



# North Dakota Public Employees Retirement System

Proposal to Provide Actuarial  
and Consulting Assistance for the  
Group Health Plan Proposal Process

**Technical Proposal**

Deloitte Consulting LLP

April 17, 2014



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April 17, 2014

Ms. Cheryl Stockert  
North Dakota Public Employees Retirement System  
P.O. Box 1657  
400 E. Broadway, Suite 505  
Bismarck, ND 58501

Dear Cheryl:

**Subject: Proposal to provide actuarial and consulting assistance for the upcoming group health plan proposal process**

Deloitte Consulting LLP (Deloitte Consulting) is pleased to have this opportunity to submit a proposal to provide actuarial and consulting services to the North Dakota Public Employees Retirement System (NDPERS). Our Minneapolis Human Capital practice has had the privilege of serving you and providing high quality actuarial and consulting services on many important projects from 1996 to 2003 and again from 2010 to today. We are excited about the opportunity to assist NDPERS with the upcoming group health plan proposal process.

We have developed a response to your request for proposal that is tailored to meet your specific needs. In order to ensure the highest level of service quality and consistency, we offer a team of highly qualified professionals, primarily from our Minneapolis office, that have a proven track record with you as well as other large public sector organizations similar to the State of North Dakota.

Deloitte Consulting, through our long-standing relationship with you and our substantial public sector practice, is uniquely qualified to assist NDPERS in achieving its goals. While our qualifications are detailed throughout the proposal, our NDPERS team brings well established, positive relationships, deep technical expertise, and unparalleled public sector experience. Specifically, we believe the following compelling reasons distinguish us from our competitors and make us the right choice.

**Experience Serving NDPERS.** We have a long-standing relationship with NDPERS providing group insurance actuarial and consulting services most recently since 2010. Our assistance has included estimating premiums, assisting with renewals, supporting plan design and redesign, preparing and managing request for proposal (RFP) processes, among other things.

**Cohesive Client Service Team.** Pat Pechacek, Lead Client Service Director, and Josh Johnson, Lead Client Service Manager, will lead our client service team. Pat Pechacek served in a lead role with NDPERS from 1996 to 2003 and again from 2010 to today. Josh has worked with NDPERS since 2012. Other team members have also served NDPERS for multiple years. This continuity provides the essential background, understanding, and direct experience to address current as well as future issues facing NDPERS. Our goal is to not only meet your needs but to anticipate them. This proposed client service team currently provides similar services to those requested in the RFP for the states of Minnesota, Wisconsin, Iowa, and Illinois.

**Demonstrated track record serving the Public Sector.** Deloitte Consulting has deep and broad experience in the public sector. From the largest multi-tiered state agencies to the smallest counties in rural America, we serve a broad range of state and local government clients. Key to our retention has been a record of strong client service and consultative services. We have provided innovative and strategic solutions that have resulted in significant savings for our clients and their employees and

participants. To illustrate this point we have served the State of Minnesota for more than 30 years, the Wisconsin Employee Trust Funds for 18 years, and the State of Iowa for 11 years. Our public sector client list illustrates our knowledge and understanding of industry-specific processes, challenges, and solutions.

**Quality Product.** The quality of our work product and the timeliness and commitment of our client service team are your most important considerations. With Deloitte Consulting, you will receive very high quality work from committed professionals while consistently meeting your deadlines. You will once again receive a consistently high level of service throughout the contract period from an organization that is committed to quality. This commitment to service excellence has been a key driver of our strong client growth and our continuous relationships with our clients. This growth has allowed us to invest in research, development, education and training, and to recruit some of the best and brightest professionals in the industry to meet your needs.

**Vast Resources.** Deloitte Consulting and our affiliated firms are comprised of several complementary practices that include Human Capital, Employee Benefits, Tax, Accounting and Management Consulting. Over the course of our relationship, issues may arise which are outside the confines of the health actuarial or benefits disciplines. We are able to assist you in addressing these topics through a broad network of local and national client service professionals. Deloitte Consulting, together with its affiliates, ranks as the second largest actuarial and human resource consultancy in the world.

**High Value.** Deloitte Consulting is committed to offering you value in actuarial and consulting services. We look forward to bringing innovative solutions as you seek to provide cost effective and quality services to your constituents. Each of the criteria mentioned above, especially our public sector experience, means that by selecting Deloitte Consulting, you will get high value actuarial and consulting services for the fees paid. Our pricing reflects professional fees that recognize the economic realities of public sector consulting.

We would truly appreciate the opportunity to continue our long-standing relationship with you and assist NDPERS with the group health plan proposal process. If you have any questions regarding this proposal, please contact Pat Pechacek at (612) 397-4033 [ppechacek@deloitte.com](mailto:ppechacek@deloitte.com) or Josh Johnson at (612) 659-2782 [jjohnson@deloitte.com](mailto:jjohnson@deloitte.com).

Sincerely,

Deloitte Consulting LLP

By:   
Patrick L. Pechacek, Director

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# Part I – Executive Summary

RFP Reference: SECTION 4 - INFORMATION REQUESTS – Part I

## Part I - Executive Summary

Discuss your view of the entire project as requested in this RFP and provide a flow chart depicting your understanding of the major work efforts and timeframes for beginning and completing tasks.

The North Dakota Public Employees Retirement System (NDPERS) is responsible for the administration of the State's retirement, health, life, dental, vision, deferred compensation, flexible compensation, retiree health insurance credit, long term care and employee assistance programs. NDPERS is a separate agency created under North Dakota state statute and, while subject to state budgetary controls and procedures, is not a state agency subject to direct executive control.

The mission of NDPERS is to design, communicate and efficiently administer a viable employee benefits program within a framework of prudent risk-taking, applicable state and federal laws, and professional and ethical standards so as to provide an employee benefit package that is among the best available from public and private employers in the upper Midwest.

The selected consultant will be required to provide actuarial and consulting assistance to NDPERS specifically to develop, issue and evaluate proposals for the group health plan on a fully insured and self-insured basis for coverage effective July 1, 2015 through June 30, 2017.

The services requested with this RFP are organized into two sections:

1. Group health plan RFP Development (fixed fee)
2. Proposal evaluation and vendor implementation (fee for service)

## Bid Solicitation and Evaluation for the Group Health Plan

Deloitte Consulting is prepared to take a lead role in developing and issuing the RFP, and analyzing proposals for the group health plan.

Deloitte Consulting has assisted NDPERS and many other health and welfare clients with RFPs covering a wide spectrum of programs. The services provided, and the degree of client involvement in the process, are customized for each client, based on specific preferences including the need for formal scoring criteria and public disclosure of results. We can operate with as much or little client involvement as needed. A typical full support bid process includes the following major steps and activities: RFP planning and review, RFP development and distribution, response analysis, vendor selection and vendor implementation.

Sections 54-52.1-04 and 54-52. 1-04.2 NDCC requires that the NDPERS Board solicit bids for the insurance programs. Pursuant to the schedule outlined in the RFP, Deloitte Consulting is prepared to draft bid proposals and develop a list of firms to be solicited. We expect to start with the prior NDPERS health plan RFP document updating it to incorporate self-insurance provisions as well as additional items from our other RFPs to capture emerging market trends and practices. It is our understanding that NDPERS Board and staff will review draft RFPs. Deloitte Consulting will review all bids and the analysis will include the following:

- Minimum requirements review and elimination of any non-qualified bidders
- Evaluate the financial implications of each bid (quantitative)

- Review the technical aspects of each proposal (qualitative)
- Prepare findings and recommendations for fully insured bids for the board’s consideration
- Once the optimum fully insured option is selected, review self-insured proposals to evaluate whether any are less costly than the selected insured option
- If any self-insured options are less costly and meet minimum requirements, evaluate the additional quantitative and qualitative aspects of the bids
- Present findings to the Board
- Assist in developing contracts and implementation with the successful bidder

In addition to the above requirements NDPERS is requesting the following for the group health proposal:

- Estimate the required premiums for a 24 month period beginning July 1, 2015 and ending June 30, 2017 to be used by the Board in analyzing the merits of fully insured and self-insured proposals.
- Complete all other analysis that will be required based on the outcome of the review of the bidding methodology.

Below is a flow chart illustrating our understanding of the major work efforts and timeframes for beginning and completing tasks. A more detailed work plan for the health plan bid solicitation can be found in Part III - Proposal, Technical Approach.

**NDPERS**  
**Group Health Plan RFP Assistance - Proposed Timeline**

RFP	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-Apr
<b>Tasks</b>									
RFP Development	█								
Release and administer RFP		█							
Analysis and recommendations - fully insured			█						
Vendor interviews/ select optimal fully insured vendor					█				
Analysis and recommendations - self insured						█			
Vendor interviews							█		
Board decision on insured vs. self insured and final vendor selection								█	
Legislative support, contract review, implementation									█

Deloitte Consulting can be readily available to the NDPERS Executive Director, or his designee, or the Chairman of the Board by telephone or for meetings at NDPERS in Bismarck or elsewhere as needed. All presentations and/or testimony shall be provided by Pat Pechacek, unless otherwise agreed to by

NDPERS. Your proposed Deloitte Consulting team will be available, in person, for benefits and Board meetings as needed.

We are committed to consistently exceed the expectations of our clients. Our primary objectives are to understand your goals and expectations, to respond to those needs quickly and effectively and to add value each time we work with you.

# Part II – Minimum Requirements

RFP Reference: SECTION 4 - INFORMATION REQUESTS – Part II

## Part II - Minimum Requirements

The successful vendor must have a multidisciplinary staff including a health actuary with experience in the work requirements outlined herein. The firm must also have demonstrated experience in doing the work outlined herein. The firm must be able to meet the timelines outlined in this RFP. Preference will be given to those firms with public sector experience and previous experience in doing state level health RFP's for fully insured and self-insured plans.

The Deloitte Consulting team being proposed to serve NDPERS has the experience and tools to efficiently provide the actuarial and consulting services required and special projects on an as needed basis that may arise. The core team has worked together for numerous years providing exceptional service to many public sector clients, including NDPERS.

## Our Customized Client Service Team

The key to exemplary professional services is talented, experienced, and dedicated people. Led by Pat Pechacek, the multidisciplinary team of professionals selected to serve you brings a combination of high-level client service, public sector industry knowledge, actuarial and benefits consulting experience, and business acumen that you will not find from another service provider. Collectively, they possess the breadth of skills needed to address NDPERS' current and future needs.

Below is an organizational outline of our client service team. Full resumes for all team members can be found in Appendix A.



## Our Customized NDPERS Client Service Team

To ensure a common understanding of your goals and objectives, we will work closely with you in the initial planning phase of your procurement process. Our customized client service team represents our commitment to bringing the experienced professionals to NDPERS. Each member of our core client service team has extensive experience working with public sector employers on a wide variety of benefit and actuarial consulting needs. We selected this team for you based on:

- Previous experience with NDPERS
- Practitioner experience in the public sector
- Broad base of actuarial, benefits design, and consulting talent
- In-depth knowledge of the health care and insurance industry
- Technical knowledge in specific areas including underwriting, pricing models, network management, and benefit plan consulting
- Ability to commit time required
- Project management skills
- Client relationship and personal attributes
- Client/staff communication capabilities

Our seasoned team brings a rich heritage of past experience with NDPERS and the flexibility to meet your specific needs. Rather than employ “off-the-shelf” solutions, we work collaboratively with you to creatively address your goals and objectives.

## NDPERS Client Service Team Members

We introduce the core NDPERS client service team members and specialists below, along with a brief description of their qualifications, roles, and responsibilities.

### *Core Client Service Team*

**Patrick Pechacek, CEBS** — Pat will serve as the Lead Client Service Director for NDPERS. Pat has over twelve years of prior experience serving on the NDPERS client service team. He is a Director in the Minneapolis Human Capital practice and has been consulting to clients in the public sector for over 30 years. In his role as the Lead Client Service Director, he will be responsible for the NDPERS relationship, oversee the quality and timeliness of all work, and be available for meetings.

Pat’s extensive experience working with the public sector is demonstrated by his role as the group insurance consultant and client lead responsible for delivery of services to the State of Wisconsin Department of Employee Trust Funds, State of Minnesota State Employees Group Insurance Program; State of Minnesota Public Employees Insurance Program; State of Alaska (State employee group insurance, retiree health, and local government health plans); State of Iowa Department of Administrative Services; State of Illinois Central Management Services, Commonwealth of Pennsylvania Office of Administration, and Hennepin, Dakota and Ramsey Counties. He has served as a strategic advisor to the client service teams for the State of Connecticut and State of Georgia.

**Josh Johnson** — Josh will serve as the Lead Client Service Manager and has been working with NDPERS for the past two years since joining Deloitte Consulting. He is a Manager in the Minneapolis Human Capital practice specializing in employer health care and group benefits with over 16 years of experience in the analysis, design, pricing and funding of health and welfare benefit plans for both public and private organizations. He has significant experience in managing projects and client relationships with specific expertise in data analysis, underwriting and benefits pricing, plan design modeling, and

benefit comparison and analysis. Josh also has significant experience in vendor selection, vendor management, renewal negotiations, data management and union negotiation strategies. In addition, he has significant experience leading and facilitating strategic planning discussions relating to group and health care benefits, including development of consumer-oriented plan designs. He has served on client service teams for the States of Wisconsin, Minnesota, Iowa, North Dakota, Illinois, and Pennsylvania and will be responsible for the daily management of Deloitte's efforts for the NDPERS group health plan proposal process.

**Jon Herschbach, ASA, MAAA** is a Manager who has been employed in the Health Actuarial practice for over nine years. He is credentialed by the Society of Actuaries and the American Academy of Actuaries. Jon has worked with health plans, Medicare and Medicaid plans and several large public employers. He has extensive knowledge of medical and pharmacy claims data, database management and data warehousing techniques and risk adjustment software/models. He has experience with reserving (IBNR), rate development, trend analysis/benchmarking, payment methodologies and various modeling techniques. Jon has experience in the self-insured employer market and understands the interactions between unions, Plan administrators, providers/provider systems and the employer. He has several years of experience managing a risk-adjusted total cost of care analysis which serves as the basis for administering a tiered network product. In addition, he is skilled in provider contract pricing and the valuation of provider arrangements, including accountable care arrangements and other risk sharing or shared savings arrangements.

**Nichole Ramsey** is a Senior Consultant in the Minneapolis office. Nichole has more than 5 years serving employers, state governments, health plans, and provider groups on issues such as risk score analysis, actuarial cost modeling, data warehousing health care claims, plan design pricing, rate setting, value-based incentive models, ICD-10, and claim reserves. She has experience in healthcare data analysis and modeling, risk adjustment, SQL programming, and healthcare reimbursement methodologies. Nichole has worked with a variety of public sector employers including the State of Wisconsin, the State of Minnesota, Anoka-Hennepin ISD and Ramsey County.

We are committed to consistently exceed the expectations of our clients. Our primary objectives are to understand your goals and expectations, to respond to those needs quickly and effectively and to add value each time we work with you. Therefore, we will make ourselves accessible to NDPERS's staff and work toward the development and use of systems that enhance communication and documentation of our work. Our client service team will be accessible to NDPERS as necessary throughout the group health plan proposal, evaluation and implementation process. We see no issues in meeting the required timelines as stated in this RFP.

We do not believe that Deloitte Consulting has any professional or ethical conflicts of interest which might interfere with handling this contract, including matters and/or cases where the firm currently represents an individual or entity with interests adverse to NDPERS.

# Part III – Proposal (Technical Approach)

RFP Reference: SECTION 4 - INFORMATION REQUESTS – Part III – Section 1) Technical Approach

## 1) Technical Approach.

- a) Generally discuss your understanding of the requested work.
- b) Timeline – discuss your understanding of the timeline for this effort and your ability to meet those timelines.
- c) Approach – discuss your project plan for this effort, identify major steps, timeframes and products.
- d) Describe the method used by your firm to project expected claims. Also, provide specific details of how your firm decides the appropriate medical trend; what factors are considered; (i.e., historical claims trends, cost shifting, leveraging, intensity, etc.) and how these factors are weighted or allocated in the final decision. Please discuss how this relates to the NDPERS renewal.
- e) Specifically address how you would approach the review of the NDPERS bidding process, the product we could expect and the range of considerations you may review.
- f) Exceptions – identify any exceptions or variations in your proposal from the work effort identified in this RFP.
- g) Outline the product NDPERS will receive from you.
- h) Identify your assumptions concerning the contributions of NDPERS staff toward this effort (i.e. that NDPERS staff will provide the data for projections, timeframes for NDPERS review of material, estimated dates that NDPERS staff need to be available for meetings, etc).

## a) Understanding

The Uniform Group Health Insurance Plan is a fully insured plan with Blue Cross Blue Shield of North Dakota (BCBSND). The plan last went out to bid in 2012 for coverage effective July 1, 2013 and currently has three plan designs for actives/early retirees and one option for Medicare eligible participants:

- Active/Early Retiree: PPO Grandfathered Plan, PPO Non-grandfathered plan, HDHP/HSA
- Medicare Retiree: Equivalent to Medicare Supplemental Plan F with a PDP for pharmacy

The group health plan also has a wellness program and requires the administration of HSAs for the HDHP.

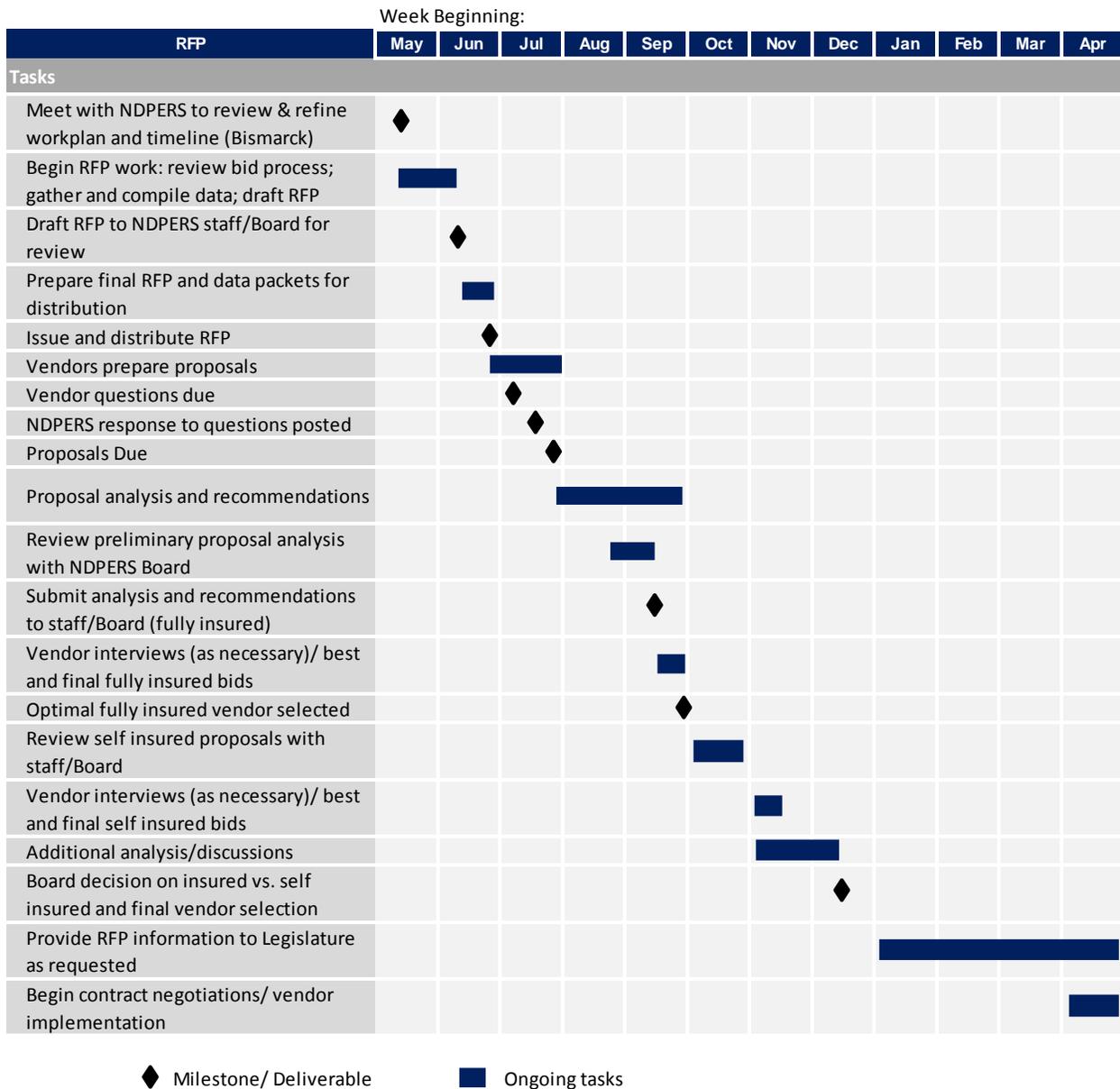
The NDPERS Board is seeking an actuarial and consulting services firm to assist in the development, issuance, and analysis of an RFP for the Health plan and the firm will be required to make a recommendation to the NDPERS Board based on the results of the RFP response analysis. The RFP will consist of two separate bids:

1. The first bid will be for the plan on a fully insured basis.
2. The second bid will be for the plan on a self-insured basis.

BCBSND continues to have very strong market share in North Dakota with limited competition from other insurers and administrators. As such, NDPERS needs to evaluate the strengths and weaknesses of its current bundled fully insured arrangement as well as alternative bidding strategies. Consideration of self-insurance as specified in this RFP is one such alternative. In addition, Deloitte Consulting and NDPERS could consider other alternatives such as multiple plan administrators, special networks, and carve-outs.

## b) Timeline

### NDPERS Group Health Plan RFP Assistance - Proposed Timeline



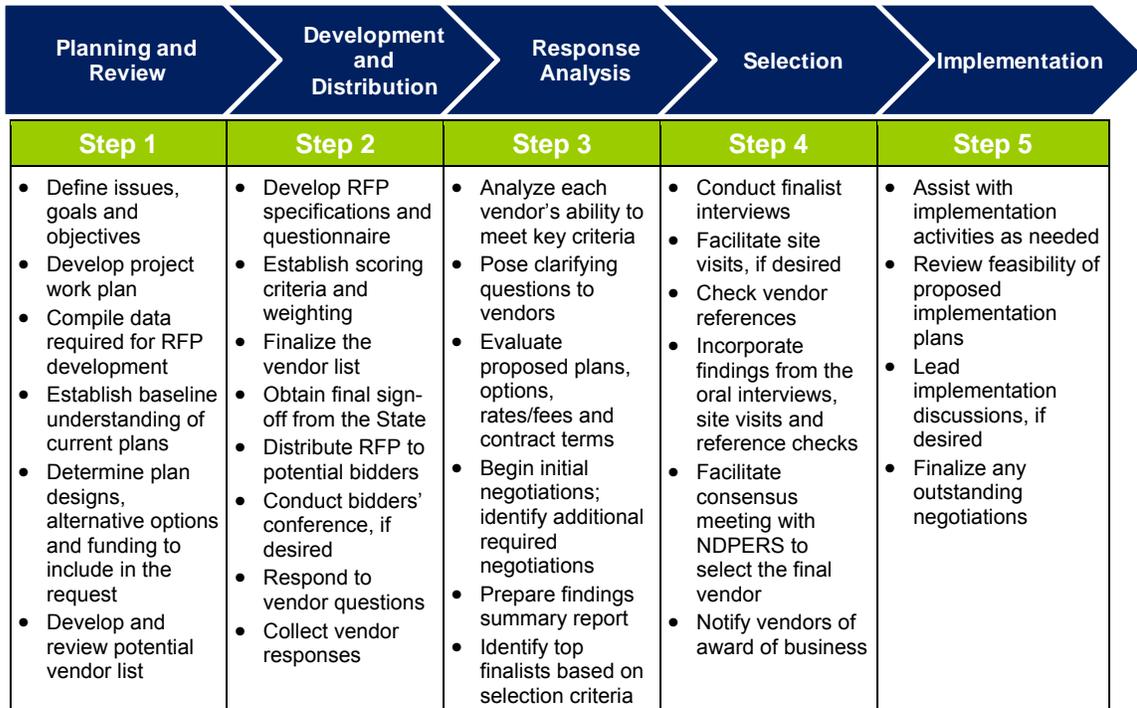
## c) Approach

Evaluating, designing, and implementing innovative employee benefits programs to meet the organization and employee needs is one of our core competencies. We have worked with both private and public sector organizations to design programs that add value, are flexible, and cost-effective. Our approach, to your health plan RFP which includes using qualitative and quantitative data, industry insight and technical knowledge, is highly collaborative. We expect to start with the prior NDPERS health plan RFP document updating it to incorporate self-insurance provisions as well as additional items from our other RFPs to capture emerging market trends and practices. We will

assist NDPERS to select the best medical vendor in order to satisfy organizational goals and align with employee needs and expectations.

NDPERS client service team has assisted many clients with Request for Proposal (RFP) processes covering an extensive array of health and welfare programs. The services provided, and the degree of client involvement in the process, are customized for each client, based on specific preferences including the need for formal scoring criteria and public disclosure of results. We can operate with as much or as little client involvement as desired.

A typical full support bid process includes the following steps and activities:



We have assisted many clients with their medical program needs, including sourcing decisions, supporting business cases, vendor selection, implementation support, and ongoing vendor management.

Today's vendor marketplace is continually changing. With an increasing focus on consumerism, carve-outs, ACO's and new technological advances, vendor product and service capabilities are quickly evolving. Deloitte Consulting regularly meets with vendors to understand their products, pricing, and value propositions. Our knowledge of the marketplace positions us well to assist clients during their vendor selection process. We regularly track and maintain data sets that allow us to benchmark core vendor fees – thus ensuring our clients get the best fees possible.

If NDPERS would like to consider a pharmacy carve out, our Employer Health Pharmacy Group has an array of proprietary tools and methodologies designed to evaluate Pharmacy Benefit Management (PBM) contracting and performance metrics. Members of the Employer Health Pharmacy Group constitute years of industry consulting experience with employers, PBMs, health plans, and pharmaceutical manufacturers; insight and experience unique to Deloitte Consulting.

### **Decision/Selection Matrix**

The proposal evaluation methodology will be discussed during the initial planning phase of the procurement process with consideration given to what portions of the proposals will be evaluated by Deloitte and/or the NDPERS evaluation committee. The most common scoring mechanism used for the bidding and selection process is divided into two main categories, qualitative scores and quantitative scores. Bidder's responses to the client specific questionnaire portion of the RFP are typically scored on a 1 to 5 basis with 3 being what we presently expect of a vendor in today's market. A score above a 3 up to a 5 represents an attribute or ability in which the vendor is above the standard expected of the industry. Conversely, a score below a 3 down to a 1 represents a below standard response.

Quantitative scores are developed from the sections of the proposal that comprise the financial offer from the bidders; sections such as the underwriting, performance guarantees, financial guarantees, program fees, termination clauses, run-out fees, network provider disruption, network discounts, etc. These combined with the aggregated and weighted qualitative score define the basis of the decision/selection matrix.

As mentioned above, we will clarify the desired evaluation methodology in the planning phase

#### **d) Projected Claims**

Because of Deloitte Consulting's experience and resources, we are highly qualified to perform the review of claims history and rate setting for self-funded plans. Deloitte Consulting is able to draw upon a variety of actuarial experts, underwriting experts, and analysis tools to develop appropriate rate projections for their employer clients.

Deloitte Consulting develops rates for self-funded employers, insurers, and HMOs. Rate development is done for various products, including group individual, community, Medicare and Medicaid. In developing these rates, we draw upon our experience in working with health care claims, calculating IBNR, dealing with regulatory agencies, and projecting expected claims costs.

The first step is to review the overall process with NDPERS so that we develop rates for all self-insured plans consistent with your goals, timing, objectives, and policies. Consistent with this framework, we anticipate developing several rate scenarios to demonstrate the sensitivity of results based the variability of key assumptions. For example, there could be a rate scenario with a "high" and "low" trend rate. The rates developed will be for total costs of the plan as opposed to costs net of employee contributions, subsidies, etc.

Working with NDPERS, we will develop "best estimate" full-cost accrual rates for the upcoming plan year. This will begin with confirming all sources of costs to be covered by the rates, whether claim costs, external administration costs or any internal costs. Once approved, these rates will represent the expected cost for the upcoming plan year.

Additional rates may need to be developed in support of these best estimate rates. For example, if NDPERS wishes to draw down an existing surplus, rates net of this drawdown of surplus would be calculated. Deloitte Consulting will make all necessary adjustments at the direction of NDPERS.

### **Trend Analysis**

Trend analysis takes historical information and uses it appropriately to estimate future costs. It is composed of client-specific utilization and unit cost experience, national trend experience, and expected future conditions. Typically judgment determines what elements are used and the priority of each. Trend analysis is a component of many of our projects from estimating the most recent months

incurred claims estimates for IBNR calculations to setting premium rates and projecting future performance.

Deloitte Consulting assists many health plans and employers in reviewing and setting trends. We also have the industry knowledge to compare your health plan trends to regional and national norms.

Deloitte Consulting will evaluate historical trend factors through incurred claim data analysis and other available information from NDPERS' carriers. This process requires us to classify claims information using an actuarial cost model and estimates of unpaid claims liabilities. Based on credible experience, we review the three-month, six-month, and twelve-month moving average claims cost amounts to observe recent claim trends through our actuarial cost model; we analyze medical service utilization rates and service unit costs on a service category basis over two or more experience periods to recognize the different trends that may emerge under various service categories. Of course, the level of detail by service category is dependent on the quality and completeness of the data.

We evaluate trend based upon two components: the change in the use of medical services (utilization trend) and the change in the unit cost of medical services (unit cost trend).

Similarly, we develop future trend assumptions on a service category basis. We use the information compiled in our historical trend assumption evaluation above, as well as Deloitte Consulting's industry knowledge to estimate utilization trend. We also evaluate future changes in provider reimbursement, as known by NDPERS's claims payer, as well as changes in the intensity of medical services delivered, to develop unit cost trend assumptions on a service category basis.

In addition, we find it valuable to take into account recommended trends in use by the health plan administrator. This is important where the vendor is responsible for provider negotiations and contracting. It is particularly critical to take into account the impact or projected changes in reimbursements and practice patterns when setting trend.

#### **e) NDPERS Bidding Process Review**

As part of the development of the new RFP, Deloitte will review the most recent prior procurement documents and templates in order to evaluate their applicability to the goals and objectives of the new group health plan proposal process.

To demonstrate our experience in performing an assessment and strategy around the design, development and delivery of a new health care bidding process; we will provide a narrative outlining the work we performed in rolling out the Advantage Health Plan for the State of Minnesota. The Advantage Health Plan outlined below was awarded a prestigious Innovations Award by the Council of State Governments in 2004.

#### **Background**

The State of Minnesota recognized the need for a new health care delivery model in 1999. With the assistance of Deloitte Consulting, the Advantage plan was designed, developed, and implemented for the 2002 plan year. The Advantage plan involves the use of risk-adjustment and cost-sharing provisions to steer employees into more cost-efficient providers. This unique approach required the development of complex modeling and data analysis tools, and has received significant attention from the health care community at large. Subsequent to implementation, the Advantage plan has proven to be a major success for the State in many respects:

- Transitioned multiple funding arrangements to one consistent, self funded arrangement
- Introduced new cost-sharing provisions.

- Aligned administrator and provider goals regarding cost efficiency.
- Produced significant fee schedule reductions from several large providers.
- Reduced overall annual cost increases.
- Lowered administrative fee increases.

Because of the risk-adjustment, cost-sharing, and provider assessment components of the model, Advantage was, and is, an extremely complex plan to implement, manage and price. Some of these requirements are discussed below, as well as the tools and methodologies we have for management of the Advantage plan.

For the State of Minnesota (MMB), with the implementation Advantage, the rate setting activities performed became more involved and critical to the success of the program. MMB is no longer dependent on the health plan administrators to define networks and set rates. Instead, MMB is setting its own rates using the trends received from the administrators, historical claims information from Deloitte Consulting's MMB data warehouse, benefit factors from the Deloitte Consulting Benefit Pricing Model, and our calculated provider group efficiencies. We run this information through our Advantage Pricing Model which incorporates the Advantage level structure and member movement assumptions to calculate the new rate need requirements. Deloitte Consulting has worked jointly with MMB in the design of these pricing components, and their construction allows for the efficient calculation of renewal rates. The front-end time spent on the construction of these rate-development tools has paid dividends in the efficiency of the renewal calculations.

## Health Care Renewal Process

*Our healthcare renewal process involves several steps.*

**Rate Submission Template** — Prior to releasing the rate submission templates to the health plan administrators, Deloitte Consulting works with the client to finalize the templates used to collect the data needed to perform the rate development process. Recent enhancements to the rate submission templates for MMB include trend details by provider group and defined performance guarantees/target incentives. These enhancements have enabled our teams to better understand the nuances of the rate need and provide more upfront discussion, limiting the need for negotiations with the plans.

**Rate Need Analysis** — Following receipt of the rate submission templates, we review the information provided for reasonableness and perform an actuarial analysis of the data submitted. Based on our extensive experience in working with the plan administrators, we then prepare a set of proposed questions for their response. Next we conduct a renewal strategy meeting with client staff to review these questions, any issues, and decide upon an overall renewal strategy.

For MMB, based on implementation of the Advantage plan, there are several additional services Deloitte Consulting currently performs when assisting in setting the proper premium rates.

**Managed Competition Model Comparison** — Due to the interest in the Advantage model and its projected cost savings, it is important to compare the projected annual results under Advantage with those that would have been realized under the former Managed Competition program structure. Even if the Advantage plan does not achieve the expected trend reductions due to overall claim cost increases, significant savings over the historical plan structure can be demonstrated.

**Trend Review** — Since the claim cost projections are heavily reliant on the trends provided by the plan administrators, Deloitte Consulting conducts a thorough analysis of the submitted cost and utilization trends. Meetings are held with each of the administrators to review and understand the results of their analysis, and to make sure the trends meet the specifications required by the client. These discussions have proven to be a vital component of the renewal process, as they have

prompted the plans to thoroughly analyze their trend projections and make significant modifications where necessary. The plan administrators are held financially accountable for the trends provided during the rate setting process.

**Administrative Service Fee Review** — Subsequent to the submission of the administrators' service fee proposals, Deloitte Consulting assists the client in reviewing and negotiating the proposed fee levels. Our extensive experience in working with the plan administrators allows us to effectively assist in negotiating the best possible Administrative Services Only (ASO) fee arrangements. Again, as part of this process, the administrators are held financially accountable for meeting expected performance targets.

**Provider Group Definition** — Deloitte Consulting and client staff work together to update the provider group definitions based on the data provided by the health plans. The development of provider group definitions involves a process that positively maps every participating primary care provider in Advantage to a uniquely identified provider group. These definitions are used both for rate development as well as communication to participants.

**Efficiency Assessment** — Using ACG risk adjustment, we analyze and quantify the efficiency of the provider groups. This efficiency rating is used to determine the provider groups' level placement and project the future costs of their enrollment mix.

**Member Claim Cost Analysis** — Using the trend rates provided by the plans, the average member cost is calculated for the renewal year. This cost is modified to reflect the most recent changes in provider group enrollment mix. Special discount arrangements agreed to by providers in an effort to move their provider group to a more favorable benefit level must also be factored into the analysis.

**Benefit Factor Calculation** — We use the Deloitte Consulting Benefit Pricing Model to value and quantify the cost-sharing provisions. The resulting factors are based on actual client plan population claims experience and trended appropriately to reflect the projected renewal year claim incidence and cost.

**Level Placement** — The provider groups are assigned to the proper benefit plan level (often referred to as a level). This process involves a considerable joint effort from the client and Deloitte Consulting, as it is necessary to guarantee statewide access to Level One in as cost-effective a manner as possible.

**Movement Assumptions** — We project member movement between benefit levels. Generally, members will elect to move from a level with less benefits (e.g., higher cost sharing) to one which provides more benefits. As a result, it is necessary to estimate the percent of members who will move, as well as estimated member illness burden of those moving.

The tools used for our annual premium rate projection include:

**Adjusted Clinical Groups (ACG) Risk Adjustment** — In order to determine the appropriate level designation for each provider, we analyze their efficiency using risk-adjustment techniques. The risk-adjustment methodology currently in use is based on the ACG scoring system developed by Johns Hopkins University. Deloitte Consulting has extensive experience with the ACG software, and we are familiar with how the particular intricacies of the software apply to the MMB data and the Advantage plan. Furthermore, our methodologies and approach to the risk-adjustment component of the Advantage plan enable us to perform this function quickly and efficiently. In addition, we have maintained a good working relationship with the software developers at Johns Hopkins and are aware of the latest software developments. In the future, we plan to continue to refine our risk-adjustment processes and expand on our knowledge of the ACG software.

**Benefit Pricing Model** — During the contract bargaining session for the 2002 plan year, it was essential for MMB to have the ability to quickly and efficiently determine the cost of the various proposed employee cost-sharing scenarios. To support this, Deloitte Consulting developed the Benefit Pricing Model. This model allows us to produce expected cost-sharing percentages for the various benefit plan designs based on actual MMB claims experience. The cost-sharing estimates therefore reflect actual MMB population experience, as opposed to standardized industry factors. Furthermore, the model allows for cost-sharing estimates that vary by health status, allowing for differences in expected cost sharing among groups with differing illness burdens. The model has been further refined to better reflect the way the health plans are actually administering the various cost-sharing provisions of the Advantage plan. In the future, this model will continue to be a valuable tool as MMB designs and determines future cost-sharing provisions. Deloitte Consulting's knowledge of and experience with the Benefit Pricing model and the health data allow us to efficiently assess the value of standard benefit plan designs and to modify the model to reflect the value of the different types of cost-sharing provisions that our clients may wish to implement.

**Advantage Pricing Model** — Due to the Advantage plan's many moving parts, it was essential to develop a sophisticated model to easily reflect changes in cost of many different types of assumption modifications. The Advantage Pricing Model allows us to assess the cost impact of changes in benefit design, level composition, member movement assumptions, illness burden assumptions, plan efficiencies, ASO fees, and many other pricing components. During the bargaining process, the model proved to be an essential tool in allowing for efficient price reflection of changes to the various design elements that were subject to bargaining. Although the design of the model is conceptually sophisticated, the front-end development time has paid dividends in both efficiency of cost calculations and ease of integrating new information into the model.

## **Network Analysis and Reporting**

The multiple layers of administrators and providers in the Advantage plan create many challenges related to network analysis. These challenges are important to address in discussing the network analysis process. Assessing provider efficiency, which requires a significant amount of actuarial expertise, primarily drives the Advantage plan. Furthermore, the multiple administrators and providers necessitate careful communication. We must be very organized and clear in order to correctly assess and communicate the various provider and level options available to plan members. The following sections highlight some of our services related to network analysis and reporting:

**Efficiency Assessment** — One of the Advantage plan's critical success factors is the placement of providers into the appropriate levels. In order to determine the appropriate level placement, it is essential to determine provider group efficiency. This complex process involves several steps including risk adjustment, matching members to providers, matching providers to provider groups, and assessing the expected cost of each provider. During the initial implementation stages of the Advantage plan, Deloitte Consulting carefully analyzed the efficiency assessment results to determine whether aspects of the methodology or data unfairly biased the findings. The results of this research were integrated into our processes, increasing our confidence in the efficiency assessments and the resulting level placements.

**Level Access Analysis** — Every MMB State employee must have reasonable access to a Level Two provider. Because of this requirement, there are several providers in Level Two that do not meet the minimum efficiency standards. To accommodate the requirement, and determine which providers to move into Level Two, it is necessary to assess which providers will deliver the desired access at the most efficient cost. During the plan renewals, Deloitte Consulting works jointly with MMB to determine which providers to add to the first level of providers in order to achieve statewide access at a minimal cost. This process involves a rigorous analysis of provider location, member location, and the resulting access issues.

**Risk Share Calculation/Communication** — Although the health plan administrators are no longer responsible for setting premium rates, they do have financial culpability related to trends provided to MMB. This requirement discourages the health plan administrators from reporting lower than expected trends in order to have more of their provider groups in Level Two and increase participation in their plan offering. After receiving the projected trends from the health plan administrators, MMB is responsible for providing the risk-adjusted target costs associated with the risk-share arrangements. At the end of the plan year, the risk-adjusted results need to be calculated in order to determine whether or not there are any risk-share funds to be distributed to the State. Because the risk-share arrangement is based on the efficiencies at the provider group level, it is essential that the members be matched with the proper providers and that changes in provider group composition are taken into account. We are able to leverage the tools and experience we have generated to effectively assist MMB in performing the risk-share calculations. Our experience in risk adjustment allows us to react to plan administrator questions and address issues and concerns related to the methodologies and results of the calculations.

### **Data Warehousing**

For the States of Minnesota and Iowa, Deloitte Consulting maintains a data warehouse. Deloitte Consulting has invested significant financial resources, time, and intellectual capital into the development of data warehouse capabilities. This project involved developing and conducting the following complex processes:

- Gathering claims data from the various health plan administrators.
- Cleansing the data.
- Collapsing and reconfiguring the data into final action claims.
- Data storage.

These data warehouse processes, as well as the structure, were designed exclusively to meet client needs in terms of data, data fields, and features. Beyond its support of the Advantage plan management, the data warehouse is used on a regular basis to support risk-management initiatives, and to answer questions related to enrollment counts, provider group costs, and many other day-to-day issues.

### **Deloitte Consulting continues to perform the following maintenance and update services:**

**Claims Data Updates** — Health plan quarterly data submissions are cleansed and processed in order to integrate them into the historical data warehouse. Our methodologies and programs developed specifically for the States' data have automated this process. This significantly reduces the time necessary to integrate new quarterly data. These timesaving methodologies have proven to be extremely valuable in allowing clients to receive and share results within a few days of the quarterly data submissions. We are also able to efficiently assess the quality of the claims data submissions, and quickly report back to the plan any errors discovered.

**Reporting and Analysis** — Due to the breadth and scope of information contained in the data warehouse, the claims data can be an extremely useful tool to for our clients in many respects. Beyond its uses in analysis essential to the Advantage plan and the risk management initiatives, we have provided output from the data related to:

- Membership and contract counts.
- Cost-sharing scenarios/continuance tables.
- Claim costs by division.
- Claim utilization/cost by service category.
- Provider group experience.

Our knowledge of the data, and our experience in analyzing and reporting information derived from the data, allows us to efficiently provide information to clients on both a formal and ad-hoc basis.

**f) Exceptions**

Deloitte Consulting has not identified any exception or variation from the work effort identified in this proposal

**g) Outline of Deliverables**

Deloitte Consulting will work with NDPERS to define the necessary deliverables for the different stages of the proposed work plan. Generally, we would expect the findings and recommendations reports to include an executive summary, background, issues/findings and recommendations.

# Part III – Proposal (Experience)

RFP Reference: SECTION 4 - INFORMATION REQUESTS – Part III – Section 2) Experience

## 2) Experience

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### a) General firm experience - a brief description of the size, structure and services provided by your organization.

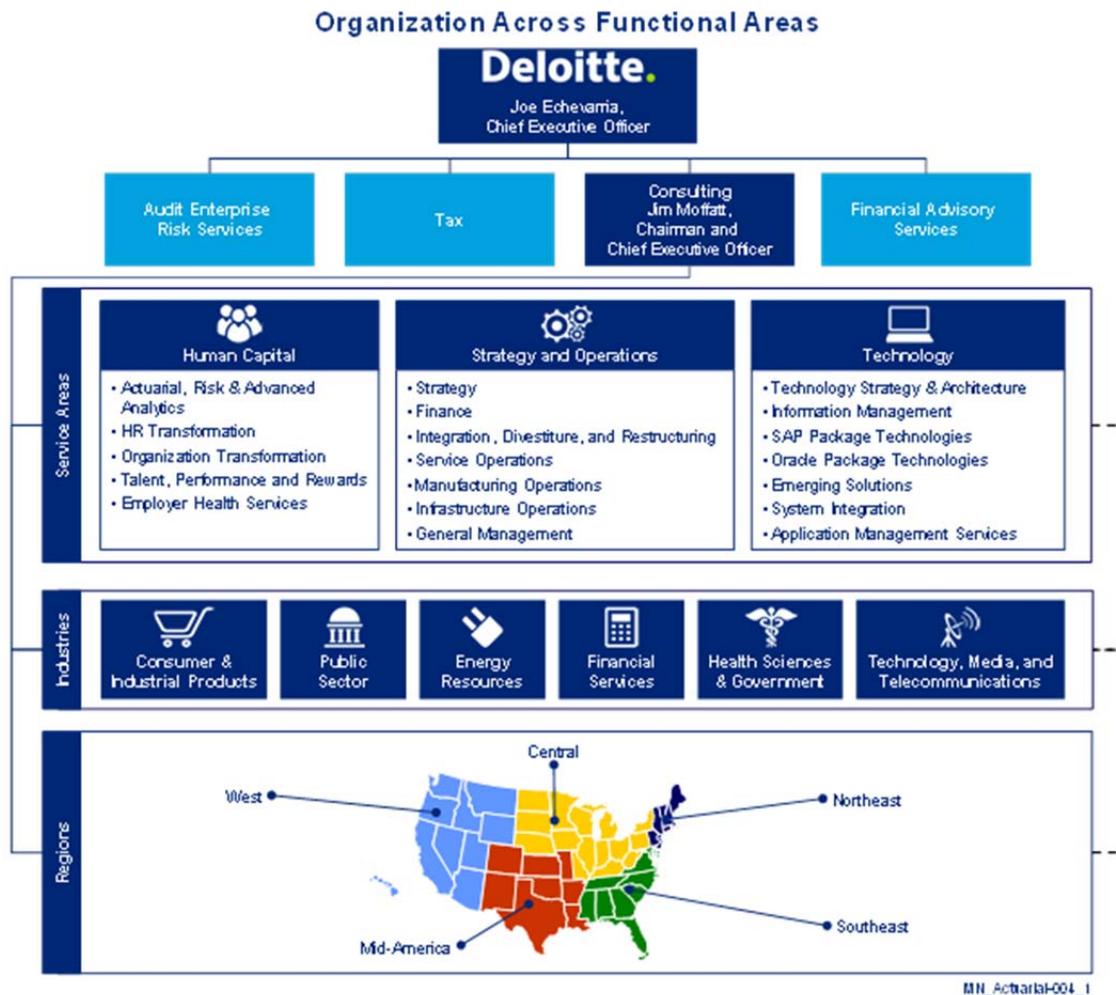
#### *Date Established*

Deloitte is one of the oldest and most respected professional service firms in the United States. Our parent company was founded in 1895 and has since undergone many changes. Today, we are the largest global consulting firm with over 100 offices across the nation; we provide a wide range of business and technology services to a variety of clients and industries. Within the U.S., Deloitte has more than 50,000 professionals across four functions (Consulting, Tax, Audit, and Financial Advisory Services). The consulting function has more than 19,000 professionals and we work with more than 1,700 individual contractors. Deloitte professionals are not organized around product offerings, but rather around service areas and industries. Our firm's professionals help clients—from new economy start-ups to Fortune 1000 global organizations—to create, reinvent, and defend their business models by guiding them through the complexities of the evolving economy.

#### *Organizational Chart*

Deloitte is one of the world's leading consulting organizations for technology, human capital, and business strategy and operations services. Deloitte is organized along service lines, industries, and regions. With three service areas and six industries, we are well-positioned to offer you access to a full range of integrated solutions that meet your business and technical needs. The State will benefit from this integrated structure; it allows us to quickly bring to bear the required knowledge and skills to handle any potential challenge to deliver a successful project. Our access to the wide range of skills available in our integrated, member firms is what sets us apart from one dimensional integrators and service providers.

The following is our current organizational chart, which illustrates the relationships among the Deloitte entities and how Deloitte is organized across regions, service areas, and industries:



Organizational Chart – Deloitte is Organized Across Functional Areas.

### *Deloitte Consulting Who We Are*

The Deloitte organization has offices in 140 countries, comprised of more than 170,000 consulting and advisory professionals. In 2010, Deloitte member firms became the largest private professional services organization in the world, surpassing all competitors in the private professional services category. Consulting in the U.S. is part of the largest management consultancy in the world — a \$14.6 billion global consulting and advisory business. Our teams provide global experience and local knowledge to help clients focus on the big picture and succeed in any public or private business environment.

### *What We Do*

Our U.S. Consulting practice provides services in three key areas — human capital, strategy and operations, and technology services — in the following industries: consumer products and retail; energy; financial services; life sciences and health care; process and industrial products; technology; media and telecommunications; and federal and state government.

We are distinguished by our broad capabilities, deep industry knowledge, and ability to implement the advice we provide. Our consulting practitioners generate insights that produce tangible results — from strategy through implementation.

## *Our Talent*

We are unrivaled in talent. Our diverse professionals deliver proven strategies and help companies apply them to their most pressing business issues. Our people are aligned to the unique needs of specific sectors, public and private businesses, organizations and the government. We help clients attain profitable growth, strategically manage costs, apply advanced business analytics, intelligently navigate risk, attract and retain critical talent, implement leading technologies, and drive value from strategic mergers and acquisitions

Tangible results — from strategy through implementation

## *Deloitte Consulting's Human Capital Practice*

Deloitte Consulting's Human Capital practice specializes in providing broad-based business consulting services designed to help organizations in their efforts to integrate people issue resolution with their business strategy. Human Capital services are designed to help organizations in their efforts to enhance their performance, productivity, and profitability through their workforce. Human Capital goes to market by sectors, relying on deep industry experience, knowledge and skills, and providing innovative and comprehensive services and solutions designed to help clients in their efforts to address their most complex issues. Our Human Capital practitioners have core capabilities in the following areas:

- Human Resources Service Delivery
- HR Technology
- Organization and Talent
- Total Rewards
- Actuarial, Risk and Analytics
- Global Employer Services

## *Deloitte Consulting's Public Sector Practice*

- We have been consistently serving U.S. public sector clients for more than 45 years.
- Our state government HHS practice supports more than 1000 counties and 25,000,000+ clients nationally.
- We have served 47 of 50 U.S. states as well as the District of Columbia, the Commonwealth of Puerto Rico, and Guam and have offices in 18 capitals.
- We have served 17 of the top 25 U.S. cities in the last two years.
- We have served four of the top five U.S. counties in the last two years.
- We have served two of the top three U.S. school districts consistently for the last three years.
- We serve nine of the 10 largest Secular Not-for-Profit Healthcare Systems (as ranked by Modern Healthcare).
- We serve 24 of the top 25 largest managed-care organizations (as ranked by AIS's Directory of Health Plans).

**b) Identify and discuss similar projects you have done, for who, when and how they compare to this project in terms of work efforts. Also discuss the outcome of those projects if that information is available.**

Deloitte Consulting has extensive experience assisting clients in designing and implementing effective medical and pharmacy benefit management programs. Our services are broad based, and include vendor selection, management, cost-reduction strategies, outcomes improvement, benefit design recommendations, and performance audits.

Your client service team has recently supported the preparation, issuance, and analyses of RFPs for the States of Minnesota, Wisconsin and Iowa.

Recent experiences in performing health insurance bids include the following public sector clients:

<b>Client</b>	<b>Product</b>	<b>Year</b>
<b>State of Minnesota</b>	Medical	2012
	PBM	2011
<b>State of Wisconsin</b>	Medical	2013
	PBM	2009
<b>State of Iowa</b>	Medical	2011
	PBM	2011
	MCO	2011
<b>Ramsey County</b>	Health Insurance	2013
<b>Dakota County</b>	Health Insurance	2012

All of these procurement projects required consideration of the individual situations of each organization's benefit programs and entailed complex analyses. The State of Minnesota is the only solely self-insured program and nearly all other organizations listed considered both fully insured and self-funded arrangements similar to NDPERS. More than one organization we have assisted in the past few years have achieved significant savings by changing to self-insurance and/or changing vendors.

**c) Discuss your experience in working with Part D products in general and in the public sector. In particular discuss your experience with products similar to NDPERS product.**

Under the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 and agency guidance that has followed, an employer faces many options to coordinate their benefit offerings with Medicare Part D. These alternatives include contracting with a PDP to provide pharmacy benefits to Medicare covered retirees, contracting with CMS directly to become a Medicare PDP for an employer's own retirees, providing a separate PDP that coordinates with or supplements the benefits of any available PDP and the retiree drug subsidy (RDS) option.

There are many complex financial, administrative and communication issues an employer must consider when evaluating the benefits of the alternatives, such as short-term cash savings need weighed against long term accounting implications and the best financial alternative may come with other issues that offset the dollar savings. Besides internal administration changes that may need to be made other external administrative changes may also be necessary.

Deloitte Consulting has expertise and deep knowledge in all aspects of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 and we have assisted numerous employers in determining the most cost-effective method for providing pharmacy benefits to Medicare Part D eligible participants. We have assisted public sector clients in pursuing the Medicare Part D 28% retiree drug subsidy for their programs and contracting with a PDP to provide pharmacy benefits to Medicare covered retirees in the Local program.

Our actuaries have assisted public sector clients in their application for the Medicare Part D 28% retiree drug subsidy for the Medicare Part D eligible participants. If the Medicare Part D subsidy is recommended, we will perform the following steps to support the retiree drug subsidy request:

**1. Information Gathering**

Deloitte Consulting will collect appropriate historical prescription drug claim and Medicare Eligible enrollment data to help assess the value of the benefits provided to retirees.

NDPERS would provide all information on the plan benefits and participant contributions which will be available to NDPERS's retirees in 2010 as well as during the historical period.

**2. Conduct Gross Value Test**

Deloitte Consulting will compare the gross value of benefit offered in NDPERS's plan to the Standard Medicare Part D Benefit.

If the gross value of the benefit offered by NDPERS is greater than or equal to that which is offered for the Standard Medicare Part D Benefit, the plan will pass this test.

**3. Conduct Net Value Test**

Deloitte Consulting will compare the net value (Gross Value less participant contributions) of benefit offered in NDPERS's plan to the Standard Medicare Part D Benefit.

If the net value of the benefit offered by NDPERS is greater than or equal to that which is offered for the Standard Medicare Part D Benefit, the plan will pass this test.

**4. Written Report and Presentation**

Deloitte Consulting will develop a written report of our findings and present and discuss the report with NDPERS.

**5. Complete Actuarial Attestation**

Deloitte Consulting will serve as the attesting actuary, and a firm actuary will provide his American Academy of Actuaries Membership number for use in your application.

## **6. Application Process Support**

Deloitte Consulting will provide NDPERS with support throughout its Retirement Drug Subsidy application process.

### **EGWP**

With the implementation of the Patient Protection and Affordable Care Act, RDS subsidy payments are no longer tax deductible leading employers to consider more cost effective approaches to retiree pharmacy programs. In recent years, Deloitte Consulting has assisted clients in converting from RDS to an employer group waiver plan (EGWP) solution by contracting with CMS directly (via their PBM) to become a Medicare PDP for their retirees, providing a separate PDP that coordinates with or supplements the benefits of any available PDP for Medicare covered retirees in the entire program. EGWPs have tax and subsidy advantages for public and private organizations over RDS under PPACA which can amount to significant savings. As an example, the conversion to the EGWP for the State of Wisconsin was estimated to save the State more than \$6 million in the first year it was implemented.

### **d) Discuss your experience in doing health premium projections such as that requested in this RFP.**

Deloitte Consulting routinely establishes annual premium rates for all types of health plans using a combination of plan-specific historical experience, applicable industry-wide benchmarks and appropriate assumptions. An important step in this process is establishing and understanding the purpose of the rates and the objectives of the sponsor. Specifically, in a multiple-option environment, where adverse selection will naturally operate, rates are set to anticipate the adverse selection based on knowledge of all plans offered and any election shift that occurs because of plan design or contribution changes.

Development of the premium rate also usually requires a margin for risk and accumulation of premium fluctuation reserves. These margins are intended to help fund the cost of any group that terminates while in a deficit position and to smooth out minor random deviations in the plan's experience.

In addition to direct rate setting, some clients ask us to support their renewal negotiations by facilitating and reviewing the development of premiums by the health plans. This includes structuring the request so that the projections can be reviewed easily and to ensure reliable and understandable results. In addition, we frequently develop independent estimates of future rates to support our discussion with the health plan.

Premium development also includes an annual review of premium rate-tier multipliers. We have assisted employers and health plans with setting rate factors to meet the need for actuarial equivalence. Varying the rate factors can have a direct effect on an individual employee's plan selection.

### **e) Discuss your experience in assessing wellness programs.**

Deloitte Consulting has extensive experience with helping employers and payers evaluate, develop and design wellness programs. The investigation and exploration of wellness and health management programs are a key part of any health care plan redesign. As part of its strategy development process, we believe it is important for employers to consider a wide variety of health management approaches from community-based and provider-sponsored programs to vendor-led arrangements and employer-sponsored activities.

**f) Discuss your experience with reviewing RX programs and proposals in general and for clients similar to NDPERS. Include in the discussion your experience in analyzing clinical programs, specialty drug programs, Rx networks, drug utilization review programs and rebate methodologies.**

We have extensive experience assisting clients in designing and implementing effective pharmacy benefit management programs. Our services are broad based, and include vendor selection, management, cost-reduction strategies, outcomes improvement, benefit design recommendations, and performance audits.

We recently assisted the State of Minnesota in soliciting PBM services. We assisted the State by developing the RFP document, reviewing PBM proposals, attending and analyzing finalist presentations, attending on-site visits, contract negotiations and provided strategic guidance. This groundbreaking program includes a transparent arrangement with the selected vendor as well as one statewide pharmacy network and drug formulary. We also supported the State of Wisconsin with their PBM RFP development in 2010. Previously we assisted the States of Wisconsin and Iowa in RFP process for PBM services.

**g) Discuss your experience in assessing claim payment systems offered by vendors.**

Deloitte has an extensive background analyzing third-party administrators through claims processing analyses conducted on behalf of employers and health plans. Over the past 24 months, Deloitte has executed over 30 claims analysis for medical, dental, and prescription drug plans and has been performing this analysis for more than 25 years. We believe our knowledge and familiarity of working with and extracting data from all of the major health plan claims systems gives us an advantage in executing this type of analysis for our clients.

Based on our significant experience performing analysis both of and for third-party administrators, we have developed and refined a methodology which addresses concerns specific to both employers and the claims administration industry. Our claim analysis services are structured in components that can easily be tailored to meet a client’s needs and objectives. Most importantly, our approach focuses on providing value-added recommendations organizations can consider to improve processing efficiencies and current controls. We have extensive experience benchmarking health plans and Third Party Administrators (TPAs) with the successful practices we have encountered in serving other organizations.

**h) Provide a list of clients for whom your organization has performed similar tasks and specifically highlight efforts in the public sector.**

Client	Service Period	Deloitte Consulting Services for Plans Offered
State of ND (NDPERS)	2010 to present	Medical, RX, ACA compliance
State of Minnesota	1981 to present	Medical, RX, dental, life, LTD, STD
Anoka-Hennepin Independent School District	1984 to present	Medical, dental, life, LTD, workers compensation
State of Wisconsin ETF	1987 to present	Medical, RX, dental, life, disability
Dakota County (MN)	1989 to present	Medical, dental, life, LTD, flexible benefits, deferred compensation, paid time off
Metropolitan Council (MN)	1999 to present	Medical, dental, life, disability, flexible benefits
Ramsey County (MN)	2002 to present	Medical, dental, life, disability, flexible benefits

State of Iowa	2002 to present	Medical, dental, life, LTD, deferred compensation and workers compensation
State of Illinois	2013 to present	Medical, RX, vision
State of Pennsylvania (REHP)	2013 to present	Medical, RX, dental, vision

**i) Discuss your experience in reviewing the adequacy and pricing implications of vendor provider networks and comparing networks from one provider to another.**

We have significant experience in reviewing the pricing implications of vendor provider networks. The most frequent occasion is during a RFP for self-insured clients. As part of that process we collect select sets of reimbursement data for the highest volume providers utilized by the client’s population. Our actuaries conduct an analysis to determine which provider arrangements would be most advantageous. We have conducted such analysis for the Wisconsin Employee Trust Fund (2013) comparing 16 HMOs and several statewide PPOs in response to an RFI. We provided similar analysis in support of RFPs for the State of Minnesota (2012), Dakota County (2012), and State of Iowa (2012). Like PERS, these clients only seek competitive bids as required.

Additionally, on an annual basis we provide the State of Minnesota detailed provider pricing on a risk adjusted basis in the development of its tiers and placement of providers. We also provide the analysis necessary to determine if the reimbursement reductions offered by a provider group to move to a more desirable tier is sufficient. *A more detailed description of the process for Minnesota is included above in our response to Part II, Section 1, e).*

**j) Indicate your organization’s depth of experience in each of the following areas:**

1. Benefit Design (health)
2. Retiree Health Insurance
3. Preparation of Plan Documents
4. Preparation of Member Booklets
5. Provider Contract Negotiations
6. PPO Formulation and Development
7. Actuarial Analysis and Reporting
8. Preparation of Contracts, Bid Specifications and RFPs
9. COBRA Administration and Interpretation
10. Legal Issues
11. Disease Management Programs
12. Wellness Programs
13. RX Carve out Programs
14. Legal Assistance

**1. Benefit Design (health, life and dental)**

Our Minneapolis office has extensive experience in benefit design consulting for both public and private sector clients. Our larger current public sector clients include the State of Minnesota, State of Wisconsin, State of Illinois, Dakota County, Ramsey County, State of Iowa, NDPERS, State of Pennsylvania and Anoka-Hennepin Independent School District.

**2. Retiree Health Insurance**

We have extensive experience in consulting and health actuarial analysis for retiree health insurance. Public employee retiree plans include among others, the States of Minnesota, Iowa, and Wisconsin, Dakota County, and Pennsylvania REHP. In addition, we have done significant work for private sector employers for FASB 106.

### **3. Preparation of Plan Documents**

We have assisted many clients in preparation of plan documents. We have consultants and lawyers on staff with extensive experience with plan documents and knowledge of current legislation

### **4. Preparation of Member Booklets**

We have communication consultants on staff with many years of experience, ranging from a design and content of booklets to reviewing and providing input and suggestions. Our prior work with the State of Alaska booklets won an award from the International Association of Benefits Communicators. In addition, we have drafted booklets for several other clients including State of Minnesota Public Employee Insurance Program, St. Paul Public Schools, and Hennepin County.

### **5. Provider Contract Negotiations**

We have several years of experience among our group insurance consultants and health care actuaries. We assisted the State of Minnesota in developing its statewide PPO and in a significant project to analyze the feasibility of direct contracting.

### **6. PPO Formulation and Development**

We have several years of experience among our group insurance consultants and health care actuaries. We assisted the State of Minnesota in developing its statewide PPO; and have assisted in both client and carrier development of PPOs.

### **7. Actuarial Analysis and Reporting**

Annually, we provide actuarial analysis and report to the Board for the State of Wisconsin. We have provided actuarial reports to the NDPERS in the past. We perform these services on an ongoing basis for the State of Minnesota, State of Illinois, State of Iowa, and Dakota County as well as many other clients.

### **8. Preparation of Contracts, Bid Specifications and RFPs**

We have considerable experience in the preparation of contracts, bid specifications, and RFPs. We assisted NDPERS with the preparation of its RFP and evaluation for the health program. We recently assisted the State of Minnesota in drafting a new contract with all of its third party administrators for self-insured managed care health programs, pharmacy benefit manager and self-insured dental plans. We have also assisted the State of Iowa, as well as Hennepin, Dakota, and Ramsey Counties with their competitive bidding processes.

### **9. COBRA Administration and Interpretation**

We have presented seminars and done extensive consulting regarding COBRA administration, interpretation, and compliance audits. We have also served as a resource to provide answers to general COBRA related questions.

### **10. Legal Issues**

We have a health and welfare attorney in our Washington Service Center. We have assisted clients with a variety of legal issues; however we are not a law firm and cannot give legal opinions.

### **11. Disease Management Programs**

We have a team of experienced consultants with experience in designing and implementing disease management programs, vendor analysis and selection, and program effectiveness reviews. They are experts in managed care operations, effective utilization management, disease management models, and the clinical coding aspect of billing and payment systems. Our team members have worked

closely with various clients in the management of diabetes, congestive heart failure, coronary artery disease, hypertension, asthma, depression and total population health management.

## **12. Wellness Programs**

Deloitte Consulting has extensive experience with helping employers and payers evaluate, develop and design wellness programs. The investigation and exploration of wellness and health management programs are a key part of any health care plan redesign. As part of its strategy development process, we believe it is important for employers to consider a wide variety of health management approaches from community-based and provider-sponsored programs to vendor-led arrangements and employer-sponsored activities.

For example, NDPERS may want to consider appropriate wellness programs with our assistance by:

- Developing an inventory of community-sponsored programs
- Leading a discussion to describe the typical types of wellness approaches, including the benefits of using health risk appraisals or assessments, possible integration with disease management, and the costs and benefits of each
- Understand the tradeoff associated with the immediate cash expenditures in return for potential long term cost savings
- Incorporating questions in the RFP process to elicit feedback about ongoing wellness and disease management programs from potential health care vendors and to understand willingness to negotiate performance and return on investment guarantees
- Seeking information from employees about the feasibility and attractiveness of various wellness management approaches

## **13. RX Carve out Programs**

We have extensive experience assisting clients in designing and implementing effective pharmacy benefit management programs. Our services are broad based, and include vendor selection, management, cost-reduction strategies, outcomes improvement, benefit design recommendations, and performance audits.

We recently assisted the State of Minnesota in soliciting PBM services. We assisted the State by developing the RFP document, reviewing PBM proposals, attending and analyzing finalist presentations, attending on-site visits, contract negotiations and provided strategic guidance. This groundbreaking program includes a transparent arrangement with the selected vendor as well as one statewide pharmacy network and drug formulary. We also supported the State of Wisconsin with their PBM RFP development in 2010. We assisted the State of Iowa in RFP process for PBM services in 2012.

## **14. Legal Assistance**

Our Human Capital practice has a Washington National Office dedicated to tracking, researching and reporting on all federal benefits legislation, regulation and court cases for both our own internal information and education of human capital professionals and for clients. This office is staffed by Robert Davis, Director in Deloitte Consulting. Robert is an attorney who follows benefits legislation, including the tax aspects of such legislation, for many years.

The Washington Human Capital Office produces a weekly internal bulletin, focusing on updates to all members of Human Capital on the legislation, regulations, laws, and court cases affecting employee benefits and compensation. Robert is available to brief you on an as-requested basis regarding these issues. This office also produces a monthly client newsletter on these issues, which is automatically

mailed or e-mailed, depending on your preference. The office monitors both congressional and regulatory action, including bills introduced and relevant committee action on a daily basis when Congress is in session, using all available print and electronic resources, as well as direct contacts with relevant congressional and agency staff.

Also, working closely with our tax practice, our specialists can help you to understand various aspects of the Internal Revenue Code. In addition, we can help determine how plans and benefits should be developed and maintained to remain in compliance with these codes. Deloitte Consulting is a professional services firm and does not provide legal advice.

**k) Describe your organization's experience and availability regarding legislative hearings and testimony.**

Deloitte Consulting is well qualified to monitor and advise NDPERS on state and federal legislation across a wide number of topics. Since our firm advises clients on tax and accounting issues in addition to benefits and actuarial matters, NDPERS can expect that we will be actively aware of Federal legislation which impacts group programs. In addition, as we support multiple states, we are well positioned to identify and quantify the impact of proposed changes and respond to legislative initiatives.

We provide a range of actuarial and consultative assistance to State governments; from developing State government healthcare strategies to assessing the impact of legislative bills and preparing responses. Our consultants also work with health insurance carriers, both through direct consulting, and on behalf of our clients. Our knowledge and experience allows us to understand the potential impact of legislative changes across the spectrum of constituencies, with the special emphasis on the ultimate impact to the NDPERS programs.

Beyond our ability to understand the impact of legislative changes, we have the ability to assess the financial impact and communicate the assumptions and results in an effective, timely and credible manner. Deloitte Consulting actuaries have the ability to effectively communicate detailed and summarized cost projection results to a variety of audiences. Many of our actuaries are nationally recognized experts in their fields and speak regularly at Society of Actuary meetings and other professional functions. Our actuaries and consultants also have experience in providing expert testimony at legal proceedings as well.

In service to our public sector and state government clients, members of the team have testified to Legislative Task Force Committees, State Senate Subcommittees, and as subject matter experts in various legal and arbitration hearings. The team we have proposed currently provides fiscal notes and legislative advice to various clients including the States of Iowa, Minnesota, North Dakota, Pennsylvania, and Wisconsin.

Pat Pechacek has made presentations to the North Dakota legislature over the past several years at the request of the PERS Board. As Minnesota's current consultant and actuary, we regularly make detailed presentations to Joint Labor Management Committees and supply information to them in support of fiscal notes and other responses to legislative initiatives. In Wisconsin we have participated in numerous State board meetings presenting actuarial theory, basis for assumptions, and other various actuarial matters to a broad audience.

Finally, it is our practice to update clients about current developments in accounting, reporting, actuarial science, and tax matters through the distribution of firm-prepared information releases covering industry-specific topics.

As one of the largest professional services firms in the world, we recognize our responsibility to provide up-to-date information and leading edge solutions to our clients. Our knowledge of emerging trends, including legislation, is one of our core services. Deloitte Consulting approaches conducting research from two distinct perspectives: future insight and current/historical. Key research capabilities are described below:

## **Research Capabilities and Service Specialists**

Beyond the skills and knowledge of the client service team, our research capabilities and legal skills may be used to meet NDPERS legal and compliance needs. These capabilities include:

### ***Deloitte Research***

We recognize the dynamic changes taking place in the marketplace and developed Deloitte Research to assist organizations to remain leaders in the marketplace. This group was established as a cutting edge thought leadership group that provides ongoing research and insight into industry-specific issues facing organizations today. Our research identifies and analyzes market forces and major strategic, organizational and technical issues that are changing the dynamics of business, providing insight into new and evolving changes.

Deloitte Research is comprised of consulting practitioners and dedicated research professionals, industry experience and academic rigor. Deloitte Research focuses on several industries, including health care and public sector, which would be of interest to NDPERS. The information from Deloitte Research will be beneficial to NDPERS' long-term strategy and future initiatives.

### ***Deloitte Center for Health Solutions***

Located in Washington, D.C., the Deloitte Center for Health Solutions (DCHS) was formed to research and develop solutions to some of our nation's most pressing healthcare and public health-related challenges. The information collected by DCHS about health care reform is made available to our practitioners and clients through public and internal Web sites and a weekly memo series. More recently, the DCHS and its Executive Director have been featured in publications including the Fiscal Times, USA Today and Bloomberg BusinessWeek. This experience and recognition strengthens our position as a leader within the Health Care industry, and we can use this position to support NDPERS. We can leverage this information which is easily accessible to our team to position NDPERS for upcoming Health Care Reform changes.

### ***Washington Service Center***

Our Washington Service Center is comprised of consultants specializing in emerging Federal legislation as well as technical subjects. The information is obtained from various sources including contacts in Congress and lobbyist groups to enable our clients to be proactive. The Washington Service Center is responsible for collecting and disseminating the information to Deloitte practitioners. Two key areas of focus of the Washington Service Center are tax and health care legislation.

### ***Washington Rewards Policy Center of Excellence***

The Washington Rewards Policy Center of Excellence is charged with tracking, researching, reporting on and analyzing federal benefits legislation, regulation and court cases. The Center works with Deloitte practitioners to find solutions to clients' business problems within the applicable legal framework. The Center is led by Robert B. Davis, Director.

In addition to its client work, the Washington Rewards Policy Center of Excellence produces two weekly bulletins, focusing on legislation, regulation, laws, and court cases affecting employee benefits and compensation. One of these publications, the Washington Bulletin, is available for distribution to Deloitte clients and prospects. Robert briefs clients on an as requested basis regarding these issues.

The Washington Rewards Policy Center of Excellence also produces white papers on various topical benefits and compensation issues and leads conferences on topical issues for both internal and external audiences.

Robert monitors both Congressional and regulatory action, including bills introduced and relevant committee action, using available print and electronic resources, as well as direct contacts with relevant congressional and agency staff. Deloitte is a member of both the American Benefits Council and The ERISA Industry Committee, two prominent associations representing the benefits and compensation concerns of employers before both the Congress and the agencies. Robert takes an active role in these organizations.

National Service Line Practitioners also provide specialized research on their areas of expertise. These practitioners are responsible for collecting and disseminating emerging trends and legislation that is specific to those areas. Examples of these research areas include Employee Benefit Tax, Health Care Legislation, Medicare and Medicaid, and Actuarial and Underwriting. Local Human Capital offices also monitor state and regional developments, in order to alert our clients on issues that we suspect may specifically affect their programs and practices. In addition to our practitioners, Deloitte employs research librarians in its regional practices that are available to do literature searches via Internet and other search engines like Intellinet, Dow Jones Interactive, Factiva, and Lexis.

#### **I) Explain how your organization develops premium rates for health insurance plans.**

For many of our state clients we provide actuarial services in the analysis and negotiation of rates for many HMO plans (4 in Iowa and 20 in Wisconsin). Additionally, we set the rates for state self-insured medical plans (Minnesota and Wisconsin). Lastly, for the Minnesota Public Employee Insurance Plan, a voluntary participation plan, we provide all rate setting, benefit pricing, financial modeling and actuarial support.

We routinely establish rates for all types of health and welfare plans using a combination of plan-specific historical experience, applicable industry-wide benchmarks, and appropriate assumptions. An important step in this process is establishing and understanding the purpose of the rates and the objectives of the sponsor. Specifically, in a multiple-option environment, where adverse selection will naturally operate, rates are set to anticipate the adverse selection based on knowledge of all plans offered and any election shift that occurs because of plan design or contribution changes.

In addition to direct rate setting, some clients ask us to support their renewal negotiations by facilitating and reviewing the development of premiums by the health plans. This includes structuring the request so that the projections can be reviewed easily and to ensure reliable and understandable results. In addition, we frequently develop independent estimates of future rates to support our discussion with the health plan.

Due to the difference in health care delivery dynamics, we have used different methods and assumptions to project HMO costs than we would for a PPO or indemnity program. Our methods and assumptions differ in two broad categories:

- The impact of utilization management programs inherent in HMO and some PPO programs
- The financial relationship between medical providers, such as hospitals and physicians and the HMO

In many cases, due to these differences, HMO trend assumptions often differ greatly from PPO or indemnity trend assumptions. In addition, when multiple plans are offered, employee self-selection is

a major consideration for assumptions. This is particularly a concern when a PPO or indemnity plan is offered alongside an HMO.

**m) What new cost containment programs does your organization foresee being implemented in the next 2 – 3 years and how are you positioned to provide assistance.**

Some of the more recent cost containment programs Deloitte Consulting has assisted in implementing include:

1. Tiered networks to direct employees to more efficient providers
2. Integrated Health Risk Assessment tools with Health Coach and Disease Management programs
3. Risk Adjustment tools to better evaluation health plan and provider specific efficiency
4. Medical Homes
5. Accountable Care Organizations (ACO) with risk-sharing arrangements

Deloitte Consulting has extensive experience evaluating the utilization and quality of cost containment programs at the provider and plan level. Our service capabilities fall into two major categories:

- Analysis Capabilities
- Performance Assessment

### ***Analysis Capabilities***

On behalf of numerous employers, Deloitte Consulting's analytics team has analyzed claims data to understand the underlying trends that are driving health care costs by developing population health profiles and assessments of provider performance to identify opportunities to improve care management and cost-efficiency.

In performing these analyses, we utilize extensive analytical tools and capabilities which include commercial databases, episode treatment groupers, risk adjustment software, NCQA QualityCompass and our own proprietary analytical algorithms to evaluate utilization patterns, identify population segments with care issues and assess provider performance by specialty using customized claims-based measurement algorithms.

### ***Performance Assessment***

Deloitte Consulting routinely evaluates the performance of care management and medical management programs. For medical management program reviews, we evaluate the health plan's utilization and case management processes to assess the efficiency and effectiveness as well as their alignment with the plan sponsor's requirements and needs. Our approach includes evaluating pre-authorization, concurrent review, case management, and demand management.

We leverage our understanding of the unique demographic and clinical profiles of the employer to determine whether the health plan's utilization management program is focused on the areas with greatest potential impact on both quality and cost.

The plan's practices and procedures in these programs also are compared to common industry practices. A sample of records is reviewed to determine whether policies and procedures are followed in practice. Because we work with health plans and specialty vendors in the design, development and implementation of these programs, we are uniquely qualified to evaluate existing utilization management programs on behalf of employers.

Our quality review examines the following functional areas of a health plan: preventive health, disease management, case management, provider credentialing, formal quality assurance programs, member services, and appeals.

In addition, Deloitte Consulting has conducted assessments of care management vendor program performance to benchmark participation rates in disease management programs by patient intensity (low, medium, high), validate return-on-investment calculations and assess care manager performance.

**n) Identify and discuss your experience with reviewing self-insured plans the adequacy of the stop loss coverage offered.**

Stop loss insurance is purchased to protect a self-insured health plan from higher than expected catastrophic claims. The actuarial concept of the “law of large numbers” comes into play when considering if an organization should purchase stop loss and at what coverage levels. The more covered members a health plan has, the more accurately actuaries can project future claims expenses. Therefore, the larger the organization is the less stop loss coverage is typically desired or necessary. In addition, the larger an organization or plan is typically means that it can more easily absorb higher than expected claims levels and forgo paying a premium for an insurer to bear a portion of the risk.

Deloitte has significant experience analyzing claims experience, key cost drivers, demographics and other factors for our clients. Coupling that historical experience with actuarial mortality and morbidity tables allows our actuaries to estimate expected frequency and severity of large claimants within a population. This can then be used to estimate future large claim exposure and help in the evaluation of the adequacy of stop loss coverage levels. That said, catastrophic claims are by their nature very difficult to predict accurately and decisions on stop loss coverage levels vs. internal risk retention vary significantly depending on the risk tolerance of a given organization or plan.

**o) In terms of implementation efforts, discuss the services you have offered other clients and in particular, if NDPERS went self-insured, the services you could offer.**

Should the Board decide to change vendors, change to self-insurance or both, Deloitte Consulting will work with NDPERS and the successful vendors in the implementation of the new program. The Deloitte Consulting engagement team will perform an oversight role for all implementation activities to facilitate the resolution of operational issues and to coordinate scheduled tasks during this activity. The engagement manager will maintain regular contact and remain positioned to recruit additional, appropriate firm resources. In addition, we will speak regularly with the vendor’s administrative teams to coordinate activities. These discussions will be held as often as necessary or at NDPERS’ request.

The proposed engagement team has assisted public entities in the implementation of both new medical vendors and in transitioning from fully insured to self-insured in the recent past. Our role in the process varies by situation and client; however, we are typically tasked with facilitating the transfer of data, file format setup, clarifying accounting questions, reviewing employee communication materials and SPDs, assisting with contract review, etc. An example of recent implementation support is Dakota County who changed their medical vendor and from fully insured to self-insured via a single bidding process.

# Part III – Proposal (Staffing)

RFP Reference: SECTION 4 - INFORMATION REQUESTS – Part III – Section 3) Staffing

## 3) Staffing.

- a) **This Section should include individual resumes for the personnel who are to be assigned to the project and should indicate the proposed project role or assignment of each individual. The project team should include staff with experience in developing RFP's of the type requested herein, evaluating responses, doing the required actuarial analysis and assisting with implementation.**

The core client service team descriptions on the following pages detail the experience and depth of knowledge that the professionals chosen to serve NDPERS will bring to this engagement.

We have assembled a top-tier team of resources to support this important NDPERS engagement. Our experienced Deloitte Consulting team combines deep technical experience in the areas of actuarial and employee benefits consulting.

Deloitte Consulting views this opportunity as a significant first step in re-establishing a long-term consulting relationship with NDPERS. By engaging our firm, NDPERS will have access to an experienced team of consultants and advisors and full resources.

### *Core Client Service Team*

**Patrick Pechacek, CEBS** — Pat will serve as the Lead Client Service Director for NDPERS. Pat has over twelve years of prior experience serving on the NDPERS client service team. He is a Director in the Minneapolis Human Capital practice and has been consulting to clients in the public sector for over 30 years. In his role as the Lead Client Service Director, he will be responsible for the NDPERS relationship, oversee the quality and timeliness of all work, and be available for meetings.

Pat's extensive experience working with the public sector is demonstrated by his role as the group insurance consultant and client lead responsible for delivery of services to the State of Wisconsin Department of Employee Trust Funds, State of Minnesota State Employees Group Insurance Program; State of Minnesota Public Employees Insurance Program; State of Alaska (State employee group insurance, retiree health, and local government health plans); State of Iowa Department of Administrative Services; State of Illinois Central Management Services, Commonwealth of Pennsylvania Office of Administration, and Hennepin, Dakota, Anoka, and Ramsey Counties. He has served as a strategic advisor to the client service teams for the State of Connecticut and State of Georgia.

**Josh Johnson** — Josh will serve as the Lead Client Service Manager and has been working with NDPERS for the past two years since joining Deloitte Consulting. He is a Manager in the Minneapolis Human Capital practice specializing in employer health care and group benefits with over 16 years of experience in the analysis, design, pricing and funding of health and welfare benefit plans for both public and private organizations. He has significant experience in managing projects and client relationships with specific expertise in data analysis, underwriting and benefits pricing, plan design modeling, and benefit comparison and analysis. Josh also has significant experience in vendor selection, vendor management, renewal negotiations, data management and union negotiation strategies. In addition, he has significant experience leading and facilitating strategic planning discussions relating to group and health care benefits, including development of consumer-oriented plan designs. He has served on client service teams for the States of Wisconsin, Minnesota, Iowa,

North Dakota, Illinois, and Pennsylvania and will be responsible for the daily management of Deloitte's efforts for the NDPERS group health plan proposal process.

**Jon Herschbach, ASA, MAAA** - is a Manager who has been employed in the Health Actuarial practice for over nine years. He is credentialed by the Society of Actuaries and the American Academy of Actuaries. Jon has worked with health plans, Medicare and Medicaid plans and several large public employers. He has extensive knowledge of medical and pharmacy claims data, database management and data warehousing techniques and risk adjustment software/models. He has experience with reserving (IBNR), rate development, trend analysis/benchmarking, payment methodologies and various modeling techniques. Jon has experience in the self-insured employer market and understands the interactions between unions, Plan administrators, providers/provider systems and the employer. He has several years of experience managing a risk-adjusted total cost of care analysis which serves as the basis for administering a tiered network product. In addition, he is skilled in provider contract pricing and the valuation of provider arrangements, including accountable care arrangements and other risk sharing or shared savings arrangements.

**Nichole Ramsey** - is a Senior Consultant in the Minneapolis office. Nichole has more than 5 years serving employers, state governments, health plans, and provider groups on issues such as risk score analysis, actuarial cost modeling, data warehousing health care claims, plan design pricing, rate setting, value-based incentive models, ICD-10, and claim reserves. She has experience in healthcare data analysis and modeling, risk adjustment, SQL programming, and healthcare reimbursement methodologies. Nichole has worked with a variety of public sector employers including the State of Wisconsin, the State of Minnesota, Anoka-Hennepin ISD and Ramsey County.

Additional resources will be added as needed.

**b) Resume information should identify not only educational and work history but also specific information on what clients the individual has worked for and in what role. Please note we may use this information to contact past clients to gather information on the individual.**

Our actuaries and consultants work closely on many of our public sector clients. For example, the benefit consultants and health actuaries being proposed to serve NDPERS have served the States of Minnesota, Wisconsin, Iowa, Illinois and Pennsylvania as well as NDPERS in the past. Deloitte Consulting has extensive experience in providing actuarial and consulting services for healthcare benefit programs. Our approach is to work as a team, with benefit consultants, actuarial consultants, clinical staff and other professionals involved as necessary, to ensure that all relevant issues are considered and addressed when developing actuarial and financial projections and interpreting operational results. Actuarial support is provided in analysis of rate proposals, rate developments, health plan negotiations, risk sharing assessments, and modeling the potential impact of implementing new health care strategies or employer contribution approaches.

We have numerous professional staff members devoted entirely to providing actuarial and health plan management consulting services. Our staff includes Fellows of the Society of Actuaries (FSAs), Associates of the Society of Actuaries (ASAs), and student actuaries and consultants.

Resumes including the above requested information for the client service team are included in Appendix A.

RFP Reference: SECTION 4 - INFORMATION REQUESTS – Part III – Section 4) Additional Information

4) This section is optional and can include any additional information the offeror deems relevant to this procurement and the satisfaction of the Board's objectives.

The team assembled to serve NDPERS has successfully served the State of Minnesota and Wisconsin. We believe they provide the essential background and experience to provide you with the highest level of service quality. Following are a couple of quotes that reinforce the satisfaction of our clients:

*"Throughout the years our programs have consistently been considered to be at the cutting edge of healthcare and have gained national recognition largely due to Deloitte Consulting's ability to understand our issues, work with our stakeholders and come up with creative solutions. Our unique experience, as a high demand public entity, has been that Deloitte Consulting has mastered the ability to provide the maximum amount of services at a reasonable cost resulting in a relationship that has become valued at all levels of state government."*

*- Budd Johnson, (Retired) Benefit Manager  
Minnesota State Employees Group Insurance Program*

RFP Reference: SECTION 4 - INFORMATION REQUESTS – Part III – Section 5) Conflicts of Interest

5) In this Section the offeror shall identify and discuss any potential conflicts of interest. The contractor cannot receive any other compensation relating to this work effort except as provided in the cost proposal. Any other arrangements/relationships/contracts the offeror may have with vendors that could be a part of this solicitation must be identified herein and may serve as cause to disqualify the offeror.

We do not believe that Deloitte Consulting has any professional or ethical conflicts of interest which might interfere with handling this contract, including matters and/or cases where the firm currently represents an individual or entity with interests adverse to NDPERS.

Our professional code of conduct can be summarized in the following statements:

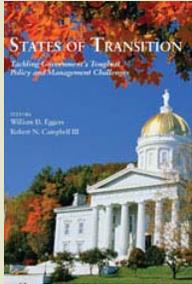
*"My staff and I have enjoyed one of the finest business partner relationships with the staff from Deloitte Consulting that we could ever ask for. Deloitte Consulting's staff have always been available and responsive to our actuarial and consulting needs. The members of the Group Insurance Board have also placed their trust in the Deloitte team, and recently reappointed them as their actuaries following a competitive bidding process that attracted most of the top actuarial and consulting firms from around the country."*

*- Thomas Korpady, (Retired) Administrator  
Wisconsin Department of Employee Trust Funds*

- **Personal and Professional Responsibilities:** We strive to adhere to the highest standards of professional ethics to maintain public trust and confidence, and to be cognizant of, and comply with, the requirements of applicable laws, regulations, and professional standards.
- **Independence and Objectivity:** We must be financially independent of our clients and maintain an independent and objective attitude in performing services for all our clients. We constantly monitor our services and relationships to achieve these goals.
- **Due Care:** We observe the profession's standards of performance in providing professional services and continually strive to improve the quality of services to our clients.
- **Scope of Services:** We offer only those professional services that we are competent to perform and supervise and only those that will not detract from the public confidence in our independence, integrity, and objectivity.

6) If company literature or other material is intended to respond to any RFP requirement, it must be included in this section. The offeror's responses in previous sections of the proposal must include reference to the document by name and page citation.

The following publications illustrate our attention to the issues facing the industry. They represent publications from Deloitte Research and the Deloitte Center for Health Solutions, industry specific thought leadership publications and articles by our professionals. They provide a brief overview of the range of services that we offer in particular to health care clients. Samples of full publications are available on the electronic copy of the proposal or upon request.

Publications	
	<p><b>Pay for Quality: A Strategic Perspective</b></p> <p>Safe and effective care is achievable if key stakeholders approach the process openly and with trust. With the assistance of HealthGrades, the paper examines health care quality in the community of Topeka, Kansas, where most public report cards show that the hospitals perform well above average and physician performance appears good. The gap between good and excellent care is relatively narrow but nonetheless significant in terms of lives lost and dollars spent – there is still room for improvement.</p>
	<p><b>States of Transition</b></p> <p>Americans expect more from government in a post 9-11/Katrina world, but they trust it less. States today have a unique window of opportunity to regain public trust by tackling some of the toughest policy issues, those that have proven vexing for a generation, while also positioning themselves to address the new challenges of the 21st century—from an aging population to growing security concerns. This book provides a roadmap for new and returning governors and their administrations to address sobering challenges—from spiraling Medicaid costs to under funded public pensions, among others—and capitalize on the unparalleled opportunities before them.</p>

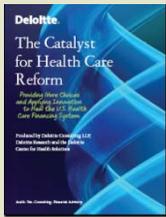


### **Reducing Corporate Health Care Costs: Refocusing the Strategy**

Employers currently spend more than \$390 billion per year on employee health insurance. Lacking innovative solutions from other sources, employers are now taking the reins of health care cost reduction. Consumer-driven health care (CDHC) is a cost-containment trend that encourages individuals to get the care they need and helps make employees more engaged health care consumers.

The Deloitte Center for Health Solutions (the “Center”), in conjunction with Deloitte Consulting has released in 2007 a point-of-view entitled “Reducing Corporate Health Care Costs: Refocusing the Strategy,” that discusses how employers are adopting CDHC options such as consumer-directed health plans (CDHPs) and care management programs as a way to control excessive benefits consumption and curb costs.

“Reducing Corporate Health Care Costs: Refocusing the Strategy” complements the *Reducing Corporate Health Care Costs 2006 Survey*. According to that survey, nearly 70 percent of responding employers are considering offering a CDHP in the next five years.



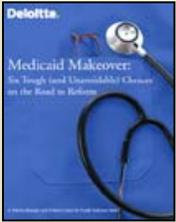
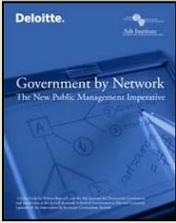
### **The Catalyst for Health Care Reform**

Anchored by research conducted by Deloitte Consulting, will highlight the health care system’s current flaws and introduce a proposed approach to get everyone – employers, consumers, health plans, providers, life sciences companies and governments – engaged in a dialogue around innovative approaches to health care financing. The proposed solution detailed here represents the beginning of a journey that will ultimately lead to a stronger, healthier U.S. health care financing system – one with the potential to increase access to health care for those who need it most and to serve as a stimulant to our economy.



### **Health Care Price Transparency: A Strategic Perspective for State Government Leaders**

Recognizing the importance of price (and quality) transparency discussions in public policy circles, The National Governors Association (NGA) commissioned the Deloitte Center for Health Solutions (the Center), part of Deloitte & Touche USA LLP, to produce a point of view on the status of current efforts to improve price transparency in the U.S. health care system. This document examines efforts and attitudes of major health care stakeholder groups (employers, health plans, policymakers, providers and organizations that provide goods/services to providers/plans/consumers) toward price transparency and offers perspectives on how states can use their considerable leverage to direct these efforts more effectively.

	<p><b>Benefiting from Benefits</b></p> <p>The economic impact of employee benefits is measurable - sometimes a third of a company's payroll. The high and rising cost of these benefits is often accepted as a given - there's nothing you can do about it. "We should look at this like we do any other business function," says Joe Rosalie, the global leader of Deloitte Consulting's employee rewards practice. "Am I getting a return on my money?" In this article, "Benefiting from Benefits" in SMB Finance magazine, Rosalie and others discuss how a company can gain value and a return on their investing in employee benefits plans. (Used with permission from <i>SMBFinance</i>.)</p>
	<p><b>Are We There Yet? – A Roadmap for Integrating Health and Human Service Delivery</b></p> <p>Are We There Yet introduces many of the concepts of Health and Human Services service integration, describing in detail how it can help states deliver services more efficiently and effectively; identify fraud, waste and other avoidable costs; and allocate resources where they will do the most good. The book then helps agencies understand where they are on the roadmap of service integration, where they want to go, and how to get from here to there. It also points out common pitfalls and provides suggestions to help agencies avoid trouble along the way.</p>
	<p><b>Medicaid Makeover</b></p> <p>Medicaid Makeover urges states to address six tough choices that go to the very heart of what kind of a program they want to provide. The study also presents a new approach to Medicaid reform, including a framework for assessing the current condition of state Medicaid programs, and a set of guidelines states can use for moving forward with reform. The study goes beyond the simplistic policy prescriptions to address purposeful and direct reform efforts from a management and implementation point of view.</p>
	<p><b>Governing by Network – The New Public Management Imperative</b></p> <p>The era of hierarchical government bureaucracy, for a century the predominant organizational model used to deliver public services and fulfill public policy goals, is coming to an end, according to this joint study, conducted by Deloitte Research and the Ash Institute for Democratic Governance and Innovation at Harvard University. Emerging in its place is a fundamentally different model, "governing by network," in which government executives redefine their core responsibilities from managing people and programs to coordinating resources for producing public value.</p>

# Appendix A — Resumes

## Resume for Patrick L. Pechacek, Engagement Director

# Patrick L. Pechacek

## Engagement Director



### Role in Deloitte

Director, Deloitte Consulting LLP

### Years with Deloitte

26 Years

### Education

- Bachelor of Arts – University of Minnesota, 1980

### Training and Certifications

- Certified Employee Benefits Specialist (CEBS)

### Summary

- Over 27 years of experience serving public sector clients as a consultant and leader of Deloitte's Public Sector employer practice
- Lead Client Service Director for six states and multiple political subdivisions and schools
- Assisted public sector employers with self-funded premium rate projections, negotiations with carriers/administrators, and procurement support
- Collective bargaining support

### Relevant Project Experience

<b>Client name</b>	<b>North Dakota Public Employees Retirement System (PERS)</b>		
<b>Project name</b>	Health Care Strategy and Procurement		
<b>Role on Project</b>	Lead Client Service Director	<b>Duration on Project</b>	5 years
<b>Description</b>	Provide ongoing health care consulting for PERS health plan offered to more than 30,000 state and local employees and retirees. Led project to redesign the health care program to encourage other health carriers/administrators to enter the North Dakota marketplace to provide competition for the health plans. Provided fiscal notes for proposed legislation and testified to legislative committee. Assisted with maintaining grandfather status of health plans and provide advice on health reform compliance. Assisted with request for proposal process for health plan procurement.		
<b>Client name</b>	<b>State of Wisconsin Employee Trust Fund (ETF)</b>		
<b>Project name</b>	Actuarial and Benefits Consulting		
<b>Role on Project</b>	Lead Client Service Director	<b>Duration on Project</b>	18 years
<b>Description</b>	Lead health consultant supporting HMO rate negotiations, self-funded medical plan rate setting, self-funded carve-out prescription drug benefits rate setting, dental, life, and disability plans for state and local employees, retirees, and dependents (70,000+ contracts). Develop risk adjusted tiering and negotiation process for more than 15 HMO plans resulting in single digit renewal increases for the past several years. Recent special projects have included assistance with request for proposals for pharmacy benefit manager (transparent model) and plan design cost reductions as mandated by legislature.		
<b>Client name</b>	<b>State of Minnesota Management and Budget (MMB)</b>		
<b>Project name</b>	Actuarial and Benefits Consulting		
<b>Role on Project</b>	Lead Client Service Director	<b>Duration on Project</b>	27 years
<b>Description</b>	Client Service Director supporting the Employee Insurance Division for the State Employee Group		

## Resume for Patrick L. Pechacek, Engagement Director

Insurance Programs (SEGIP) including health, dental, life, and disability programs for state employees, retirees, and dependents. Our assistance has helped MMB to develop leading-edge health care strategies and support their operation. These projects include but not limited to design, development, pricing and implementation of the Minnesota Advantage Health Plan. In collaborating on this groundbreaking approach, we were able to accomplish the following:

A consumer-driven health care plan was designed that uses benefit differentials rather than premiums to direct participants to utilize the most cost-effective provider groups. Provider groups were assigned to the appropriate benefit level based upon their risk-adjusted health care costs and plan design differentials are used to encourage members to use cost effective providers.

- Developed the required analytic tools (including a data warehouse) to assess provider efficiency, project member movement, price potential benefit plan designs and integrate the results into a financial forecast and rating model.
- An innovative care system or provider group approach to accessing health care was developed. This was a strategic departure from the existing or any similar strategies and was specifically designed to meet the needs of a statewide workforce. For example, provider groups were "split off" or separated from their larger affiliated care system in order to provide necessary access to care without assigning the entire provider group to a more favorable benefit level.
- Deloitte worked closely with three health plan administrators to effectively implement this new model and plan design. In addition, we assured that these administrators were operating consistently with respect to administration.

MMB relies upon Deloitte to set the self-funded premiums for the Advantage plan. In bargaining years, Deloitte has worked extensively with MMB in the labor-management process and actively supported the client in the final negotiation sessions that led to settlements, thereby avoiding potential strikes by unions. Each legislative session, we assist MMB in responding to potential bills in both the write-up and fiscal note as requested.

Finally we provide support for Minnesota Public Employees Insurance Program (PEIP) which provides health insurance to political subdivisions including school districts, cities, counties and other jurisdictions. We provide underwriting and premium rate setting support.

<b>Client name</b>	<b>State of Iowa Department of Administrative Services (DAS)</b>		
<b>Project name</b>	Employee Benefits Consulting		
<b>Role on Project</b>	Lead Client Service Director	<b>Duration on Project</b>	13 years
<b>Description</b>	Client service director leading team in providing consulting assistance to DAS in managing the benefits provided to more than 30,000 state employees and retirees. Our assistance includes consulting for the various health insurance plans, managed care plans, dental, life, disability, and workers compensation. Recent projects include procurement assistance for the medical and managed care plans as well as a carve-out prescription drug program.		
<b>Client name</b>	<b>State of Minnesota Department of Human Services (DHS)</b>		
<b>Project name</b>	Medicaid HMO Bidding Project Assistance		
<b>Role on Project</b>	Lead Client Service Director	<b>Duration on Project</b>	6 months
<b>Description</b>	Led project which supported DHS with a competitive procurement for health care services under their Medicaid managed care programs for metro area counties. Deloitte provided consultation on the structure of DHS' competitive procurement including establishing criteria for the RFP language, evaluation of the cost bids, and recommendations regarding development of the data book components. We provided consultation and participated in the cost bid best and final offer negotiations process, helped to identify incentives that can be utilized in the competitive procurement to encourage submission of viable proposals and provided recommendations regarding alternate assignment methodologies in the event there is no single low-cost bidder.		
<b>Client name</b>	<b>Miami-Dade County Public Schools (M-DCPS)</b>		
<b>Project name</b>	Employee Benefits Consulting		
<b>Role on Project</b>	Lead Client Service Director	<b>Duration on Project</b>	2 years
<b>Description</b>	Provide actuarial and benefits consulting services for multiple self-funded health plans and fully insured Medicare Supplement plans offered to active and retired employees and their dependents (37,000 contracts). Services include premium projections, plan design modifications modeling, collective bargaining support, IBNR projections, state reserves report filings, provider discount analysis, and other related services. Assisted with request for proposals for retiree plans in 2011.		

<b>Client name</b>	<b>Illinois Department of Central Management Services (CMS)</b>		
<b>Project name</b>	Benefits Consulting		
<b>Role on Project</b>	Lead Client Service Director	<b>Duration on Project</b>	1 year
<b>Description</b>	Health consultant and project manager supporting HMO rate negotiations, self-funded medical plan rate setting, self-funded carve-out prescription drug benefits rate setting, dental, life, and disability plans for state and local employees, retirees, and dependents. Recent special projects have included assistance in preparation and evaluation of proposals for vision program vendor procurement.		

## Resume for Josh Johnson, Client Service Manager

# Josh Johnson

## Engagement Manager



### Role in Deloitte

Manager, Human Capital

### Years with Deloitte

2 years

### Education

- Masters of Business Administration, University of St. Thomas
- Bachelor of Arts (Risk Management, Economics), Illinois Wesleyan University

### Training and Certifications

- Licensed Life and Health Insurance Producer, MN

### Summary

Josh Johnson is a Manager in the Human Capital practice specializing in employer health care and group benefits with over sixteen years of experience in the analysis, design, pricing and funding of health and welfare benefit plans for both public and private organizations. Before joining Deloitte in June 2012, he worked with another benefits consulting firm in Minneapolis for twelve years and as a group underwriter for three years. He has significant experience in managing projects and client relationships with specific expertise in data analysis, underwriting and benefits pricing, plan design modeling, and benefit comparison and analysis. Josh also has significant experience in vendor selection, vendor management, renewal negotiations, data management and union negotiation strategies. In addition, he has significant experience leading and facilitating strategic planning discussions relating to group and health care benefits, including development of consumer-oriented plan designs.

### Relevant Project Experience

<b>Client name</b>	<b>North Dakota Public Employees Retirement System (NDPERS)</b>		
<b>Project name</b>	Group Medical and Pharmacy RFP		
<b>Role on Project</b>	Project management, vendor management, proposal summarization and evaluation	<b>Duration on Project</b>	12 months
<b>Description</b>	Reviewed vendor proposals for completeness and summarized results for client review. Submitted requests to participating vendors for clarifications and updated financial bids. Requested responses and summarized results of network provider disruption analysis. Participated in and summarized findings from vendor finalist interviews. Prepared summary documentation for board presentations.		
<b>Client name</b>	<b>Minnesota Management &amp; Budget</b>		
<b>Project name</b>	Actuarial & Benefits Consulting		
<b>Role on Project</b>	Client service manager/ Consultant –Tiered Network Analysis, Bargaining Support, Vendor management and negotiations	<b>Duration on Project</b>	18 months
<b>Description</b>	Client Service Manager supporting the Employee Insurance Division for the State Employee Group Insurance Programs (SEGIP) including health, dental, life, and disability programs for state employees, retirees, and dependents. These projects include but not limited to design, development, pricing and implementation of the Minnesota Advantage Health Plan.		

## Resume for Josh Johnson, Client Service Manager

<b>Client name</b>	<b>State of Wisconsin Employee Trust Fund (ETF)</b>		
<b>Project name</b>	Actuarial and Benefits Consulting		
<b>Role on Project</b>	Client Service Manager	<b>Duration on Project</b>	12 months
<b>Description</b>	Health consultant and project manager supporting HMO rate negotiations, self-funded medical plan rate setting, self-funded carve-out prescription drug benefits rate setting, dental, life, and disability plans for state and local employees, retirees, and dependents. Recent special projects have included assistance in designing a HSA eligible high deductible health plan as mandated by legislature.		
<b>Client name</b>	<b>State of Iowa Department of Administrative Services (DAS)</b>		
<b>Project name</b>	Employee Benefits Consulting		
<b>Role on Project</b>	Client Service Manager	<b>Duration on Project</b>	18 months
<b>Description</b>	Client service manager providing consulting assistance to DAS in managing the benefits provided to more than 30,000 state employees and retirees. Manage projects consulting around the various health insurance plans, managed care plans, dental, life, disability, and workers compensation. Recent projects include medical plan renewal analysis and life/disability vendor procurement.		
<b>Client name</b>	<b>Illinois Department of Central Management Services (CMS)</b>		
<b>Project name</b>	Benefits Consulting		
<b>Role on Project</b>	Client Service Manager	<b>Duration on Project</b>	6 months
<b>Description</b>	Health consultant and project manager supporting HMO rate negotiations, self-funded medical plan rate setting, self-funded carve-out prescription drug benefits rate setting, dental, life, and disability plans for state and local employees, retirees, and dependents. Recent special projects have included assistance in preparation and evaluation of proposals for vision program vendor procurement.		
<b>Client name</b>	<b>Commonwealth of Pennsylvania - Office of Administration</b>		
<b>Project name</b>	Employee and Retiree Benefits Consulting		
<b>Role on Project</b>	Client service manager	<b>Duration on Project</b>	3 months
<b>Description</b>	Project management and consulting for the Office of Administration assisting in financial projections for the Retired Employee Health Plan, RDS subsidy review, collective bargaining support, medical plan rate setting and other projects in support of the management of retiree and employee benefit programs.		
<b>Client name</b>	<b>Dakota County</b>		
<b>Project name</b>	Employee Benefits Consulting		
<b>Role on Project</b>	Client Service Manager	<b>Duration on Project</b>	18 months
<b>Description</b>	Client service manager and day-to-day contact for the County's benefits team. Manage and conduct plan design strategy, rate setting, collective bargaining support and other projects in support of the County's benefit programs. Managed vendor procurements for medical, Rx, life, disability and dental plans. Summarized vendor responses for client review. Managed vendor responses to follow up questions and final financial requests. Prepared materials and presented recommendations to the Board of Commissioners. Assisted during implementation process for newly selected vendors.		
<b>Client name</b>	<b>Metropolitan Council</b>		
<b>Project name</b>	Facilitation of benefit strategy negotiation with labor management		
<b>Role on Project</b>	Lead consultant, directed plan design and financial analyses, facilitated JLMC meetings	<b>Duration on Project</b>	18 months
<b>Description</b>	Facilitated Labor Management Committee meetings. Modeled plan design alternatives and negotiated renewals. Provided support during union negotiations. Served as day-to-day health plan and group benefits contact/resource.		

## Resume for Jon Herschbach, Actuarial/Benefit Consultant

# Jon Herschbach

## Actuarial/Benefit Consultant



### Role in Deloitte

Senior Consultant



### Years with Deloitte

7 years



### Education

- BS (Chemistry, Mathematics), University of Minnesota Duluth
- MS (Pharmaceutical Chemistry) University of Wisconsin



### Training and Certifications

- Associate of the Society of Actuaries
- Member of the American Academy of Actuaries



### Summary

Jon Herschbach is a Manager who has been employed in the Health Actuarial practice for over nine years. He is credentialed by the Society of Actuaries and the American Academy of Actuaries. Jon has worked with health plans, Medicare and Medicaid plans and several large public employers. He has extensive knowledge of medical and pharmacy claims data, database management and data warehousing techniques and risk adjustment software/models. He has experience with reserving (IBNR), rate development, trend analysis/benchmarking, payment methodologies and various modeling techniques. Jon has experience in the self-insured employer market and understand the interactions between unions, Plan administrators, providers/provider systems and the employer.



### Relevant Project Experience

<b>Client name</b>	<b>Minnesota Management &amp; Budget</b>		
<b>Project name</b>	Actuarial & Benefits Consulting		
<b>Role on Project</b>	Project Manager – Data Warehouse, Tiered Network Analysis, Risk Management team, Plan Settlements, Bargaining Support	<b>Duration on Project</b>	6 years
<b>Description</b>	Manage several years of medical, pharmacy and enrollment data on a secure server for use in various recurring and ad hoc projects including periodic reporting, rate projections and network analysis. Provide the Risk Management team with periodic deliverables which give snapshots of certain financial and targeted clinical metrics that support current initiatives. Generate a risk-adjusted total cost of care efficiency analysis for purposes of annually updating an efficiency-based tiered network. Support the client with plan settlement activities, contracting, bargaining support, rate projections, reserve estimations as well as a variety of other reports available upon request.		
<b>Client name</b>	<b>University of Virginia – HSF</b>		
<b>Project name</b>	Provider Contract Comparison		
<b>Role on Project</b>	Manage data warehouse, design analysis, prepare final deliverables	<b>Duration on Project</b>	2 months
<b>Description</b>	Obtained a database of raw medical claims from the client, loaded onto our secure servers, performed control checks and processed the data using standard claims data warehousing procedures. Designed an analysis to compare the relative fee schedule reimbursements between two large provider systems to aid in subsequent contracting.		

## Resume for Nichole Ramsey, Actuarial/Benefit Consultant

# Nichole Ramsey

## Actuarial/Benefit Consultant



### Role in Deloitte

Senior Consultant



### Years with Deloitte

5 years



### Education

- Bachelor of Business Administration – Actuarial Science; University of Nebraska-Lincoln



### Training and Certifications

- Passed Actuarial Exams P, FM, MLC, MFE, FAP IA



### Summary

Nichole Ramsey has been consulting for Deloitte since July 2008. She has consulted with employers, state governments, health plans, and provider groups on issues such as risk score analysis, actuarial cost modeling, data warehousing health care claims, plan design pricing, rate setting, value-based incentive models, ICD-10, and claim reserves. She has experience in healthcare data analysis and modeling, risk adjustment, SQL programming, and healthcare reimbursement methodologies.



### Relevant Project Experience

<b>Client name</b>	<b>State of Wisconsin Employee Trust Funds</b>		
<b>Project name</b>	State Employee Health Plan Renewals		
<b>Role on Project</b>	Actuarial Senior Consultant	<b>Duration on Project</b>	5 years
<b>Description</b>	Developed a risk adjusted tiered health plan model to manage the selection of pricing risks inherent with multiple HMOs. Provided on-going assistance with health plan renewals and rate development encompassing more than 20 HMOs and three self-insured plans. Assisted in evaluating the cost impact of specific benefit plan coverage changes and legislative bills.		
<b>Client name</b>	<b>State of Minnesota Public Employees Insurance Program</b>		
<b>Project name</b>	State Renewals and Health Insurance Quotes		
<b>Role on Project</b>	Actuarial Senior Consultant	<b>Duration on Project</b>	4 years
<b>Description</b>	Produced underwriting quotes and renewals on a monthly basis for a public employer. Applied debit underwriting based on specific individual medical conditions. Assisted senior leadership in developing underwriting strategies and recommendations for the client.		
<b>Client name</b>	<b>State of Minnesota Management and Budget (MMB)</b>		
<b>Project name</b>	Data Validation and Warehousing		
<b>Role on Project</b>	Actuarial Senior Consultant	<b>Duration on Project</b>	18 months
<b>Description</b>	Assist in the collection, loading, and verification of the reasonability of warehousing monthly claims and membership data for three health plans and the pharmacy benefit manager. These large data sets were loaded to our Deloitte data server. As part of our data warehousing process, we have resolved issues related to inconsistent encounter data from managed care vendors, incorrect or inconsistent coding from year to year and non-standard service category mappings and utilization metrics.		

## Resume for Nichole Ramsey, Actuarial/Benefit Consultant

<b>Client name</b>	<b>Virginia Hospital &amp; Healthcare Association</b>		
<b>Project name</b>	Delivery System Reform Data Analysis		
<b>Role on Project</b>	Consultant	<b>Duration on Project</b>	3 months
<b>Description</b>	Assisted in highlighting opportunities where improved care coordination could elevate quality and lower health care for Virginia's dual eligible and Medicaid-only populations. Performed data analyses to assist in VHHA's needs to identify the gaps between current care and what an industry leading care pattern would yield, how those gaps vary among providers and regions and what the net savings of improving care coordination could be for Medicaid and Medicare.		
<b>Client name</b>	<b>Anoka-Hennepin Independent School District</b>		
<b>Project name</b>	Employee Medical and Dental Renewals		
<b>Role on Project</b>	Actuarial Senior Consultant	<b>Duration on Project</b>	4 years
<b>Description</b>	Provide renewal assistance and develop rate estimates for the District's self-insured medical and dental plans. Evaluation of the cost impact of specific benefit plan coverage changes and legislative fiscal notes. Assist with analysis of vendor proposals including recommendations on vendor selection for health and dental benefits		

# Appendix B — Offer

If Deloitte Consulting is selected to develop, issue and evaluate proposals for the group health plan as a result of this RFP, we propose adding these services as an addendum to the current contract for general consulting services with NDPERS. Should this be acceptable it would avoid the need for separate contract review and negotiations for these particular services. If adding these services as an addendum to the current contract is not possible, we request that the terms contained in the current contract be duplicated for this new contract.

Similarly, Deloitte has recently submitted suggested revisions to the new Business Associate Agreement (BAA) to NDPERS for review and execution as part of the current general consulting arrangement. Since the BAA review process is already under way between Deloitte and NDPERS, we have not attached our requested revisions to the BAA to this RFP as it would duplicate efforts and potentially cause confusion.