

19TH JUDICIAL DISTRICT COURT FOR THE 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

COST OK \$ State

LOUISIANA HEALTH COOPERATIVE, INC. MAY - 5 2016

FILED: _____

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DEPUTY CLERK OF COURT

DEPUTY CLERK

Filed on Behalf of - State of Louisiana - [] State Pays No Court Costs
La. R.S. 13:4521

FAX COPY FILED 5-5-16
ORIGINAL FILED 5-5-16

**EMERGENCY MOTION TO SUPPLEMENT THE SEPTEMBER 21, 2015
LAHC PERMANENT ORDER OF REHABILITATION AND INJUNCTIVE RELIEF AND
FOR APPROVAL OF PROCESS FOR TRANSFER OF ALL SYSTEMS, OFF SITE STORAGE, SOFTWARE,
HARDWARE, SERVERS, DATA, AND RECORDS USED TO CONDUCT LAHC BUSINESS FROM THE
LAHC THIRD PARTY ADMINISTRATOR, GROUP RESOURCES, INC., TO LAHC**

NOW INTO COURT, through undersigned counsel comes James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, through the Commissioner's Court-appointed Receiver, Billy Bostick ("LAHC"), who respectfully request that this Court supplement the Permanent Order of Rehabilitation and Injunctive Relief signed in this matter on September 21, 2015 and approve the proposed process for transfer of the computer data, records, software, hardware, off site storage and systems used for conducting LAHC business from the LAHC third party administrator, Group Resources, Inc. ("GRI") to LAHC, as more fully explained in the memorandum in support of this motion, attached hereto and incorporated herein.

Because LAHC plans to send a team to Group Resources, Inc. in Duluth, Georgia on May 9, 2016, time is of the essence and LAHC requests expedited attention to this motion.

GRI has been the third party administrator ("TPA") for LAHC since mid-2014 and is responsible by contract for essentially all of the LAHC operations, including but not limited to, all claims administration, all enrollment and eligibility functions, all software and IT-related services, all premium billing and collection, all provider networks services, all LAHC state and federal reporting requirements, and all data access and audit functions. See the LAHC-Group Resources, Inc. Service Agreement of July 1, 2014, attached as Exhibit A.

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REC'D C.P.

MAY - 5 2016

In order to reconcile and process LAHC claim forms received, premium paid and due to LAHC, member benefits and responsibilities, amounts owed to LAHC providers and generally conduct the LAHC rehabilitation, LAHC requires a complete working copy, together with all programs, software, hardware, off site storage, servers, workstations, peripherals, backups, storage devices, licenses, license keys, administrator user ids, administrator passwords, and manuals related to the records and data stored on the GRI servers, including but not limited to the EHP Server (computer name FRANK), the EDGE server used for reporting to the Centers for Medicare and Medicaid Services ("CMS"), the automate scheduling server, reports server, shared file server, email server, and any and all other off site storage, servers and/or workstations on which LAHC computer data or records are stored and/or which are used for the LAHC production environment, in order to provide LAHC with the ability to utilize the LAHC data system in a production environment for processing. LAHC requires all documents whether paper or electronic that serves as support for the data residing on the above described systems. LAHC requires all documents and data related to contracts with third parties engaged by GRI in support of the Administrative Services Agreement between GRI and LAHC.

LAHC also seeks approval from the Court for the authority to enter into an agreement with GRI, as needed and in the sole discretion of the Receiver, for GRI support services for transfer of same to LAHC, including, but not limited to, training of LAHC staff as needed, at such rates as LAHC finds reasonable, and to take any and all other actions as needed, in the discretion of LAHC for transfer of a complete working computer system to LAHC.

WHEREFORE, in furtherance of this Court's September 21, 2015 Permanent Order of Rehabilitation and Injunctive Relief, LAHC requests that the Court enter an emergency order supplementing this Court's Permanent Order of Rehabilitation and Injunctive Relief of September 21, 2015 and approving the proposed process for transfer of the computer data, records, software, hardware, off site storage and systems from the LAHC third party administrator, GRI, and any and all GRI subcontractors, to LAHC, and ordering that GRI immediately and fully cooperate with LAHC in providing complete access to any and all computer data, records, software, hardware, off site storage, and systems in order to permit LAHC to operate all computer systems, including, but not limited to, the EHP and Edge servers,

and any and all other servers and workstations on which LAHC computer data or records are stored and/or which are used for the LAHC production environment, from the date of this order, that LAHC be permitted to enter into an agreement, at the discretion of the LAHC Receiver, with GRI, as needed, for GRI support services for transfer of same to LAHC, including, but not limited to, training of LAHC staff as needed at such rates as LAHC finds reasonable, and to take any and all other actions as needed, in the discretion of LAHC for transition of a complete working computer system to LAHC, and for all other appropriate relief.

EXHIBITS

- Exhibit A LAHC-GRI Administrative Services Agreement of July 1, 2014
- Exhibit B LAHC Staff Meeting Notes from March 2014
- Exhibit C Delegation Agreement – LAHC and GRI, August 20, 2014
- Exhibit D Order Granting the LAHC Motion to Establish a March 31, 2016 Deadline for Submission of Claims and Process for Claims Processing
- Exhibit E LAHC and GRI Administrative Services Agreement Business Associate Addendum, July, 2014

Respectfully Submitted,

BURGLASS & TANKERSLEY, LLC

BY: Sue Buser

SUE BUSER (#18151)
CELESTE BRUSTOWICZ (#168350)
DENNIS J. PHAYER, ESQ. (#23747)
5213 Airline Drive
Metairie, Louisiana 70001-5602
Phone: (504) 836-2220
Telefax: (504) 836-2221

Attorneys for **JAMES J. DONELON, Commissioner of Insurance for the State of Louisiana**
as **Rehabilitator of Louisiana Health Cooperative, Inc. in Rehabilitation**

FILED
EAST BATON ROUGE PARISH
MAY -5
CLERK OF COURT

CERTIFICATE OF SERVICE

I hereby certify that I have not served a copy of the foregoing pleading on any counsel in these proceedings because there are no other parties in these proceedings, this 19 day of May, 2016.

Sue Buser

19TH JUDICIAL DISTRICT COURT FOR THE 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

ORDER

Considering the Emergency Motion to Supplement the September 21, 2005 LAHC Permanent Order of Rehabilitation and Injunctive Relief and for Approval of Process for Transfer of All Systems, Off Site Storage, Software, Hardware, Servers, Data and Records Used to Conduct LAHC Business from the LAHC Third Party Administrator, Group Resources, Inc. ("GRI") to LAHC filed on behalf of James J. Donelon, Commissioner of insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, through the Commissioner's Court-appointed Receiver, Billy Bostick ("LAHC"), and the Court finding that the parties are entitled to the relief granted,

IT IS ORDERED that the Supplemental Motion of James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, through the Commissioner's Court-appointed Receiver, Billy Bostick ("LAHC"), to Supplement the September 21, 2015 Permanent Order of Rehabilitation and Injunctive Relief and for Approval of the Process for Transfer of All Systems, Off Site Storage, Software, Hardware, Servers, Data and Records Used to Conduct LAHC Business from the LAHC Third Party Administrator, Group Resources, Inc. ("GRI") to LAHC be and same hereby is GRANTED.

IT IS FURTHER ORDERED that GROUP RESOURCES, INC. ("GRI") be and hereby is ordered to fully cooperate with LAHC in the transfer of any and all computer data, records, software, hardware, off site storage, servers and systems from the LAHC Third Party Administrator, Group Resources, Inc. to LAHC.

IT IS FURTHER ORDERED that immediately upon presentation of this Order, Group Resources, Inc. ("GRI") shall deliver to and make fully available to LAHC all systems with all

programs, software, hardware, off site storage, servers, workstations, peripherals, backups, storage devices, licenses, license keys, administrator user ids, administrator passwords, and manuals related to the LAHC records, including, but not limited to; EHP Server (computer name FRANK), the EDGE server used for CMS reporting, automate scheduling server, reports server, shared file server, email server, and any and all other servers or workstations on which LAHC computer data or records are stored or used for the transmission of and/or which are used for the LAHC production environment, in order to provide LAHC with an environment for processing.

IT IS FURTHER ORDERED that immediately upon presentation of this Order, GRI turn over to LAHC the following:

1. All systems with all programs, software, hardware, off site storage, servers, workstations, peripherals, backups, storage devices, licenses, license keys, administrator user ids, administrator passwords, and manuals related to the LAHC records, including, but not limited to; EHP Server (computer name FRANK), the EDGE server used for CMS reporting, automate scheduling server, reports server, shared file server, email server, and any and all other servers or workstations on which LAHC computer data or records are stored or used for the transmission of and/or which are used for the LAHC production environment, in order to provide LAHC with an environment for processing.
2. All LAHC records and data related to LAHC claim administration, claims, claims payments, member responsibility, refunds and other claim costs;
3. All LAHC records and data related to network services, discounts, and contracts;
4. All LAHC records and data related to utilization;
5. All LAHC records and data related to prescriptions, prescription costs, and prescription usage;
6. All LAHC records and data related to dental care, dental care costs, and dental service usage;
7. All LAHC records and data related to health care provider licensing and credentialing;
8. All LAHC records and data related to the LAHC provider network;
9. All records and data related to the LAHC Call Center operated by GRI for LAHC;
10. All LAHC enrollment and eligibility records and data;
11. All LAHC records and data related to member materials and member/provider communication services;
12. All LAHC records and data related to authorizations issued for medical care;
13. All LAHC records and data related to grievances and appeals;

14. All LAHC records and data related to LAHC software configuration and IT-Related Services provided to LAHC by GRI;
15. All LAHC records and data related to LAHC state and federal regulatory reporting, including, but not limited to CMS and the Louisiana Department of Insurance;
16. All LAHC records and data related to GRI reporting to LAHC;
17. All LAHC records and data related to LAHC's participation in the Federal Consumer Operated and Oriented Plan ("Co-Op"), LAHC's operation as a Qualified Health Plan ("QHP") under the Affordable Care Act ("ACA"), LAHC's operation as a Louisiana non-profit corporation, and/or LAHC's operation as a Louisiana licensed health maintenance organization ("HMO");
18. All LAHC records and data related to LAHC compliance with applicable Louisiana state and federal laws, regulations, and requirements;
19. All LAHC records and data related to audit, evaluation and inspection of LAHC compliance with applicable Louisiana state and federal law and the Loan Agreement between LAHC and the Centers for Medicaid and Medicare Services ("CMS");
20. All LAHC records and data related to regulatory actions involving LAHC;
21. All LAHC records and data related to GRI's or GRI's contractors' performance of LAHC's core business functions, including, but not limited to, utilization review services, claim payment processes, customer services, call centers, enrollment services, information technology services and provider relations functions;
22. All LAHC and GRI records and data related to GRI insurance coverage, including, but not limited to, coverage required by the GRI Administrative Service Agreement with LAHC for general liability coverage, professional liability insurance coverage, workers' compensation coverage, employer's liability coverage, waiver of subrogation in favor of LAHC, and LAHC as an additional insured under applicable GRI insurance policies;
23. All LAHC and GRI records and data regarding GRI compliance with and/or communications related to the privacy and security rules and regulations for Protected Health Information ("PHI") required by federal law, 45 CFR 150.103, 45 CFR 160.103, 45 CFR 160.410, 45 CFR 162, 45 CFR 164.402, 45 CFR 164.514, 45 CFR 164.524, 45 CFR 164.526, 45 CFR 164.528, 45 CFR 164 Subparts C, E, O and Q, and any and all Louisiana equivalents. See the Business Associate Addendum to the Administrative Services Agreement, attached hereto and incorporated herein as Exhibit E.
24. All LAHC and GRI records related to GRI design, testing, presentation, and performance of the "Delegated Services" agreed to in the LAHC Administrative Service Agreement with GRI;
25. All LAHC and GRI records related to GRI compliance with the performance standards of the LAHC Administrative Services Agreement with GRI;
26. All LAHC records and data related to premium billing, and premium due and/or paid to LAHC;
27. All LAHC records and data related to terminations, cancellations, and/or other notice to LAHC policyholders, members, subscribers and enrollees;
28. All LAHC and GRI records related to LAHC payments to GRI;
29. All LAHC financial records and data;

30. All LAHC complaint records and data;

31. All administrator user ids and passwords necessary to access Internet-based services, web-based services, cloud-based services, and any and all third party services that were used by GRI to transmit, store, process, deliver, report, encrypt, decrypt, synchronize, schedule or automate LAHC data, including, but not limited to URLs, web addresses, user ids, usernames, passwords, keys and pins;

32. All United States Postal Service Post Office Boxes used to receive mail on behalf of LHAC; and

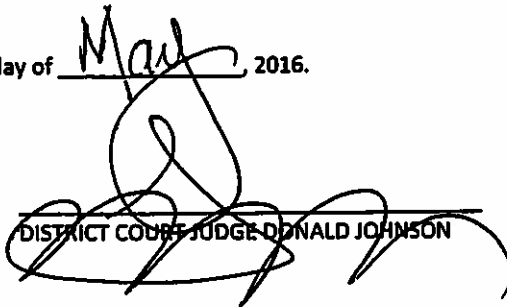
33. All telephone line numbers used to receive calls on behalf of LAHC.

IT IS FURTHER ORDERED that LAHC be and hereby is authorized to enter into an agreement with GRI, as needed and in the sole discretion of the Receiver, for GRI support services for transfer of complete working computer systems to LAHC, including, but not limited to, training of LAHC staff as needed, at such rates as LAHC finds reasonable.

IT IS FURTHER ORDER that LAHC, through the Receiver be and hereby is authorized to take any and all other actions as needed, in the discretion of LAHC for transfer of complete working computer systems to LAHC.

IT IS FURTHER ORDERED that GRI provide LAHC a Certificate of Compliance attesting that no records remain under the possession and/or control of GRI or GRI's contractors in any format.

Baton Rouge, Louisiana, this 9 day of May, 2016.


DISTRICT COURT JUDGE DONALD JOHNSON

FILED
EAST BATON ROUGE PARISH
2016 MAY -5 PM 2:54
DEPUTY CLERK OF COURT

19TH JUDICIAL DISTRICT COURT FOR THE 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

**MEMORANDUM IN SUPPORT OF EMERGENCY MOTION TO SUPPLEMENT
THE SEPTEMBER 21, 2015 LAHC PERMANENT ORDER OF REHABILITATION AND INJUNCTIVE
RELIEF AND FOR APPROVAL OF PROCESS FOR TRANSFER OF ALL SYSTEMS, OFF SITE STORAGE,
SOFTWARE, HARDWARE, SERVERS, DATA, AND RECORDS USED TO CONDUCT LAHC BUSINESS
FROM THE LAHC THIRD PARTY ADMINISTRATOR, GROUP RESOURCES, INC., TO LAHC**

MAY IT PLEASE THE COURT:

James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, through the Commissioner’s Court-appointed Receiver, Billy Bostick (“LAHC”), who seeks expedited attention to this motion due to the fact that LAHC is sending a team to Duluth, GA to the Group Resources, Inc. (“GRI”) offices on May 9, 2016 to retrieve all LAHC data, systems and records and seeks an order clarifying LAHC’s authority to do so.

BACKGROUND

LAHC entered into an Administrative Services Agreement with Group Resources, Inc. (“GRI”) on July 15, 2014 (effective as of July 1, 2014), which provided that GRI would perform a wide array of services on behalf of GRI, which included, but are not limited to, all required services for the operation of LAHC as a Qualified Health Plan (“QHP”) under the federal Co-Op program (“Consumer Operated and Oriented Plan”), Pub. L. 111-148 of the Affordable Care Act (“ACA”), and all LAHC “core business functions,” as follows:

- 1) Claims Administration Services – Exhibit A, section 2.2.1 and Exhibit A-1;
- 2) Enrollment/Eligibility Services – Exhibit A, section 2.2.2 and Exhibit A-2;
- 3) Printing and Fulfillment/New Member Materials and Member/Provider Communications Services – Exhibit A, section 2.2.3 and Exhibit A-3;
- 4) Software Configuration and IT Related Services – Exhibit A, section 2.2.4 and Exhibit A-4;
- 5) Premium Billing Services – Exhibit A, section 2.2.5 and Exhibit A-5;
- 6) Member/Provider Support Services – Exhibit A, section 2.2.6 and Exhibit A-6;
- 7) Provider Network, Credentialing and Utilization/Case Management – Exhibit A, section 2.2.7;
- 8) Reporting – Exhibit A, section 2.2.8 and Exhibit C; and

EBR3586271

- 9) Access and Audit – Exhibit A, section 2.2.9. See also, Exhibit A, Exhibit B – Performance Standards.

A copy of the LAHC-GRI Administrative Services Agreement of July 1, 2014 is attached hereto and incorporated herein as Exhibit A. The agreement provides for the smooth and orderly transition of GRI's services as required by LAHC.¹ LAHC records show that LAHC began the process of transitioning the third party administrator functions to GRI in March 2014. See Exhibit B. On August 20, 2014, LAHC records show that LAHC and GRI entered into a Delegation Agreement, a copy of which is attached hereto and incorporated herein as Exhibit C, which agreement delegated additional LAHC responsibilities to GRI, which included:

- 1) Member Inquiry and Complaint Resolution and Tracking, Exhibit C, section 1.1;
- 2) Member Services by Telephone, Exhibit C, Section 1.2;
- 3) Member Services by Web, Exhibit C, section 1.3;
- 4) Member Information Distribution, Exhibit C, section 1.4; and
- 5) Additional Reporting Requirements, Exhibit C, section 1.5.

In effect, the agreements between LAHC and GRI essentially transferred all essential LAHC business functions to GRI for LAHC operations as a QHP under the ACA and under Louisiana state law as a licensed health maintenance organization ("HMO").

CURRENT OPERATIONS

On January 28, 2016, this honorable Court approved the LAHC Motion to Establish a March 31, 2016 Deadline for Submission of Claims and Process for Claims Processing, a copy of the order is attached as Exhibit D. Pursuant to that order, GRI extended its work on behalf of LAHC to enter claims submitted into the GRI computer system and to process claims, handle telephone inquiries and send out notices of the March 31, 2016 claims filing deadline. GRI has notified LAHC that substantially all LAHC claims submitted to date have been processed in the GRI computer system.

¹ The Administrative Services Agreement between LAHC and GRI specifically provides for a smooth and orderly transition of GRI's services on behalf of LAHC, as follows:

1.3.2 Transition. Upon termination of this Agreement for any reason, the Parties shall work in good faith to effect a smooth and orderly transition as determined by LAHC and GRI, including without limitation, LAHC's transfer of the Delegated Services to a third party selected by LAHC. GRI 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 as necessary to effect a seamless transfer of the Delegated Services to the selected third party.

LAHC REQUESTS FOR ACCESS TO GRI COMPUTER SYSTEMS FOR LAHC DATA

Because all LAHC claims have been entered and processed in the GRI computer system for handling LAHC matters, in furtherance of this Court's September 23, 2016 Permanent Order of Rehabilitation and Injunctive Relief, LAHC requests that this Court enter a supplemental order requiring transfer of the computer data, records, software, hardware, off site storage and systems from the LAHC third party administrators, Group Resources, Inc. to LAHC, and requiring that GRI fully cooperate with LAHC in providing complete access to any and all computer data, records, software, hardware, off site storage and systems to permit LAHC to operate all computer systems, including, but not limited to the EHP and Edge serves, and any and all other servers or workstations on which LAHC computer data or records are stored and/or which are used for the LAHC production environment in order to provide LAHC with the ability to adjudicate and process for later payment the claims of LAHC policyholders, members, subscribers, enrollees, hospitals, doctors, medical professionals, insurance agents, the Centers for Medicare and Medicaid Services ("CMS"), and all other creditors. In particular, LAHC request that GRI turn over to LAHC:

1. All systems with all programs, software, hardware, off site storage, servers, workstations, peripherals, backups, storage devices, licenses, license keys, administrator user ids, administrator passwords, and manuals related to the LAHC records, including, but not limited to; EHP Server (computer name FRANK), the EDGE server used for CMS reporting, automate scheduling server, reports server, shared file server, email server, and any and all other servers or workstations on which LAHC computer data or records are stored or used for the transmission of and/or which are used for the LAHC production environment, in order to provide LAHC with an environment for processing.
2. All LAHC records and data related to LAHC claim administration, claims, claims payments, member responsibility, refunds and other claim costs;
3. All LAHC records and data related to network services, discounts, and contracts;
4. All LAHC records and data related to utilization;
5. All LAHC records and data related to prescriptions, prescription costs, and prescription usage;
6. All LAHC records and data related to dental care, dental care costs, and dental service usage;
7. All LAHC records and data related to health care provider licensing and credentialing;
8. All LAHC records and data related to the LAHC provider network;
9. All records and data related to the LAHC Call Center operated by GRI for LAHC;

10. All LAHC enrollment and eligibility records and data;
11. All LAHC records and data related to member materials and member/provider communication services;
12. All LAHC records and data related to authorizations issued for medical care;
13. All LAHC records and data related to grievances and appeals;
14. All LAHC records and data related to LAHC software configuration and IT-Related Services provided to LAHC by GRI;
15. All LAHC records and data related to LAHC state and federal regulatory reporting, including, but not limited to CMS and the Louisiana Department of Insurance;
16. All LAHC records and data related to GRI reporting to LAHC:
17. All LAHC records and data related to LAHC's participation in the Federal Consumer Operated and Oriented Plan ("Co-Op"), LAHC's operation as a Qualified Health Plan ("QHP") under the Affordable Care Act ("ACA"), LAHC's operation as a Louisiana non-profit corporation, and/or LAHC's operation as a Louisiana licensed health maintenance organization ("HMO");
18. All LAHC records and data related to LAHC compliance with applicable Louisiana state and federal laws, regulations, and requirements;
19. All LAHC records and data related to audit, evaluation and inspection of LAHC compliance with applicable Louisiana state and federal law and the Loan Agreement between LAHC and the Centers for Medicaid and Medicare Services ("CMS");
20. All LAHC records and data related to regulatory actions involving LAHC:
21. All LAHC records and data related to GRI's or GRI's contractors' performance of LAHC's core business functions, including, but not limited to, utilization review services, claim payment processes, customer services, call centers, enrollment services, information technology services and provider relations functions;
22. All LAHC and GRI records and data related to GRI insurance coverage, including, but not limited to, coverage required by the GRI Administrative Service Agreement with LAHC for general liability coverage, professional liability insurance coverage, workers' compensation coverage, employer's liability coverage, waiver of subrogation in favor of LAHC, and LAHC as an additional insured under applicable GRI insurance policies;
23. All LAHC and GRI records and data regarding GRI compliance with and/or communications related to the privacy and security rules and regulations for Protected Health Information ("PHI") required by federal law, 45 CFR 150.103, 45 CFR 160.103, 45 CFR 160.410, 45 CFR 162, 45 CFR 164.402, 45 CFR 164.514, 45 CFR 164.524, 45 CFR 164.526, 45 CFR 164.528, 45 CFR 164 Subparts C, E, O and Q, and any and all Louisiana equivalents. See the Business Associate Addendum to the Administrative Services Agreement, attached hereto and incorporated herein as Exhibit E.
24. All LAHC and GRI records related to GRI design, testing, presentation, and performance of the "Delegated Services" agreed to in the LAHC Administrative Service Agreement with GRI;
25. All LAHC and GRI records related to GRI compliance with the performance standards of the LAHC Administrative Services Agreement with GRI;
26. All LAHC records and data related to premium billing, and premium due and/or paid to LAHC;

27. All LAHC records and data related to terminations, cancellations, and/or other notice to LAHC policyholders, members, subscribers and enrollees;
28. All LAHC and GRI records related to LAHC payments to GRI;
29. All LAHC financial records and data;
30. All LAHC complaint records and data;
31. All administrator user ids and passwords necessary to access internet-based services, web-based services, cloud-based services, and any and all third party services that were used by GRI to transmit, store, process, deliver, report, encrypt, decrypt, synchronize, schedule or automate LAHC data, including, but not limited to URLs, web addresses, user ids, usernames, passwords, keys and pins;
32. All United States Postal Service Post Office Boxes used to receive mail on behalf of LHAC;
and
33. All telephone line numbers used to receive calls on behalf of LAHC.

LAHC seeks to obtain from GRI fully operational computer systems of all LAHC data and records in a production environment which will afford LAHC the ability to independently access all LAHC data and records and to provide LAHC with the ability to adjudicate and process for later payment the claims of LAHC policyholders, members, subscribers, enrollees, hospitals, doctors, medical professionals, insurance agents, CMS, and all other creditors, including, but not limited to any and all LAHC computer data, records, software, hardware, off site storage and systems in order to permit LAHC to operate the entire computer systems in GRI's possession, including, but not limited to, the EHP production server, the Edge server, and any and all other servers and workstations on which LAHC computer data or records are stored or transmitted and/or which are used for the LAHC production environment.

After all records subject to this motion and this Court's prior Permanent Order of Rehabilitation and Injunctive Relief of September 21, 2015 have been supplied and transition to LAHC is completed, LAHC requests that copies of data remaining under the control of GRI be destroyed and a Certificate of Compliance be provided by GRI to LAHC.

CONCLUSION

For all these reasons, and the reasons previously given, LAHC requests that the Court enter an emergency supplemental order approving the proposed process for transfer of the computer data, records, software, hardware, off site storage and systems from the LAHC third party administrator, Group Resources, Inc. ("GRI"), to LAHC, and order that GRI immediately

fully cooperate with LAHC in providing complete access to any and all LAHC computer data, records, software, hardware, off site storage and systems in order to permit LAHC to operate the entire computer systems, including, but not limited to, the EHP production server, the Edge server, and any and all other servers or workstations on which LAHC computer data or records are stored or transmitted and/or which are used for the LAHC production environment, to assist LAHC in obtaining all such things on the May 9, 2016 trip to Duluth, GA to obtain the LAHC records, systems and data.


LAHC further seeks approval from the Court for the authority to enter into an agreement with GRI, as needed and in the sole discretion of the Receiver, for GRI support services for transfer of same to LAHC, including, but not limited to, training of LAHC staff as needed, at such rates as LAHC finds reasonable, and to take any and all other actions as needed, in the discretion of LAHC for transfer of a complete working computer system to LAHC.

Respectfully Submitted,

BURGLASS & TANKERSLEY, LLC

BY: 

SUE BUSER (#18151)
CELESTE BRUSTOWICZ (#168350)
DENNIS J. PHAYER, ESQ. (#23747)
5213 Airline Drive
Metairie, Louisiana 70001-5602
Phone: (504) 836-2220
Telefax: (504) 836-2221
Attorneys for **JAMES J. DONELON, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, Inc. in Rehabilitation**

FILED
EAST BATON ROUGE PARISH, LA
2016 MAY -5 PM 2:54

DEPUTY CLERK OF COURT

LAHC—GRI Administrative Services Agreement

ADMINISTRATIVE SERVICES AGREEMENT

**By and Between
Group Resources, Inc.**

And

Louisiana Health Cooperative, Inc.

This Administrative Services Agreement (this "Agreement") is entered into and made effective as of July 1, 2014 ("Effective Date"), by and between the Louisiana Health Cooperative, Inc., a Louisiana not-for-profit corporation located at 3445 North Causeway Blvd., Suite 800, Metairie, LA 70002 ("LAHC") and Group Resources, Inc., a Georgia corporation having its principal place of business at 3080 Premiere Parkway, Suite 100, Duluth, GA 30097 ("GRI").

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 offers health insurance plans that permit healthcare providers to deliver high quality and cost effective healthcare services to the citizens of the State of Louisiana; and

WHEREAS, LAHC is also a party to that certain Loan Agreement ("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 pursuant to the above cited Public Law; and

WHEREAS, GRI provides various administrative services in accordance with Applicable Law (as defined below); and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties do hereby agree as follows:

**SECTION 1
TERM AND TERMINATION**

1. **Duration of the Agreement.** The initial term of this Agreement shall be one (1) year, beginning on the Effective Date. This Agreement shall automatically renew for successive one (1) year terms and remain in effect until terminated as set forth herein. This Agreement may be terminated without cause by LAHC or GRI upon ninety (90) days advance written notice to the other party as provided below.

1.2 **Termination for Cause.** Either party may immediately terminate this Agreement for cause upon the occurrence of any of the following:

1.2.1 A 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;

1.2.2 A party's loss of licensure and certification (as defined in Section 2.1.2) necessary to perform the party's obligations under this Agreement or Regulatory Action (as defined in Section 2.1.3);

1.2.3 As required by Applicable Law (as defined in Article 2.1.1) or as required or requested by a regulatory agency;

1.2.4 Failure by a party to cure a material breach identified by the non-breaching party (written notice to the other party provided as set forth below) within such time requested by the non-breaching party in the written notice.

EBR3596272

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*LAHC—GRI Administrative Services Agreement***1.3 Effect of Termination.**

1.3.1 Continuing Obligations Through Date Of Termination. Upon notice of termination of this Agreement from LAHC, GRI shall continue to provide the Delegated Services set forth in Section 2 hereof in the manner required by Applicable Law and this Agreement up to and through the effective date of termination. Within five (5) days of termination of this Agreement for any reason, and as requested by LAHC, GRI shall deliver to LAHC all of the files and records (both hard-copy and electronic) pertaining to the Delegated Services performed by GRI during the term of this Agreement.

1.3.2 Transition. Upon termination of this Agreement for any reason, the Parties shall work in good faith to effect a smooth and orderly transition as determined by LAHC and GRI, including without limitation, LAHC's transfer of the Delegated Services to a third party selected by LAHC. GRI 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 as necessary to effect a seamless transfer of the Delegated Services to the selected third party.

**SECTION 2
OBLIGATIONS OF GRI****2.1 GRI Qualifications/Representations and Warranties.**

2.1.1 Legal, Regulatory And Accreditation Compliance. GRI represents and warrants that, to the extent applicable either to this Agreement or LAHC, it shall, at all relevant times, comply with all: a) laws, b) regulations, c) guidelines, d) Accreditation Standards of the National Committee for Quality Assurance ("NCQA") or other accreditation standards applicable to LAHC or GRI, e) requests, requirements or conditions of any legislative or regulatory body and f) the provisions of the Loan Agreement between LAHC and CMS (all referred to herein as "Applicable Law").

2.1.2 Licensure and Certification. GRI represents and warrants to LAHC that it shall, at all times during the term of this Agreement, be appropriately authorized, licensed, bonded and certified. GRI shall provide LAHC with a copy of each such authorization, license, bond and certificates as and when issued and upon each renewal. GRI shall notify LAHC within five (5) days if any required authorization, license, bond and certificate is, voluntarily or involuntarily, limited, compromised, relinquished or withdrawn.

2.1.3 Regulatory Action(s). GRI shall notify LAHC within five (5) days of any action taken or sanction issued against GRI, and/or any of its employees or contractors, by any regulatory agency, licensing board or other authority related to the Delegated Services performed under this Agreement.

2.1.4 GRI represents and warrants that GRI personnel who perform or provide the Delegated Services specified under this Agreement shall possess the appropriate authorization, license, bond and certificates, and are fully and appropriately trained, to properly perform the tasks assigned to them.

2.1.5 GRI acknowledges and represents that LAHC is a Consumer Operated and Oriented Plan and is a Qualified Health Plan under the Affordable Care Act and, as a consequence, is subject to Applicable Law and the Loan Agreement between it and CMS. These provisions include certain Network Adequacy requirements, certain provisions relating to Essential Community Providers, and certain requirements pertaining to organizational governance and consumer control. GRI specifically represents and warrants that it shall comply with all obligations applicable to LAHC under the Co-Op Program, whether imposed by law, regulation, guidance or pursuant to the Loan Agreement itself.

2.1.6 GRI agrees to maintain and give the U.S. Department of Health and Human Services, the Comptroller General, the HHS Office of Inspector General, or their designees access to all books, contracts, records, documents, and other evidence related to LAHC's scope of work sufficient to enable audit, evaluation and inspection of LAHC's compliance with Co-Op Program Requirements and the Loan Agreement between LAHC and CMS.

LAHC—GRI Administrative Services Agreement

2.1.7 GRI agrees to maintain such books, contracts, records, documents and other evidence related to LAHC's Co-Op Program for ten (10) full years following the termination of this Agreement or from the date of completion of any audit, evaluation or inspection, whichever is later, unless LAHC notifies GRI of the need to retain records or other evidence for a longer period or there has been a termination, dispute or allegation of fraud or similar fault committed by GRI, in which case, GRI must retain records for an additional ten (10) years from the date of final resolution of any such termination, dispute or allegation of fraud or similar fault dispute.

2.1.8 GRI represents and warrants that all core business functions shall be performed within the State of Louisiana, such core business functions include utilization review services, claim payment processes, customer service call centers, enrollment services, information technology services, and provider relations functions, if required by the State of Louisiana.

2.1.9 GRI shall, for all times material to this Agreement and GRI's obligations under it, and at its own cost and expense, maintain: a) (Comprehensive) General Liability insurance coverage, including coverage against any claim or claims for damages or injury of any nature or sort occasioned directly or indirectly by GRI or its employees, independent contractors, directors, officers or agents in the performance of its/their duties hereunder, for GRI or its employees, independent contractors, directors, officers or agents consistent with industry standards in the amount of at least \$1,000,000.00 per occurrence and \$2,000,000.00, annual aggregate, and b) Professional Liability Insurance coverage including coverage for errors and omissions arising from the professional activities of GRI hereunder in an amount of at least \$5,000,000.00 per occurrence and \$5,000,000.00, annual aggregate. If either (or both) of the above policy(ies) is a claims-made policy, GRI shall, upon termination of either (or both) of the above policy(ies), procure at its own cost and expense a Prior Acts Reporting Endorsement (i.e. "tail" coverage) and send evidence that such coverage(s) has been procured to LAHC. Finally, GRI shall also maintain throughout the term of this Agreement Louisiana Workers' Compensation insurance and Employer's Liability insurance as required by Applicable Law and/or as customary. GRI shall provide written evidence of all coverages described above (such evidence shall also include specified limits) within five (5) days of the Effective Date of this Agreement. The (Comprehensive) General Liability insurance policy and the Professional Liability Insurance policy described above shall be endorsed to reflect that LAHC, its employees, independent contractors, directors, officers or agents shall be named as additional insureds. A copy of each such policy or a certificate(s) evidencing such policy shall be provided to LAHC at the inception of this Agreement and upon each policy's renewal. On all policies noted above, where allowed by law, a waiver of subrogation will be provided in favor of LAHC.

2.2 Duties and Functions ("Delegated Services"). GRI shall: a) timely perform each of the Delegated Services (as described hereinbelow and in the various indicated Exhibits), b) in accordance with the Performance Standards set forth in Exhibit B, and c) in conformity with Applicable Law. With respect to each Delegated Service, GRI shall: a) design each service to fit LAHC's needs, b) test each service to assure that it operates in all respects as intended and does so in a reliable and consistent manner, c) present the service to LAHC for review and approval, and thereafter d) operationalize the service in accordance with the Performance Standards contained in Exhibit B. The Delegated Services shall be applicable to all products LAHC elects to offer.

2.2.1 Claims Administration Services. GRI shall provide a full-featured Claims Administration system including design, preparation and printing of all claims forms which may be necessary in the administration of the products LAHC chooses to offer. The system shall be able to timely and accurately comply with all legal and business requirements applicable to claims processing, payment of claims, timely and appropriate handling of claim-related appeals, all as more fully set forth in Exhibit A-1, Claims Administration Services.

2.2.2 Enrollment/Eligibility Services. GRI shall provide a full-featured Enrollment/Eligibility system whereby all data elements customarily required to support LAHC member demographic and other information and the complete eligibility function are accurately maintained/fully operational. GRI shall process eligibility electronically, or manual enrollment and through a web portal. The Enrollment/Eligibility Services are more fully set forth in Exhibit A-2.

2.2.3 Printing And Fulfillment/New Member Materials And Member/Provider Communication Services. GRI shall provide all customary new member materials (such new member materials shall include, but shall not be limited to: booklets and other publications fully and adequately describing the LAHC product offerings, all other documents and forms relating to initial enrollment, and all member communications as necessary for the proper administration of the LAHC products), all as more fully set forth Exhibit A-3, Printing And Fulfillment, New Member

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LAHC—GRI Administrative Services Agreement

**SECTION 3
COMPENSATION**

3.1. Fees.

3.1.1. **Initial Fee.** GRI shall be paid an initial fee of up to \$25,000 which amount shall be paid within ten (10) days of the Effective Date of this Agreement.

3.1.2. **Monthly Fee.** During the term of this Agreement, GRI shall be paid a monthly fee equal to \$24.75 per employee per month for group business and \$24.75 per subscriber per month for individual contracts. The foregoing count(s) shall be made by LAHC subject to GRI's right to review. Also, GRI shall be paid a monthly fee of \$1.25 for each enrolled member from the exchange until termination or converted to covered effectuated plan member.

3.2. **Expenses.** In addition to the above payments, LAHC shall reimburse GRI for the expenses as set forth in Section 2.2.3. These payments will be made on a monthly basis pursuant to a written invoice to which is attached support documentation as reasonably requested by LAHC.

3.3. **Ad Hoc Reporting.** GRI agrees to provide up to five hundred (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 Applicable Law and CMS or other regulatory agency.

3.4. **Payment Terms/Payment-Related Disputes.** GRI will invoice LAHC on or about the first (1st) day of the month for the prior month's Delegated Services. LAHC will have access to the data and report details for further review as necessary. To the extent deemed correct by LAHC, GRI's invoices shall be due and payable in full within fifteen (15) days from the date of the invoice. If LAHC withholds payment of any invoiced amount that it believes in good faith is not earned or due, LAHC shall pay all undisputed amounts on the invoice in accordance with the above-provided time frame and at the time of such partial payment notify GRI in writing of the specific amount in dispute and the reasons why LAHC disputes the amount claimed to be due. GRI and LAHC will then work together in good faith to promptly resolve the payment-related dispute.

**SECTION 4
MISCELLANEOUS**

4.1. **Protected Health Information.** The parties agree that LAHC is a Covered Entity and that GRI is a Business Associate as those terms are defined by the Health Insurance Portability and Accountability Act of 1996, and the Health Information Technology for Economic and Clinical Health Act of 2009 (collectively "HIPAA") and their respective standards, rules, regulations, guidelines and interpretations. The parties agree to comply with HIPAA and incorporate by reference as if fully stated herein, the Business Associate Agreement, attached hereto as Exhibit D. The parties further agree that the terms of the Business Associate Agreement ("BAA") shall be deemed controlling in the event of a conflict between the provisions of the BAA and the provisions of this Agreement.

4.2. All notices required under this Agreement shall be in writing and shall be deemed to have been effectively delivered if: a) mailed by prepaid USPS Certified or Registered Mail (return receipt requested); b) delivered by a nationally-recognized overnight courier service or c) emailed to the parties at the following addresses (or at such other addresses as may be subsequently provided in writing):

If to LAHC:

Louisiana Health Cooperative
3445 N. Causeway Blvd.
Suite 800
Metairie, LA 70002
Attention: Greg Cromer, CEO

If to GRI:

Group Resources[®] Inc.
Attn: Thomas S. Byrd
3010 Premiere Parkway Suite 100
Duluth, GA 30097-4904

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4.3 It is understood and agreed that GRI is not and shall not be deemed to be a fiduciary with respect to the Plan. GRI shall not be named or considered to be the "Plan Administrator" for purposes of the Employee Retirement Income Security Act of 1974, as amended. GRI is retained by the Plan under this Agreement to perform ministerial functions, not discretionary functions as clarified in the Department of Labor under ERISA at 29 CFR Section 2509.75-8, D-2.

4.4 GRI shall protect, defend, hold harmless and indemnify LAHC and its affiliated entities and their respective employees, agents, officers, directors and shareholders from and against any claim, action, cause of action, liability, loss, cost, expense, fee, damage, tax or penalty (including reasonable attorney and accountant fees) attributable to any act or omission of GRI or its employees, independent contractors, directors, officers or agents in connection with their responsibilities under this Agreement. LAHC shall protect, defend, hold harmless and indemnify GRI, its respective employees, agents, officers, directors and shareholders, from and against any claims, action, cause of action, liability, loss, cost, expense, fee, damage, tax or penalty (including reasonable attorney and accountant fees) attributable to any act or omission of LAHC or its employees, independent contractors, directors, officers or agents in connection with their responsibilities under this agreement.

4.5 This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein, and this Agreement supersedes all prior agreements or understandings, whether oral or written, between the parties hereto relating to the subject matter hereof.

4.6 This Agreement and any provision hereof may be modified, amended or superseded only in writing signed by both parties hereto. The parties hereto agree to amend this Agreement as may be necessary to comply with Applicable Law.

4.7 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.8 The captions and section headings used herein are for convenience only and shall not be considered to be part of this Agreement and shall not be used when interpreting its content.

4.9 This Agreement shall be construed and enforced in accordance with the laws of the State of Louisiana to the extent not preempted by federal law, which shall otherwise control.

4.10 Neither party shall offer or receive any incentives to deny, limit or discontinue medically-necessary services. Nothing contained in this Agreement shall be construed to constitute a financial incentive or payment that directly or indirectly acts as an inducement to limit or deny medically-necessary services.

4.11 No provision or obligation contained in this Agreement may be waived except by the mutual written agreement of the parties.

4.12 If any one or more of the provisions of this Agreement shall, for any reason, be held invalid, illegal or unenforceable, it shall not affect any other provision thereof, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been contained in this Agreement.


4.13 This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Signatures exchanged by facsimile shall be

LAHC—GRI Administrative Services Agreement

deemed to constitute original, manually-executed signatures and shall be fully binding.

IN WITNESS WHEREOF, this Agreement is hereby duly-executed by the authorized representatives of the respective parties.

Louisiana Health Cooperative, Inc.

By: 
Greg Cromer
Its: Chief Executive Officer

Date: 7/15/2014

Group Resources, Inc.

By: 
Thomas S. Byrd
Its: CEO

Date: 7/9/14

*LAHC—GRI Administrative Services Agreement***EXHIBIT A-1
Claims Administration Services**

1. **Claim Payment.** GRI shall establish appropriate accounting controls, policies and procedures, including security controls approved by LAHC, to timely and accurately process and pay claims for covered services provided to members by participating providers according to the payment terms (timeliness requirements and rates) in the participating provider agreements and by providers *other than* participating providers in accordance with the non-participating provider payment rates.
2. **Claim Adjudication.** GRI shall implement a claims adjudication process approved by LAHC and in accordance with Applicable Law, including
 - Determining covered services, paying claims and tracking utilization for LAHC's products;
 - Identifying and processing clean and unclean claims and timely redirecting misdirected claims, if any, to the applicable payor; and drafting payment for clean claims;
 - 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 GRI) for providers;
 - Transmitting, in such formats and with such frequency as mutually agreed to in writing by the parties, a) pended or denial notifications to providers, members and regulatory authorities, b) explanations of benefits to members, and c) explanations of payments to providers.
 - Transmitting initial authorizations and denial notifications, including notice of appeal rights timely to members and providers;
 - Tracking and reporting on its performance of the Claim Administration function using agreed upon reporting formats; and
 - Tracking, reporting, and reconciling with a payor's records member deductible usage and benefit accumulators.
3. **Submission of Claims.** GRI shall provide a mailing address for Providers to submit claims directly to the GRI for covered services. GRI shall provide a reliable and accurate clearinghouse protocol for the submission of electronic claims to GRI. GRI shall provide LAHC with a monthly management report regarding mis-directed claims and documenting its process for identifying misdirected claims.
4. **Interest on Late Paid Claims.** If GRI fails to adjudicate claims within time frames required by Applicable Law, GRI 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 LAHC shall be responsible for paying the interest penalty.
5. **Claims Administration Performance Standards.** In addition to the requirements in the Agreement, GRI shall meet the performance standards in Exhibit B. GRI shall comply with all Applicable Law 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.

LAHC—GRI Administrative Services Agreement

6. **Fraud, Waste & Abuse and Coordination of Benefits.** GRI 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.

7. **Coding.** GRI'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, 9th edition or 10th 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").

8. **Reports.** GRI shall transfer "claims paid" data and reports for claims paid to LAHC on a schedule specified by LAHC, including claims received, claims adjusted, claims paid, claims denied, claims suspended, errant claims submissions, 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, GRI shall provide LAHC with a confirming list acknowledging receipt and processing of all such claims.

GRI shall transfer encounter data and reports for encounter activity to LAHC according to mutually-agreed schedules and formats.

GRI shall, by the fifteenth (15th) 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.

On request, GRI shall cooperate with LAHC efforts to determine and track historical accumulator information. GRI shall track accumulator data associated with members, which information shall be shared between LAHC and GRI on a mutually agreed upon schedule and format.

GRI shall receive, retain, and apply weekly reports updating 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.

9. **EOBs, Notices of Appeal Rights.** GRI shall ensure that each paid claim is accompanied by the appropriate notice, containing all information required by Applicable Law, 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.

10. **Handling of Appeals.** GRI 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 claim determination must be directed to LAHC or its designee as soon as reasonably possible for processing. GRI acknowledges that expedited appeals must be processed within 48 hours or as soon as the member's condition requires. Upon receipt of a member's appeal, GRI 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. (Sentence deleted as unnecessary. This information shall be transmitted to LAHC or its designee no later than one (1) business day following receipt of the information reasonably indicating

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LAHC—GRI Administrative Services Agreement

that an appealable dispute exists. LAHC shall inform GRI of the outcome of the appeal within one day of the rendering of a decision. GRI shall comply with any full or partial reversal of payment as requested by LAHC or external review agency.

11. **Payor Fund Files.** The parties agree to establish mutually agreed upon payment terms, timelines, and procedures to meet all prompt payment requirements as per Applicable Law. GRI shall maintain information on the balances in payor funding files by payor name, and shall regularly report to LAHC fund balances, fund expenditures and other pertinent financial statistics as mutually agreed. GRI shall notify LAHC's CFO of any payor's failure to adequately and timely fund claims.

12. GRI shall implement 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.

13. GRI acknowledges that, with respect to members actually insured by LAHC, LAHC reserves the sole and final authority to make decisions about the payment of claims. GRI shall pay all such claims in accordance with LAHC's instructions, unless it violates State or Federal law . However, in the case of claims paid by LAHC in instances where LAHC is not the actual insurer, but is only providing administrative services, such claims shall be paid by GRI (on LAHC's behalf) in strict accordance with the provisions of the applicable plan documents.

14. GRI shall timely and appropriately identify and manage LAHC's claims of subrogation and reimbursement in a manner specified by LAHC.

LAHC—GRI Administrative Services Agreement

EXHIBIT A-2
Enrollment/Eligibility Services

1. GRI will process and maintain enrollment and eligibility information of members and ensure the completeness of the enrollment/eligibility information.
2. GRI is responsible for verifying the eligibility status of members for benefits.
3. GRI will receive, process and maintain enrollment and eligibility data in both hard copy and electronic format from LAHC.
4. GRI will collect and maintain HIPAA compliant and demographic information on each member within the eligibility system.
5. GRI will provide storage and retrieval for health enrollment forms submitted for initial enrollment and enrollment/status changes.
6. GRI is responsible for providing full administration of the Consolidated Omnibus Budget Reconciliation Act (COBRA) and HIPAA.
7. GRI agrees to provide any eligibility and enrollment data to third parties, including State or Federal insurance exchanges, as required by LAHC and Applicable Law.
8. GRI shall meet the performance standards in Exhibit B.

LAHC—GRI Administrative Services Agreement

EXHIBIT A-3

Printing And Fulfillment, New Member Materials And Member Communication Services

1. GRI is responsible for the 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, groups, and LAHC. Examples of these member materials are, but not limited to:

- o ID Card
- o Welcome Kits
- o Provider Directories (upon request)
- o Explanation of Benefits (EOB)
- o Billing Statements
- o Surveys (to be paid for by LAHC)
- o Delinquent and termination notifications to members/providers/applicable regulatory authority
- o Informational Letters
- o Benefit Summaries
- o Summary of Benefits Coverage

2. GRI is responsible for producing and mailing member ID cards, and mailing ID cards to the member's home address within five (5) business days under the following circumstances:

- o Initial eligibility
- o New hires of group employees
- o Members who change coverage category (e.g. single to family)
- o Replacement of lost cards
- o Upon request of a member

3. GRI will conduct, at LAHC's expense, at least one (1) satisfaction survey annually or more often as required by Applicable Law. The format and process for conducting the survey will be prepared and approved by LAHC prior to conducting the survey.

4. GRI shall meet the performance standards in Exhibit B.

*LAHC—GRI Administrative Services Agreement***EXHIBIT A-4**
Software Configuration And IT-Related Services

1. GRI is responsible for the setup, configuration, administration and security of IT-related functions relating to the software system ("Software") to support Delegated Functions in accordance with Applicable Law, including but not limited to:

- Eligibility census management
- Online consolidated invoicing
- Posting of Collections
- Agent management and agent commission accounting
- Open enrollment & renewal processing
- EDI (electronic data interchange) for claims, enrollment, eligibility and other file transfers
- Eligibility data and/or claims file transfer to or from other designated 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.)
- Provide information to call center to support enrollment/eligibility/claim questions
- Monthly invoice distribution services
- Late notice and termination notice distribution services
- Premium and other fee remittance to all parties
- Reconciliation of eligibility with other carriers
- Report generation
- Secure Member portal with information regarding benefit review, plan summary, out of pocket and deductible balances, Provider Listing and searches and claims activity
- Secure Provider portal with information regarding eligibility, premium paid status, benefits, deductible accumulation, claim status, and claims payments.
- LAHC access to data

2. GRI will prepare and issue to LAHC, or third parties designated by LAHC, all standard daily, weekly, monthly, quarterly and annual reports specified by LAHC, including those specified in Exhibit C and this Agreement and those accounting and financial reports required for LAHC's compliance with applicable law.

3. All cause-of-outage incidents must be reported to LAHC within the time required by LAHC.

4. GRI shall implement an Information Technology Security Plan and a Business Continuity/Disaster Recovery Plan acceptable to LAHC and compliant with Applicable Law and HIPAA. The Business Continuity/Disaster Recovery Plan shall include strategies and approaches for dealing with IT-related system failures. Production infrastructure shall be allow for recovery to an alternate site. In the event of a disaster to the primary physical hosting site, GRI shall have the ability to recover and be immediately fully operational in an alternate site. GRI 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 GRI business continuity plan and, at a minimum, GRI shall perform 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. GRI's Business Continuity/Disaster Recovery Plan shall include the procedure that GRI will follow to 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.

5. GRI shall notify LAHC 48 hours in advance for scheduled outages unless otherwise agreed in advance.

LAHC—GRI Administrative Services Agreement

6. GRI will support the integration of, and data exchanges with LAHC and/or any party or vendor that LAHC has retained to provide services on behalf of LAHC. (*i.e.* a pharmacy benefits manager or medical management vendor).

7. GRI 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.

8. GRI shall meet the performance standards in Exhibit B.

LAHC—GRI Administrative Services Agreement

EXHIBIT A-5
Premium Billing Services

1. GRI will provide and maintain a premium billing and accounts receivable system capable of producing monthly statements, notices, tracking account balances, receiving payments, and documenting payment histories for insurance premiums for both group and individual plans in accordance with Applicable Law and LAHC's policies as may be amended from time to time.
2. GRI shall obtain LAHC approval on all materials, forms, or form letters used in the premium billing process prior to use.
3. GRI shall timely and appropriately identify and handle overpayment of claims and rights of subrogation and reimbursement in a manner specified by LAHC and Applicable Law. GRI shall report to LAHC, on a periodic basis as specified by LAHC, the amounts billed to each member/group.
4. GRI will administer COBRA and HIPAA, including transferring/interfaces COBRA participants to exchange health plans.
5. Premium Billing Performance Standards--In addition to the requirements set forth in the Agreement and in this Exhibit, GRI shall also meet the Performance Standards contained in Exhibit B.

*LAHC—GRI Administrative Services Agreement***EXHIBIT A-6*****Member/Provider Support Services***

For purposes of this Exhibit, Member and Provider Support Services may also be referred to collectively as "Member Services".

1. GRI shall provide adequate, dedicated Member Service staff for assistance with all LAHC products, whether by telephone (LAHC-specific toll-free telephone line), fax, e-mail, or entry into the LAHC web site, and including capabilities to respond to individuals who are non-English speaking or have hearing/visual impairments. Member Services will be available between 8:00 am and 5:00 pm Central Standard Time. At the termination of the Agreement, GRI shall assign or allow the transfer of the toll-free line to LAHC at LAHC's cost.

2 GRI will develop and implement policies, procedures, and training materials and shall ensure performance by Member Services which are (i) compatible with LAHC policy, procedure and performance standards, and (ii) in compliance with Applicable Law. No substantive modifications can be made to Member Services policies without the consent of LAHC. Member Services Staff shall be trained and shall perform services using appropriate communication techniques to respond to issues including member/provider inquiries; complaints, grievances, and coverage appeals; address urgent issues, including quality of care and fraud; and provide general information about LAHC products and benefits, member elections, voting and governance, LAHC policies and Applicable Law.

3 GRI shall record and retain Member Services encounters with members and providers, including the date and time of every inquiry, complaint, appeal, or grievance and shall document and maintain documentation that includes the nature of the communication, the nature of the issue, Member Service's response, the identity of Member's Service staff responding to the call, timeliness of response, and such other information as LAHC or a regulatory agency may request.

4. Member Services shall have real time access to claim payment information, medical management information and an up to date database of LAHC providers to be able to promptly respond to inquiries.

5. Reports and Audit. GRI shall, in the time and manner requested by LAHC, report to LAHC information to ensure such performance of Member Services in accordance with the Agreement, including performance standards in Exhibit B, and Applicable Law. GRI shall cooperate with LAHC's on-site audits, LAHC monitoring of member calls, sharing logs of member calls, and such other audits as LAHC deems necessary. In addition, it shall be required that at least 90% of survey respondents using LAHC Member Satisfaction Survey tools will report that they are either satisfied or very satisfied with the Member Services provided by GRI.

LAHC—GRI Administrative Services Agreement

**EXHIBIT B
PERFORMANCE STANDARDS**

Service Level	Service Level Specification
Clean Claim Processing Timeliness	99.5% of electronic Clean Claims will be adjudicated (paid, pending or denied) within 30 Days of receipt. 99.5% of non-electronic Clean Claims submitted by a contracted provider within 30 days of date of service will be adjudicated (paid, pending or denied) within 30 days.
Unclean Claim Processing Timeliness	100% of all unclean claims will be adjudicated (paid, pending or denied) within 60 Days of receipt
Claims Processing Accuracy - Procedural	97% of adjudicated claims will be adjudicated with clerically accurate processing
Claims Processing Accuracy - Financial	99.5% of total dollars paid, for all claims adjudicated
Abandonment Rate	Abandonment rate for all calls that have made it to the queue in a month shall be no greater than 4%.
Non-telephonic electronic contact response speed	GRI Staff will respond to 100% of non-telephone inquiries whether made by facsimile, electronic mail or web inquiry within one business day
Maximum resolution time	99.5% of all telephone and written inquiries will be resolved/closed within 21 Calendar Days
Enrollment/Eligibility File loading	Within one day of receipt, GRI will load enrollment files from the state or federal Health Insurance Exchange (HX), cooperative website, third party "private" exchanges, or paper submissions. Within one day of receipt of notice of premium payment from LAHC, GRI will load eligibility files into the claim/eligibility system.
ID Cards	Within five (5) business days of receipt of notice of premium payment from LAHC, GRI will mail ID cards.

LAHC—GRI Administrative Services Agreement

Service Level	Service Level Specification
Prior Authorization file loading	GRI 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
GRI System Availability	GRI system will be available 99.75% of scheduled uptime for LAHC users.
Premium Billing Accuracy	97% of the member's premium bills will be financially accurate.
IT Systems	System availability and business continuity for all Delegated Services. System must meet at least 99.75% availability during a calendar month.
Member Services	99.75% - Member Services will identify non expedited grievances and appeals and forward information, including supporting documentation, to the appropriate party for resolution within one business day.
Member Services	99.75% - Member services will identify expedited grievances and appeals and forward information including supporting documentation, to the appropriate party for resolution, within the lesser of two hours or before the close of the business day.
Member Services	100% Member Services shall maintain recordings and documentation of all member/provider calls and provide access to LAHC as requested.

LAHC—GRI Administrative Services Agreement

EXHIBIT C

REPORTING (All Reporting Changes OK With LAHC)

<u>Claim Analysis Overview</u>	A graphical summary of claim expenditures, network discounts and employee responsibility for the timeframe you specify.
<u>Normative Comparison Summary</u>	Provides a summary-level view of enrollment, cost and utilization information through a time period you specify.
<u>Utilization Benchmark Summary</u>	Provides a comparison of utilization patterns between your plan and selected national normative values.
<u>Shock Claim Summary</u>	Provides insight into high-claims members and the costs incurred through timeframe you specify.
<u>Monthly Cost Summary</u>	A per-month summary of claim expenditures, network discounts and employee responsibility for the timeframe you specify.
<u>Prescription Drug Summary</u>	Displays prescription costs and dispensing information for the timeframe you specify.
<u>Prescription Utilization Summary</u>	Retrieve summary information and top 10 drug information by drug name or drug class.
<u>Dental Service Summary</u>	View service categories associated with your dental costs.
<u>Cost Distribution Summary</u>	Provides an indication of the number of members incurring 10%, 20%, 50% and 80% of the plan's claim costs. Specify.
<u>Claim Cost by Age Group</u>	Indicates which age groups are incurring which costs through a time period you specify.
<u>Key Utilization Indicators</u>	Provides a summary-level trend analysis of your employee census and benefits utilization.
<u>Preventable Conditions</u>	Displays conditions that might be prevented by behavior changes, and your group's cost associated with those conditions.

LAHC—GRI Administrative Services Agreement

<u>Rank Summary Analysis</u>	Retrieve summary and drill-down to specific claim information based on healthcare providers, procedure or members of your plan through a time period you specify.
<u>Lag Matrix Generator</u>	Create a paid versus incurred lag matrix for time periods that you specify.
<u>Medical Cost Dist (Category)</u>	Provides a trend analysis of your benefits utilization across major diagnostic categories.
<u>Health Service Analysis</u>	View frequency and cost information associated with groups of services performed for members of your plan specify.
<u>Payment Analysis</u>	Retrieve a claim payment list through a time period you specify and drill-down to individual claim payment
<u>Provider Cost Comparison</u>	Compare charges and payments for specified procedures and/or providers.
<u>Stop Loss Trigger Report</u>	Provide diagnosis and procedure information for select key diagnoses through time periods that you specify
<u>Flexible Claim Data Query</u>	Query your plan's healthcare experience database for information related to costs or utilization. You may specify other data filtering criteria when using the query.



<p>1:00 PM-2:00 PM (all times Central)</p>	
<p>Greg Cromer, Mark Gentry, Jim Starnes, Tony Cimino, Tommy Teague, Debby Sidener, Charlie Calvi, Jeremy Murphy, Theresa Anderson, Pat Powers, Barbara Baudin</p>	
<p>Discussion</p>	
<p>Project Management</p>	<p>General</p> <ul style="list-style-type: none"> • Barbara transitioning to Project Management <ul style="list-style-type: none"> ◦ These projects will support all departments • Projects on the radar <ul style="list-style-type: none"> ◦ QHP Certification 2015 ◦ NCQA (related to 2015 QHP) ◦ Large Group Filing ◦ Transitioning TPA • Joan sent e-mail requesting call to discuss enrollment vs. projections for 3/13 or 3/17 <ul style="list-style-type: none"> ◦ Milestone to have this discussion ◦ Greg request to schedule this meeting at 1:00 pm ◦ Include Jeremy, Mark, Tommy, Tony, Charlie, Pat, Tony, Barbara, Greg, Theresa
<p>Operations / Information Technology</p>	<p>Operations /IT Update</p> <ul style="list-style-type: none"> • Current high priority issues <ul style="list-style-type: none"> ◦ ID Cards <ul style="list-style-type: none"> ▪ General issue is that the cards are not going out ▪ Member called into call center stating that they received a member packet with "additional items" ▪ 156-158 members were effected ▪ If this issue reaches 500 individuals, LAHC must report the occurrences to CMS ▪ Determine how to address the risk ▪ Request that CGI review their processes to find how this occurred ▪ Advise CGI not to run any more ID card batches until we find the source of the problem and a solution ▪ Off-line meeting to discuss what needs to be included in the packets ◦ Invoices <ul style="list-style-type: none"> ▪ Receiving a significant amount of return invoices ▪ Member is not receiving invoices and subsequently being removed from "coverage" ▪ Working on a response/script for call center representatives to guide them on how to proceed ▪ Formatting issue regarding zip code <ul style="list-style-type: none"> • Change request was submitted to Scott • Confirming this change has been implemented ◦ Eligibility <ul style="list-style-type: none"> ▪ Records have bad dates, far into the future ▪ Eligibility impacts all other areas ◦ Member Reconciliation <ul style="list-style-type: none"> ▪ Determine the source of where members come from <ul style="list-style-type: none"> • Broker, subsidy on the exchange, etc. • Some members have been counted twice ▪ We still have business coming in to a "broken" process <ul style="list-style-type: none"> • Charlie suggests that we "purify" incoming enrollments prior to going to CMS • Mark plans to review the areas impacted by the issue, determine whether the issue is one of compliance that can get LAHC into trouble, then determine the percentage helped by solving the issue ▪ 3.31.14 (end of open enrollment) don't look for any new business

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	<ul style="list-style-type: none"> <ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ When looking for new business, advise interested parties that LAHC will be able to cover in the future after LAHC solves the issue ○ Claims • Working to prioritize operational items by <ul style="list-style-type: none"> ○ % of member impacted ○ Compliance/regulatory impact ○ Those with greatest impact on improving operations • Will be working with other areas to develop solutions/resolve issues <ul style="list-style-type: none"> ○ Provider Network ○ Claims • CGI Transition update <ul style="list-style-type: none"> ○ Working on project plan ○ Sent Andy, with Group Resources, the benefit information <ul style="list-style-type: none"> ▪ Scheduled to discuss each item with him tomorrow 03.12.14 ▪ Will send him information from CMS about essential community providers and Indian tribes ○ Confirm and compare LAHC's practice versus CGI's practice with regard to Direct contracts, Verity contracts, and Health Integrated for both HMO and POS ○ Identify issues with CGI from each departments perspective <ul style="list-style-type: none"> ▪ Continue discussion next week ○ Note: Retrieve Health & Wellness assessments from CGI ○ Note: the standard of NCQA, with regard to releasing vendor, is to secure member information/PHI <ul style="list-style-type: none"> ▪ LAHC must report how this information will be handled with CGI • Form a HIPAA committee to form a policy <ul style="list-style-type: none"> ○ All policies and procedures must adhere to HIPAA guidelines and requirements ○ Involve Christin in creating an internal HIPAA class and policy ○ Add as ongoing agenda item under compliance. ○ Pat will lead this charge • Mimecast is the new secure email system <ul style="list-style-type: none"> ○ Has been installed ○ Provides secured emails ○ It is searchable ○ If exchange goes down, it can transfer emails
<p>Clinical Care Integration/ Claims</p>	<p>Clinical Care/ Claims Update</p> <ul style="list-style-type: none"> • Claims <ul style="list-style-type: none"> ○ February Claim report (handout) ○ Claims by specialist and by facility ○ Theresa check figures for claims – approved for payment \$29,000 ○ Does not include pharmacy • Appeals and Grievances <ul style="list-style-type: none"> ○ Report ○ Year to date – 6 complaints and 3 grievances <ul style="list-style-type: none"> ▪ 2 grievances concerning covered benefits ▪ 1 complaint concerning the formulary • High dollar claims <ul style="list-style-type: none"> ○ Approximately 15 member who are getting into the upper range
<p>Compliance</p>	<p>Compliance Update</p> <ul style="list-style-type: none"> ○ CMS PWC audit responses are due back <ul style="list-style-type: none"> ○ Findings are fair/favorable to us ○ Relate to documentation of policies and procedures ○ Still producing documents for the congressional oversight request
<p>Finance</p>	<p>Finance/Human Resources Update</p> <ul style="list-style-type: none"> • 2013 Financial Statement audit • USPS Permits/Pre-paid accounts <ul style="list-style-type: none"> ○ Barbara and Debby will discuss and report next week • Budget updates <ul style="list-style-type: none"> ○ Pat and Greg will discuss budget figures later in the week



Discussion	
	<p>3.18.2014 1:00 PM-2:00 PM (all times Central)</p> <p>On-site: Tony Cimino, Jim Starnes, Tommy Teague, Sylvia Theriot, Debby Sidener, Mark Gentry, Charlie Calvi, Serelda Young, Wendy Portier, Pat Powers, Shannon Schwartz, Barbara Baudin</p>
Project Management	<p>General</p> <ul style="list-style-type: none"> • Barbara will begin reporting on Projects <ul style="list-style-type: none"> o transitioning from Office Management to Project Management o Will be working with each department regarding projects o Barbara will be LAHC's Project Manager for CMS <ul style="list-style-type: none"> ▪ Project Officer will be X for CMS • Projects on the radar <ul style="list-style-type: none"> o QHP Certification 2015 <ul style="list-style-type: none"> ▪ Finance and Marketing departments involved o NCQA (related to 2015 QHP) <ul style="list-style-type: none"> ▪ Every department is involved ▪ Involves Group modeling o Large Group Filing <ul style="list-style-type: none"> ▪ Jeremy is the lead for this filing ▪ Large Group business will begin when LAHC begins Group Resources, whether June 1st or July 1st o Transitioning TPA <ul style="list-style-type: none"> ▪ Call is scheduled to begin this process ▪ Mark is to create the implementation plan between now and May 1st. <ul style="list-style-type: none"> • Generate a plan to wind down CGI and ramp up Group Resources <ul style="list-style-type: none"> o May 1st is the target date – per Charlie • Will have an initial plan by the end of this week <ul style="list-style-type: none"> o Will include an understanding of what is wanted o Afterwards, it can be modified and specified on how to deliver what is wanted ▪ Tony is to create a short term process, from a sales perspective, to notify the market place brokers and agents that LAHC is using May 1st as an effective date for both on-exchange and off-exchange <ul style="list-style-type: none"> • Put LAHC in the position, where all that will be needed is the eligibility file ▪ Mark is working on identifying all of the inefficiencies and breakdowns in the process <ul style="list-style-type: none"> • From this point, he is finding the source of each ▪ Off-exchange is not plugged into CMS, therefore LAHC has more control over this portion of the transition <ul style="list-style-type: none"> • The plug into CMS feed retroactivity, claims, returns, everything for business going back ▪ Mark has sent Andy, with Group Resources, the benefits information ▪ Charlie has a temporary contract ▪ Greg will be signing the final contract to begin business

**Delegation Agreement
Louisiana Health Cooperative, Inc.
and
Group Resources, Inc.**

THIS DELGATION AGREEMENT ("Agreement") effective August 20, 2014, ("Effective Date") is between Louisiana Health Cooperative (LAHC) and Group Resources, Inc. (GRI).

WHEREAS, LAHC desires to delegate to GRI certain activities pursuant to the terms of the Administrative Services Agreement By and Between Group Resources, Inc. and Louisiana Health Cooperative, Inc. Delegated activities include Practitioner & Hospital Directorates and key Member Communications functions, collectively defined as "Delegated Activities", for members; and

WHEREAS, LAHC may update this Delegation Agreement from time to time; and

WHEREAS, GRI agrees that its Delegated Activities standards meet and shall continue to meet all applicable standards of the National Committee for Quality Assurance ("NCQA"), and LAHC's policies and any applicable federal laws, regulations or regulatory authority, and any applicable state laws or regulations or other state regulatory authority; and

WHEREAS, although certain activities have been delegated, LAHC shall maintain accountability and oversight responsibilities for all Delegated Activities.

NOW THEREFORE, LAHC agrees to delegate to GRI all Delegated Activities and GRI agrees to comply with the following requirements and to provide all necessary documentation associated with these requirements in support of the LAHC NCQA Accreditation Survey.

SECTION 1

Delegated Activities and Responsibilities: Member Communications Functions

- 1.1 Member Inquiry and Complaint Resolution and Tracking – GRI will handle member inquiries, complaints, and grievances following LAHC established policies. GRI will assist members in documenting their written grievance. GRI will document all member inquiries, complaints, and grievances, distinguishing between behavioral health and non-behavioral health complaints and categorize into the following categories:**
- Quality of Care
 - Access
 - Quality and Service
 - Billing and Financial Issues
 - Quality of Practitioner Office Site
 - Utilization Management
 - Case Management
 - Disease Management
- 1.2 Member Services by Telephone – GRI will handle member calls, including calls regarding authorization requirements and member benefit and financial responsibility. GRI will transfer calls regarding pharmacy benefits to the PBM.**

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DELEGATION AGREEMENT

- 1.3 Member Services by Web – GRI will ensure a Member Portal that includes the ability to order ID cards, determine authorization requirements, and determine member benefit and financial responsibility.
- 1.4 Member Information Distribution – GRI will distribute information to members upon enrollment, including key subscriber information, member rights and responsibilities statement, and privacy notifications.
- 1.5 GRI shall provide LAHC with the following reports:

Reporting Requirements	Frequency
Mailing Volume Reports, detailing new enrollment mailings	Monthly: due within 30 days of the last day of the report month.
Telephone Service Reports including monthly call volume, Average Speed of Answer (ASA), abandonment rate, and service level	Monthly: due within 30 days of the last day of the report month.
Telephone Inquiry Quality and Accuracy Reports	Quarterly: due 30 days of the last day of the report quarter
Complaint and Inquiry Reports (complaints and inquiry volume by type)	Monthly: due 30 days of the last day of the report month.
Web-site Quality and Accuracy Reports (quality and accuracy of the response provided by the Website for ID cards, authorization information, and member benefit and financial responsibility)	Quarterly: due 30 days from the last day of the report quarter

SECTION 2

LAHC's Responsibilities

- 2.1 LAHC shall assign a liaison responsible for problem identification and resolution of the delegated program who assists in ongoing problem solving, communication, and coordination between GRI and LAHC.
- 2.2 LAHC shall provide prior written notification of any change which may be required for GRI to comply with standards required by either regulatory, accrediting, or legislative bodies.
- 2.3 LAHC shall maintain accountability and oversight responsibilities for all Delegated Activities.
- 2.4 LAHC shall maintain responsibility for providing new and revised practitioner and hospital information to GRI.

DELEGATION AGREEMENT

- 2.5 LAHC shall maintain responsibility for member appeals.
- 2.6 ~~LAHC may revoke GRI's authorization to perform member appeals.~~
- 2.7 LAHC shall provide GRI with the required authorization list.
- 2.8 LAHC shall provide GRI with Member Experience data and clinical performance data as available and upon delegate request.

SECTION 3

Monitoring of Delegated Activities

- 3.1 Audits - GRI shall cooperate and fully participate in audits, site visits and other monitoring of GRI's Delegated Activities conducted by LAHC.
- 3.2 Annual Audit - GRI shall obtain and maintain in good standing its NCQA Health Information Products (HIP) certification. If NCQA HIP certification is not obtained and maintained in good standing, LAHC will complete an annual evaluation of GRI's program.
- 3.3 Deficiencies and Corrective Action Plan - Notwithstanding any other service levels and remedies in the Agreement, in the event deficiencies are noted during reporting or an audit, GRI shall develop a corrective action plan (CAP) for the specific Delegated Activity that is determined by LAHC to be deficient. The CAP shall include specifics of and timeliness for correcting the deficiency, and shall be provided to LAHC within 30 calendar days of LAHC's report of its findings. LAHC shall review and comment on the CAP. The CAP shall be implemented by GRI within the specified timeframes listed therein. In the event, the CAP is not developed and/or implemented, delegation of the specific Delegated Activity, subject to the CAP, may be revoked.

SECTION 4

Corrective Action if Delegate Fails to Perform


- 4.1 Termination of Delegation Agreement. The Delegation Agreement or certain Delegation Activities may be terminated as follows:
 - A. By LAHC at any time, for "without cause" termination, upon 90 days written notice.
 - B. By LAHC immediately, due to full revocation of Delegated Activities performed under this Delegation Agreement.
 - C. By either party, in the event of a breach of this Delegation Agreement by the other party, upon 60 days prior written notice to the other party if the breach has not been cured within 60 days after notice of such breach.
- 4.2 Revocation of Certain Delegated Activities. LAHC retains the right to revoke the delegation of a specific Delegated Activity as follows:
 - A. At any time for a "without cause" revocation upon 90 days written notice.
 - B. Immediately in the event any material deficiencies are not corrected or in the event GRI fails to develop a CAP pursuant to Section 3 of this Delegation Agreement.


IN WITNESS WHEREOF, the parties have executed this agreement on the date shown below.

DELEGATION AGREEMENT

LOUISIANA HEALTH COOPERATIVE, Inc.

Group Resources, Inc.

By: 
Print Name: Greg Cromer
Print Title: Chief Executive Officer
Date: 09/02/2014

By: 
Print Name: W. Andrew Wilcox
Print Title: SA JF 200
Date: 8/26/14

19TH JUDICIAL DISTRICT COURT FOR THE 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

ORDER

Considering the motion to establish a March 31, 2016 deadline for submission of claims and process for claims processing of James J. Donelon, Commissioner of Insurance for the State of Louisiana as Rehabilitator of Louisiana Health Cooperative, through the Commissioner's Court-appointed Receiver, Billy Bostick ("LAHC"), and the Court finding that LAHC is entitled to the relief requested,

IT IS ORDERED that LAHC be and hereby is authorized and permitted to:

- 1) Send notice, in the form(s) submitted by LAHC, to all LAHC policyholders, members, enrollees and subscribers, to all LAHC vendors, to all LAHC agents/brokers, providers, and to all known LAHC creditors requiring any and all LAHC claimants to submit to LAHC any and all claims on or before March 31, 2016 ;
- 2) Permit publication of notice, in the form submitted by LAHC, of the requirement that all LAHC claimants submit any and all claims on or before the March 31, 2016 deadline in New Orleans Times Picayune, the Baton Rouge Advocate, the Lake Charles American Press, the Shreveport Times, the Lafayette Advisor, the Monroe Star and the Alexandria Town Talk advising LAHC claimants of the March 31, 2016 deadline for filing claims in order to ensure the widest possible distribution of notice to LAHC policyholders, members, enrollees and subscribers, to LAHC agents/brokers, to LAHC vendors and to providers;
- 3) Require that all LAHC policyholders, members, enrollees and subscribers, all LAHC vendors, all LAHC agents/brokers, and all known LAHC creditors return a completed form to LAHC on or before the March 31, 2016 deadline setting forth the amount claimed as due from LAHC and any and all supporting documents (other than duplicate claims

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already being processed by LAHC submitted by providers), unless for good cause shown and at the discretion of the LAHC Receiver.

IT IS FURTHER ORDERED that LAHC be and hereby is authorized and directed to send such notices directing the filing of claims against LAHC on or before the March 31, 2016 deadline to all known LAHC claimants at the last known address on the LAHC books and records, via U. S. mail.

IT IS FURTHER ORDERED that LAHC authorized and directed to select one or a combination of the following methods for possible future payment of provider claims such that:

a) LAHC shall pay any and all valid claims for health services for LAHC policyholders, members, subscribers and enrollees unpaid as of July 7, 2015, the date of the LAHC Board Resolution adopting a wind down plan for LAHC, which wind down plan was authorized by the Louisiana Department of Insurance, at an as yet undetermined and undeterminable percentage of agreed upon contractual rates (without interest, penalty, or contractual acceleration of charges to billed charges), until further collection of additional funds and further order of the Court;

and/or

b) LAHC shall pay any and all valid claims for health services for LAHC policyholders, members, subscribers and enrollees unpaid as of July 7, 2015, the date of the LAHC Board Resolution adopting a wind down plan for LAHC, which wind down plan was authorized by the Louisiana Department of Insurance, at the maximum amount that would be paid under Title XVIII of the Social Security Act, 42 USC 301, et seq. for the federal Medicare program in accordance with principles established by La. R.S. 22: 254 (G) (3), and in spite of the fact that no order of liquidation has yet been requested or entered in these proceedings,

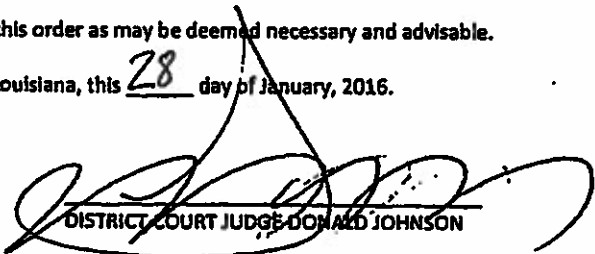
which selection of a method/s for claims payments shall be selected by LAHC, at LAHC's sole discretion, and as LAHC deems necessary or advisable, in order to implement the foregoing based on the calculation of the impact of each methods on LAHC's yet to be determined negative financial condition.


IT IS FURTHER ORDERED that, in spite of the fact that LAHC policies and certificates of coverage have been canceled, that to the extent possible as determined by LAHC, any and all claims of LAHC policyholders, members, enrollees and subscribers as to previously determined member responsibility for deductibles, co-payments, co-insurance and the like will not be affected in the re-processing of provider claims.

IT IS FURTHER ORDERED that no LAHC claimant shall file a duplicate and/or previously submitted claim, and that in the event an LAHC claimant files such duplicate and/or previously submitted claim LAHC shall be entitled to charge and/or collect a \$10.00 fee for each line of an invoice from any and all LAHC claimants who submit a claim previously submitted to LAHC and already reflected in the LAHC claims processing system.

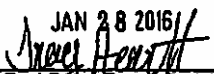
IT IS FURTHER ORDERED that LAHC is granted all power and authority to accomplish the task of implementing this order as may be deemed necessary and advisable.

Baton Rouge, Louisiana, this 28 day of January, 2016.


DISTRICT COURT JUDGE DONALD JOHNSON

FILED
EAST BATON ROUGE PARISH, LA
2016 JAN 28 PM 3:13

DEPUTY CLERK OF COURT

CERTIFIED TRUE AND
CORRECT COPY

JAN 28 2016

East Baton Rouge Parish
Deputy Clerk of Court

**ADMINISTRATIVE SERVICES AGREEMENT
BUSINESS ASSOCIATE ADDENDUM**

**SECTION I
PREAMBLE**

Louisiana Health Cooperative, Inc. ("Covered Entity") and Group Resources, Inc. ("Business Associate"), (jointly "the Parties") wish to modify the Administrative Services Agreement ("Agreement") to incorporate the terms of this Addendum to comply with the requirements of: (i) the implementing regulations at 45 C.F.R. Parts 160, 162, and 164 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") (i.e., the HIPAA Privacy, Security, Electronic Transaction, Breach Notification, and Enforcement Rules ("the Implementing Regulations")), (ii) the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (the "HITECH Act") that are applicable to business associates, and (iii) the requirements of the final modifications to the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules as Issued on January 25, 2013 and effective March 26, 2013 (75 Fed. Reg. 5566 (Jan. 25, 2013)) ("the Final Regulations"). The Implementing Regulations, the HITECH Act, and the Final Regulations are collectively referred to in this Addendum as "the HIPAA Requirements."

Covered Entity and Business Associate agree to incorporate into this Addendum any regulations issued by the U.S. Department of Health and Human Services ("DHHS") with respect to the HIPAA Requirements that relate to the obligations of business associates and that are required to be (or should be) reflected in a business associate agreement. Business Associate recognizes and agrees that it is obligated by law to meet the applicable provisions of the HIPAA Requirements and that it has direct liability for any violations of the HIPAA Requirements.

**SECTION II
DEFINITIONS**

- (a) "*Breach*" shall mean, as defined in 45 C.F.R. § 164.402, the acquisition, access, use or disclosure of Unsecured Protected Health Information in a manner not permitted by the HIPAA Requirements that compromises the security or privacy of that Protected Health Information.
- (b) "*Business Associate Subcontractor*" shall mean, as defined in 45 C.F.R. § 160.103, any entity (including an agent) that creates, receives, maintains or transmits Protected Health Information on behalf of Business Associate.
- (c) "*Electronic PHI*" shall mean, as defined in 45 C.F.R. § 160.103, Protected Health Information that is transmitted or maintained in any Electronic Media.
- (d) "*Limited Data Set*" shall mean, as defined in 45 C.F.R. § 164.514(e), Protected Health Information that excludes the following direct identifiers of the individual or of relatives, employers, or household members of the individual:
 - 1) Names;
 - 2) Postal address information, other than town or city, state, and zip code;
 - 3) Telephone numbers;
 - 4) Fax numbers;
 - 5) Electronic mail addresses;

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- 6) Social security numbers;
 - 7) Medical record numbers;
 - 8) Health plan beneficiary numbers;
 - 9) Account numbers;
 - 10) Certificate/license numbers;
 - 11) Vehicle Identifiers and serial numbers, including license plate numbers;
 - 12) Device Identifiers and serial numbers;
 - 13) Web Universal Resource Locaters (URLs);
 - 14) Internet Protocol (IP) address numbers;
 - 15) Biometric Identifiers, including finger and voice prints; and
 - 16) Full face photographic images and any comparable images.
- (e) "*Protected Health Information*" or "*PHI*" shall mean, as defined in 45 C.F.R. § 160.103, information created or received by a Health Care Provider, Health Plan, employer, or Health Care Clearinghouse, that: (i) relates to the past, present, or future physical or mental health or condition of an individual, provision of health care to the individual, or the past, present, or future payment for provision of health care to the individual; (ii) identifies the individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual; and (iii) is transmitted or maintained in an electronic medium, or in any other form or medium. The use of the term "*Protected Health Information*" or "*PHI*" in this Addendum shall mean both Electronic PHI and non-Electronic PHI, unless another meaning is clearly specified.
- (f) "*Security Incident*" shall mean, as defined in 45 C.F.R. § 164.304, the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
- (g) "*Unsecured Protected Health Information*" shall mean, as defined in 45 C.F.R. § 164.402, Protected Health Information that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of a technology or methodology specified by DHHS.
- (h) All other capitalized terms used in this Addendum shall have the meanings set forth in the applicable definitions under the HIPAA Requirements.

SECTION III GENERAL TERMS

- (a) In the event of an inconsistency between the provisions of this Addendum and a mandatory term of the HIPAA Requirements (as these terms may be expressly amended from time to time by the DHHS or as a result of interpretations by DHHS, a court, or another regulatory agency with authority over the Parties), the interpretation of DHHS, such court or regulatory agency shall prevail. In the event of a conflict among the interpretations of these entities, the conflict shall be resolved in accordance with rules of precedence.
- (b) Where provisions of this Addendum are different from those mandated by the HIPAA Requirements, but are nonetheless permitted by the HIPAA Requirements, the provisions of this Addendum shall control.
- (c) Except as expressly provided in the HIPAA Requirements or this Addendum, this Addendum does not create any rights in third parties.

**SECTION IV
SPECIFIC REQUIREMENTS**

(a) Flow-Down of Obligations to Business Associate Subcontractors

Business Associate agrees that as required by the HIPAA Requirements, Business Associate will enter into a written agreement with all Business Associate Subcontractors that: (i) requires them to comply with the Privacy and Security Rule provisions of this Addendum in the same manner as required of Business Associate, and (ii) notifies such Business Associate Subcontractors that they will incur liability under the HIPAA Requirements for non-compliance with such provisions. Accordingly, Business Associate shall ensure that all Business Associate Subcontractors agree in writing to the same privacy and security restrictions, conditions and requirements that apply to Business Associate with respect to PHI.

(b) Privacy of Protected Health Information

- (i) *Permitted Uses and Disclosures of PHI.* Business Associate agrees to create, receive, use, disclose, maintain or transmit PHI only in a manner that is consistent with this Addendum or the HIPAA Requirements and only in connection with providing the services to Covered Entity Identified in the Agreement. Accordingly, in providing services to or for the Covered Entity, Business Associate, for example, will be permitted to use and disclose PHI for "Treatment, Payment, and Health Care Operations" as those terms are defined in the HIPAA Requirements. Business Associate further agrees that to the extent it is carrying out one or more of the Covered Entity's obligations under the Privacy Rule (Subpart E of 45 C.F.R. Part 164), it shall comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligations.
- (1) Business Associate shall report to Covered Entity any use or disclosure of PHI that is not provided for in this Addendum, including reporting Breaches of Unsecured Protected Health Information as required by 45 C.F.R. § 164.410 and required by Section 4(e)(ii) below.
 - (2) Business Associate shall establish, implement and maintain appropriate safeguards, and comply with the Security Standards (Subpart C of 45 C.F.R. Part 164) with respect to Electronic PHI, as necessary to prevent any use or disclosure of PHI other than as provided for by this Addendum.
- (ii) *Business Associate Obligations.* As permitted by the HIPAA Requirements, Business Associate also may use or disclose PHI received by the Business Associate in its capacity as a Business Associate to the Covered Entity for Business Associate's own operations if:
- (1) the use relates to:
 - (a) the proper management and administration of the Business Associate or to carry out legal responsibilities of the Business Associate, or
 - (b) data aggregation services relating to the health care operations of the Covered Entity; or

- (2) the *disclosure* of information received in such capacity will be made in connection with a function, responsibility, or services to be performed by the Business Associate, and such disclosure is required by law or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidential and the person agrees to notify the Business Associate of any breaches of confidentiality.

(iii) *Minimum Necessary Standard and Creation of Limited Data Set.*

Business Associate's use, disclosure, or request of PHI shall utilize a Limited Data Set if practicable. Otherwise, in performing the functions and activities as specified in the Agreement and this Addendum, Business Associate agrees to use, disclose, or request only the minimum necessary PHI to accomplish the intended purpose of the use, disclosure, or request.

(iv) *Access.*

In accordance with 45 C.F.R. §164.524 of the HIPAA Requirements, Business Associate will make available to the Covered Entity (or as directed by the Covered Entity, to those individuals who are the subject of the PHI (or their designees)), their PHI in the Designated Record Set. Business Associate shall make such information available in an electronic format where directed by the Covered Entity.

(v) *Disclosure Accounting.*

Business Associate shall make available the information necessary to provide an accounting of disclosures of PHI as provided for in 45 C.F.R. § 164.528 of the HIPAA Requirements by making such information available to the Covered Entity or (at the direction of the Covered Entity) making such information available directly to the individual.

(vi) *Amendment.*

Business Associate shall make PHI in a Designated Record Set available for amendment and, as directed by the Covered Entity, incorporate any amendment to PHI in accordance with 45 C.F.R. § 164.526 of the HIPAA Requirements.

(vii) *Right to Request Restrictions on the Disclosure of PHI and Confidential Communications.*

If an individual submits a Request for Restriction or Request for Confidential Communications to the Business Associate, Business Associate and Covered Entity agree that Business Associate, on behalf of Covered Entity, will evaluate and respond to these requests according to Business Associate's own procedures for such requests.

(viii) *Return or Destruction of PHI.*

Upon the termination or expiration of the Agreement or this Addendum, Business Associate agrees to return the PHI to Covered Entity, destroy the PHI (and retain no copies), or if Business Associate determines that return or destruction of the PHI is not feasible, (a) continue to extend the protections of this Addendum and of the HIPAA Requirements to the PHI, and (b) limit any further uses and disclosures of the PHI to the purpose making return or destruction infeasible.

(ix) *Availability of Books and Records.*

Business Associate shall make available to DHHS or its agents the Business Associate's internal practices, books, and records relating to the use and disclosure of PHI in connection with this Addendum.

(x) *Termination for Breach.*

(1) Business Associate agrees that Covered Entity shall have the right to terminate this Addendum or seek other remedies if Business Associate violates a material term of this Addendum.

(2) Covered Entity agrees that Business Associate shall have the right to terminate this Addendum or seek other remedies if Covered Entity violates a material term of this Addendum.

(c) Information and Security Standards

(i) Business Associate will develop, document, implement, maintain, and use appropriate Administrative, Technical, and Physical Safeguards to preserve the Integrity, Confidentiality, and Availability of, and to prevent non-permitted use or disclosure of, Electronic PHI created or received for or from the Covered Entity.

(ii) Business Associate agrees that with respect to Electronic PHI, these Safeguards, at a minimum, shall meet the requirements of the HIPAA Security Standards applicable to Business Associate.

(iii) More specifically, to comply with the HIPAA Security Standards for Electronic PHI, Business Associate agrees that it shall:

- (1) Implement Administrative, Physical, and Technical Safeguards consistent with (and as required by) the HIPAA Security Standards that reasonably protect the Confidentiality, Integrity, and Availability of Electronic PHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity. Business Associate shall develop and implement policies and procedures that meet the documentation requirements as required by the HIPAA Requirements;
- (2) As also provided for in Section 4(a) above, ensure that any Business Associate Subcontractor agrees to implement reasonable and appropriate safeguards to protect the Electronic PHI;
- (3) Report to Covered Entity any unauthorized access, use, disclosure, modification, or destruction of PHI (including Electronic PHI) not permitted by this Addendum, applicable law, or permitted by Covered Entity in writing ("Successful Security Incidents" or Breaches) of which Business Associate becomes aware. Business Associate shall report such Successful Security Incidents or Breaches to Covered Entity as specified in Section 4(e)(iii)(1);
- (4) For Security Incidents that do not result in unauthorized access, use, disclosure, modification, or destruction of PHI (including, for purposes of example and not for purposes of limitation, pings on Business Associate's firewall, port scans, attempts to log onto a system or enter a database with an invalid password or username, denial-of-service attacks that do not result in the system being taken off-line, or malware

such as worms or viruses) (hereinafter "Unsuccessful Security Incidents"), aggregate the data and, upon the Covered Entity's written request, report to the Covered Entity in accordance with the reporting requirements identified in Section 4(e)(III)(2);

- (5) Take all commercially reasonable steps to mitigate, to the extent practicable, any harmful effect that is known to Business Associate resulting from any unauthorized access, use, disclosure, modification, or destruction of PHI;
- (6) Permit termination of this Addendum if the Covered Entity determines that Business Associate has violated a material term of this Addendum with respect to Business Associate's security obligations and Business Associate is unable to cure the violation; and
- (7) Upon Covered Entity's request, provide Covered Entity with access to and copies of documentation regarding Business Associate's safeguards for PHI and Electronic PHI.

(d) Compliance with HIPAA Transaction Standards

(i) *Application of HIPAA Transaction Standards.*

Business Associate will conduct Standard Transactions consistent with 45 C.F.R. Part 162 for or on behalf of the Covered Entity to the extent such Standard Transactions are required in the course of Business Associate's performing services under the Agreement and this Addendum for the Covered Entity. As provided for in Section 4(a) above, Business Associate will require any Business Associate Subcontractor involved with the conduct of such Standard Transactions to comply with each applicable requirement of 45 C.F.R. Part 162. Further, Business Associate will not enter into, or permit its Subcontractors to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of the Covered Entity that:

- (1) Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
- (2) Adds any data element or segment to the maximum defined data set;
- (3) Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or
- (4) Changes the meaning or intent of the Standard Transaction's implementation specification.

(ii) *Specific Communications.*

Business Associate, Plan Sponsor and Covered Entity recognize and agree that communications between the parties that are required to meet the Standards for Electronic Transactions will meet the Standards set by that regulation. Communications between Plan Sponsor and Business Associate, or between Plan Sponsor and the Covered Entity, do not need to comply with the HIPAA Standards for Electronic Transactions. Accordingly, unless agreed otherwise by the Parties in writing, all communications (if any) for purposes of "Enrollment" as that term is defined in 45 C.F.R. Part 162, Subpart O or for "Health Covered Entity Premium Payment Data," as that term is defined in 45 C.F.R. Part 162, Subpart Q, shall be conducted between the Plan Sponsor and either Business Associate or

the Covered Entity. For all such communications (and any other communications between Plan Sponsor and the Business Associate), Plan Sponsor shall use such forms, tape formats, or electronic formats as Business Associate may approve. Plan Sponsor will include all information reasonably required by Business Associate to affect such data exchanges or notifications.

(III) Communications Between the Business Associate and the Covered Entity.

All communications between the Business Associate and the Covered Entity that are required to meet the HIPAA Standards for Electronic Transactions shall do so. For any other communications between the Business Associate and the Covered Entity, the Covered Entity shall use such forms, tape formats, or electronic formats as Business Associate may approve. The Covered Entity will include all information reasonably required by Business Associate to affect such data exchanges or notifications.

(e) Notice and Reporting Obligations of Business Associate

(I) Notice of Non-Compliance with the Addendum.

Business Associate will notify Covered Entity within 30 calendar days after discovery, any unauthorized access, use, disclosure, modification, or destruction of PHI (including any successful Security Incident) that is not permitted by this Addendum, by applicable law, or permitted in writing by Covered Entity, whether such non-compliance is by (or at) Business Associate or by (or at) a Business Associate Subcontractor.

(II) Notice of Breach.

Business Associate will notify Covered Entity following discovery and without unreasonable delay but in no event later than 5 business days following discovery, any Breach of Unsecured Protected Health Information, whether such Breach is by Business Associate or by Business Associate Subcontractor.

(1) As provided for in 45 C.F.R. § 164.402, Business Associate recognizes and agrees that any acquisition, access, use or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule (Subpart E of 45 C.F.R. Part 164) is presumed to be a Breach. As such, Business Associate shall (i) notify Covered Entity of any non-permitted acquisition, access, use or disclosure of PHI, and (ii) assist Covered Entity in performing (or at Covered Entity's direction, perform) a risk assessment to determine if there is a low probability that the PHI has been compromised.

(2) Business Associate shall cooperate with Covered Entity in meeting the Covered Entity's obligations under the HIPAA Requirements and any other security breach notification laws. Business Associate shall follow its notification to the Covered Entity with a report that meets the requirements outlined immediately below.

(III) Reporting Obligations.

(1) For Successful Security Incidents and Breaches, Business Associate – without unreasonable delay and in no event later than 30 calendar days after Business Associate learns of such non-permitted use or disclosure (whether at Business

Associate or at Business Associate Subcontractor) – shall provide Covered Entity a report that will:

- a. Identify (if known) each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been accessed, acquired, or disclosed;
 - b. Identify the nature of the non-permitted access, use, or disclosure including the date of the incident and the date of discovery;
 - c. Identify the PHI accessed, used, or disclosed (*e.g.*, name; social security number; date of birth);
 - d. Identify what corrective action Business Associate (or Business Associate Subcontractor) took or will take to prevent further non-permitted accesses, uses, or disclosures;
 - e. Identify what Business Associate (or Business Associate Subcontractor) did or will do to mitigate any deleterious effect of the non-permitted access, use, or disclosure; and
 - f. Provide such other information, including a written report, as the Covered Entity may reasonably request.
- (2) For Unsuccessful Security Incidents, Business Associate shall provide Covered Entity, upon its written request, a report that: (i) identifies the categories of Unsuccessful Security Incidents as described in Section 4(c)(iii)(4); (ii) indicates whether Business Associate believes its (or its Business Associate Subcontractor's) current defensive security measures are adequate to address all Unsuccessful Security Incidents, given the scope and nature of such attempts; and (iii) if the security measures are not adequate, the measures Business Associate (or Business Associate Subcontractor) will implement to address the security inadequacies.

(iv) Termination.


- (1) Covered Entity and Business Associate each will have the right to terminate this Addendum if the other party has engaged in a pattern of activity or practice that constitutes a material breach or violation of Business Associate's or the Covered Entity's respective obligations regarding PHI under this Addendum and, on notice of such material breach or violation from the Covered Entity or Business Associate, fails to take reasonable steps to cure the material breach or end the violation.
- (2) If Business Associate or the Covered Entity fail to cure the material breach or end the violation after the other party's notice, the Covered Entity or Business Associate (as applicable) may terminate this Addendum by providing Business Associate or the Covered Entity written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination. Such termination shall be effective 60 days from this termination notice.

(v) Continuing Privacy and Security Obligations.

Business Associate's and the Covered Entity's obligation to protect the privacy and security of the PHI it created, received, maintained, or transmitted in connection with services to be provided under the Agreement and this Addendum will be continuous and survive termination, cancellation, expiration, or other conclusion of this Addendum or the Agreement. Business Associate's other obligations and rights, and the Covered Entity's obligations and rights upon termination, cancellation, expiration, or other conclusion of this Addendum, are those set forth in this Addendum and/or the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

LOUISIANA HEALTH COOPERATIVE, INC.

By: 

Title: C.E.O.

Date: 7/15/2014

GROUP RESOURCES® INC.

By: 

Title: President & CEO

Date: 7/9/14