responsible for the setup, configuration, and administration of all functions of the Healthation software system with LAHC approval.

Appropriate setup and configuration of the software is expected in order to allow the following business functions to be effectively performed:

- Enrollment census management
- Online consolidated invoicing
- Collections
- Agent management and agent commission accounting
- Open enrollment & renewal processing
- Edi (electronic data interchange) for claims, enrollment and other file transfers
- Eligibility file transfer to claims administrator and other vendor and service providers
- Claim processing and auto-adjudication.
- Inbound/outbound transactions and interfaces from state or federal insurance exchanges
- Cobra administration and processing (generation of letters, invoices, etc.)
- Role based security
- Provide information to call center for billing and commissions questions and support
- Provide information to call center to support enrollment/eligibility/claim questions
- Monthly invoice distribution services
- Late notice and termination notice distribution services
- Premium collection and cash processing
- Premium and other fee remittance to all parties
- Reconciliation of commissions and other payments with third parties
- Reconciliation of eligibility with other carriers
- Report generation
- LAHC Access to data

CGI will provide the reporting referenced in the Healthation Core Administrative System Catalog of Reports to LAHC and access to the Healthation Data Warehouse utilizing Microsoft SQL Reporting Services (SSRS), Microsoft SQL Analysis Services (SSAS), and Analyzer™ by Strategy Companion for use by LAHC for development/support of custom or ad-hoc reporting.

CGI will provide a secure provider service website where routine provider service inquiries can be handled. Information available through this website must include, but is not limited to, eligibility and benefits information, deductible accumulation, claim status, and on-line viewing of provider vouchers or payments.

CGI will provide a secure Member website/portal allowing Access to information such as benefit review, plan summary, out-of-pocket and deductible balances, and claims activity

CGI will assure that System availability and business continuity is a priority for the delegated services. System availability must meet at least 99.75% availability during a calendar month and all cause of outage incidents must be reported to LAHC. CGI shall propose a plan to LAHC outlining its strategies and approaches for implementation of Disaster Recovery and Business Continuity for LAHC. CGI should outline the merits of that strategy including tradeoffs that apply to an appropriate balance between

operational efficiency, and risk mitigation. Production infrastructure shall be architected for recovery to an alternate site. In the event of a disaster to the primary physical hosting site, CGI shall have the ability to recover and be fully operational in an alternate site. CGI will assure that LAHC shall not be subject to loss of data. System backup schedules and recovery standards and timeframes shall be defined in the CGI business continuity plan. However the system must, at a minimum, provide for full daily backups and regularly scheduled incremental backups. The Recovery Point Objective (RPO) shall not be greater than 12 hours and the Recovery Time Objective (RTO) shall not be greater than 24 hours.

CGI's Business Continuity / Disaster Recovery Plan shall address how CGI shall safely recover LAHC information or data in the event of a disaster without compromising the integrity of any required or dependent synchronizations between dependent systems. CGI shall submit the Disaster Recovery Plan to LAHC at the agreed upon time and prior to the implementation of any disaster recovery site.

CGI shall notify LAHC 48 hours in advance for scheduled outages unless otherwise agreed upon in a given instance.

All web portals, IVRs, and call centers shall comply with Applicable Laws, including NCQA standards.

CGI will provide training to LAHC employees on the chosen software platform.

CGI/Healthation system will support the integration of, and data exchanges with, LAHC and/or any party vendors that LAHC has retained to provide services on behalf of LAHC. (i.e. a pharmacy benefits manager or medical management vendor). Any new integrations after initial implementation, as defined in a mutually agreed-upon detailed implementation plan as specified in Section 3.5.2, will be addressed via the change control process and for ongoing standard maintenance as needed. These information exchanges can be performed via:

- Web services
- HIPAA Transactions
- Custom Extracts or API's

CGI/Healthation system will comply with Exhibit 3.

Software Configuration and IT Related Services Performance Standards. In addition to the requirements in the Agreement, CGI shall meet the performance standards in Exhibit 1. CGI shall comply with all Applicable Law and Accreditation Organization requirements to which LAHC is subject with respect to the services provided in this Exhibit 8.

Ad Hoc Reporting. CGI agrees to provide up to 500 hours annually of additional ad hoc reporting as reasonably requested by LAHC.

CGI will provide LAHC information on the platform and access to the reporting infrastructure for LAHC technical staff to have the ability to run reports specific to LAHC data.

**EXHIBIT 9**  
***Premium Billing and Collection Services***

CGI shall provide premium billing services in accordance with the Agreement and this Exhibit 9. CGI will provide and maintain a premium billing and accounts receivable system which is capable of producing monthly statements, tracking account balances, receiving payments, and documenting payment histories for insurance premiums for both group and individual plans.

The billing and receivable system will manage insurance premium reporting and collection for the Plan and be capable of pro-rating monthly premium contributions based on the Member's eligibility date.

CGI shall direct the initial Member enrollee premium contributions to a lockbox account specifically established for premium collections in accordance with policies and procedures as mutually agreed upon by the Parties. LAHC acknowledges that it has authorized the use of the designated bank lockbox account for the primary purpose of safely and securely receiving premiums and transferring those funds daily to the designated LAHC account(s). CGI will maintain a system to track, report, and reconcile all related lockbox financial transactions.

CGI shall establish a premium billing procedure for the accurate invoicing and collection of premiums, on a monthly, quarterly, semi-annual, or annual cycle as appropriate from persons who receive health coverage through LAHC, in accordance with the relevant policies established and regulations promulgated and provided by the LAHC to CGI in writing. CGI shall establish appropriate accounting controls, policies, and procedures to account for premiums and fees collected on LAHC's behalf and amounts owed to LAHC by such persons who receive health coverage through LAHC.

CGI shall report to LAHC, on a monthly basis, the amounts billed to each eligible Member. CGI shall adjust premium rates due to change in attained age, address, level of coverage, mode of payment, employer/employee premium contribution requirements, rate guarantee period, and duration and/or number of insured lives in accordance with LAHC's table of rates.

The billing statements will be based on the employer/employee premium contribution requirements as authorized by LAHC.

Employer Premium billings may include three sections:

- Employer unit billing statement that includes remittance information and a summary of the unit's current amount due and any past due amount,
- Premium billing section that includes a current list of employees participating in the unit, the last 4 digits of the participant's Social Security numbers, payroll locations (if used by the relevant unit), life face value and premium amount, health premium, and the total premium for each employee, and
- Past due detail analysis section that lists information regarding any past due amounts.

Individual market premium billings may include three sections:

- Billing statement with remittance information and a summary of the current amount due and any past due amount,
- Premium billing section that includes a current list of participating dependents, the last 4 digits of all participants' Social Security numbers, and health premium, and
- Past due detail analysis section that lists information regarding any past due amounts.

In addition to paper billings, CGI will produce an electronic billing file containing all employer unit statements and provide these to LAHC. CGI shall have the capability to accept credit card payments from Members and to comply with all Applicable Laws regarding such types of premium bills. CGI will pursue maximizing the Member's payment via credit card, ACH, or EFT remittance processes. LAHC will draft appropriate Member communications for those paying by check to encourage automatic payment methods. CGI will ensure that these communications are delivered as part of the Members' premium bills.

Each check received by CGI shall be logged in the mailroom. CGI shall secure live checks in a deposit safe immediately to be forwarded to the lock box.

CGI shall implement security controls requiring the presence of two authorized staff to retrieve live checks from the deposit safe and total the day's deposit, and shall deposit the initial Member premium contributions in an account specifically established for premium collections in accordance with policies and procedures approved by LAHC. CGI shall deposit checks on the same day as they are received. CGI will maintain a system to track and report all financial transactions, which system shall be subject to the approval of the Client Group.

At least daily, CGI shall reconcile all checks which have been submitted to CGI for reconciliation in the format agreed upon by CGI and LAHC. In the event that LAHC exercises its option to cease using CGI for the aforementioned purposes, any new method of reconciliation of checks that LAHC uses must permit CGI to execute timely processing of applications, premium credits, and claims payments, and ensure appropriate fraud controls are in place.

In the event that an applicant remits a partial premium payment for the initial policy period, CGI shall notify the applicant of the underpayment and request payment of the balance owed as soon as possible, but no longer than the earlier of ten (10) calendar days following receipt or five (5) days before the effective date of coverage. In the event the balance due is not received within 30 calendar days, CGI will refund the partial payment to the applicant with an appropriate explanation that the application was rejected for failure to remit the premium in full. For initial and recurring premiums, CGI shall administer premiums in accordance with LAHC's tolerance levels for specific products ("tolerance level" being defined as the maximum difference between the amount billed and the amount received from an insured for which LAHC will accept such payment).

CGI shall provide up to one invoice, two late notices, and one phone call regarding premiums not received by the due date and in accordance with the relevant policies established and regulations promulgated and provided by LAHC to CGI in writing. Premiums not received by the premium due date shall result in termination of LAHC coverage effective the date through which coverage has been paid, subject to the grace period contained in the relevant policies established and regulations promulgated and provided by LAHC to CGI in writing. Notwithstanding the foregoing provisions of this paragraph, LAHC may amend this section with notice to CGI as needed to comply with Health Insurance Exchange systems.

CGI shall suspend any claims received during the grace period if the date of service is within the grace period.

In the event of a premium rate change, CGI shall provide the systems and processes necessary to appropriately update and bill at the new rate, including any retroactive adjustments that may be required.

CGI shall defer any dispute over the underwriting, rate-setting, or premium determination process to LAHC in accordance with the policy and procedure agreed upon by CGI and LAHC.

CGI will provide daily, weekly, and monthly reports to LAHC, in a form and with a level of detail reasonably satisfactory to the Client Group, showing premium billing and collection activity regarding number of certificates billed and premium amounts billed, premium amounts collected, premium amounts due, premium amounts earned, premium amounts not collected, policies terminated for non-payment of premiums, and policy reinstatements.

CGI shall obtain LAHC approval on all materials, forms, or form letters used in the premium billing process prior to use.

CGI shall be responsible for reinstating and collecting premium for policies that have been cancelled but for which LAHC has made the decision to reinstate such policies. LAHC is solely responsible for any reinstatement decision and for determining any rates or premiums associated with such reinstatement.

CGI shall enter into its system the rates provided by LAHC. The rates will be loaded, tested, and ready for production based on the schedule and timeframes provided by LAHC. CGI will provide appropriate documentation to LAHC to verify and approve correctness of all rate updates.

CGI is responsible for determining the appropriateness and plan compliance of adjustments made by employer units based on eligibility listings and reconcile the accounts receivable each month based on premium payments and additions, terminations, and changes submitted by employer units.

CGI is required to maintain adequate personnel for purposes of maintaining eligibility and premium billing/reconciliation functions.

CGI will perform any required tasks that require interface with the Exchange on transferring/interfaces COBRA participants to exchange health plans.

Monthly Premium Billing bills will be sent by the Day specified in the billing policies.

Premium Billing Services Performance Standards. In addition to the requirements in the Agreement, CGI shall meet the performance standards in Exhibit 1. CGI shall comply with all Applicable Law and Accreditation Organization requirements to which LAHC is subject with respect to the services provided in this Exhibit 9.

**EXHIBIT 10**  
***Member and Provider Support Services***

**CGI Obligations.** CGI shall provide Member and Provider Services in accordance with the Agreement and the terms of this Exhibit 10. For purposes of this Exhibit 10, Member services and provider services shall be referred to collectively as “Member Services”.

**1.1 Communication and Staffing Standards.** CGI shall provide a LAHC - specific toll free telephone line and dedicated Member Service staff to service LAHC Members and Providers. At the termination of the Agreement, CGI shall assign or allow the transfer of the toll – free line to LAHC at cost. Member Services Staff will address and respond to inquiries whether made by telephone, fax, electronic mail, or entry into the LAHC web site. Member Services Staff will provide sufficient dedicated staffing to satisfy the following call standards:

- 1.1.1 Member Services Staff will perform, monitor, and respond to Member calls between 8:00 am and 6:00 pm Eastern Time Monday through Friday and Saturday 8:00 am to 1:00 pm.
- 1.1.2 Member Services shall be prepared to meet the services standards in this Appendix for non-English speaking Members and Members with hearing impairments or visual impairments.
- 1.1.3 CGI shall protect LAHC’s competitive interests by having Member Services staff identify each Member calling as a Member enrolled through LAHC and ensuring that CGI staff performing the Member Services function are not performing such function for a competitor of LAHC;
- 1.1.4 **Private Labeling of CGI Services.** When answering the telephone, the Provider Services staff shall identify themselves as agents of LAHC or use such other identification as LAHC and the Payor require.

**1.2 Training Criteria.**

- 1.2.1 CGI will develop and implement policies, procedures, and training materials for performing Member Services which are (i) compatible with LAHC policy, procedure, and performance standards, (ii) in compliance with Applicable Law, and (iii) in compliance with Accreditation Agency standards. No substantive modifications can be made to Member Services policies applicable to LAHC without thirty (30) Days prior written notice to, and consent from, LAHC;
- 1.2.2 Member services staff shall participate in training sessions (including required fraud, waste, and abuse training), call coaching sessions initiated by LAHC with the intent of measuring staff courteousness, benefit knowledge and administrative capabilities, and such other training as is required by LAHC or a Payor;
- 1.2.3 Member Services staff will be trained regarding LAHC policies and Benefit Plans and be available to respond to Member inquiries;
- 1.2.4 Member Services staff shall be trained to identify complaints, grievances, and coverage appeals, including for service denials or reductions or terminations of service, and to promptly forward them to the appropriate Party for resolution.
  - Non expedited grievances and appeals shall be forwarded to the appropriate Party for resolution within one Day.
  - Expedited grievances and appeals shall be forwarded to the appropriate Party for resolution within the lesser of: two hours or before the close of business on the Day of receipt.
  - Member Services shall forward complaints and grievances not related to Covered Services or CGI to the appropriate department within LAHC or the appropriate vendor or service provider (i.e., PBM);

- Develop a system for identifying, logging, and following up on calls indicating urgent situations, including appeals, quality concerns, improper care, health care fraud, or other matters requiring follow up and the process for promptly notifying the appropriate Party to address these concerns.
  - Respond to questions from Members about Member elections and governance and preferences for online or mail ballot, and forward this voting information to the appropriate vendor or department.
- 1.3 **Record Keeping and Retention.** CGI shall retain records of Member Services date and time of every inquiry, complaint, appeal, or grievance and shall document the nature of the communication, the nature of the issue, Member Service staff personnel's response, Member Service staff personnel identity, timeliness of response, and such other information as LAHC or an Applicable Regulatory Agency shall request. When the call is made by or on behalf of a Provider, Member Services Staff shall maintain records as described above, including a database on each LAHC Provider and Provider, generally. CGI shall record 100% of the Member Services calls and shall provide LAHC with Remote Access to 100% of the recordings pertaining to its Members and Providers.
- 1.4 **Resolution Standards.** Inquiries and issues will meet the following standards:
- 1.4.1 Member Services shall have real time Access to claim payment information and shall have the capability of responding to Provider inquiries regarding claim status.
  - 1.4.2 Member Services shall have real time Access to medical management information and shall have the capability of responding to inquiries regarding the status of any request for coverage.
  - 1.4.3 Member Services shall have Access to an up-to-date database of LAHC Providers for responding to Member and Provider questions.
- 1.5 **Cooperation with Monitoring.** CGI shall cooperate with LAHC's efforts to monitor CGI's performance of Member Services to ensure such performance is carried out in accordance with the Agreement and these performance standards, including but not limited to, providing LAHC with such Access as cooperation with LAHC's on-site audits, LAHC monitoring of Member calls, sharing logs of Member calls, and such other audits as LAHC deems necessary.
- 1.6 **Performance Reporting.** CGI shall provide LAHC, and Applicable Regulatory Agencies in conjunction with their regulation of LAHC, information related to CGI's performance of Member Services and Access to related books, logs, and records (including but not limited to, Access during the audits) as required to monitor CGI's performance of Member Services. Any expense to CGI from complying with the requirements to share information with LAHC or Applicable Regulatory Agencies shall be borne exclusively by CGI.
- 1.7 **CGI Quality Improvement.** CGI shall demonstrate that the Member Services function is incorporated into the QI function in a manner that will effectively monitor CGI's achievement of its quality goals, and notify LAHC immediately of quality issues identified by CGI.
- 1.8 **Change in Capabilities.** CGI shall notify LAHC of any change in its ability to satisfy any of the conditions described in this Exhibit 11.
- 2 **Coverage Appeals.** CGI understands that all appeals by Members or such Member's designee, which designee may be a Provider ("Member Appeals") must be directed to LAHC or its designee as soon as reasonably possible for processing, and acknowledges that some Member Appeals must be processed within 24 hours if they are deemed to be "expedited," pursuant to Applicable Law.

Therefore, upon receipt of a Member Appeal, CGI shall, as required to meet the 24 hour time frame, provide LAHC with all records regarding such appeal and all necessary information required to process such appeal, including without limitation, any supporting documentation, such as review by persons of the same medical specialty as the physician ordering the care. In the case of an expedited appeal, CGI shall provide such documentation as necessary to meet time frames for expedited appeals. LAHC shall inform CGI of the outcome of the appeal within one Day of the rendering of a decision. CGI shall comply with any full or partial reversal of payment above or by an external appeals agency.

2.1 LAHC shall promptly share with CGI all information regarding Member Appeals.

2.2 If a Member indicates an intent to appeal or a submit a grievance to CGI or a member of its staff, CGI shall have procedures for promptly directing such Member to LAHC.

3 Performance Measurement and Reporting. CGI shall provide LAHC with a weekly performance report of its Member Services performance pertaining to LAHC. CGI shall provide, along with the weekly performance report and as reasonably requested by LAHC and designee(s), all adequate data/metrics on all aspects of Member Service functions, understanding that only those functions listed in Exhibit 1 will be subject to Service Level Credit review. CGI's Member Services function shall satisfy the quality indicators in Exhibit 1. In addition, 90% of survey respondents should indicate they are satisfied or very satisfied with Member services as determined through LAHC Member and Provider satisfaction surveys.

**EXHIBIT 11**  
**Participants In Client Group**

- 1) Louisiana Health Cooperative, Inc.
- 2) Kentucky Health Cooperative, Inc.

**EXHIBIT 12**

***Project Implementation Plan***

*(Added within 90 days of agreement execution)*



## Exhibit B to CGI's Motion for Summary Judgment

June 19, 2014

Greg Cromer  
CEO  
Louisiana Health Cooperative, Inc.  
3445 N Causeway Blvd  
Metairie, LA 70002

Re: Termination of Administrative Services Agreement

Dear Greg:

I am writing to memorialize our agreement regarding termination of the Administrative Services Agreement (the "Original Agreement") between the Louisiana Health Cooperative, Inc. ("LAHC") and CGI Technologies and Solutions Inc. ("CGI") dated February 15, 2013. Once executed by you in the space provided, this letter agreement (this "Letter Agreement") shall be effective on the date of such execution and shall constitute an amendment to the Original Agreement. In the event of conflict between the terms of this Letter Agreement and the Original Agreement, the terms of this Letter Agreement shall control.

1. For the convenience of LAHC, the Original Agreement shall terminate on April 30, 2014. CGI shall continue to perform the Delegated Functions through April 30, 2014, to be followed by a six month wind-down period as specified in Section 2.5 of the Original Agreement. For the six month wind-down period, CGI shall provide such wind-down services as the parties may agree in a wind-down plan, all in accordance with Sections 2.5 and 2.5.1 of the Original Agreement.
2. LAHC shall pay all CGI invoices issued to date. CGI shall also be compensated for performance of the Delegated Functions prior to termination of the Original Agreement in accordance with Exhibit 1 to the Original Agreement. The general scope and structure of the wind down period is as specified in Attachment 1 to this Letter Agreement. CGI's compensation for services during the wind-down period shall be a fixed price of \$75,000 per month for May and \$60,000 per month for June and at LAHC direction on a time-and-materials basis July through October. In addition to CGI's compensation for performing Delegated Services during the wind-down period, LAHC will continue to pay Healthation (Aldera) Access Fees and direct expenses in accordance with Exhibit 1 of the Original Agreement. CGI waives all deferred implementation fees specified in Section 1 of Exhibit 1 to the Original Agreement (i.e., those implementation fees payable on December 31 of 2014, 2015 and 2016). LAHC waives all interest on late paid claims specified in Section 1.6 of Exhibit 2 to the Original Agreement.
3. No Service Level Credits shall be assessed for failures to meet one or more Service Level Specifications effective March 1, 2014. During the wind-down period, CGI will make commercially reasonable efforts to perform the Delegated Functions in accordance with the Service Level Specifications set forth in Section 6 in Exhibit 1 to the Original Agreement, but no additional CGI personnel will be assigned to the LAHC account for purposes of improving CGI's performance.
4. Neither party hereto will make any statement to any third party that disparages the other party's performance under the Original Agreement, nor will either party make statement to any third party that disparages any person or persons involved in the performance of the Original Agreement. LAHC will also

provide to CGI a reasonably complimentary letter of reference that CGI may use at its discretion in future efforts to secure new business.

5. Except for obligations assumed herein, LAHC and CGI hereby release each other, and their respective directors, officers, agents, employees, representatives, insurers, parents and subsidiaries, from any and all claims that either may have against the other arising out of or relating to the Original Agreement. Greg, , if the foregoing accurately states our agreement to amend the Original Agreement, please sign below in the space provided (two signed originals enclosed) and return one fully executed original to me.

Sincerely,



David L. Henderson  
Senior Vice President  
CGI Technologies and Solutions Inc.

SO AGREED:



Greg Cromer  
CEO  
Louisiana Health Cooperative, Inc.

6/19/2014

Date

## Attachment 1 – Wind Down Period Services

### 1. May and June 2014

From May 1 to June 30, CGI will perform the Delegated Services as well as the following in-scope transition services, which will be further defined and mutually agreed in the more detailed Transition Plan:

#### In Scope

- Membership data transfer to GRI as follows:
  - Aldera Member Extract file, delivered initially at 6/1 and finally at 7/1
- Enrollment data transfer to GRI as follows:
  - 834 EDI files received from FFM, files received between 6/1 and 7/1
  - Effectuation EDI files sent to FFM, files sent between 6/1 and 7/1
  - Spreadsheets received from LAHC reflecting Bswift off-exchange enrollments, files received between 6/1 and 7/1
- Paid claim data transfer to GRI as follows:
  - TBD
- Pended and/or in-flight claim data transfer to GRI as follows:
  - TBD
- Compilation and hand-over of all Aldera and CGI file server records back to 10/1/13 where retention is required by law or regulation and/or essential for GRI continued operation, as listed and agreed with LAHC, as of the record date that all CGI processing terminates; destruction of all other records not listed and agreed with LAHC as soon as all CGI processing terminates
- Other data transfer as the parties agree

#### Not in Scope

- Completion of delivery of any intended system or interworking functionality not already operational at 5/16, except as the parties agree in advance
- Provider data updates or contract price/fee schedule updates, except as CGI determines helpful or necessary for claims processing
- Processing of any claims received after 6/8, regardless of service date
- Processing of member billings and associated payments for enrollments or enrollment modifications with an effective date of 7/1 or later
- Mailing of ID cards or welcome kits to paid-thru members with an effective date of 7/1 or later; the final mailing to be no later than GRI's initial bulk mailing of new ID cards
- Health Risk Assessment processing after 5/31
- FFM or other 3<sup>rd</sup> party system data reconciliation beyond 6/30

**2. July to October 2014**

Beginning July 1, CGI will perform all services on a Time and Materials basis, at the request of LAHC, using the rates in the table below. LAHC will make requests in writing and CGI will provide an estimate for approval by LAHC before any work is performed.

Role	Rate per Hour
Data Analyst Sr.	120.00
Data Analyst Jr.	100.00
Claim Supervisor	60.00
Project Manager	120.00
Claim Examiner or Customer Service Rep	35.00
Expenses	As Agreed

EXHIBIT

C

19TH JUDICIAL DISTRICT COURT FOR THE PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

Exhibit C to  
CGI's Motion  
for Summary  
Judgment

JAMES J. DONELON  
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA

VERSUS

LOUISIANA HEALTH COOPERATIVE, INC.

STATE

SEP 21 2015

BY AG  
DEPUTY CLERK OF COURT

FILED: \_\_\_\_\_

DEPUTY CLERK

PERMANENT ORDER OF REHABILITATION AND INJUNCTIVE RELIEF

NOW INTO COURT,

This matter came for hearing on September 21, 2015 pursuant to the order entered in this matter on September 1, 2015:

PRESENT: Assistant Attorney General Michael Charles Guy, attorney for James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative ("LAHC"), and the Court appointed Receiver, Billy Bostick (the "Receiver")

And the Court, considering the verified petition, the verification and testimony of Caroline Brock, Deputy Commissioner of Financial Solvency for the Louisiana Department of Insurance and Billy Bostick, Receiver, and finding that the requirements for rehabilitation under the provisions of La. R.S. 22:2001, et seq., have been met, and the law and the evidence entitling the plaintiff to the relief sought herein, and the Court being satisfied from the allegations therein and finding that the defendant named herein is an insurer as defined in and under Louisiana law and that the interests of creditors, policyholders, members, subscribers, enrollees, and the public will probably be endangered by delay, and the Court finding that the law and the evidence is in favor of granting the relief prayed for herein,

IT IS ORDERED, ADJUDGED AND DECREED that sufficient cause exists for the Permanent Rehabilitation of Louisiana Health Cooperative, Inc. ("LAHC").

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC shall be and hereby is placed into rehabilitation under the direction and control of the Commissioner of Insurance for the State of Louisiana (the "Commissioner"), his successors and assigns in his office and his agents, designees, and/or employees, subject to the further written orders of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner or

EBR3215427

any deputy, be and hereby is confirmed as Rehabilitator.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Billy Bostick be and hereby is confirmed Receiver of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner as Rehabilitator or his appointees and/or the Receiver or Deputy Receiver be allowed and are authorized to employ and authorize the compensation of accountants, clerks, attorneys and such assistants as he deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, to be paid out of the funds or assets of LAHC in the possession of the Receiver and/or Rehabilitator or coming into LAHC's possession.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator be and hereby is permanently vested by operation of law with the title to all property, business, affairs, accounts, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, records and other assets of LAHC, and is ordered to direct the rehabilitation of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator, the Receiver, their agents and/or employees, shall be and hereby are directed to take possession and control of the property, business, affairs, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, software, electronic data, e-mail, websites, books, records, accounts, copyrights, trademarks, patents, and all other assets of LAHC, including all real property, whether in the possession of LAHC or its officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, or agents, and of the premises occupied by LAHC for its business, conduct all of the business and affairs of LAHC, or so much thereof as he may deem appropriate, *manage the affairs of LAHC, and to rehabilitate same, until* further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC, its policyholders, subscribers, members, enrollees, officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, creditors, banks, savings and loan associations, and/or

other entity or person acting for or on behalf of LAHC shall be and hereby are permanently enjoined from disposing of the property, business, affairs, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, software, electronic data, e-mail, websites, books, records, accounts, copyrights, trademarks, patents, and all other assets of LAHC, including all real property, and from the transaction of the business of LAHC, except with the concurrence of the Commissioner, until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to La. R.S. 22:2006, any and all persons and entities shall be and hereby are permanently enjoined from obtaining preferences, judgments, attachments or other like liens or the making of any levy against LAHC, its property and assets while in the Commissioner's possession and control.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that in accordance with La. R.S. 22:2036 the Rehabilitator shall be and hereby is permanently vested with and/or shall maintain the authority to enforce, for the benefit of LAHC policyholders, subscribers, members, and enrollees and LAHC, contract performance by any provider or other third party who contracted with LAHC, and for such other relief as the nature of the case and the interest of LAHC, LAHC's policyholders, subscribers, members, enrollees, creditors or the public may require.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator shall be and hereby is entitled to the right to enforce or cancel, for the benefit of the policyholders, subscribers, members, enrollees of LAHC, and LAHC, contract performance by any party who had contracted with LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC providers and contractors are required to abide by the terms of their contracts with LAHC and to provide services to LAHC members under the terms of such contracts in order to ensure continuation of services for LAHC policyholders, subscribers, members, and enrollees until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator shall be and hereby is entitled to permit such further operation of LAHC as he may deem necessary to be in the best interests of the policyholders, subscribers, members, and enrollees, and creditors of LAHC and the orderly rehabilitation of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all authority of all officers, directors, and managers of LAHC shall be and hereby is terminated and all authority of said officers, directors and managers be and hereby is vested in the Rehabilitator.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator and Receiver of LAHC and his assistants shall be and hereby are allowed and authorized to:

- a) Employ and authorize the compensation of accountants, clerks, and such assistants as he deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, out of the funds or assets of LAHC in the possession of the Rehabilitator and the Receiver or coming into LAHC's possession;
- b) Defend or not defend legal actions wherein LAHC or the Rehabilitator or Receiver is a party defendant, commenced prior to or subsequent to the entry of the order herein, without the authorization of the Court, except, however, in actions where LAHC is a nominal party, as in certain foreclosure actions and the action does not affect a claim against or adversely affect the assets of LAHC, the Rehabilitator or Receiver may file appropriate pleadings in his discretion;
- c) Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this rehabilitation proceeding;
- d) Collect all debts, which are economically feasible to collect and which are due and owing to LAHC;
- e) Take possession of all of LAHC's securities and certificates of deposit on deposit with any financial institution or any other person or entity, if any, and convert to cash so much of the same as may be necessary, in his judgment, to pay the expenses of administration of rehabilitation.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any officer, director, manager, trustee, agent, adjustor, contractor, or third party administrator of LAHC and any person who possesses or possessed any executive authority over, or who exercises or exercised any control over any segment of LAHC's affairs shall be and hereby are required to fully cooperate with the Rehabilitator, the Receiver and his assistants, notwithstanding their dismissal pursuant to this order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all attorneys employed by LAHC as of the date of the order entered herein shall, within ten (10) days notice of the order entered herein, report to the Receiver or Rehabilitator on the name, company, claim number and status of each file they are handling on behalf of LAHC. Said report shall also include an account of any funds received from or on behalf of LAHC. All attorneys described herein are hereby discharged as of the date of this order unless the Receiver or Rehabilitator retains their services in writing. All attorneys employed by LAHC who are in possession of litigation files or other material, documents or records belonging to or relating to work

performed by the attorney on behalf of LAHC shall deliver such litigation files, material, documents or records intact and without purging to the Receiver notwithstanding any claim of a retaining lien, which, if otherwise valid, shall not be extinguished by such turn-over of documents.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that reinsurance amounts due to or payable by LAHC shall be remitted to, or disbursed by the Receiver at the Receiver's discretion and with the consent of the court where required by law. The Receiver shall handle reinsurance losses recoverable or payable by LAHC. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary unless otherwise authorized by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any bank, savings and loan association, financial institution, and any other person or entity which has on deposit, including statutory deposits, in its possession, custody or control any funds, accounts and any other assets of LAHC, shall be and hereby is ordered to immediately transfer title, custody and control of all such funds, accounts, or assets to the Receiver, and instructed that the Receiver has absolute control over such funds, accounts and other assets. The Receiver may change the name of such accounts and other assets withdraw them from such bank, savings and loan association or other financial institution or take such lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association, or other financial institution, person or entity shall freeze or place a hard hold on, or exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any bank, savings and loan association, financial institution, and any other person or entity which has on deposit, in its possession, custody or control any funds, accounts and any other assets of LAHC, shall not be permitted to freeze or place a hard hold on, or exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the control of the Rehabilitator, the Receiver or his appointees without the permission of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any entity furnishing telephone, water, electric, sewage, garbage or trash removal services to LAHC shall maintain such service and transfer any such accounts to the Receiver as of the date of the order entered

herein, unless instructed to the contrary by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that upon request by the Receiver, any company providing telephone services to LAHC shall provide a reference of calls from the number presently assigned to LAHC to any such number designated by the Receiver or perform any other services or changes necessary to the conduct of the receivership of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any data processing service which has custody or control of any data processing information and records, including, but not limited to, source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to LAHC shall be and hereby are required to transfer custody and control of such records to the Commissioner.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the United States Postal Service shall be and hereby is directed to provide any information requested by the Receiver regarding LAHC and to handle future deliveries of LAHC's mail as directed by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator and his assistants shall be and hereby are authorized to conduct an investigation of LAHC and its subsidiaries and affiliates to uncover and make fully available to the Court the true state of LAHC's financial affairs. In furtherance of this investigation, LAHC, its subsidiaries, its affiliates, owners, officers, directors, managers, trustees, agents, employees, servants, adjustors, accountants, actuaries, attorneys, contractors, consultants, or third party administrators, LAHC shall make all books, documents, accounts, records and affairs, which either belong to or pertain to LAHC available for full, free and unhindered inspection and examination by the Commissioner during normal business hours, Monday through Friday, from the date of the order entered herein. LAHC and the above-specified entities shall fully cooperate with the Rehabilitator, including, but not limited to, the taking of oral testimony under oath of LAHC and its officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, and subsidiaries and any other person or entity who possesses any executive authority over, or who exercises any control over, any segment of the affairs of LAHC in both their official, representative, and individual capacities and the production of all documents that are calculated to disclose the true state of LAHC's affairs.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC shall not engage in any advertising or solicitation whatsoever, other than that approved by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that LAHC, its members, subscribers, enrollees, and policyholders, officers, directors, employees, managers, trustees, agents, adjusters, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, and any other partnership, company or entity controlled by same and/or other persons acting for or on behalf of LAHC, or subject to their control, and all other persons or entities who have access to, control or possession of the property, assets, and affairs of LAHC shall be and hereby are permanently enjoined except with the express permission of the Receiver:

- a) from disposing of or encumbering any of the property or assets of LAHC;
- b) from disposing of any records or other documents belonging of LAHC or relating to the business and affairs of the of LAHC;
- c) from the transaction of any business by, for, or on behalf of LAHC, including, but not limited to:
  - i) writing, issuance or renewal of any certificate of coverage, insurance policy, binder, or endorsement to an existing policy or certificate of coverage;
  - ii) payment of claims and of any policy or certificate of coverage benefits;
  - iii) incurring of any claim or loss adjustment expense;
  - iv) incurring of any debt or liability; and
  - v) interfering with the acquisition of possession by the exercise of dominion and control over the property of LAHC by the Rehabilitator or the Rehabilitator's conduct of the business and affairs of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any and all individuals and entities shall be and hereby are permanently enjoined from instituting and/or taking further action in any suits, proceedings, and seizures against LAHC, the Commissioner in his capacity as rehabilitator of LAHC, the Receiver, and any affiliates, subsidiaries, insurers, its officers, directors, employees, managers, trustees, agents, adjusters, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, or representatives of same, to prevent any preference, judgment, seizure, levy, attachment, or lien being rendered against LAHC, its estate and assets, and/or its members, subscribers, enrollees, and policyholders, the Commissioner in his capacity as rehabilitator and/or liquidator, the Receiver, any affiliates, subsidiaries, insurers, its officers, directors, employees, managers,

trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators of same, and the making of any levy against LAHC, its property or assets.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except with the concurrence of the Rehabilitator or until further written order of this Court, all suits, proceedings, and seizures against LAHC and/or its respective members/enrollees/subscribers shall be and hereby are stayed in order to prevent the obtaining of any preference, judgment, seizure, levy, or lien, and to preserve the property and assets of LAHC, including, but not limited to, suits and proceedings and all litigation where:

- a) LAHC is a party;
- b) A member, subscriber, enrollee, policyholder or any other person who is named as a party to the litigation claims insurance coverage under any policy of insurance, subscriber agreement or certificate of coverage issued or assumed by LAHC;
- c) The litigation involves or may involve the adjudication of liability or determines any possible rights or obligations of any member, subscriber, enrollee, policyholder or person as to any insurance policy, subscriber agreement, or certificate of coverage issued or assumed by LAHC, or determines any possible future liability of LAHC with regard to any insurance policy, subscriber agreement or certificate of coverage issued or assumed by LAHC;
- d) LAHC would otherwise be obligated to provide a defense to any party in any court pursuant to any policy of insurance, subscriber agreement, or certificate of coverage issued or assumed by LAHC;
- e) The ownership, operations, management and/or control of LAHC is at issue; and
- f) Any party is seeking to create, perfect or enforce any preference, judgment, attachment, lien or levy against LAHC or its assets or against any member, subscriber, enrollee and/or policyholder of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any action in any suit or proceeding against the Commissioner in his capacity as Rehabilitator of LAHC, the Receiver, and/or the Attorney General of the State of Louisiana in his capacity as attorney for the Commissioner in his capacity as rehabilitator of LAHC, and their representatives, agents, employees, or attorneys, when acting in accordance with this Order and/or as Rehabilitator, Receiver, or Deputy Receiver of LAHC are barred.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there shall be no liability on the part of, and that no cause of action of any nature shall exist against the Commissioner in his capacity as Commissioner or Rehabilitator and/or regulator of LAHC, the Receiver and/or the Attorney General of the State of Louisiana in his capacity as attorney for the Commissioner as Commissioner and/or regulator of LAHC, and/or their assistants,

representatives, agents, employees, or attorneys, for any action taken by them when acting in accordance with the orders of this Court and/or in the performance of their power and duties as Rehabilitator, Receiver, Commissioner and/or regulator of LAHC.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all participating and non-participating providers of LAHC shall be and hereby are permanently enjoined from seeking to collect and/or collecting any amounts claimed as payment for services rendered to LAHC, its enrollees, members, subscribers, and policyholders from any said enrollee, member, policyholder and/or subscriber of LAHC, except for amounts that are member obligations as defined in the member agreement, including, but not limited to, co-payments, deductibles, and co-insurance.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any and all individuals and entities shall be and hereby are permanently enjoined from interfering with these proceedings, or with the Rehabilitator's possession and control; from interfering with the conduct of the business of LAHC by the Rehabilitator; from wasting the assets of LAHC, and from obtaining preferences, judgments, attachments or other like liens or the making of any levy against LAHC or its property and assets while in the possession and control of the Rehabilitator.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all premiums and all other debts and payables due to LAHC shall be paid to the Rehabilitator.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Rehabilitator shall be and hereby is permitted to notify every holder of a certificate of coverage, subscriber agreement, or contract of insurance issued by LAHC and every known provider and other creditor of LAHC of the order of rehabilitation and injunction entered herein within forty-five (45) days of the date of this order, notwithstanding the provisions of La. 22:2011.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all contracts between LAHC and any and all persons or entities providing services to LAHC and its policyholders, members, subscribers and enrollees shall remain in full force and effect unless canceled by the Receiver, until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner be and hereby is granted all legal and equitable relief as may be necessary to fulfill his duties as Rehabilitator and for such other relief as the nature of the case and the interests of LAHC's members, enrollees, subscribers, policyholders, providers and other creditors, or the public, may require, including but not limited to the Receiver's appointment and authorization to prosecute

all action which may exist on behalf of LAHC members, subscribers, enrollees, policyholders, or creditors against any existing or former officer, director or employee of LAHC or any other person.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner be and hereby is granted all legal and equitable relief as may be necessary to fulfill his duties as Commissioner and for such other relief as the nature of the case and the interests of LAHC's members, enrollees, subscribers, policyholders, providers and other creditors, or the public, may require.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Matthew Stewart, Norrie Falgoust, Jimmy Henry, and Rudy Babin be and hereby are appointed as Process Servers for service of all process and further pleadings on LAHC.

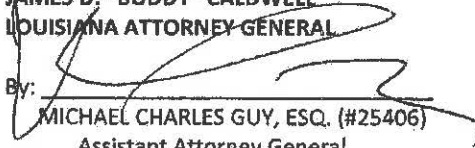
Baton Rouge, Louisiana, this 21<sup>st</sup> day of September, 2015.

  
DISTRICT COURT JUDGE DONALD JOHNSON

RESPECTFULLY SUBMITTED,

JAMES D. "BUDDY" CALDWELL  
LOUISIANA ATTORNEY GENERAL

By:

  
MICHAEL CHARLES GUY, ESQ. (#25406)

Assistant Attorney General

P.O. Box 94005

Baton Rouge, LA 70904

(225) 326-6400

Attorneys for JAMES J. DONELON,


Commissioner of Insurance for the State of Louisiana

as Rehabilitator of Louisiana Health Cooperative, Inc.

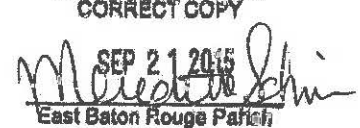
I hereby certify that on this day a notice of the  
above judgment was mailed by me, with sufficient  
postage affixed, to Michael Guy and Sue Buser

Done and signed on September 21, 2015

  
Cheryl Wyatt  
Deputy Clerk of Court

EAST BATON ROUGE  
2015 SEP 21 AM 9:18  
  
CHERYL WYATT  
DEPUTY CLERK OF COURT

CERTIFIED TRUE AND  
CORRECT COPY

  
SEP 21 2015  
East Baton Rouge Parish  
Deputy Clerk of Court

NINETEENTH JUDICIAL DISTRICT COURT  
PARISH OF EAST BATON ROUGE  
STATE OF LOUISIANA

NUMBER: 641 928

SECTION: 26

JAMES J. DONELON  
COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA

VERSUS

LOUISIANA HEALTH COOPERATIVE, INC.

FILED: \_\_\_\_\_

DEPUTY CLERK

VERIFICATION

STATE OF LOUISIANA  
COUNTY/PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned authority, duly commissioned and qualified within and for  
the State and Parish aforesaid personally came and appeared:

CAROLINE BROCK

a person known by me, Notary Public, to be a competent major, who, after first being duly  
sworn by me, did depose and say:

That she is the Deputy Commissioner of Financial Solvency for the Louisiana Department  
of Insurance and is familiar with Louisiana Health Cooperative, Inc.

That she has read the foregoing Consent Permanent Order for Rehabilitation and  
Injunctive Relief, and the allegations contained therein are true and correct to the best of her  
personal knowledge.



CAROLINE BROCK  
DEPUTY COMMISSIONER OF FINANCIAL SOLVENCY  
FOR THE LOUISIANA DEPARTMENT OF INSURANCE

Sworn to and subscribed before me,  
Notary, this 21<sup>st</sup> day of SEPTEMBER, 2015.

NOTARY PUBLIC

Bar Roll Number: 25406

MIKE GUY  
COMMISSIONER OF INSURANCE

CERTIFIED TRUE AND  
CORRECT COPY

SEP 21 2015  
East Baton Rouge Parish  
Deputy Clerk of Court

EBR3215428

NINETEENTH JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

JAMES J. DONELON,  
COMMISSIONER OF INSURANCE  
FOR THE STATE OF LOUISIANA, IN  
HIS CAPACITY AS REHABILITATOR  
OF LOUISIANA HEALTH  
COOPERATIVE, INC.,

Plaintiff

vs.

TERRY S. SHILLING ET AL.,

Defendants

Number: 651,069

Section: 22

Judge: TIMOTHY E. KELLEY

---

**RULE TO SHOW CAUSE**

---

Considering the "Motion for Summary Judgment" filed by Defendant CGI Technologies and Solutions Inc. ("CGI"),

IT IS HEREBY ORDERED that Plaintiff James J. Donelon, by and through the appointed receiver Billy Bostick, appear before this Court on the \_\_\_\_ day of \_\_\_\_\_, 2017 at \_\_\_\_:\_\_\_\_ a.m/p.m, and show cause why CGI's Motion for Summary Judgment should not be granted.

THUS DONE AND SIGNED in Baton Rouge, Louisiana, on this \_\_\_\_ day of \_\_\_\_\_, 2017.

---

JUDGE TIMOTHY E. KELLEY  
NINETEENTH JUDICIAL DISTRICT COURT

---

**CLERK OF COURT:** Please serve this Rule to Show Cause on counsel for Plaintiff at:

J.E. Cullens, Bar # 23011  
Edward J. Walters, Bar # 13214  
Darrel J. Papillion, Bar # 23243  
David Abboud Thomas, Bar # 22701  
Jennifer Wise Moroux, Bar # 32368  
WALTERS, PAPILLION, THOMAS, CULLENS, LLC  
12345 Perkins Road, Bldg. 1  
Baton Rouge, LA 70810  
Tel: 225.236.3636  
Fax: 225.236.3650

NINETEENTH JUDICIAL DISTRICT COURT  
PARISH OF EAST BATON ROUGE  
STATE OF LOUISIANA

JAMES J. DONELON, COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA, IN HIS CAPACITY AS REHABILITATOR OF LOUISIANA HEALTH COOPERATIVE, INC., Plaintiff	:	Number: 651,069
	:	
	:	Section: 22
	:	
vs.	:	
	:	Judge: TIMOTHY E. KELLEY
TERRY S. SHILLING ET AL., Defendants	:	

ORDER

Considering the Motion for Summary Judgment filed by Defendant CGI Technologies and Solutions Inc. (“CGI”),

IT IS HEREBY ORDERED that CGI’s motion be GRANTED. All claims asserted in the above-captioned action against CGI by Plaintiff James J. Donelon, or by and through his appointed receiver Billy Bostick, or by or on behalf of Louisiana Health Cooperative, Inc., are accordingly dismissed with prejudice.

THUS DONE AND SIGNED in Baton Rouge, Louisiana, on this \_\_\_\_ day of \_\_\_\_\_, 2017.

JUDGE TIMOTHY E. KELLEY  
NINETEENTH JUDICIAL DISTRICT COURT