

ORIGINAL

DHH - CF - 1
Revised 2011-06

CONTRACT BETWEEN STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

CFMS: 728797
DHH: 060160
Agency # 305

Medical Vendor Administration

AND

MCNA Insurance Company, db/a MCNA Dental Plans

FOR

☐ Personal Services ☐ Professional Services ☐ Consulting Services ☒ Social Services

1) Contractor (Legal Name if Corporation) MCNA Insurance Company, db/a MCNA Dental Plans	5) Federal Employer Tax ID# or Social Security # (Must be 11 Digits) 5224589600
2) Street Address 200 West Cypress Creek Road, Suite 500	6) Parish(es) Served ST
City Fort Lauderdale	7) License or Certification #
State FL	8) Contractor Status Subrecipient: ☐ Yes ☒ No Corporation: ☒ Yes ☐ No For Profit: ☒ Yes ☐ No Publicly Traded: ☐ Yes ☒ No
Zip Code 33309	8a) CFDA#(Federal Grant #)
3) Telephone Number (800) 484-8282	
4) Mailing Address (if different)	
City	State
Zip Code	

9) Brief Description Of Services To Be Provided:

Contractor will function as a risk-bearing, Prepaid Ambulatory Health Plan health care delivery system that provides specified core dental benefits and services for eligible Louisiana Medicaid enrollees as defined in the Louisiana Medicaid State Plan, administrative rules, and Medicaid Policy and Procedure manuals. See Attachment B and Exhibits 5-8 for additional details and requirements.

10) Effective Date 07-01-2014	11) Termination Date 06-30-2017
12) This contract may be terminated by either party upon giving thirty (30) days advance written notice to the other party with or without cause but in no case shall continue beyond the specified termination date.	
13) Maximum Contract Amount 484,300,137	See Attachment C for additional details
14) Terms of Payment If progress and/or completion of services are provided to the satisfaction of the Initiating Office/Facility, payments are to be made as follows: See Attachment C for additional details.	

Contractor obligated to submit final invoices to Agency within fifteen (15) days after termination of contract.

PAYMENT WILL BE MADE ONLY UPON APPROVAL OF:	First Name Mary T. C.	Last Name Johnson
	Title Medicaid Deputy Director	Phone Number (225)342-3426

15) Special or Additional Provisions which are Incorporated herein. If any (IF NECESSARY, ATTACH SEPARATE SHEET AND REFERENCE):

- | | |
|---|---|
| Attachment A: HIPAA Addendum | Exhibit 1: Board Resolution |
| Attachment B: Statement of Work | Exhibit 2: Multi-Year and Out of State |
| Attachment C: Contract Maximum Amount | Justification Letter |
| Attachment D: Additional Terms and Conditions | Exhibit 3: RFP305PUR-DHHRFP-DENTAL-PAHP-MVA |
| Attachment E: Rate Certification | Exhibit 4: Appendices to RFP305PUR-DHHRFP-DENTAL-PAHP-MVA |
| Attachment F: Performance Measurement Goals | Exhibit 5: Addenda to RFP305PUR-DHHRFP-DENTAL-PAHP-MVA |
| | Exhibit 6: Contractor's proposal |
| | Exhibit 7: Emergency Preparedness Plan |

During the performance of this contract, the Contractor hereby agrees to the following terms and conditions:

1. Contractor hereby agrees to adhere as applicable to the mandates dictated by Titles VI and VII of the Civil Rights Act of 1964, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Americans with Disabilities Act of 1990 as amended; the Rehabilitation Act of 1973 as amended; Sec. 202 of Executive Order 11246 as amended, and all applicable requirements imposed by or pursuant to the regulations of the U. S. Department of Health and Human Services. Contractor agrees not to discriminate in the rendering of services to and/or employment of individuals because of race, color, religion, sex, age, national origin, handicap, political beliefs, disabled veteran, veteran status, or any other non-merit factor.
2. Contractor shall abide by the laws and regulations concerning confidentially which safeguard information and the patient/client confidentiality. Information obtained shall not be used in any manner except as necessary for the proper discharge of Contractor's obligations. (The Contractor shall establish, subject to review and approval of the Department, confidentiality rules and facility access procedures.)
3. The State Legislative Auditor, Office of the Governor, Division of Administration, and Department Auditors or those designated by the Department shall have the option of auditing all accounts pertaining to this contract during the contract and for a three year period following final payment. Contractor grants to the State of Louisiana, through the Office of the Legislative Auditor, Department of Health and Hospitals, and Inspector General's Office, Federal Government and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this contract, and further agrees to guidelines for fiscal administration as may be promulgated by the Department. Records will be made available during normal working hours.

Contractor shall comply with federal and state laws and/or DHH Policy requiring an audit of the Contractor's operation as a whole or of specific program activities. Audit reports shall be sent within thirty (30) days after the completion of the audit, but no later than six (6) months after the end of the audit period. If an audit is performed within the contract period, for any period, four (4) copies of the audit report shall be sent to the Department of Health and Hospitals, Attention: **Division of Fiscal Management, P.O. Box 91117, Baton Rouge, LA 70821-3797** and one (1) copy of the audit shall be sent to the **originating DHH Office**.
4. Contractor agrees to retain all books, records and other documents relevant to the contract and funds expended thereunder for at least four (4) years after final payment or as prescribed in 45 CFR 74.53 (b) whichever is longer. Contractor shall make available to the Department such records within thirty (30) days of the Department's written request and shall deliver such records to the Department's central office in Baton Rouge, Louisiana, all without expense to the Department. Contractor shall allow the Department to inspect, audit or copy records at the contractor's site, without expense to the Department.
5. Contractor shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without written consent of the Department thereto, provided, however, that claims for money due or to become due to Contractor from the Department under this contract may be assigned to a bank, trust company or other financial institution without advanced approval. Notice of any such assignment or transfer shall be promptly furnished to the Department and the Division of Administration, Office of Contractual Review.
6. Contractor hereby agrees that the responsibility for payment of taxes from the funds received under this contract shall be Contractor's. The contractor assumes responsibility for its personnel providing services hereunder and shall make all deductions for withholding taxes, and contributions for unemployment compensation funds.
7. Contractor shall obtain and maintain during the contract term all necessary insurance including automobile insurance, workers' compensation insurance, and general liability insurance. The required insurances shall protect the Contractor, the Department of Health and Hospitals, and the State of Louisiana from all claims related to Contractor's performance of this contract. Certificates of Insurance shall be filed with the Department for approval. Said policies shall not be canceled, permitted to expire, or be changed without thirty (30) days advance written notice to the Department. Commercial General Liability Insurance shall provide protection during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as claims for property damages, with combined single limits prescribed by the Department.
8. In cases where travel and related expenses are required to be identified separate from the fee for services, such costs shall be in accordance with State Travel Regulations. The contract contains a maximum compensation which shall be inclusive of all charges including fees and travel expenses.
9. No funds provided herein shall be used to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition or any election ballot or a proposition or matter having the effect of law being considered by the legislature or any local governing authority. Contracts with individuals shall be exempt from this provision.
10. Should contractor become an employee of the classified or unclassified service of the State of Louisiana during the effective period of the contract, Contractor must notify his/her appointing authority of any existing contract with State of Louisiana and notify the contracting office of any additional state employment. This is applicable only to contracts with individuals.

11. All non-third party software and source code, records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All non-third party software and source code, records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.
12. Contractor shall not enter into any subcontract for work or services contemplated under this contract without obtaining prior written approval of the Department. Any subcontracts approved by the Department shall be subject to conditions and provisions as the Department may deem necessary; provided, however, that notwithstanding the foregoing, unless otherwise provided in this contract, such prior written approval shall not be required for the purchase by the contractor of supplies and services which are incidental but necessary for the performance of the work required under this contract. No subcontract shall relieve the Contractor of the responsibility for the performance of contractual obligations described herein.
13. No person and no entity providing services pursuant to this contract on behalf of contractor or any subcontractor is prohibited from providing such services by the provisions of R.S. 42:1113 as amended in the 2008 Regular Session of the Louisiana Legislature.
14. No claim for services furnished or requested for reimbursement by Contractor, not provided for in this contract, shall be allowed by the Department. In the event the Department determines that certain costs which have been reimbursed to Contractor pursuant to this or previous contracts are not allowable, the Department shall have the right to set off and withhold said amounts from any amount due the Contractor under this contract for costs that are allowable.
15. This contract is subject to and conditioned upon the availability and appropriation of Federal and/or State funds; and no liability or obligation for payment will develop between the parties until the contract has been approved by required authorities of the Department; and, if contract exceeds \$20,000, the Director of the Office of Contractual Review, Division of Administration in accordance with La. R.S. 39:1502..
16. The continuation of this contract is contingent upon the appropriation of funds from the legislature to fulfill the requirements of the contract. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.
17. Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when reduced to writing, as an amendment duly signed, and approved by required authorities of the Department; and, if contract exceeds \$20,000, approved by the Director of the Office of Contractual Review, Division of Administration. Budget revisions approved by both parties in cost reimbursement contracts do not require an amendment if the revision only involves the realignment of monies between originally approved cost categories.
18. Any contract disputes will be interpreted under applicable Louisiana laws and regulations in Louisiana administrative tribunals or district courts as appropriate.
19. Contractor will warrant all materials, products and/or services produced hereunder will not infringe upon or violate any patent, copyright, trade secret, or other proprietary right of any third party. In the event of any such claim by any third party against DHH, the Department shall promptly notify Contractor in writing and Contractor shall defend such claim in DHH's name, but at Contractor's expense and shall indemnify and hold harmless DHH against any loss, expense or liability arising out of such claim, whether or not such claim is successful. This provision is not applicable to contracts with physicians, psychiatrists, psychologists or other allied health providers solely for medical services.
20. Any equipment purchased under this contract remains the property of the Contractor for the period of this contract and future continuing contracts for the provision of the same services. Contractor must submit vendor invoice with reimbursement request. For the purpose of this contract, equipment is defined as any tangible, durable property having a useful life of at least (1) year and acquisition cost of \$1000.00 or more. The contractor has the responsibility to submit to the Contract Monitor an inventory list of DHH equipment items when acquired under the contract and any additions to the listing as they occur. Contractor will submit an updated, complete inventory list on a quarterly basis to the Contract Monitor. Contractor agrees that upon termination of contracted services, the equipment purchased under this contract reverts to the Department. Contractor agrees to deliver any such equipment to the Department within 30 days of termination of services.
21. Contractor agrees to protect, indemnify and hold harmless the State of Louisiana, DHH, from all claims for damages, costs, expenses and attorney fees arising in contract or tort from this contract or from any acts or omissions of Contractor's agents, employees, officers or clients, including premises liability and including any claim based on any theory of strict liability. This provision does not apply to actions or omissions for which LA R.S. 40:1299.39 provides malpractice coverage to the contractor, nor claims related to treatment and performance of evaluations of persons when such persons cause harm to third parties (R.S. 13:5108.1(E)). Further it does not apply to premises liability when the services are being performed on premises owned and operated by DHH.

22. Any provision of this contract is severable if that provision is in violation of the laws of the State of Louisiana or the United States, or becomes inoperative due to changes in State and Federal law, or applicable State or Federal regulations.

23. Contractor agrees that the current contract supersedes all previous contracts, negotiations, and all other communications between the parties with respect to the subject matter of the current contract.

THIS CONTRACT CONTAINS OR HAS ATTACHED HERETO ALL THE TERMS AND CONDITIONS AGREED UPON BY THE CONTRACTING PARTIES. IN WITNESS THEREOF, THIS CONTRACT IS SIGNED ON THE DATE INDICATED BELOW.

MCNA Insurance Company, d/b/a MCNA Dental Plans


SIGNATURE
Carlos A. Lacasa

6/20/14
DATE

NAME
Senior Vice President and General Counsel
TITLE

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

SIGNATURE
DATE

NAME

TITLE

Medical Vendor Administration

SIGNATURE
DATE

NAME

TITLE


SIGNATURE
J. Ruth Kennedy

NAME

Medicaid Director

TITLE

APPROVED
Office of the Governor
Office of Contractual Review

AUG 13 2014


DIRECTOR

HIPAA Business Associate Addendum

This HIPAA Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment A to the contract.

1. The Louisiana Department of Health and Hospitals ("DHH") is a Covered Entity, as that term is defined herein, because it functions as a health plan and as a health care provider that transmits health information in electronic form.
2. Contractor is a Business Associate of DHH, as that term is defined herein, because contractor either: (a) creates, receives, maintains, or transmits PHI for or on behalf of DHH; or (b) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services for DHH involving the disclosure of PHI.
3. Definitions: As used in this addendum –
 - A. The term "HIPAA Rules" refers to the federal regulations known as the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules, found at 45 C.F.R. Parts 160 and 164, which were originally promulgated by the U. S. Department of Health and Human Services (DHHS) pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996 and were subsequently amended pursuant to the Health Information Technology for Economic and Clinical Health ("HITECH") Act of the American Recovery and Reinvestment Act of 2009.
 - B. The terms "Business Associate", "Covered Entity", "disclosure", "electronic protected health information" ("electronic PHI"), "health care provider", "health information", "health plan", "protected health information" ("PHI"), "subcontractor", and "use" have the same meaning as set forth in 45 C.F.R. § 160.103.
 - C. The term "security incident" has the same meaning as set forth in 45 C.F.R. § 164.304.
 - D. The terms "breach" and "unsecured protected health information" ("unsecured PHI") have the same meaning as set forth in 45 C.F.R. § 164.402.
4. Contractor and its agents, employees and subcontractors shall comply with all applicable requirements of the HIPAA Rules and shall maintain the confidentiality of all PHI obtained by them pursuant to this contract and addendum as required by the HIPAA Rules and by this contract and addendum.
5. Contractor shall use or disclose PHI solely: (a) for meeting its obligations under the contract; or (b) as required by law, rule or regulation (including the HIPAA Rules) or as otherwise required or permitted by this contract and addendum.
6. Contractor shall implement and utilize all appropriate safeguards to prevent any use or disclosure of PHI not required or permitted by this contract and addendum, including administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of DHH.
7. In accordance with 45 C.F.R. § 164.502(e)(1)(ii) and (if applicable) § 164.308(b)(2), contractor shall ensure that any agents, employees, subcontractors or others that create, receive, maintain, or transmit PHI on behalf of contractor agree to the same restrictions, conditions and requirements that apply to contractor with respect to such information, and it shall ensure that they implement reasonable and appropriate safeguards to protect such information. Contractor shall take all reasonable steps to ensure that its agents', employees' or subcontractors' actions or omissions do not cause contractor to violate this contract and addendum.
8. Contractor shall, within three (3) days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1. Disclosures which must be reported by contractor include, but are not limited to, any security incident, any breach of unsecured PHI, and any "breach of the security system" as defined in the Louisiana Database Security Breach Notification Law, La.R.S. 51:3071 *et seq.* At the option of DHH, any harm or damage resulting from any use or disclosure which violates this contract and addendum shall be mitigated, to the extent practicable, either: (a) by contractor at its own expense; or (b) by DHH, in which case contractor shall reimburse DHH for all expenses that DHH is required to incur in undertaking such mitigation activities.
9. To the extent that contractor is to carry out one or more of DHH's obligations under 45 C.F.R. Part 164, Subpart E, contractor shall comply with the requirements of Subpart E that apply to DHH in the performance of such obligation(s).
10. Contractor shall make available such information in its possession which is required for DHH to provide an accounting of disclosures in accordance with 45 CFR § 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to DHH within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR § 164.528 for at least six (6) years after the date of the last such disclosure.
11. Contractor shall make PHI available to DHH upon request in accordance with 45 CFR § 164.524.
12. Contractor shall make PHI available to DHH upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR § 164.526.
13. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of DHH available to the Secretary of the U. S. DHHS for purposes of determining DHH's compliance with the HIPAA Rules.
14. Contractor shall indemnify and hold DHH harmless from and against any and all liabilities, claims for damages, costs, expenses and attorneys' fees resulting from any violation of this addendum by contractor or by its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. The parties agree that the legal relationship between DHH and contractor is strictly an independent contractor relationship. Nothing in this contract and addendum shall be deemed to create a joint venture, agency, partnership, or employer-employee relationship between DHH and contractor.
16. Notwithstanding any other provision of the contract, DHH shall have the right to terminate the contract immediately if DHH determines that contractor has violated any provision of the HIPAA Rules or any material term of this addendum.
17. At the termination of the contract, or upon request of DHH, whichever occurs first, contractor shall return or destroy (at the option of DHH) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of such information; or if such return or destruction is not feasible, contractor shall extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.

Statement of Work

Goal/Purpose

Contractor will function as a risk-bearing, Prepaid Ambulatory Health Plan health care delivery system responsible for providing specified core dental benefits and services for eligible Louisiana Medicaid enrollees as defined in the Louisiana Medicaid State Plan, administrative rules and Medicaid Policy and Procedure manuals.

Entire Contract

The contract shall consist of the DHH-CF-1, together with all attachments and exhibits.

Deliverables

The contractor will provide all deliverables outlined in Exhibits 5-7 related to:

- 1) Quality Assessment and Performance Improvement Program (QAPI)
 - Form a QAPI Committee
 - The QAPI Committee shall meet on a quarterly basis; and
 - A summary of the meeting minutes shall be submitted to DHH with other quarterly reports.
 - Develop a QAPI Work Plan
 - Submit QAPI reports annually
- 2) Clinical and Administrative Performance Measures
- 3) Performance Improvement Projects
- 4) Systems Components
- 5) Provider Network
- 6) Call Center
- 7) Member Services
- 8) Financial Reporting
- 9) Non-Financial Reporting
- 10) Member Materials and Marketing Activities
- 11) Enrollment Website
- 12) Emergency Management Plan
- 13) Fraud and Abuse Plan

Performance Measures

The contractor will provide to DHH, or maintain, all items that document the completion of deliverables outlined in the contract, including but not limited to:

- 1) Quality Assessment and Performance Improvement Plans
 - Form a QAPI Committee
 - The QAPI Committee shall meet on a quarterly basis; and
 - A summary of the meeting minutes shall be submitted to DHH with other quarterly reports.
 - Develop a QAPI Work Plan and submit it to DHH within 30 calendar days from the date the contract is signed, but no later than prior to the readiness review, and annually thereafter.
 - Submit QAPI reports annually
- 2) Clinical and Administrative Performance Measure
 - Report to DHH on administrative measures contained in Attachment F on a quarterly basis.
 - Report to DHH on clinical measures contained in Attachment F on an annual basis 12 months after services begin.
- 3) Performance Improvement Projects (PIPs)
 - Perform a minimum of two DHH-approved PIPs.
 - Report to DHH on PIP outcomes on an annual basis.
- 4) Systems Performance
 - Exchange all required files with the Medicaid fiscal intermediary
 - Submit encounter data as required
 - Process all claims in a timely manner
 - Submit claims payment accuracy report monthly
 - Submit claims processing interest payments monthly
 - Submit denied claims report weekly
 - Submit refresh plan for review and approval annually

- 5) Provider Network
 - Maintain adequate provider network
 - Maintain Provider Directory
 - Maintain Provider Manual
 - Conduct Provider Satisfaction Surveys annually
- 6) Call Center
 - Establish and maintain member call center
 - Establish and maintain provider call center
 - Submit draft training materials for telephone agents
 - Submit telephone and internet activity reports monthly
- 7) Member Services
 - Maintain grievance and appeals logs and submit to DHH monthly
 - Conduct Member Satisfaction Surveys annually
- 8) Financial Reporting
 - Submit audited financial statements annually
 - Submit unaudited financial statements monthly
 - Submit TPL collections annually
- 9) Non-Financial Reporting
 - Submit draft technical reports for DHH review and approval
 - Submit completed checklist of required reports
 - Maintain logs of submission of all contractually required reports
- 10) Member Education Materials
 - Submit to DHH for approval all member materials
 - Maintain copies of all member materials including obsolete versions
 - Maintain documentation that reading level software was utilized, including indicator used and reading level of the item
- 11) Enrollment Website
 - Submit website screenshots to DHH for approval
 - Maintain documentation that reading level software was utilized, including indicator used and reading level of the item
 - Maintain provider directories
- 12) Emergency Management Plan
 - Submit annually
- 13) Fraud and Abuse Plan
 - Submit for DHH for review and approval
 - Submit fraud and abuse activity report quarterly with an annual summary of activity

Monitoring

Contract monitoring will be at the direction of the Medicaid Deputy Director for managed care or their designee.

Mary Johnson
Department of Health and Hospitals
Bureau of Health Services Financing
Bayou Health Program
628 North 4th St.
Baton Rouge, LA 70821
Phone: (225) 342-1304
Email: mary.johnson@la.gov

Monitoring activities include:

- 1) Thorough review and analysis of required work plans and monthly, quarterly and annual reports, as well as review and monitoring of corrective action plans if required of the contractor by DHH;
- 2) Minimum of weekly status calls between Contractor and DHH Contract Monitor and/or designated Medicaid staff;
- 3) Face-to-face meetings between Contractor and DHH Contract Monitor and/or designated Medicaid staff as warranted;
- 4) Solicitation of feedback on Contractor's performance from the Medicaid fiscal intermediary;
- 5) Annual evaluation through an independent external quality review contractor;

- 6) Real-time monitoring of member services hotline calls;
- 7) Investigation of all complaints regarding the Contractor;
- 8) Monitoring grievances and appeals to determine appropriate resolution;
- 9) Periodic navigation of contractor website to determine performance;
- 10) Spot checking to determine that provider listings on contractor website accurately reflects information provided by the providers;
- 11) Unannounced and scheduled visits to contractor’s Louisiana administrative office; and
- 12) “Secret shopper” calls to Member Services and Provider Services call centers.

Payment: Fixed Rate

See attachment C for details.

Contract Maximum Amounts and Terms of Payment

Maximum Contract Amounts:

The maximum contract amounts are based on the projected population to be enrolled into the DBP, in each contract year, times the monthly capitation rate per eligible.

The actuarially sound rates for the DBP are shown below:

Contract year 1 July 1, 2014 to June 30, 2015			
Rate Cell Description	Anticipated Member Months	Monthly Capitation Rate Per Eligible	Maximum Contract Amount
LaCHIP Affordable Plan	43,417	\$11.8500	\$514,491
Medicaid Children	7,987,109	\$15.4800	\$123,640,447
CHIP	1,496,461	\$15.4800	\$23,165,216
Medicaid Adult	3,707,726	\$1.2600	\$4,671,735
Year 1 Total			\$151,991,890

Contract year 2 July 1, 2015 to June 30, 2016			
Rate Cell Description	Anticipated Member Months	Monthly Capitation Rate Per Eligible	Maximum Contract Amount
LaCHIP Affordable Plan	46,153	\$12.2055	\$563,320
Medicaid Children	8,226,722	\$15.9444	\$131,170,146
CHIP	1,541,355	\$15.9444	\$24,575,981
Medicaid Adult	3,839,966	\$1.2978	\$4,983,508
Year 2 Total			\$161,292,955

Contract year 3 July 1, 2016 to June 30, 2017			
Rate Cell Description	Anticipated Member Months	Monthly Capitation Rate Per Eligible	Maximum Contract Amount
LaCHIP Affordable Plan	48,889	\$12.5717	\$614,616
Medicaid Children	8,466,335	\$16.4227	\$139,040,351
CHIP	1,586,249	\$16.4227	\$26,050,542
Medicaid Adult	3,972,206	\$1.3367	\$5,309,783
Year 3 Total			\$171,015,292
			3 year Contract Total
			\$484,300,137

DHH reserves the right to re-negotiate the PMPM rates:

- a. If the rate floor is removed;
- b. If a result of federal or state budget reductions or increases;
- c. If due to the inclusion or removal of a Medicaid covered dental service(s) not incorporated in the monthly capitation rates; or
- d. In order to comply with federal requirements.

Terms of Payment:

1. DHH shall make monthly capitated payments for each member enrolled into the DBPM. Capitation rates are developed in accordance with 42 CFR 438.6 and include claims for retroactive coverage.
2. DBPM agrees to accept payment in full and shall not seek additional payment from a member for any unpaid costs, including costs incurred during the retroactive period of eligibility.
3. DHH reserves the right to defer remittance of the PMPM payment for June until the first Medicaid Management Information System (MMIS) payment cycle in July to comply with state fiscal policies and procedures.
4. The monthly capitated payment shall be based on Medicaid recipients eligible for DBPM participation during the month, as specified in III.B.3.B.11. i) ii. (p. 57, 2nd to last bullet), and paid in the weekly payment cycle nearest the 15th calendar day of the month.

Effective Date of Enrollment

DBPM enrollment for members in a given month will be effective at 12:01AM on the first (1st) calendar day of the month of Medicaid eligibility.

Retainage

The Department shall secure a retainage of 10% from all billings under the contract as surety for performance. The retainage amount may be released annually by the Department upon the DBPM's successful completion of contract deliverables each year during the contract term. Contractor shall be deemed to have successfully completed its contract deliverables in a contract year if the Department determines, exercising reasonable discretion, that contractor has substantially satisfied the performance requirements contained in Section III. B of the RFP. The Department shall provide contractor with an assessment of contractor's performance on a quarterly basis for tracking purposes.

Additional Terms and Conditions

The following changes shall be made to the RFP language as incorporated into the contract. Additions are underlined.

Document/Location	Revised Language
RFP Sec. III.B.2.D.2	Added last sentence: Although the DBPM shall provide the full range of required core dental benefits and services listed below, it may choose to provide services over and above those specified when it is cost effective to do so. The DBPM may offer additional benefits that are outside the scope of core dental benefits and services to individual members on a case-by-case basis, based on medical necessity, cost-effectiveness, the wishes of the member and/or member's family, the potential for improved health status of the member, and functional necessity. <u>The DBPM shall provide all needed services based on individual medical necessity for all members described in Group A below.</u>
RFP Sec. III.B.2.D	EPSDT Services In accordance with 42 CFR §441.56(b)(1)(vi) and periodicity charts posted on Louisiana Medicaid's website at www.lamedicaid.com, the DBPM shall provide dental screening services furnished by direct referral to a dentist for children beginning at <u>3 years six (6) months of age</u> Emergency Dental Services
RFP Sec. III.B.2.D	Added #10: <u>The DBPM shall not deny payment for emergency dental care obtained from an out-of-network or out-of-state provider.</u>
RFP Sec. III.B.3.B.10.a.x.	Monitor provider compliance with applicable access requirements, including but not limited to, appointment and wait times, <u>periodicity schedule</u>, and take corrective action for failure to comply. The DBPM shall conduct appointment availability surveys annually. The surveys shall be submitted within 30 days after the conclusion of each contract year.
RFP Sec. III.B.3.B.10.e	Added vi: <u>The DBPM shall assure in the coordinating of benefits to all specialists, in initiating and/or authorizing referrals, and monitoring the continuity of services.</u> The DBPM shall provide GEO mapping and coding of all network providers for each provider type by the deadline specified in the Schedule of Events, to geographically demonstrate network capacity. The DBPM shall provide updated GEO coding as determined by <u>mapping software</u> to DHH quarterly, or upon material change (as defined in the Glossary) or upon request <u>to allow the State to monitor compliance with travel distance standards.</u>
RFP Sec. III.B.3.B.10.j	Addition of ii: <u>The DBPM shall contact state agencies or community-based organizations, to educate them on services available through the DBPM and to develop outreach and educational activities.</u> Addition of last sentence
RFP Sec. III.B.3.B.11.g.iv	<u>The DBPM shall not deny payment for emergency dental care obtained from an out-of-network or out-of-state provider.</u>
RFP Sec.	Addition of:

III.B.3.B.11.h.iv	<u>Dental periodicity schedule;</u>
RFP Sec. III.B.3.B.11.p.ii.	Addition of: <u>The process for credentialing shall be completed within ninety days.</u>
RFP Sec. VI.C.	<u>The Department shall secure a retainage of 10% from all billings under the contract as surety for performance. The retainage amount may be released annually by the Department on upon the DBPM's successful completion of contract deliverables each year during the contract term the retainage amount may be released on an annual basis. Contractor shall be deemed to have successfully completed its contract deliverables in a contract year if the Department determines, exercising reasonable discretion, that contractor has substantially satisfied the performance requirements contained in Section III. B of the RFP. The Department shall provide contractor with an assessment of contractor's performance on a quarterly basis for tracking purposes.</u>
Appendix E	Replaced by Attachment E of the contract
Appendix N	Replaced by Attachment F of the contract

Entire Agreement Clause

This contract, together with the RFP and addenda issued thereto by the Department, the proposal submitted by the Contractor in response to the Department's RFP, and any exhibits specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter.

Order of Precedence Clause

In the event of any inconsistent or incompatible provisions, this signed agreement (excluding the RFP and Contractor's proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of the Contractor's proposal.



Rui Dai, Ph.D., FSA, MAAA
Senior Associate

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Ms. Mary Johnson
BAYOU HEALTH Program Director
Louisiana Department of Health and Hospitals
Bureau of Health Services Financing
628 North 4th Street
P.O. Box 90230
Baton Rouge, LA 70821-0629

April 16, 2014

Subject: Revised Louisiana Medicaid Dental Benefit Program Capitation Rate Certification

Dear Ms. Johnson

In partnership with the State of Louisiana (State), Mercer Government Human Services Consulting (Mercer) has developed statewide actuarially sound capitation rates for the Louisiana Medicaid Dental Benefit Program (DBP). These rates are applicable for the contract period July 1, 2014 through June 30, 2015. The revised certification replaces the certification dated April 2, 2014. This revision occurs to incorporate some comments about the health insurance provider fee imposed by section 9010 of the Affordable Care Act (ACA), beginning in 2014.

This document presents an overview of the rate development, as well as a certification of its actuarial soundness, for the purpose of seeking rate approval from the Centers for Medicare & Medicaid Services (CMS) under 42 CFR 438.6(c). This rate development process was based on Medicaid fee-for-service (FFS) dental claims. It resulted in the development of a range of actuarially sound rates for each rate cell. Mercer then worked with DHH to develop a single proposed set of actuarially sound rates for each rate cell, which are included and certified within this letter.

Medicaid benefit plan premium rates are "actuarially sound" if, for business in the state for which the certification is being prepared and for the period covered by the certification, projected premiums, including expected reinsurance and governmental stop-loss cash flows, governmental risk adjustment cash flows, and investment income, provide for all reasonable, appropriate, and attainable costs, including health benefits, health benefit settlement expenses, marketing, and administrative expenses, any government mandated assessments, fees, and taxes, and the cost of capital. Note: Please see pages 8 and 9 of the August 2005, Actuarial Certification of Rates for Medicaid Managed Care Programs, from the American Academy of Actuaries, http://www.actuary.org/pdf/practnotes/health_medicaid_05.pdf.



Dental Capitation Rates

The proposed actuarially sound rates for the DBP are shown in Table 1.

Table 1: Actuarially Sound Dental Capitation Rates

July 1, 2014 to June 30, 2015	
Rate Cell Description	Monthly Capitation Rate Per Eligible
LaCHIP Affordable Plan	\$11.85
Medicaid Children	\$15.48
Medicaid Adult	\$1.26

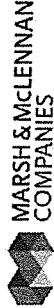
Managed Care Rate Development Methodology Overview (AA.1.0, AA.2.4)

Louisiana intends to provide a managed DBP to LaCHIP Affordable Plan, Medicaid Children (including regular LaCHIP children), and Medicaid Adult populations effective July 1, 2014. The State DBP has been in place since the 1990s providing dental services to Medicaid members in a FFS environment. The fee schedule increases in 2007 helped increase access to and participation of dental providers in the network. The coordinated care DBP covers dental preventive services for eligible members younger than age 21 and adult denture benefits for eligible members at age 21 and above and is expected to provide savings and better dental outcomes over the legacy Medicaid program, improve access to essential specialty dental services and increase outreach and education to promote healthy dental behavior.

The proposed capitation rates provided above have been developed consistent with guidance provided in the CMS Rate-setting Checklist. These actuarially sound dental capitation rates are based upon the State Plan covered services only. Base period dental claims data were analyzed, completed, and trended. Adjustments were applied, as appropriate, to reflect programmatic changes to the State Plan that affect the base period data and the contract period. Finally, managed care savings and Prepaid Ambulatory Health Plan (PAHP) administrative load assumptions were developed and included. Each of these rating elements is discussed in detail below.

Base Period Data and Enrollment (AA.2.0)

For the period of July 1, 2014 through June 30, 2015 rate setting, Mercer relied on historical Medicaid FFS data from State Fiscal Year (SFY) 2012 and SFY 2013. Louisiana's SFY runs from July 1 of a given year through June 30 of the following year.





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Ms. Mary Johnson
Louisiana Department of Health and Hospitals

Mercer has applied credibility weighting as appropriate to blend data from the two fiscal years focusing on the most recent year of data. The data was blended by placing 80% credibility on SFY 2013 and 20% on SFY 2012 data trended to SFY 2013 for the LaCHIP Affordable Plan population as the LaCHIP Affordable Plan dental benefits started in February 2012; 67% credibility was applied to SFY 2013 and 33% to SFY 2012 data trended to SFY 2013 for the Medicaid Children and Adult populations. The goal of the blending process is to obtain a set of base data that has sufficient credibility and reasonableness to develop actuarially sound capitation rates.

Mercer reviewed the data provided by the State for consistency and reasonableness and determined that the data is appropriate for the purpose of setting capitation rates for the DBP. Mercer confirmed that the services included in this historical experience are State Plan covered services only.

Non-covered Populations (AA.2.1, AA2.2)

In general, the DBP covers most Medicaid eligible, LaCHIP, and the LaCHIP Affordable Plan populations including full dual eligibles. The LaCHIP population was included in the Medicaid Children category for the dental capitation rates. The DBP non-covered populations are shown in Attachment A.

Retroactive Eligibility (AA.3.4)

Per the State, membership and claims incurred for covered services rendered prior to enrollment and during any retroactive period of eligibility are covered in the DBP.

Completion Factors (AA.3.14)

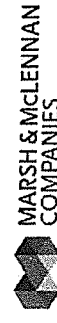
The FFS data includes claims for dates of service from July 1, 2011 to June 30, 2013, and reflects payments through June 30, 2013. Mercer estimated and adjusted for the remaining liability associated with incurred-but-not-reported claims for SFY 2012 and SFY 2013. The overall adjustments for SFY 2012 and SFY 2013, using paid claims data through June 30, 2013 were -0.14% and 6.75%, respectively.

Fraud and Abuse Adjustment

Adjustment was made for controlling fraud and abuse under managed care. Mercer estimated this adjustment to be -1.67% based on an analysis of historical claims.

Trend Adjustments (AA.3.10)

Trend projections were based on analysis of Louisiana dental claims experience and review of dental trend benchmarks in other state Medicaid programs and commercial dental managed care





programs. Mercer evaluated trend patterns in the FFS data to examine and project utilization trends for the rate period.

The overall annualized per member per month (PMPM) trend assumption is 0.45%.

Data Smoothing (AA.5.0)

Mercer determined that blending the base period provided adequate results and no additional smoothing was required to produce appropriate relationships among ages and services used.

Copayments (AA.3.7) and Third Party Liability (AA.3.6)

An adjustment for copayments was not necessary for this analysis because both the current program and the new DBP are not subject to copayments. Recoveries associated with Third Party Liability and subrogation have been removed from claims by selecting only state paid amounts.

Program Changes (AA.3.1)

Mercer used the fee schedule for DBP services effective July 1, 2013 to calculate prospective fee reduction adjustments applied to SFY 2012 and SFY 2013 as shown in Table 2 below.

Table 2: Fee Reduction Adjustment Assumptions

Rate Cell Description	SFY 2012	SFY 2013
LaCHIP Affordable Plan	-2.0%	0.0%
Medicaid Children	-1.9%	0.0%
Medicaid Adult	-0.2%	0.0%

Overall, the fee schedule changes reduced the SFY 2012 cost by 1.9%. The impact of fee schedule changes to the SFY 2013 cost was minimal.

The State has established benchmarks for Performance Measures with the expectation that performance improves by a certain percentage toward the benchmarks. The Performance Measure Goals are contained in Appendix N of the DBP’s request for proposal. Mercer reviewed the State’s numbers in the appendix for reasonableness, but did not audit them. The State’s expectation is to increase the percentage of Early and Periodic Screening & Diagnosis Treatment (EPSDT) members (enrolled for at least 90 consecutive days), age 1-20 years, receiving one annual dental preventive service and the percentage of EPSDT members (enrolled for at least 90 consecutive days), age 6-9 years, receiving one or more sealants on permanent molar teeth, by 5% and 2%, respectively. Mercer has estimated the prospective program change adjustment



needed to allow these increases. The overall adjustments applied to SFY 2012 and SFY 2013 base data by rate cell are shown in Table 3.

Table 3: Program Change Adjustment Assumptions

Rate Cell Description	SFY 2012	SFY 2013
LaCHIP Affordable Plan	1.2%	1.4%
Medicaid Children	1.2%	1.4%
Medicaid Adult	0.0%	0.0%

The overall increases to the SFY 2012 and SFY 2013 costs were 1.15% and 1.33%, respectively.

Managed Care Adjustment

Managed care assumptions were based on savings options provided by the State that were analyzed to quantify potential savings in utilization. Table 3 shows a summary of the utilization reduction expected to be achieved by the managed care program.

Table 3: Managed Care Adjustment Assumptions

Rate Cell Description	Utilization	Unit Cost	PMPM
LaCHIP Affordable Plan	-13.9%	0.0%	-13.9%
Medicaid Children	-13.9%	0.0%	-13.9%
Medicaid Adult	-7.2%	0.0%	-7.2%

The overall impact of the managed care assumption was a reduction of 13.9%.

Administrative Load (AA.3.2)

The proposed capitation rates shown above include provision for dental (PAHP) administration and profit. Mercer relied upon its professional experience in working with numerous commercial managed dental plans and state Medicaid programs in determining appropriate non-medical expenses. The load for administration and underwriting profit/risk/contingency is calculated as a percentage of the final capitation rate. The proposed capitation rate, as developed, assumes a 9% load for non-medical expenses, 2% profit/risk/contingency, and 2.25% premium tax for this rate period. In total, the overall load applied to the rates for administration and profit/contingencies was 13%.



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Federal Health Insurance Provider Fee

Section 9010 of the ACA imposes a new annual fee on the health insurance premiums, effective January 1, 2014. The tax collected in 2014 will be based on 2013 revenue for applicable health insurers. The actual fee amount will not be determined until August 2014. As the actual amount of the fee is not known at this time, no adjustment was made to the capitation rates. An adjustment and updated certification will be considered when the fee amount and impacted entities are announced in the second half of 2014.

Actuarial Certification

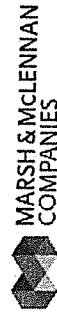
In preparing the capitation rate for the July 1, 2014 through June 30, 2015, Mercer has used and relied upon enrollment, eligibility, FFS data, fee schedule, and benefit design information supplied by the State. The State is responsible for the validity and completeness of this supplied data and information. We have reviewed the data and information for internal consistency and reasonableness, but we did not audit it. If the data and information is incomplete or inaccurate, the values shown in this report may need to be revised accordingly.

Mercer certifies that the rate was developed in accordance with generally accepted actuarial practices and principles, and is appropriate for the Medicaid and LaCHIP covered populations and services under the managed care contract. The undersigned actuary is a member of the American Academy of Actuaries and meets its qualification standards to certify to the actuarial soundness of Medicaid managed care capitation rates.

Capitation rates developed by Mercer are actuarial projections of future contingent events. Actual dental claims costs will differ from these projections. Mercer has developed this rate on behalf of the State to demonstrate compliance with the CMS requirements under 42 CFR 438.6(c) and in accordance with applicable law and regulations. Use of the rates for any purpose beyond that stated may not be appropriate.

The health plans are advised that the use of the rates may not be appropriate for their particular circumstance and Mercer disclaims any responsibility for the use of the rates by the health plans for any purpose. Mercer recommends that any health plan considering contracting with the State should analyze its own projected dental expense, administrative expense, and any other premium needs for comparison to the rates before deciding whether to contract with the State.

This certification letter assumes the reader is familiar with the Louisiana DBP, Medicaid eligibility rules, and actuarial rating techniques. It is intended for the State and CMS and should not be relied upon by third parties. Other readers should seek the advice of actuaries or other qualified





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Ms. Mary Johnson
Louisiana Department of Health and Hospitals

professionals competent in the area of actuarial rate projections to understand the technical nature of these results. This document should only be reviewed in its entirety.

If you have any questions or comments on the assumptions or methodology, please contact me at +1 404 442 3476.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Rui Dai'.

Rui Dai, FSA, MAAA
Senior Associate



ELB Type Case	Type Case Description	ELB Aid Category	Aid Category Description	Include in Dental Rates
127	LACHIP Phase IV - Non-Citizen Pregnant Woman Expansion	03	Families and Children	No
80		UN		No
001	SSI Conversion / Refugee Cash Assistance (RCA) / LIFC Basic	11	Hurticane Evacuees	No
002	Deemed Eligible	11	Hurticane Evacuees	No
005	SSW/LTC	11	Hurticane Evacuees	No
007	LACHIP Phase 1	11	Hurticane Evacuees	No
008	PAP - Prohibited AFDC Provisions	11	Hurticane Evacuees	No
009	LIFC - Unemployed Parent / CHAMP	11	Hurticane Evacuees	No
013	CHAMP Pregnant Woman (to 133% of FPG)	11	Hurticane Evacuees	No
014	CHAMP Child	11	Hurticane Evacuees	No
015	LACHIP Phase 2	11	Hurticane Evacuees	No
020	Regular MNP (Medically Needy Program)	11	Hurticane Evacuees	No
021	Spend-Down MNP	11	Hurticane Evacuees	No
025	LTC Spend-Down MNP	11	Hurticane Evacuees	No
027	EDA Waiver	11	Hurticane Evacuees	No
028	Tuberculosis (TB)	20	TB	No
040	SLMB (Specified Low-Income Medicare Beneficiary)	01	Aged	No
040	SLMB (Specified Low-Income Medicare Beneficiary)	02	Blind	No
040	SLMB (Specified Low-Income Medicare Beneficiary)	04	Disabled	No
047	Illegal/Ineligible Aliens Emergency Services	01	Aged	No
047	Illegal/Ineligible Aliens Emergency Services	03	Families and Children	No
047	Illegal/Ineligible Aliens Emergency Services	04	Disabled	No
047	Illegal/Ineligible Aliens Emergency Services	11	Hurticane Evacuees	No
048	Q1-1 (Qualified Individual - 1)	01	Aged	No
048	Q1-1 (Qualified Individual - 1)	02	Blind	No
048	Q1-1 (Qualified Individual - 1)	04	Disabled	No
049	Q1-2 (Qualified Individual - 2) (Program terminated 12/31/2002)	01	Aged	No
049	Q1-2 (Qualified Individual - 2) (Program terminated 12/31/2002)	04	Disabled	No
050	PICKLE	11	Hurticane Evacuees	No
053	CHAMP Pregnant Woman Expansion (to 185% FPG)	11	Hurticane Evacuees	No
055	LACHIP Phase 3	11	Hurticane Evacuees	No
059	Disabled Adult Child	11	Hurticane Evacuees	No

ELB Type Case	Type Case Description	ELB Aid Category	Aid Category Description	Include in Dental Rates
062	SSI/Public ICF/DD	01	Aged	No
062	SSI/Public ICF/DD	02	Blind	No
062	SSI/Public ICF/DD	04	Disabled	No
062	SSI/Public ICF/DD	06	OCS Foster Care	No
062	SSI/Public ICF/DD	08	IV-E OCS/OYD	No
062	SSI/Public ICF/DD	22	OCS/OYD (XX)	No
063	LTC Co-Insurance	01	Aged	No
063	LTC Co-Insurance	02	Blind	No
063	LTC Co-Insurance	04	Disabled	No
063	LTC Co-Insurance	11	Hurricane Evacuees	No
064	SSI/Private ICF/DD	01	Aged	No
064	SSI/Private ICF/DD	02	Blind	No
064	SSI/Private ICF/DD	04	Disabled	No
064	SSI/Private ICF/DD	06	OCS Foster Care	No
064	SSI/Private ICF/DD	08	IV-E OCS/OYD	No
064	SSI/Private ICF/DD	22	OCS/OYD (XX)	No
065	Private ICF/DD	01	Aged	No
065	Private ICF/DD	02	Blind	No
065	Private ICF/DD	04	Disabled	No
065	Private ICF/DD	06	OCS Foster Care	No
065	Private ICF/DD	08	IV-E OCS/OYD	No
065	Private ICF/DD	22	OCS/OYD (XX)	No
083	Acute Care Hospitals (LOS > 30 days)	11	Hurricane Evacuees	No
088	Medical Buy-in Working Disabled (Medical Purchase Plan)	11	Hurricane Evacuees	No
090	LTC (Long Term Care)	11	Hurricane Evacuees	No
095	QMB (Qualified Medicare Beneficiary)	17	QMB	No
098	Public ICF/DD	01	Aged	No
098	Public ICF/DD	02	Blind	No
098	Public ICF/DD	04	Disabled	No
098	Public ICF/DD	06	OCS Foster Care	No
098	Public ICF/DD	08	IV-E OCS/OYD	No
104	Pregnant women with income greater than 118% of FPL and less than or equal to 133% of FPL	11	Hurricane Evacuees	No

ELB Type Case	Type Case Description	ELB Aid Category	Aid Category Description	Include in Dental Rates
115	Family Planning, Previous LAMOMs eligibility	40	Family Planning	No
116	Family Planning, New eligibility / Non LAMOM	40	Family Planning	No
132	Spentown Denial of Payment/Late Packet	01	Aged	No
132	Spentown Denial of Payment/Late Packet	04	Disabled	No
136	Private ICF/DD Spentown Medically Needy Program	04	Disabled	No
137	Public ICF/DD Spentown Medically Needy Program	04	Disabled	No
138	Private ICF/DD Spentown MNF/Income Over Facility Fee	04	Disabled	No
178	Disabled Adults authorized for special hurricane Katrina assistance	11	Hurricane Evacuees	No
UN		UN		No
137	Public ICF/DD Spentown Medically Needy Program	02	Blind	No
136	Private ICF/DD Spentown Medically Needy Program	01	Aged	No
102	GNOCHC Adult Parent	30	Non Traditional	No
103	GNOCHC Childrens Adult	30	Non Traditional	No
201	1915(i) Behavioral Health only - adults	40	Non Traditional	No

Louisiana Dental Plan Administrative Performance Measurement Set

Measure	Minimal Performance Standard
Percent of Practices that provide daily, 24 hour verified phone access with ability to speak to a dental care provider.	≥95%
Percent of standard service authorizations processed within 2 business days	≥80%
Percent of standard service authorizations processed with 14 calendar days or as extended within allowable timeframes	100%
Percent of expedited service authorizations processed with 72 hours.	100%
Rejected claims returned to provider with reason code within 15 days of receipt of claims submission	≥99%
% of Call Center calls answered by a live person within 30 seconds of selection, or zero out	≥90%
Call Center call average hold time for live person	3 minutes
Call Center call abandonment rate	≤5%
% of grievances and request for appeals received by the DBP including grievances received via telephone and resolved within the timeframe of the contract	≥95%
% of clean claims paid for each provider type within 15 business days	≥90%
% of clean claims paid for each provider type within 30 calendar days	≥99%
Rejected claims returned to provider with reason code within 15 days of receipt of claims submission	≥99%

Dental Benefit Plan Clinical Performance Measurement Set

AHRQ Performance Domain	Measure
Access/Process	Percentage of EPSDT enrollees receiving preventive services.
Access/Process	Percentage of EPSDT enrollees, age 6-9 years, receiving one or more sealants on permanent molar teeth.

Exhibit 1

MCNA INSURANCE COMPANY
UNANIMOUS WRITTEN CONSENT OF DIRECTORS

May 15, 2014

The undersigned, being all of the members of the board of directors (the "**Board of Directors**") of MCNA Insurance Company, a Texas accident and health insurance company (the "**Corporation**"), hereby consent to the following actions:

WHEREAS, the Corporation has been selected by the Louisiana Department of Health and Hospitals (the "**DHH**") to administer the dental benefits of its Medicaid and Children's Health Insurance (CHIP) program enrollees pursuant to that certain competitive bidding process known as RFP No. 305PUR-DHHRFP-DENTAL-PAHP-MVA (the "**RFP**");

WHEREAS, the Chief Executive Officer of the Corporation, together with the executive management staff of the Corporation, has reviewed the contract that corresponds to the RFP (the "**Contract**") and recommends that the Corporation enter into the Contract with the DHH; and

WHEREAS, the terms and conditions of the RFP and the Contract have been reviewed by the undersigned members of the Board of Directors;

IT IS THEREFORE, RESOLVED, that Glen Feingold, Executive Vice President and Chief Operating Officer, or in his absence, Carlos A. Lacasa, Senior Vice President and General Counsel, are hereby authorized to execute the Contract and any additional documents ancillary thereto, and to take such other actions as are necessary to complete the contracting process with the DHH.

BE IT FURTHER RESOLVED, that any and all actions taken, done or performed in connection with the RFP and the authority granted by the foregoing resolution, as well as any and all actions, of any nature whatsoever, heretofore taken by any director, officer, employee, agent, attorney or other representative of the Corporation incidental to, contemplated by, arising out of or in connection with, or otherwise relating to, in any manner whatsoever, the subject of the foregoing resolution, are hereby approved, ratified and confirmed in all respects as the act and deed of the Corporation.

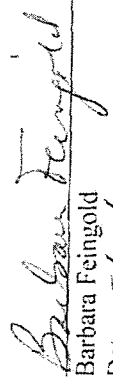
[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this unanimous written consent in multiple counterparts, to be effective as of the date first written above, each of which together shall be considered one original, and whether by original or facsimile signature shall be effective in all respects as though an original.



Dr. Jeffrey Feingold D.D.S., M.S.D.
Date: 5/15/14

Glen Feingold
Date:



Barbara Feingold
Date: 5/15/14

Gary Clarke, Esq.
Date:

Carlos A. Lacasa, Esq.
Date:

Albert Hawkins
Date:

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Dr. Jeffrey Feingold D.D.S., M.S.D.
Date:

Glen Feingold
Date: 5/17/14

Barbara Feingold
Date:

Gary Clarke, Esq.
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Dr. Jeffrey Feingold D.D.S., M.S.D.
Date:

Glen Feingold
Date:

Barbara Feingold
Date:

Gary Clarke, Esq.
Date: 5/19/04

Carlos A. Lacasa, Esq.
Date:

Albert Hawkins
Date:

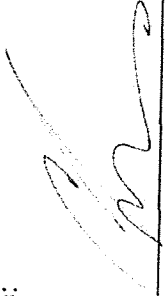
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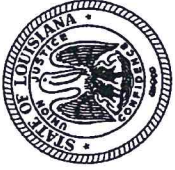
Glen Feingold
Date:

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Date:

Gary Clarke, Esq.
Date:

Carlos A. Lacasa, Esq.
Date:


Albert Hawkins
Date: 5-15-14



State of Louisiana

Department of Health and Hospitals
Bureau of Health Services Financing

June 30, 2014

Ms. Pamela Rice, Esq., Director
Office of Contractual Review, Division of Administration
P.O. Box 94095 Capital Annex – Room 207
Baton Rouge, Louisiana 70804-9095

RE: Justification for Out-of-State Contract and Request for Multi-Year Contract

Dear Ms. Rice: *from*

The Department of Health and Hospitals' Bureau of Health Services Financing seeks to contract with MCNA Insurance Company, the winning proposer for RFP305PUR-DHHRFP-DENTAL-PAHP-MVA, to provide core dental benefits and services for eligible Louisiana Medicaid enrollees as defined in the Louisiana Medicaid State Plan, administrative rules and Medicaid Policy and Procedure manuals. The contractor will not be in the state for more than 30 days.

Through this letter, I am also requesting approval to enter into a three-year contract with MCNA. The department understands that payment for subsequent fiscal years shall be subject to the availability of funds.

We appreciate your assistance in this matter and we hope that you will give this contract your favorable consideration and approval.

Should you need further information, please contact me via telephone at (225) 342-1304 or via e-mail at mary.johnson@la.gov.

Sincerely,

Mary T.C. Johnson
Mary T.C. Johnson
Medicaid Deputy Director

mcnadental

**2014 Disaster Recovery and
Business Continuity Plan**

MCNA Dental

**Version 1.6
1/17/2014**

Document Revision History

Date	Version	Document Revision Description	Author
11/15/2011	1.0	First Submission	DS/BB
12/16/2011	1.1	Minor revisions	DS/BB
4/22/2013	1.2	Plan adjustment to leverage wireless communications	DS
4/25/2013	1.3	Include data center failure and network failure scenarios	DS
10/10/2013	1.4	Expanded language on Plan Updating and Approval Incorporated Core Business Impact Analysis Incorporated Data Center Infrastructure Incorporated Core Hardware Inventory Incorporated Application Description Updated Contact List of External Vendors	DS/SS
12/22/2013	1.5	Updated titles and contact information of disaster management team members Updated call tree charts Various typographical corrections	DS
1/17/2014	1.6	Incorporated Louisiana facilities	DS

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Acronyms

Acronym	Definition
BIA	Business Impact Analysis
CEO	Chief Executive Officer
CIO	Chief Information Officer
COO	Chief Operating Officer
DR/BC	Disaster Recovery and Business Continuity Plan
ED	Executive Director
EPHI	Electronic Protected Health Information
DMT	Disaster Management Team
FEMA	Federal Emergency Management Agency
FL	Florida
HHSC	Health and Human Services Commission
HIPAA	Health Insurance Portability and Accountability Act
HITECH	Health Information Technology for Economic and Clinical Health
HR	Human Resources
IT	Information Technology
LA	Louisiana
LDI	Louisiana Department of Insurance
MS	Member Services
NIST	National Institute of Standard and Technology
PCD	Primary Care Dentist
PCP	Primary Care Physician
PDA	Personal Device Assistant
PR	Provider Relations
QI	Quality Improvement
RST	Recovery Site Team
TDI	Texas Department of Insurance
TX	Texas
UM	Utilization Management
UPS	Uninterruptible Power Supply

Introduction

MCNA Dental has established policies and procedures in case of a disaster to ensure the safety of our employees and member/provider information. The disaster recovery and business continuity plan (DR/BC) plan includes a fully operational telephone system, temporary office space, and the ability to provide members with needed care including referrals and pre-authorizations. It also includes a fully operational Claims department.

In the event of a disaster such as loss of utilities, fire, hurricane, flood, tornado, biological terrorism, bomb threat, or another disaster, MCNA will ensure member and staff safety through the execution of its DR/BC plan.

Individual policies have been instituted for each situation that requires action to be taken.

- MCNA established a DR/BC plan to include office, staff, telephone, systems, referrals, access to care, and follow-up reestablishment of services,
- The DR/BC plan includes preparation for expected disasters such as a hurricane and all procedures for the notification of members regarding their health, safety, and medications.
- MCNA established processes that will ensure minimal disruption of phone services for members.
- MCNA established a mechanism for backup of systems and protection of the integrity of MCNA and member information.

Corporate management has approved the following policy statement:

- The company shall develop a comprehensive IT DR/BC plan.
- A formal risk assessment shall be undertaken to determine the requirements for the DR/BC plan.
- The DR/BC plan should cover all essential and critical infrastructure elements, systems and networks, in accordance with key business activities.
- The DR/BC plan should be periodically tested in a simulated environment to ensure that it can be implemented in emergency situations and that all management and staff understand how it is to be executed.
- All staff must be made aware of the DR/BC plan and their respective roles.
- The DR/BC plan is to be kept up to date to take into account changing circumstances.

IT Definitions

- **Cold Site (Shell):** A location away from the company's current location that contains an empty computer room. This room is normally equipped with a raised floor, air-conditioning, electric power, and fire protection and is ready for the installation of computer hardware.
- **Computer System:** A typical computer system consists of a CPU, monitor, keyboard, and mouse.
- **Hot Backup Site:** Is a location away from the company's current location, which contains a fully equipped and operational computer center, ready to be used by its members in the event of an emergency. This computer room is normally equipped with up-to-date hardware.
- **Network:** A method of allowing workstations to communicate with servers. Typically, this occurs through the use of wires (cables) that run from the workstation through various means to the server.
- **Server:** A server is a CPU that is installed with the software that provides services to one or many PC's set up on a network. Servers are also used for data retention and are located physically at one end of the network.
- **Workstation:** A single user at the data collection end of the network usually uses a workstation. Typically, this is a PC and is used to input or extract data from the system.

Recovery Objectives

The principal objective of the DR/BC plan is to develop, test, and document a well-structured and easily understood plan that will help the company recover as quickly and effectively as possible from an unforeseen disaster or emergency which interrupts information systems and business operations. Additional objectives include the following:

- To ensure the lives and safety of all MCNA employees throughout the emergency condition, disaster declaration, and recovery process.
- To reestablish the essential organization related services provided by MCNA within their required recovery window, as identified in the recovery portfolio in Section 2 at the declaration of disaster.
- To suspend all non-essential activities until normal and full organization functions have been restored.
- To mitigate the impact to MCNA's customers through the rapid implementation of effective recovery strategies as defined herein.
- To reduce confusion and misinformation by providing a clearly defined command and control structure.
- To consider the relocation of personnel and facilities as a recovery strategy of last resort.

What Qualifies as a Disaster

A disaster is defined as the occurrence of any event that causes a significant disruption in the production and delivery of product and services to our members, providers, and IT capabilities. Occurrences of a less severe nature are controlled at the appropriate management level as a part of the overall Plan.

What Qualifies as a Service Outage

Any event in which any of the following criteria are or will be met constitutes an IT Service Outage for an Infrastructure managed/monitored IT Service:

- The IT Service is unavailable to our staff, members, or providers.
- The IT Service is unable to function as designed and installed
- IT Service performance has degraded to a state that renders the resource unusable.

What Qualifies as a Recovery

A recovery is defined as the logical restoration of all critical operations that have been disrupted by a disaster and where critical services, operations, and IT systems have been restored to a production status in which IT equipment is operational at either the home location or a backup location within 72 hours. The practical recovery of "critical IT systems" for MCNA is dependent upon the amount of damage done by the disaster.

An IT services recovery is defined as the logical restoration of all critical operations that have been disrupted by the outage.

Recovery Strategies

In order to facilitate a recovery regardless of the type or duration of disaster, MCNA has implemented multiple recovery strategies. These strategies are categorized into three (3) levels. Each level is designed to provide an effective recovery solution equally matched to the duration of the emergency condition.

Level 1: Short-Term Outage (Ride-Out) – Intra-Day

A short-term outage is defined as the period of time MCNA does not require computerized operations, or where an outage window of the same day or less would not allow adequate time to restore/utilize automated recovery operations.

Level 2: Medium-Term Outage (Temporary) – Up To Six Weeks

A medium-term outage is defined as the period of time that MCNA will execute its formal disaster recovery strategy, which includes actually declaring a disaster. A disaster may either be declared company wide or only for an affected department or building. The decision to declare a disaster will be based on the amount of time/expense that is required to implement the formal recovery and the anticipated impact to MCNA's organization over this period of time.

Level 3: Long-Term Outage (Relocation) – 6 Weeks Or More

A long-term outage is defined as the period of time that MCNA will exceed the allowed occupancy time of its primary recovery strategy. During this phase of recovery, MCNA will initiate a physical move of personnel and resources.

Location of Disaster Recovery and Business Continuity Plan Documentation

Copies of this document are located at multiple sites:

- **On-Site**
 - Computer Room
 - Human Resources
 - Chief Operating Officer
 - Chief Information Officer
- **Off-Site**
 - Off-site Data Protection Service (safe site)
 - Chief Operating Officer (Home)
 - Chief Information Officer (Home)
 - Director of IT Infrastructure (Home)
 - Director of Human Resource (Home)

The Disaster Management Team Members

Maintaining contact with members of MCNA's Disaster Management Team (DMT) during a disaster is critical to a successful recovery effort. The DMT is comprised of senior managers representing each of MCNA's key operating departments. The DMT is responsible for ensuring a contact list of key personnel is always maintained current and available. In the event of a disaster, team members are responsible for notifying their respective staff (e.g., Senior Director of Call Center Operations notifies Member Services team members). The DMT consists of:

Corporate Office, Fort Lauderdale, Florida

- **President and Chief Executive Officer** – responsible for the Board of Directors, public relations, and accounting.
- **Executive Vice President and Chief Operating Officer** – responsible for administration, data processing, claims functions, utilization, and access management. Responsible for overseeing coordination efforts with MCNA's Regional Texas operations.
- **Senior Vice President and General Counsel** – responsible for legal, regulatory, and non-clinical operations issues.
- **Chief Information Officer** – responsible for operations, disaster records, security, telecommunications, data processing, and operations functions.
- **Chief Financial Officer** – responsible for financial operations and fiscal responsibilities regarding our members, providers, clients, and banking relations.
- **Chief Compliance Officer** – responsible for audits and compliance monitoring.
- **Director of Human Resources** – responsible for personnel and office support
- **Chief Dental Officer** – responsible for utilization management and dental issues.
- **Manager of Member Services** – responsible for member services functions.
- **Director of Grievances and Appeals** – responsible for grievances and appeals functions.
- **Director of Utilization Management** – responsible for utilization management, case management, and functions involving members with special health care needs.
- **Director of Credentialing** – responsible for provider credentialing functions.
- **Director of Quality Improvement and Risk Management** – responsible for QI functions and risk assessment.

Key Personnel Contact Information			
Name	Title	Phone	Email
Dr. Jeffrey Feingold	President & CEO	561-665-0991	drfeingold@mcna.net
Glen Feingold	Exec VP & COO	305-215-1507	gfeingold@mcna.net
Carlos Lacasa	Senior VP & General Counsel	305-962-3911	clacasa@mcna.net
Daniel Salama	CIO	954-655-8051	dsalama@mcna.net
Edward Strongin	CFO	305-219-0169	estrongin@mcna.net
Mayre Herring	CCO	850-284-6103	mherring@mcna.net
Gabrielle Lipari	Director of HR	516-848-5713	glipari@mcna.net
Dr. Ronald Ruth	CDO	786-253-9997	dr ruth@mcna.net

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Regional Office, San Antonio, Texas

- **President and Executive Director** – responsible for public relations, and overseeing coordination efforts with MCNA’s corporate office in Florida including all administrative functions supporting the Texas regional office operations.
- **Vice President of Operations** – responsible for all operational activities associated with the Texas regional office.
- **Dental Director** – responsible for utilization management and dental issues.
- **Senior Director of Call Center Operations** – responsible for our global member and provider call center operations.
- **Manager of Provider Relations** – responsible for in-house provider relations team and coordination with the Director of Network Development’s field representatives.
- **Information Technology Support Team** – responsible for disaster records, security, telecommunications, data processing, and operations functions. Responsible for coordinating related efforts with MCNA’s corporate, Florida-based Chief Information Officer.

Key Personnel Contact Information			
Name	Title	Phone	Email
Dr. Philip Hunke	President and Executive Director	956-330-7255	drhunke@mcna.net
Shannon Turner	Vice President of Operations	859-948-7667	sturner@mcna.net
Dr. Carlos Garcia	Dental Director	956-792-2974	drgarcia@mcna.net
Marty Bailey	Senior Director of Call Center Operations	832-350-1911	mbailey@mcna.net
Ernest Garcia	Manager of Provider Relations	210-730-0108	egarcia@mcna.net

Critical Functions

The critical functions of MCNA need to be serviced before the performance of any other task. These functions are:

- Administrative operations
- IT operations
- Business operations to include claims, pre-authorizations, and issues of members and providers
- Board of Directors
- Media relations
- Security

The accessory functions of MCNA are to be addressed only after all critical functions have been performed. These functions are:

- Personnel
- Accounting/Auditing
- Accounts payable
- Claims Processing
- Maintain custody of important company records
- Insurance policies and Board-related matters

Duties and Responsibilities

Description of the Executive Director’s (ED) duties and responsibilities during a disaster:

- Responsible for overall company operations, including personnel, members, facilities and assets. Operations also include investments, insurance, marketing, security, and company policies and procedures.

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- Serves as DMT Co-Chairperson.
- Ensures adequate supervision is in place for all personnel and functions while absent from MCNA or unavailable for contact to maintain operational quality control.
- Responds to and complies with all regulations, policies, and procedures regarding department operations. Conducts inquiries, interviews, and investigations, and prepares written reports of findings as required.
- Provides information to media representatives and approves all requests for interviews from the press, radio, and television.
- Resolves member issues where appropriate; specifically, provides approval for unusual or unique transactions when no other person has immediate authority.
- Provides appropriate members of the DMT with accurate and timely informational updates regarding MCNA's recovery efforts.
- Fulfills other responsibilities as required.

Description of the Assistant Leader's duties and responsibilities during a disaster:

- Perform all duties and responsibilities of the ED in circumstances where he or she is absent or unavailable.
- Serves as Administrative Security Officer, Administrative Compliance Manager, and DMT Co-Chairperson.
- Manages day-to-day administrative functions and oversees MCNA's maintenance of adequate insurance through direct supervision of appropriate personnel.
- Fulfills other responsibilities as required.

Recovery

If MCNA is still operable, this checklist describes the functions or sections where recovery efforts will focus and determine prioritization. Before opening the following must be completed:

- Assess safety considerations for employees and members
- Coordinate with emergency services agencies, if necessary
- Conduct a damage assessment of the building to determine the levels of operation or restoration time for electricity, telephones, water, and computer system
- Ensure all areas of responsibility are staffed
- Ensure equipment and supplies are available
- Arrange for the safe relocation of all records and equipment

If it is safe to open MCNA, the following must be re-established:

- The security of employees, member, facility, assets, and records
- Contact with the Board of Directors
- Contact with media representatives
- Access to corporate files and financial records
- Access to personnel and fixed asset records
- Access to accounts payable records
- Access to provider contracts and documentations

MCNA will assess the status of all offices in the disaster area. The Provider Relations department will contact the dental offices via telephone, email, and fax. Additionally, MCNA will assist providers in their disaster and recovery plans.

Responsibilities of Key Departments

Human Resources and Administration

Notification of an "imminent" threat and/or disaster is the responsibility of the Executive Director (ED) in Texas or CEO/President in Florida, or their designee. This official notification will be sent to department directors who will then implement their respective business continuity plans. They will provide daily status reports to the ED or CEO/President (or designee).

The Human Resources Manager will be responsible for working with each department director regarding staffing prior to, during, and following any disaster that impacts the ability of the office to be operational or for staff to fulfill work obligations. The Human Resources Manager will maintain a list of staff agreeing to be available to report to work immediately following the passing of physical risk as assessed by the Plan and/or public organizations such as the Federal Emergency Management Agency (FEMA). The Human Resources Manager has devised a form for each employee to complete at the time of employment indicating whether they are able to be included on this list.

Additionally, Human Resources will maintain a current list of *all* employees that includes names, home, and emergency contact numbers. This information will be maintained for purposes of communication in the event of any type of disaster that may prevent them from reporting to work or prevent the office from being "open" for work.

Compliance

The role of the Compliance Manager (TX) and Chief Compliance Officer (FL) will be to ensure that a DR/BC is in place, has been "tested," and that all staff have been educated regarding their part in ensuring continuity of services in the event of a threat or natural disaster in the area in which they work. Additionally, the Compliance Team will review and approve policies and procedures for each area to ensure that they meet the requirements of state and federal regulatory agencies. Compliance will work with each department director in developing their department program, "testing" the plan of action, and updating any activities as guidance from state and federal regulators requires.

The Chief Compliance Officer will notify the appropriate regulatory agencies including AHCA, HHSC, and TDI of MCNA's extreme restrictions on our ability to operate and that services will be provided in the most effective manner available under the circumstances.

Information Technology (IT)

Upon notification that an "imminent" threat exists for the corporate office, the IT department staff will implement their DR/BC plan. The primary goal of the DR/BC plan is to ensure that members have access to the Member Services department staff, data is safe and secure, and that business can continue or be restored in a timely and orderly fashion. The department has established a policy and procedure for safeguarding data, safeguarding hardware, and restoring telephone and data lines. The IT department has also established an emergency plan for staffing that addresses the ability of identified department directors to contact the IT department staff regarding problems that arise before and after the "imminent" threat.

MCNA has developed contingency plan documents to identify core activities in the areas of Data Backup Plan, Disaster Recovery Plan, Emergency Mode Operation Plan, Testing and Revision, and Applications and Data Criticality Analysis implementation specifications of the HIPAA Security Rule.

MCNA has developed and implemented a contingency plan to ensure the confidentiality, integrity, and availability of electronic protected health information (EPHI) during and after an emergency as well as other confidential and sensitive data for which integrity must be maintained.

Responsibilities

The Chief Information Officer (CIO) is responsible for leading the activities that bring MCNA into compliance with the HIPAA Security Rule implementation and HITECH specifications of:

- Data backup plan
- Disaster recovery plan
- Emergency mode operation plan
- Testing and revision
- Application and data criticality analysis

The core objectives of contingency planning include the capability to:

- Restore operations at an alternate site (if necessary)
- Recover operations using alternate equipment (if necessary)
- Perform some or all of the affected business processes using other means

The contingency plan will be developed for the entire enterprise. The contingency plan addresses IT system components such as:

- Local, wide area, and wireless networks including Internet access (if critical to the operation of the business)
- Server systems such as file, application, print and database
- Web sites
- Security systems such as firewalls, authentication servers, and intrusion detection
- Desktop, laptop, and PDA systems

MCNA follows the recommendations of the National Institute of Standards and Technology (NIST) in the area of contingency planning. The NIST recommends the following seven (7) key steps to address the requirements of contingency planning. These steps are:

- Develop the contingency policy objective statement
- Conduct a Business Impact Analysis (BIA)
- Identify preventive controls
- Develop recovery strategies
- Create the contingency plan
- Conduct testing and training
- Review and maintenance

Step 1: Contingency Policy Objective Statement

The first step for the organization to address the requirements associated with contingency planning is to very clearly define the contingency planning policy. The core objective of the policy statement is to establish the organizational framework and responsibilities for contingency planning. NIST recommends that the contingency policy address the following topics:

- Roles and responsibilities
- Scope of policy with respect to systems/platforms and organizations functions subject to contingency planning
- Resource requirements
- Training requirements
- Exercise and testing schedules
- Plan maintenance schedule
- Frequency of backups and storage of backup media

Step 2: Business Impact Analysis (BIA)

One of the critical steps in contingency planning is Business Impact Analysis (BIA). BIA helps to identify and prioritize critical Information Technology (IT) systems and components. IT systems may have numerous components, interfaces and processes. BIA enables a complete characterization of:

- System requirements
- Processes
- Interdependencies

As part of the BIA process, information is collected, analyzed, and interpreted to provide the basis for defining contingency requirements and priorities, and to understand the impact of a threat on the business, which may be economical, operational or both. Questionnaires or survey tools may be used to collect information.

BIA is performed at the beginning of disaster recovery and continuity planning to specifically identify the areas that would suffer the greatest financial or operational loss in the event of a disaster or disruption. A key objective is to identify all critical systems that are required for the continuity of the business. An additional objective is the determination of the amount of time it would take to recover such systems in the event of a loss.

The critical steps for BIA include the need to:

1. Identify critical business functions
2. Identify disruption impacts and allowable outage times
3. Develop recovery priorities

Step 3: Preventive Controls

The BIA provides vital information regarding system availability and recovery requirements. It may be possible to mitigate some outage impacts identified in the BIA through preventive controls. The objective of preventive controls is to deter, detect, and/or reduce impacts to the system. Wherever possible, preventive controls are preferable to actions to recover the system after a disruption.

Step 4: Recovery Strategies

The objective of all recovery strategies is to restore IT operations quickly and effectively following a disruption. A critical focus is to provide access to all EPHI. Several factors will influence recovery strategy including cost, allowable outage time, security, and integration with larger organizational-level contingency plans.

The choice for the recovery approach would depend on the incident and the type of system and its operational requirements. Technologies such as Redundant Arrays of Independent Disks (RAID), automatic fail-over, Uninterruptible Power Supply (UPS), and mirrored systems should be considered when developing a system recovery strategy.

Plan Triggering Events

Key trigger issues at headquarters that would lead to activation of the DR/BC plan are:

- Total loss of all communications
- Total loss of power
- Flooding of the premises
- Loss of the building

Assembly Points

If the premises need to be evacuated, the DR/BC plan invocation plan identifies two (2) evacuation assembly points:

- Primary – Far end of main parking lot
- Alternate – Parking lot of company across the street

Activation of Disaster Management Team

When an incident occurs the DMT must be activated. The DMT will then decide the extent to which the DR/BC plan must be invoked. All employees must be issued a Quick Reference card containing DMT contact details to be used in the event of a disaster. Responsibilities of the DMT are to:

- Respond immediately to a potential disaster and call emergency services
- Assess the extent of the disaster and its impact on the business, data center, and other systems and operations
- Decide which elements of the DR/BC should be activated
- Establish and manage the disaster recovery team to maintain vital services and work toward the return to normal operation
- Ensure employees are notified and allocate responsibilities and activities as required

Disaster Recovery Team

The disaster recovery team will be contacted and assembled by the DMT. The team's responsibilities are to:

- Establish facilities for an emergency level of service within 2 business hours
- Restore key services within 4 business hours of the incident
- Recover to business as usual within 8 to 24 hours after the incident
- Coordinate activities with disaster recovery team, first responders, and other team members
- Report to the DMT

Emergency Alert, Escalation and DR/BC Activation

This policy and procedure has been established to ensure that in the event of a disaster or crisis, personnel will have a clear understanding of who should be contacted. Procedures have been addressed to ensure that communications can be quickly established while activating disaster recovery functions.

The DR/BC plan will rely principally on key members of management and staff who will provide the technical and management skills necessary to achieve an efficient technology and business recovery. Suppliers of critical goods and services will continue to support recovery of business operations as the company returns to normal operating mode.

DR/BC Procedures for Management

Members of the management team will keep a hard copy of the names and contact numbers of each employee in their departments. In addition, management team members will have a hard copy of the company's DR/BC plans on file in their homes in the event that the building that houses company headquarters is inaccessible, unusable, or destroyed.

Contact with Employees

Managers will serve as the focal points for their departments, while designated employees will call other employees to discuss the crisis/disaster and the company's immediate plans. Employees who cannot reach staff on their call list are advised to call the staff member's emergency contact to relay information about the disaster.

Backup Staff

If a manager or staff member designated to contact other employees is unavailable or incapacitated, the designated backup staff member will perform notification duties.

Recorded Messages/Updates

For the latest information on the disaster and the organization's response, staff members can call a toll-free hotline listed in the DR/BC wallet card. The recorded messages will include information about the nature of the disaster, assembly sites, and updates on work resumption.

Alternate Recovery Facilities/Hot Site

If necessary, the hot site in our secure Data Center in Fort Lauderdale, FL, will be activated and notification will take place using recorded messages or through communications with managers.

Personnel and Family Notification

If the incident has resulted in a situation that would cause concern to an employee's immediate family, such as the hospitalization of injured persons, it will be necessary to notify their immediate family members quickly.

Development of Contingency Plan

The contingency plan contains detailed roles, responsibilities, teams, and procedures associated with restoring critical systems following a disruption. The plan should document technical capabilities designed to support contingency operations. The plan should be tailored to directly address organizational needs and requirements. It should balance detail with flexibility; usually the more detailed the plan is, the less scalable and versatile the approach. The NIST identifies five (5) main components of the contingency plan. They are:

- Supporting information
- Notification/Activation phase
- Recovery phase
- Reconstitution phase
- Plan appendices

Recovery Strategy Overview

The business continuity recovery portion of the DR/BC plan is based on the organization's survival of the loss of facilities and/or key personnel and systems during a disaster.

Once MCNA's DMT has determined that a declaration of disaster is required, the following sequence of events will occur:

Steps:	Instruction:
1: Evacuate affected facility	If the emergency requires an evacuation of employees, execute evacuation plans contained in the Emergency Procedures section.
2: Go to staging area	Follow building evacuation instructions.
3: Determine length of outage	Review written and verbal damage assessment reports from facilities and civil authorities to estimate the amount of time the facility will be uninhabitable.
4: Select disaster level	Based on the estimated duration of the outage, declare the disaster event as either a L1 (less than 48 hours), L2 (48 hours to 6 weeks), or L3 (6 weeks or longer).
5: Activate alternate facilities	Contact alternate facilities identified in the Facilities section. Confirm their availability and alert them of estimated arrival time.
6: Release personnel from the staging area	Once the disaster level has been selected, release all personnel from the staging area to their assigned recovery location. • Non-essential personnel – Home • Recovery Site Team – Alternate facility • End Users – Alternate facility • Command Center Staff – Alternate facility • Crisis Management Team – Alternate facility
7: Establishment of a Command Center by the Recovery Site Team (RST).	RST personnel are the first to arrive at the alternate facility to set up and organize the command center prior to the arrival of the Crisis Management Team (CMT) and support personnel. The following representatives are required at the Command Center within 1-3 hours. • Crisis Management Team • Disaster Management Team Lead • Business Restoration Team Lead • Recovery Site Team Lead
8: Establish situation desk	At the Command Center, establish a dedicated line with operator to field all incoming calls. Announce location phone number to all recovery participants.
9: Review recovery matrix	Review the Recovery Matrix section on a department-by-department basis to determine who is most affected by the disaster. Group departments by recovery resource requirements, time frames, and co-location requirements.
10: Create technology shopping list	Once the technology requirements of all affected department(s) are known, create a requirements list for the IT support staff.

Testing and Training

The testing of the contingency plan is critical to its viability. Testing enables plan deficiencies to be identified and addressed. Testing also helps evaluate the ability of the recovery staff to implement the plan quickly and effectively. Each contingency plan element should be tested to confirm the accuracy of individual recovery procedures and the overall effectiveness of the plan. Testing will be completed annually. The following areas should be addressed in the test:

- System recovery on an alternate platform from backup media
- Coordination among recovery teams
- Internal and external connectivity
- System performance using alternate equipment
- Restoration of normal operations
- Notification procedures

Testing Methods

Testing the plan will involve each of the following procedures:

1. **Walkthroughs** - Team members verbally review the specific steps as documented in the plan to confirm effectiveness and identify gaps, bottlenecks, or other weaknesses. This test provides an opportunity to review the plan with a larger subset of people, allowing the DMT project manager to draw upon an increased pool of knowledge and experiences. Staff should be familiar with procedures, equipment, and offsite facilities (if required).
2. **Simulations** - A disaster is simulated with interruption to normal operations. Hardware, software, personnel, communications, procedures, supplies and forms, documentation, transportation, utilities, and alternate site processing should be thoroughly tested in a simulation test. However, validated checklists can provide a reasonable level of assurance for many of these scenarios. Careful analysis of the output of previous tests will be completed before the proposed simulation to ensure the lessons learned during the previous phases of the cycle have been applied.
3. **Parallel Testing** - A parallel test can be performed in conjunction with the checklist or simulation tests. Under this scenario, historical transactions, such as the prior business day's transactions, are processed against the previous day's backup files at the contingency processing site or hot site. All reports produced at the alternate site for the current business date should agree with those reports produced at the alternate processing site.
4. **Full-interruption Testing** - A full-interruption test activates the total DR/BC plan. The test is likely to be costly and could disrupt normal operations, and therefore should be approached with caution. The importance of due diligence with respect to previous DR/BC phases cannot be overstated.

Any gaps or absences of required resources in the DR/BC plan that are discovered during the testing phase will be addressed by the DMT.

Call Tree Testing

The call tree is a major part of the DR/BC plan. MCNA requires that it be tested on a quarterly basis in order to ensure that it is functional. The following steps comprise the test:

1. The DMT lead initiates the call tree and gives the first round of employees called a code word.
2. The code word is passed from one caller to the next.
3. All DMT members are asked for the code word on the following workday.
4. Any issues with the call tree or contact information will then be addressed accordingly.

Review and Maintenance

To be effective, the contingency plan must be maintained in a ready state that accurately reflects system requirements, procedures, organizational structure, and policies. IT systems undergo frequent changes because of shifting business needs, technology upgrades, or new internal or external policies. Therefore, it is essential that the contingency plan be reviewed and updated regularly, as part of the organization's change management process, to ensure new information is documented and contingency measures are revised if required. As a general rule, the plan should be reviewed for accuracy and completeness at least annually or whenever significant changes occur that affect any element of the plan.

Plan Updating and Approval

It is necessary for the DR/BC plan update process to be properly structured and controlled. Whenever changes are made to the plan they are to be fully tested with the appropriate amendments made to any pertinent training materials. This will involve the use of formalized change control procedures under the control of the CIO. This plan is reviewed on an annual basis during the fourth calendar quarter of the year. If updates are deemed necessary, the CIO presents them to the DMT for review and approval. If the updates are approved by the DMT, a revised DR/BC plan will be submitted to any applicable state or regulatory agency no less than 30 days prior to the implementation of requested changes.

Risk Management/Threat Profile

There are many potential disruptive threats that can occur at any time and affect the normal business process. After deliberating over a wide range of potential threats, the most probable threats likely to impact MCNA were identified. Each potential environmental disaster or emergency situation has been examined. The focus here is on the level of business disruption that could arise from each type of disaster.

Potential disasters or threats have been assessed as follows:

Hazard	Profile of Hazard	First Response
Freezing Rain	Freezing rain occurs when surface temperatures drop below freezing during rainfall. The moisture falls in liquid form, but freezes upon impact, resulting in a coating of ice on exposed objects. This occurrence may be called an ice storm when a substantial layer of ice accumulates. Ice formation on exposed objects generally ranges from a thin glaze to coatings about an inch thick. A heavy accumulation of ice, especially when accompanied by high winds, devastates trees and transmission lines. Sidewalks, streets, and highways become extremely hazardous to pedestrians and motorists. During winter months, citizens should be prepared to shelter themselves at home for several days, possibly without power. Local shelters can be opened in areas where power is not affected but transportation to a shelter may be difficult.	- Step 1: Monitor weather advisories. - Step 2: Notify on-site employees. - Step 3: Call local radio and TV stations to broadcast weather closing information for employees at home. - Step 4: Place closed sign on all MCNA doors. - Step 5: Arrange for snow and ice removal.
Tornadoes	Tornadoes are violent rotating columns of air that descend from severe thunderstorm cloud systems. They are normally short-lived local storms containing high-speed winds usually rotating in a counter-clockwise direction. These are often observable as a funnel-shaped appendage to a thunderstorm cloud. The funnel is initially composed of nothing more than condensed water vapor. It usually picks up dust and debris, which eventually darkens the entire funnel. A tornado can cause damage even though the funnel does not appear to touch the ground.	- Step 1: Monitor weather conditions. - Step 2: Notify employees of potential of severe weather. - Step 3: Power off equipment. - Step 4: Shut off utilities (power and gas). - Step 5: Direct employees to safe places. - Step 6: Assess damage once storm passes. - Step 7: Assist affected employees.

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Floods	In several areas of our covered services regions, unusually heavy rains may cause "flash" floods. Small creeks, gullies, dry streambeds, ravines, culverts, or even low-lying ground frequently flood quickly. In such situations, people are endangered before any warning can be given.	• Step 1: Monitor flood advisories. • Step 2: Determine flood potential to MCNA. • Step 3: Determine employees at risk. • Step 4: Pre-stage emergency power generating equipment. • Step 5: Assess damage.
Data center failure	MCNA's management information system, DentalTrac™, and our telephone system are hosted in multiple data centers located across different regions in the US. A data center failure may occur as the result of: • destruction or damaged computer systems • software corruption • network connectivity failures • operating system failures These failures may or may not affect the integrity of transactions or data maintained in our live and archival systems. In such situations, access to our systems, telephones, and confidential data may not be possible.	• Step 1: Initiate recovery control meeting. • Step 2: Verify automatic fail over to backup data center is in effect. Otherwise, initiate fail over to backup data center. At this point, access to systems, telephones, and confidential data will be accessible. • Step 3: Assess damage to failed data center and develop a recovery plan. • Step 4: Rebuild failed or damaged components in the failed data center. • Step 5: Restore data. • Step 6: Verify operability of the corrected components or failed data center. • Step 7: Restore operations to the failed data center. • Step 8: Analyze disaster event and assess recommendations to prevent the issue from occurring again or mitigate detrimental downtime.

Communication with Staff and Suppliers when Normal Systems are Unavailable

The DMT and department heads maintain current employee lists that include names, titles, home addresses, and phone numbers. The information is maintained with the DR/BC plan for use as needed. All employee information is updated at least quarterly.

MCNA has established a toll-free phone number for emergency use by all employees. Use of this special number is restricted to disaster recovery efforts and emergency notifications only, and is not to be used for any other purpose during the time of emergency.

Disaster Recovery Hotline (Number for employees only): 855-246-6262

The COO or designee is to immediately take the following actions if a disaster occurs:

- Assess any injury or damage to employees, members, and facilities
- Temporarily close and secure the facility, if necessary
- Contact appropriate emergency services, if necessary
- Begin documenting the effects of the disaster and actions taken
- Secure all assets and records
- Make first attempt to contact MCNA's DMT Chairperson with a damage assessment and actions taken report, and act upon instructions received.
- If all documented attempts to communicate with the Chairperson have failed, the ED or designee is authorized to initiate reasonable and prudent responses necessary to minimize the potential of:
 - Injury to personnel and members
 - Damage to facilities

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- o Loss of assets and records

In an emergency, the DMT authorizes the notification and immediate response of appropriate personnel. This notification is made by phone or in person. The DMT authorizes notification according to one of the three (3) levels of alert as follows:

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ALERT 3: Maximum Response

The actual occurrence of one of the above-mentioned natural or man-made disasters, or any loss of any of the three (3) types of resources for a longer period of time than described in Alert 2.

- All designated staff moves immediately to their assigned locations, or another location as instructed by the DMT.

If the emergency occurs during working hours:

- The PR department diverts all PR responsibility to the closest alternate center of Operation. Providers and contracted entities are notified, as the situation allows, that MCNA services are extremely restricted. Providers and contracted entities are also instructed that urgent and emergency situations should be handled immediately.
- Call Center operations has a disaster team as described in Alert 2 who remain as long as the situation remains reasonably safe. If the situation becomes unsafe the telephone lines are transferred to the regional call center operation until it is resolved and normal operations can resume.
- The Utilization Management department closes down in the case of an extreme emergency, as described in Alert 2. Retrospective utilization review will be conducted at the time of claim submission.
- Administration notifies appropriate regulatory agencies of MCNA's Alert 3 status and how services will be provided in the most effective manner according to the situation.
- MCNA closes immediately. All staff remains at home until they receive notification of when to return.
- All appropriate records, equipment, data, and documents are relocated to a safe area such as another regional office.

In the event that normal phone lines are not functional, alternate communication tools such as public phones and wireless communications including satellite phones are used as needed. The cellular phones accessible by company personnel will be used.

Continuity of Services to Providers and Members

Our DR/BC plan puts the safety and well being of our staff, members, and providers first. A critical function of this plan is to ensure this holds true during times of business operations disruption.

During routine interactions with our members and providers, we invite them to update their demographic information with us, such as home telephone, mobile telephone, and email address, so that we may send them important notices. When our members and providers choose to opt-in, we are better able to maintain communication with them during times of distress when they need important information from us most.

Our member and provider hot line staff is trained to educate members and providers on how to conduct business or obtain services from MCNA during normal circumstances as well as during the event of an emergency. The methods of communication between members and providers remain the same even during the event of an emergency.

Member Services Department

Our Member Services department plays a central role in ensuring the continuity of services delivered to our members. MCNA takes action to ensure this department is accessible to members no matter what the circumstances. To that end, in the event that our members cannot reach our Louisiana office by telephone as the result of a natural disaster, member service functions are redirected to our San Antonio location.

MCNA's principal Call Center operations are located in San Antonio, Texas, and with an additional Call Center located in our corporate headquarters in Fort Lauderdale, Florida. We distribute our Call Center operations to leverage our multi-regional offices in assuring continuity of service. MCNA cross trains personnel across all locations. Our distributive approach guarantees that we are able to perform all member services and eligibility verifications and answer general questions despite an event that shuts down operations at one of our locations. The phone system automatically sends calls directly to the available call center operations unit at the onset of a disaster. This department continues handling normal functions Monday-Friday during the required hours of operation based on MCNA's contracts.

The SDCCO works with the appropriate departmental supervisors to ensure that in the event an operational office is impacted, the following actions occur: (1) phones are rerouted, (2) the toll-free number continues to be available to members, (3) appropriate staffing levels are maintained, and (4) covering staff have received the necessary training to answer all member questions.

The SDCCO also maintains a staffing plan to support the continuity of services.

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Provider Relations Department

Our Provider Relations (PR) department must be prepared to identify network providers and other health care facilities that remain operational during an emergency situation so MCNA can effectively direct members to the care they need. In the event that a situation occurs in one or more geographic regions served by MCNA, our PR department implements the DR/BC plan and determines the following: (1) identify primary care offices that are operating and accepting patients, (2) identify high volume specialty offices that are operating and accepting patients, (3) and determine which hospitals (including emergency rooms) are operating and accepting patients.

The PR department maintains an updated list of these providers and hospital facilities that includes phone numbers and addresses for immediate use during emergency situations. The list of providers and hospital facilities also include out-of-state providers in order to offer services to evacuated members... For example, in 2005 MCNA's corporate office in Florida utilized such a list when dealing with situations created in the central area of the state following Hurricane Rita, which impacted Miami-Dade and Broward (Fort Lauderdale) counties.

The PR Director is responsible for:

- Developing a staffing plan that includes assigned responsibility for placing calls to identify available services for members
- Informing the Member Services staff of available service locations
- Informing the Utilization Management staff to support the tracking of services

The department plan includes identifying alternative methods of contact (e.g., cell phone, e-mail, and text) for staff in impacted regions to be able to stay in touch with the department Director. If PR staff is unable to operate out of their homes, they can still maintain e-mail contact with the corporate office using wireless Internet devices.

Additional Member Support Staff

If there is any impact to members receiving special assistance from the Case Management department, MCNA's Call Center operations staff and Member Advocate and Community Outreach Specialists (MAOS) are cross-trained to be able to assist our special needs members, as needed, during the recovery period.

Dental Care Services

In an emergency, the primary function of the Utilization Management department is to implement and monitor the suspension of authorization requirements when deemed necessary, and to formally notify the PR, Member Services, and Claims departments of the temporary suspension. During the suspension period, UM collaborates with the Claims department to monitor encounter data for fraud, waste and abuse.

At all times, providers have 24x7 access to MCNA's Provider Portal. In our Provider Portal, providers are able to verify member eligibility as well as access the member's health history and receive information of care during emergency or evacuation events.

Member and Provider Education

MCNA provides continual education to our members and providers regarding hurricane preparedness, emergency handling, and evacuation planning. Our call center staff and PR department maintain our members and providers updated with valuable information regarding preparing and dealing with emergency situations during telephonic or in-person interactions. Additionally, MCNA will provide updated information regarding emergency preparedness and evacuation planning on our websites and Provider Portal.

Permanent or Temporary Facilities (Center of Operation)

MCNA's center of operations will be maintained in Fort Lauderdale, Florida, and a backup will be located in Texas.

Claims processing (payments) will be maintained in MCNA's corporate office in Florida, so with the ability to fully support standard daily operations call balancing and other functions addressed in this document will not require emergent interim office locations to be established in the area. If staff were needed prior to location availability, transportation arrangements to work from Florida will be arranged for specific staff. If the Florida location was compromised by a disaster event, our Texas location will take ownership of claims processing operations until operations in Florida are restored.

Supplies and Equipment

Supplies and equipment are stored at the center of operations as appropriate. The Human Resources department will retain the following information:

- Current copy of the DR/BC plan and procedures

- Building plans with primary control points for all utilities
- Current list of staff, including names, addresses, and phone numbers
- Current list of all equipment and serial numbers, replacement information, names and phone numbers of vendors, providers and service agreement information
- Current list of all emergency services, community resources, and related agencies for all geographic areas within MCNA's service area
- Battery operated radios capable of receiving emergency instructions, fire extinguishers, flashlights, and other emergency equipment as appropriate
- Master keys, alarm access codes, and other security information for the center of operation
- Stationery items, forms, and other documents as appropriate.
- Chronological log forms to document all actions taken during the emergency

The CIO will maintain daily and weekly backup of data and other system information. Recent and month-end backups will be stored off site.

Storage Site

A storage site may be maintained at a location distant from the center of operation. This storage site may contain items acquired in addition to or in place of the items stored at the center of operation. These items are to be determined by the DMT.

Service Agreements, Emergency Services, and Community Resources

The DMT will continually investigate, review, and develop services to administer disaster preparation and recover.

Emergency Services

The DMT will continually investigate appropriate vendors and community resources to provide emergency services to MCNA. MCNA will rely, whenever possible, upon established vendors, internal devices, personnel, and procedures to administer the recovery effort.

Service Agreements

The DMT will continue to seek appropriate service agreements with other companies, associations, and service companies to provide backup services until MCNA has resumed normal operations. As those agreements are developed, they will be added to the DR/BC plan, updated and verified at least annually.

The DMT will also be responsible for developing and maintaining a comprehensive listing of all emergency services and related agencies within each county, or other appropriate geographic region, serviced by MCNA. Wherever, possible, two (2) similar agencies, resources, and vendors will be listed. This listing will be updated and verified at least annually.

This listing will focus upon those services and resources likely to assist with recovery efforts regarding:

- **Personnel:** Notification, basic needs transportation, re-allocation, replacement, management, media relations, and temporary lodgings
- **Members:** Notification, marketing, public relations, cash handling, and utilization approval
- **Service Vendors:** Service Agreements, Emergency Services Agencies, and Community Resources
- **Emergency Services:** Law enforcement, fire, dental, and non-emergency governmental agencies
- **Facilities:** Power, utility agencies, repair, and replacement contractors
- **Data Processing:** Item processing, capture, office PCs, and peripherals
- **Equipment and Supplies:** Repair, replacement, special needs, and delivery

Activity Log

In the event of any activation of this plan, the DMT designee will implement an activity log to be kept at all times during the activation. This log shall be maintained in a chronological sequence of events and clearly identify the following information:

- Time activity begun, actions taken, time activity terminated
- Locations involved
- Individual maintaining log entries
- Individual generating information
- Individual assigned to a task, if applicable
- Notification of other personnel, if applicable:
 - Name of person notified
 - Time of notification
 - Action requested
 - Disposition
- Usual events requiring follow-up when normal operations resume
- Termination date/time of emergency activation, including name and title of person making determination

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Exhibit A

External Vendors

Provider	Contact	Purpose
APC Corp.	888.289.APCC	Power protection systems
Agility Recovery Solutions	800.567.5001	Mobile recovery resources
Barracuda	408.342.5300	Network Firewalls
Belfor, Inc.	800.856.3333	Electronics restorations
BMS Catastrophic	800.433.2940	Damage restoration (fire & water)
Cisco	800.553.2447	Core Switches/Routers
Crisis Care Network	888.736.0911	Crisis management
Data Protection	800.267.1664	Online data backup
Dell	866.362.5350	Server Hardware
Electronic Restoration Services	888.248.3148	Data restoration services
Emergency Lifeline Corp.	800.826.2201	Disaster response kits
FedEx Custom Critical	800.762.3787	Expedited shipping
FPL Fibernet	866.553.4237	Upstream ISP
Generac Power Systems	262.544.4811	Emergency power supply
Google Applications Enterprise Support	877.355.5787	Email Services Support
GTT	703.442.5539	Upstream ISP
HP	800.334.5144	Server Hardware
IMAC	800.554.IMAC	Crisis management
Iron Mountain	800.899-IRON	Off-site data storage
Kohler Rental Power	888.769.3794	Diesel generators.
Liberty Mutual	561-999-0310	Property Management
Magi Real Estate	210-340-5500	Property Management
Mail-Gard Continuity & Recovery Services	215.957.1007	Mail processing recovery
Media Recovery, Inc.	800.527.9497	Damaged media recovery
Network Services, Inc.	800.392.3299	Satellite linked command center
Renew Data Corp.	888.811.3789	Data recovery and forensics
Rentsys Recovery Services	800.955.5171	Emergency technology recovery
Service Master	800-RESPOND	Fire, smoke & water restoration
Servpro Industries	800.SER.VPRO	Cleanup and restoration services
SunGard Recovery Services	800.468.7483	Hot sites, warm sites, and cold sites
Windstream	800.600.5050	Upstream ISP

Exhibit B

Core Business Impact Analysis

Name	RTO	Impact
Case Management	5 days	Delayed assisting members with special needs Increased complaints
Claims	2 days	Untimely processing of claims Violation of contractual requirements Fines and penalties Increased complaints
Compliance	2 days	Violation of contractual requirements Fines and penalties
Credentialing	2 days	Untimely processing of provider applications
Enrollment	2 days	Increased claim denials Delay in verification of eligibility Violation of contractual requirements Fines and penalties Increased complaints
Finance	2 days	Delayed banking transactions Delayed financial reporting Violation of contractual requirements Fines and penalties
Grievance & Appeals	5 days	Delayed processing of Appeals Violation of contractual requirements Fines and penalties
Member Services	2 days	Delayed assistance to members and providers Violation of contractual requirements Fines and penalties Increased complaints
Network Development	5 days	Violation of contractual requirements Fines and penalties
Provider Relations	2 days	Increased provider complaints Violation of contractual requirements Fines and penalties
QI & Risk Management	5 days	No significant impact identified
Utilization Management	2 days	Delayed processing of prior authorizations Delayed delivery of services to members Violation of contractual requirements Fines and penalties

Legend

- Name – Business Unit Name
- Recovery Time Objective (RTO) – Time needed to recover the parent process to business almost as usual following a disruption
- Impact – Impact of the loss of the function, e.g., lost revenues, legal ramifications, or fines and penalties

Exhibit C

Data Center Infrastructure

All MCNA core IT infrastructure is maintained using the Amazon Web Services (AWS) Government Cloud infrastructure. Because all IT infrastructure is operated in a virtualized environment, the operational aspects of air cooling, power requirements, cabling diagrams, and plug connectors are non-existent.

We maintain certain core communication equipment in our Fort Lauderdale and San Antonio offices that allows our facilities to communicate with one another as well as with our AWS infrastructure. This core communication equipment is maintained in secure computer rooms with independent air conditioning provided by vented building ducts, dry pipe fire suppression, and automated fire and smoke detectors along with portable, hand-held extinguishers. All network equipment rooms are secured with lock and key and/or controlled badge swipe system.

For documentation purposes, below are network diagrams depicting the logical distribution of our core IT infrastructure within AWS.

Systems and Data Backups

MCNA utilizes AWS, which is a collection of remote computing services such as Elastic Compute Cloud (EC2) and Simple Storage Services (S3) that together make up a cloud-computing platform, offered over the Internet by Amazon.com

Amazon's EC2 services provide an extensive GUI and API interface that can be employed to perform scheduled backups utilizing Perl and/or bash scripting. The API library provides a rich and broad set of command line tools allowing for the manipulation and management of snapshots for both data volumes and server configurations.

Systems Backups

An Amazon Machine Image (AMI) is a template that contains a software configuration for a server (for example, an operating system, an application server, and applications). The Amazon Linux AMI is for use on Amazon Elastic Compute Cloud (Amazon EC2). It is designed to provide a stable, secure, and high performance execution environment for applications running on Amazon EC2. The AMI provides the software for the root volume of the instance from which as many instances can be launched as required. The AMI file system is compressed, encrypted, signed, split into a series of 10 MB chunks, and uploaded into Amazon S3 for storage.

System backup AMI's (images) are used for the base of a recovery for a server that needs replacing or replicating.

Data Backup

Amazon EBS volumes are designed to be highly available and reliable. Amazon EBS volume data is replicated across multiple servers in an Availability Zone to prevent the loss of data from the failure of any single component. Amazon EBS provides the ability to create point-in-time snapshots of volumes, which are persisted to Amazon S3.

Backup Reliability via AWS S3

Amazon S3 is designed to provide 99.999999999% durability of objects over a given year. This durability level corresponds to an average annual expected loss of 0.000000001% of objects. For example, if 10,000 objects are stored with Amazon S3, on average it's expected to incur a loss of a single object once every 10,000,000 years. In addition, Amazon S3 is designed to sustain the concurrent loss of data in two facilities.

Amazon S3 redundantly stores objects on multiple devices across multiple facilities in an Amazon S3 Region. The service is designed to sustain concurrent device failures by quickly detecting and repairing any lost redundancy. When processing a request to store data, the service will redundantly store an object across multiple facilities before returning SUCCESS.

Backup Model

The most widely used and reliable backup method is called GFS, which stands for Grandfather-father-son. GFS backup refers to the most common rotation scheme for rotating backup media. Originally designed for tape backup, it works well for any hierarchical backup strategy. The basic method is to define three sets of backups, daily, weekly, and monthly.

The daily, or son, backups are rotated on a daily basis with one graduating to father status each week. The weekly or father backups are rotated on a weekly basis with one graduating to grandfather status each month. In addition, quarterly, biannual, and/or annual backups are also separately retained

MCNA utilizes a script that manages the EBS snapshots and backups for all of the systems. This script manages the hourly, daily, weekly, and monthly snapshots and manages the rotating of the snapshots out of the EBS.

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Postgres Database Backup

For redundancy purposes, MCNA employs two (2) entirely separate backup processes and three (3) entirely separate archival processes.

File System Snapshot

A file system snapshot is performed on the master server every morning during the defined maintenance window. This snapshot consists of putting the database in backup mode, taking a consistent-state snapshot of the entire Postgres directory structure, and releasing the database from backup mode. This has the identical effect of creating a native Postgres base backup. All database activity generated during the snapshot process is written in WAL files.

Postgres Base Backup

A native Postgres base backup is performed once a week via cron. This file is compressed and stored on a separate file system on the master. These files are rotated so that the three (3) most recent base backups are available for use at all times. All database activity generated during the backup process is written in WAL files.

WAL Archiving

WAL files are archived in three (3) ways.

1. Native Postgres streaming replication is used to stream WAL files to three (3) different hot standby servers in real time.
2. Native Postgres archiving is used to write WAL files onto a separate volume on the primary hot standby server.
3. WAL files are backed up to Amazon S3 every 30 minutes.

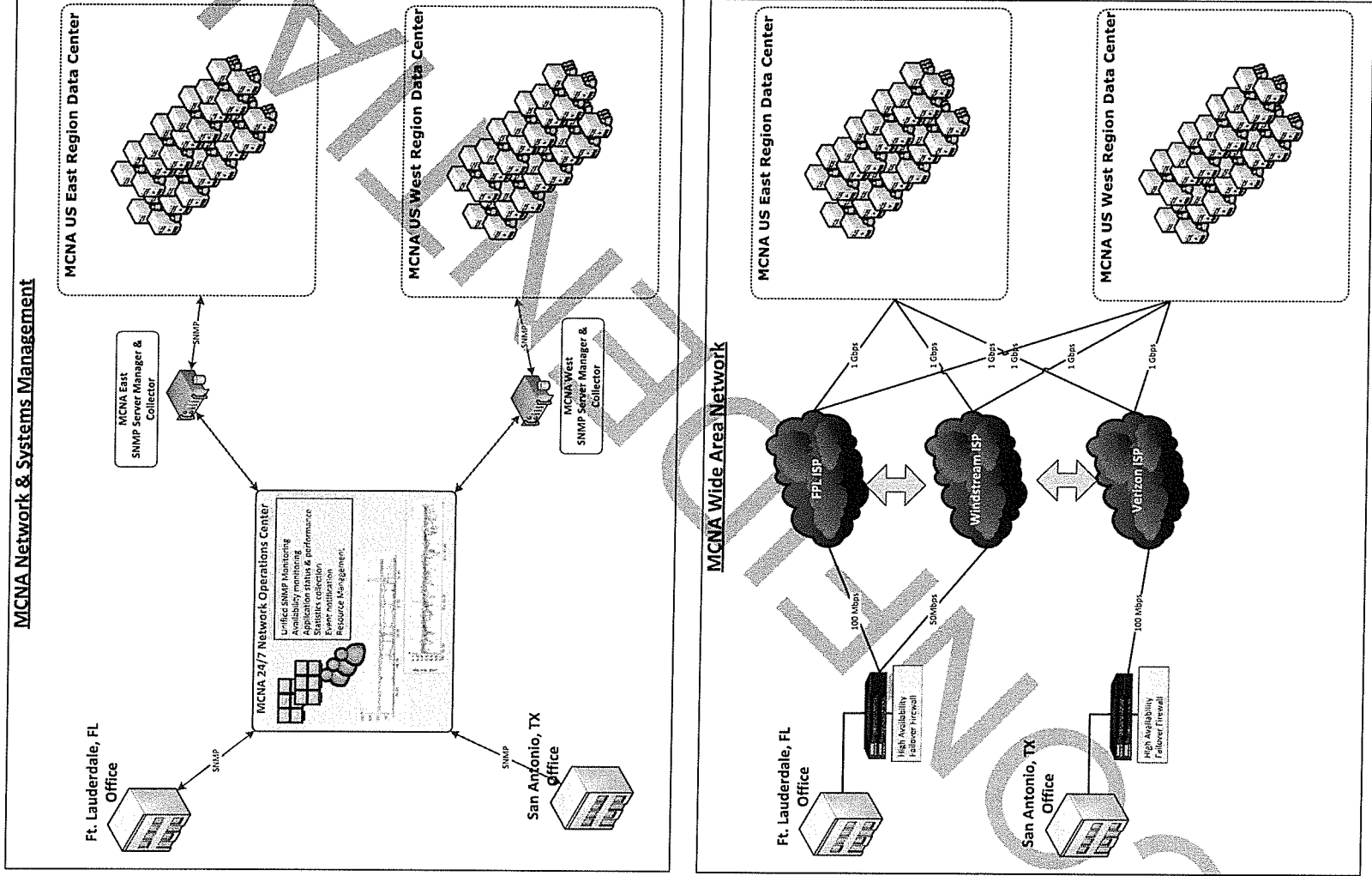
AWS Inter-Regional Backups

Amazon EC2 is hosted in multiple locations that are composed of regions and Availability Zones. Each region is a separate geographic area. Each region has multiple, isolated locations known as Availability Zones. Amazon EC2 provides the ability to place resources, such as instances, and data in multiple locations. However, specific resources aren't automatically replicated (with the exception of S3 data) across regions unless specifically maintained.

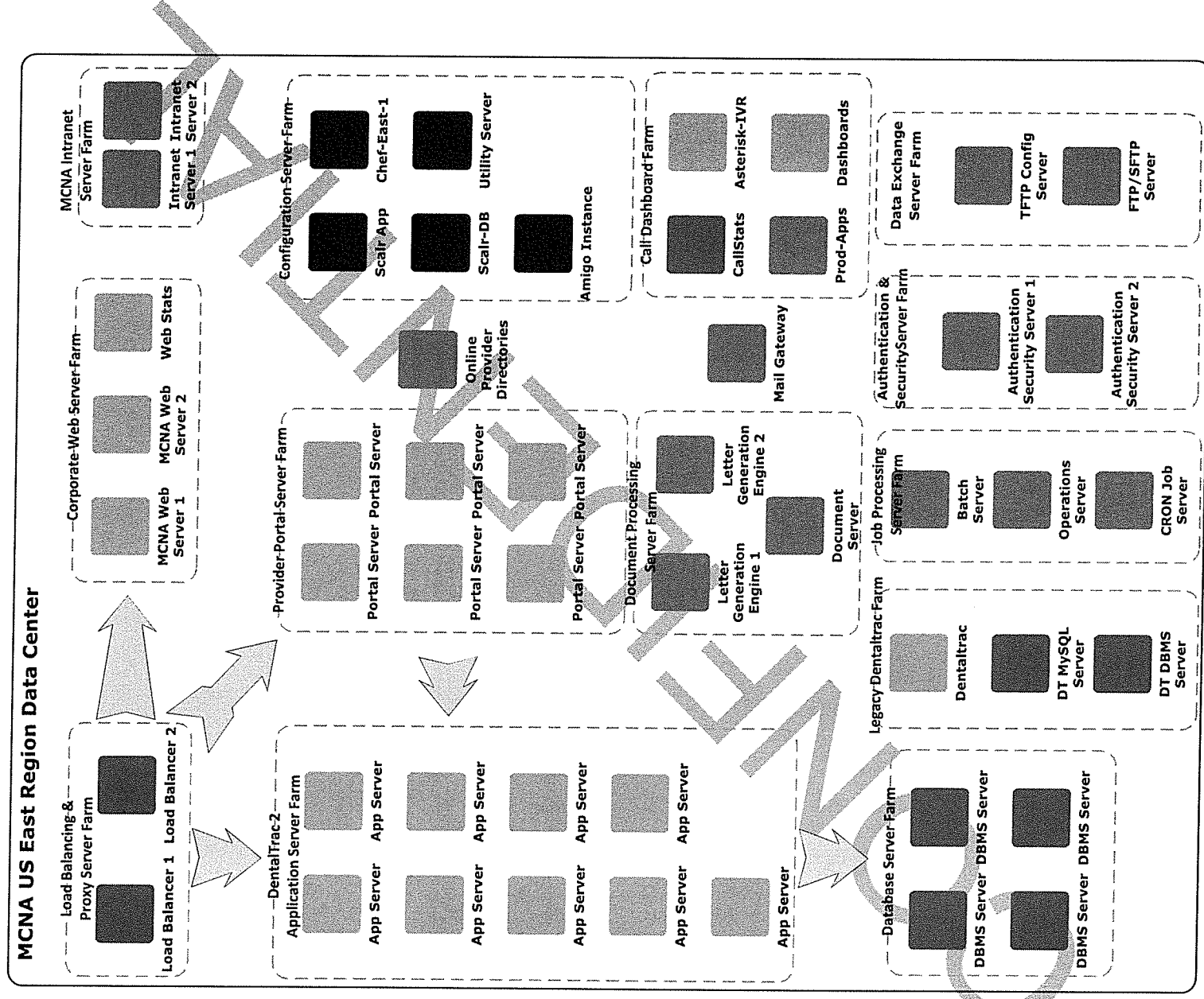
Amazon operates state-of-the-art, highly available data centers. Although rare, failures can occur that affect the availability of instances that are in the same location. If all instances are hosted in a single location that is affected by such a failure, none of the instances would be available. In order to sustain a high state of redundancy and readiness, MCNA maintains server and data backups in multiple regions.

Region and Availability Zone Concepts

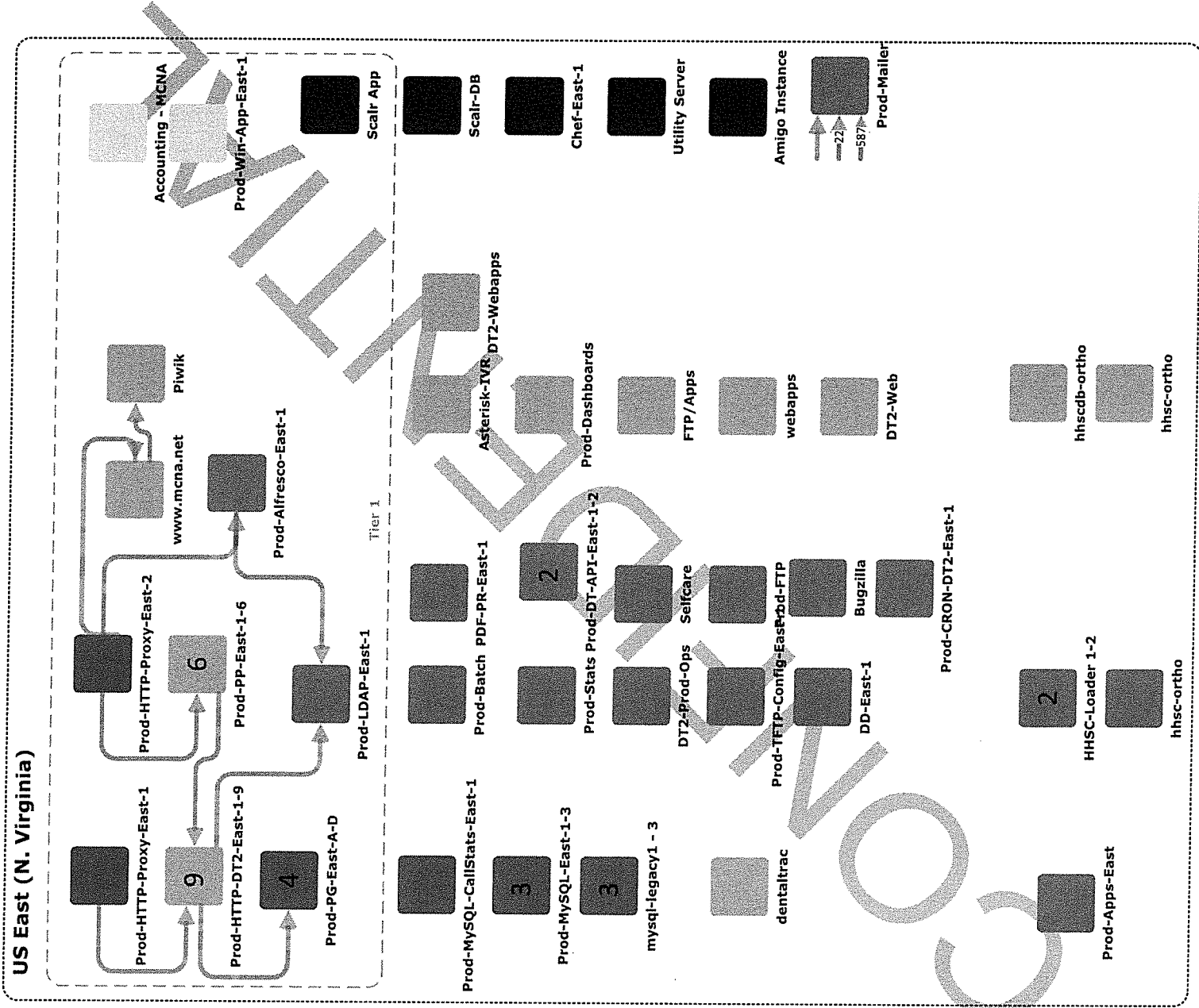
Each region is completely independent. Each Availability Zone is isolated, but the Availability Zones in a region are connected through low-latency links. The following diagram illustrates the relationship between Regions and Availability Zones.



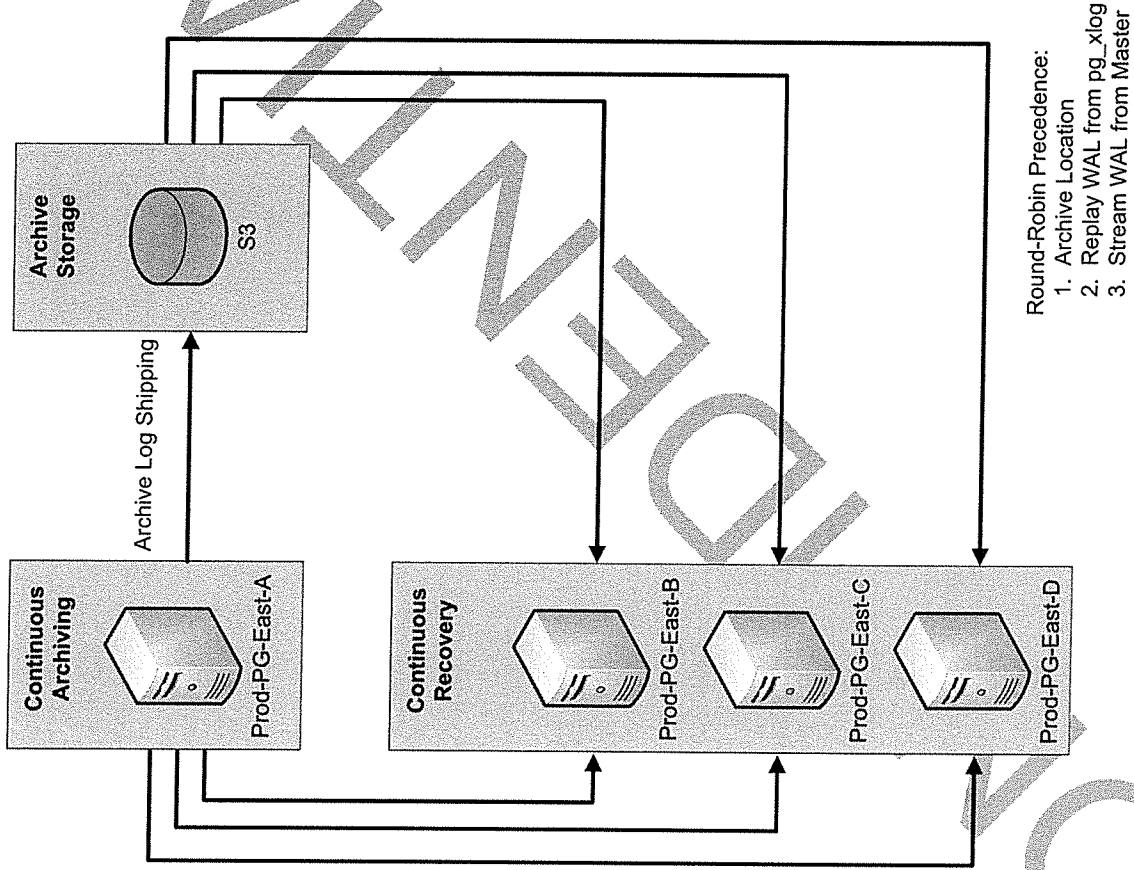
MCNA Data Centers



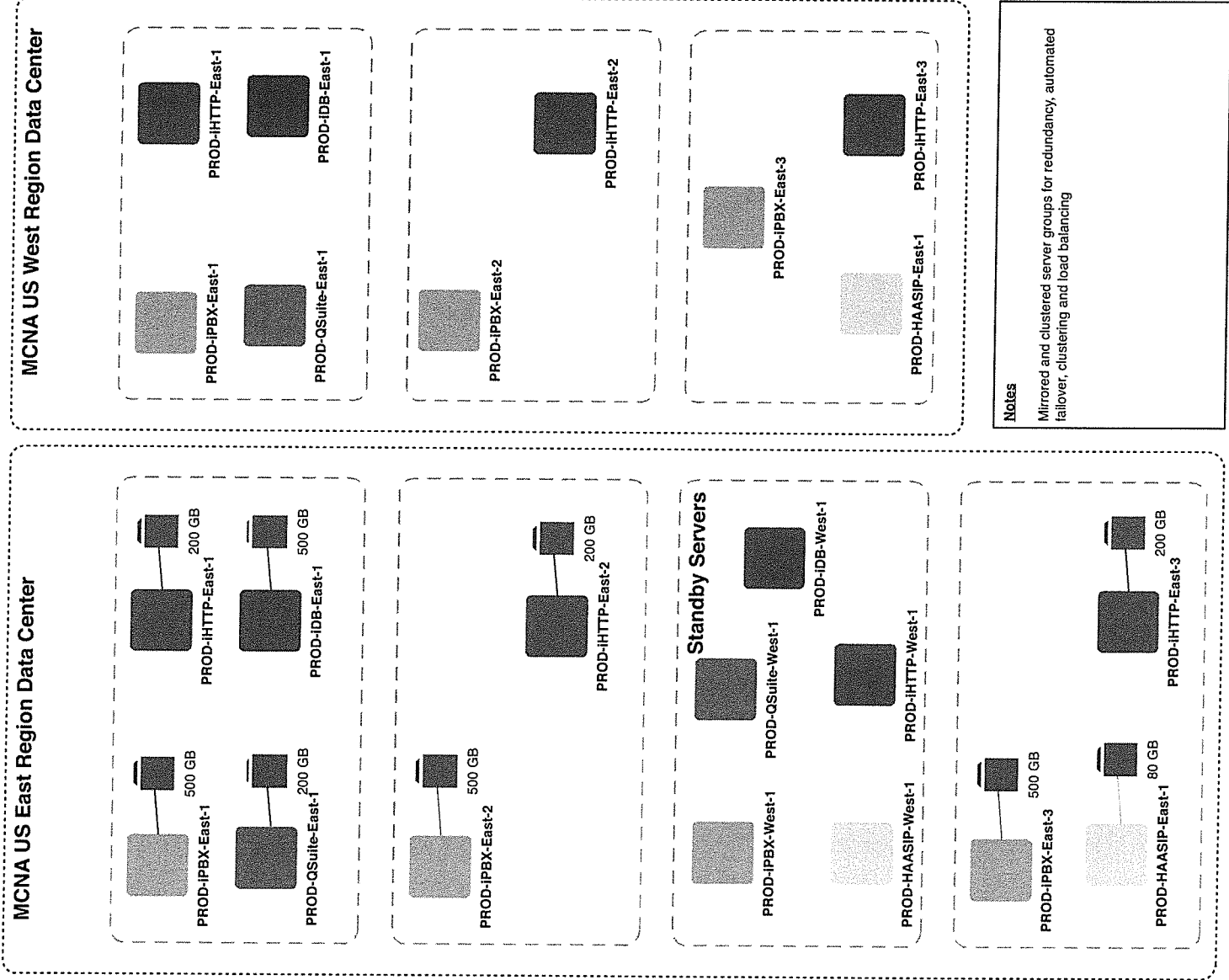
Production Servers



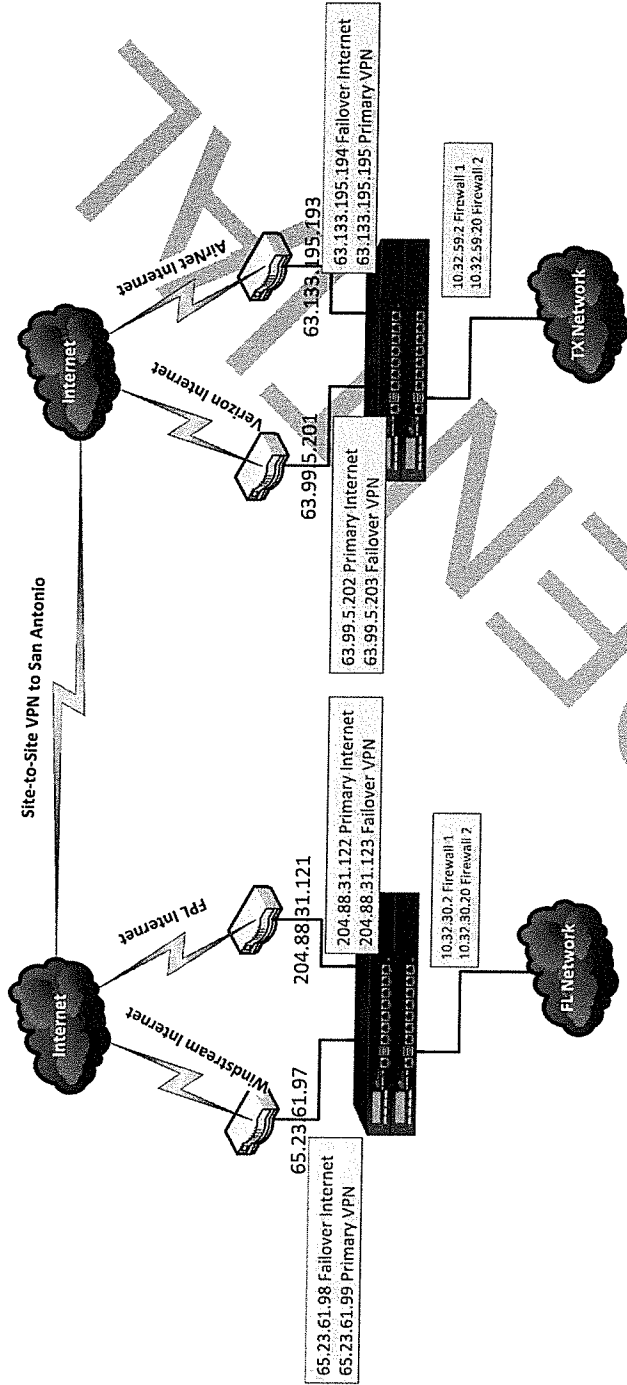
Systems and Data Backup



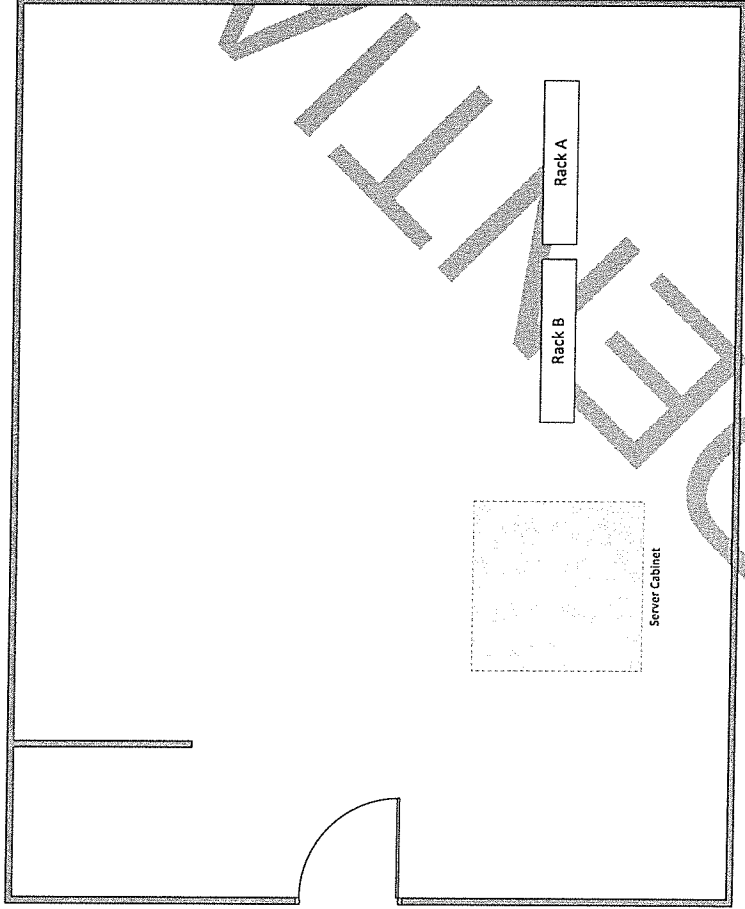
PBX Server Farm



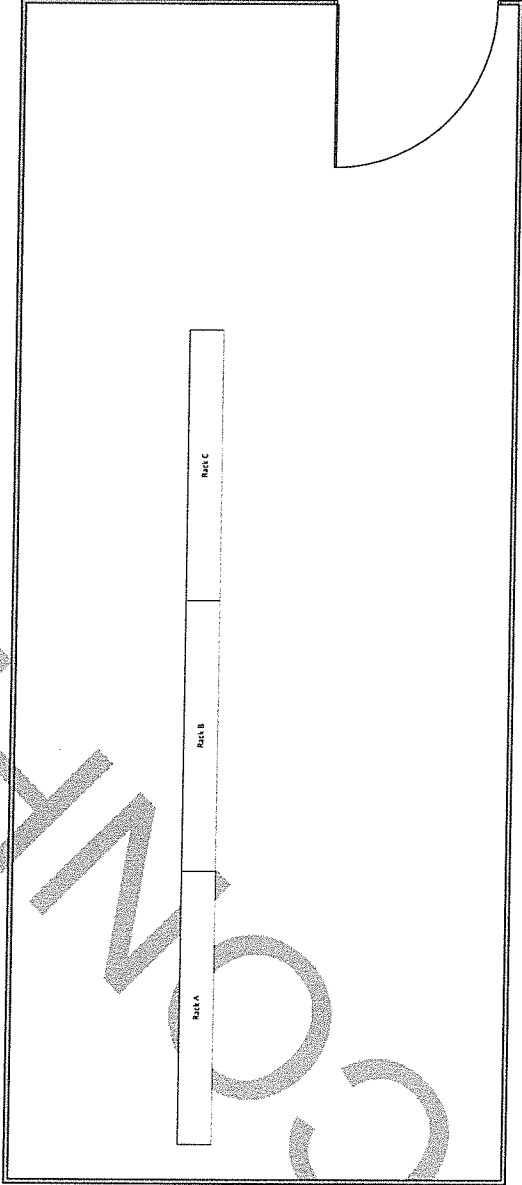
Firewall Communications



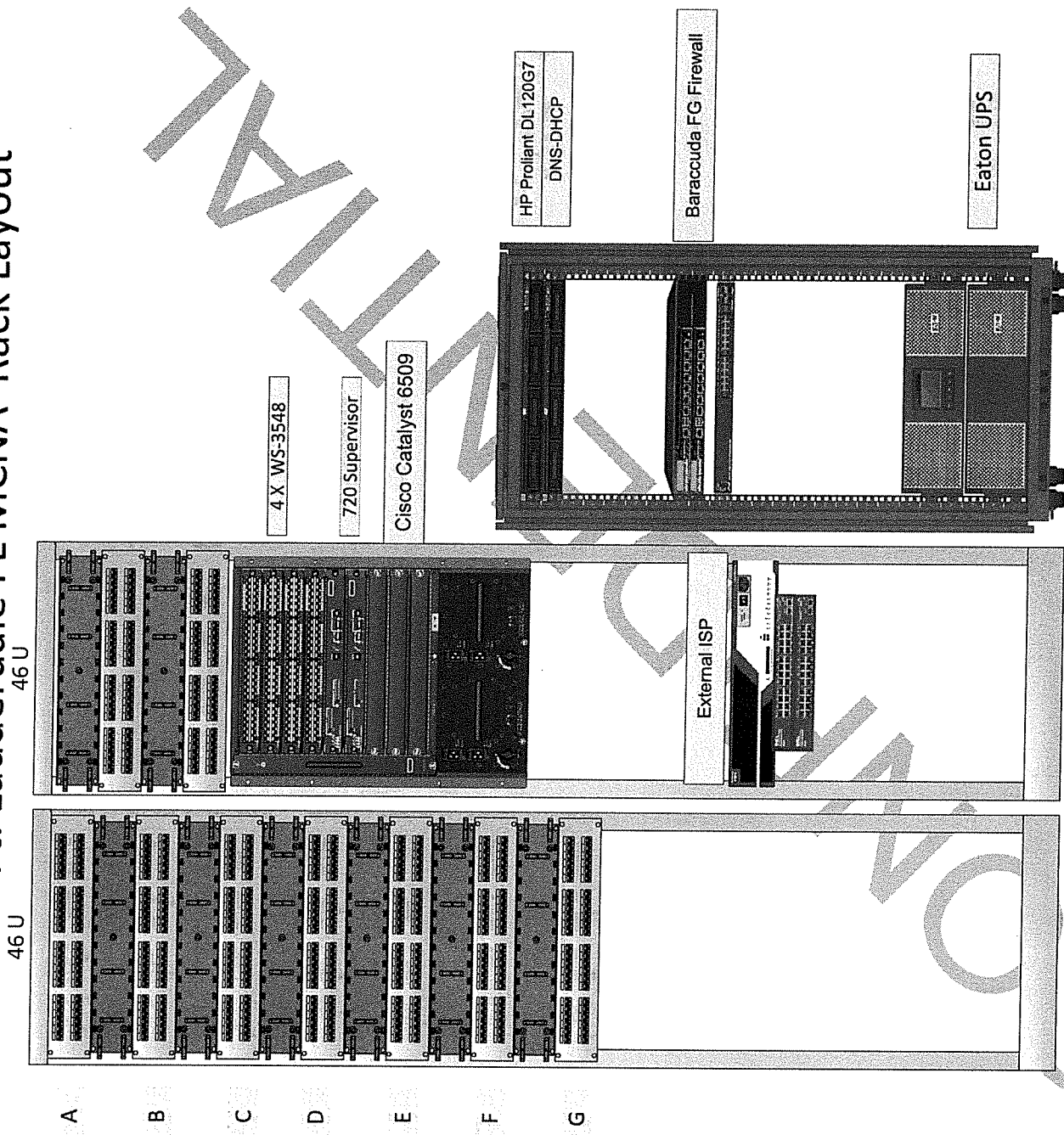
Server Closet - Florida



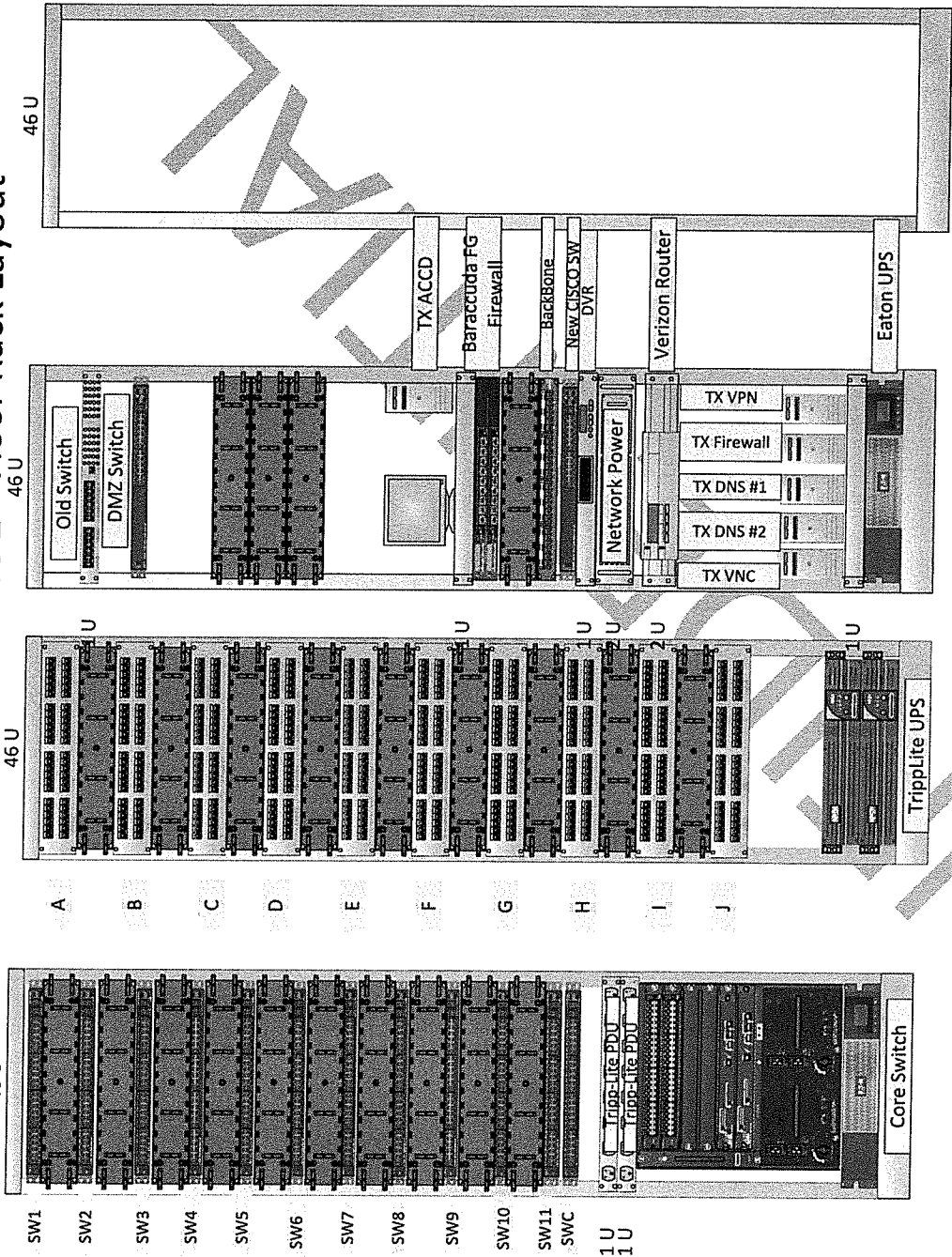
Server Closet - Texas



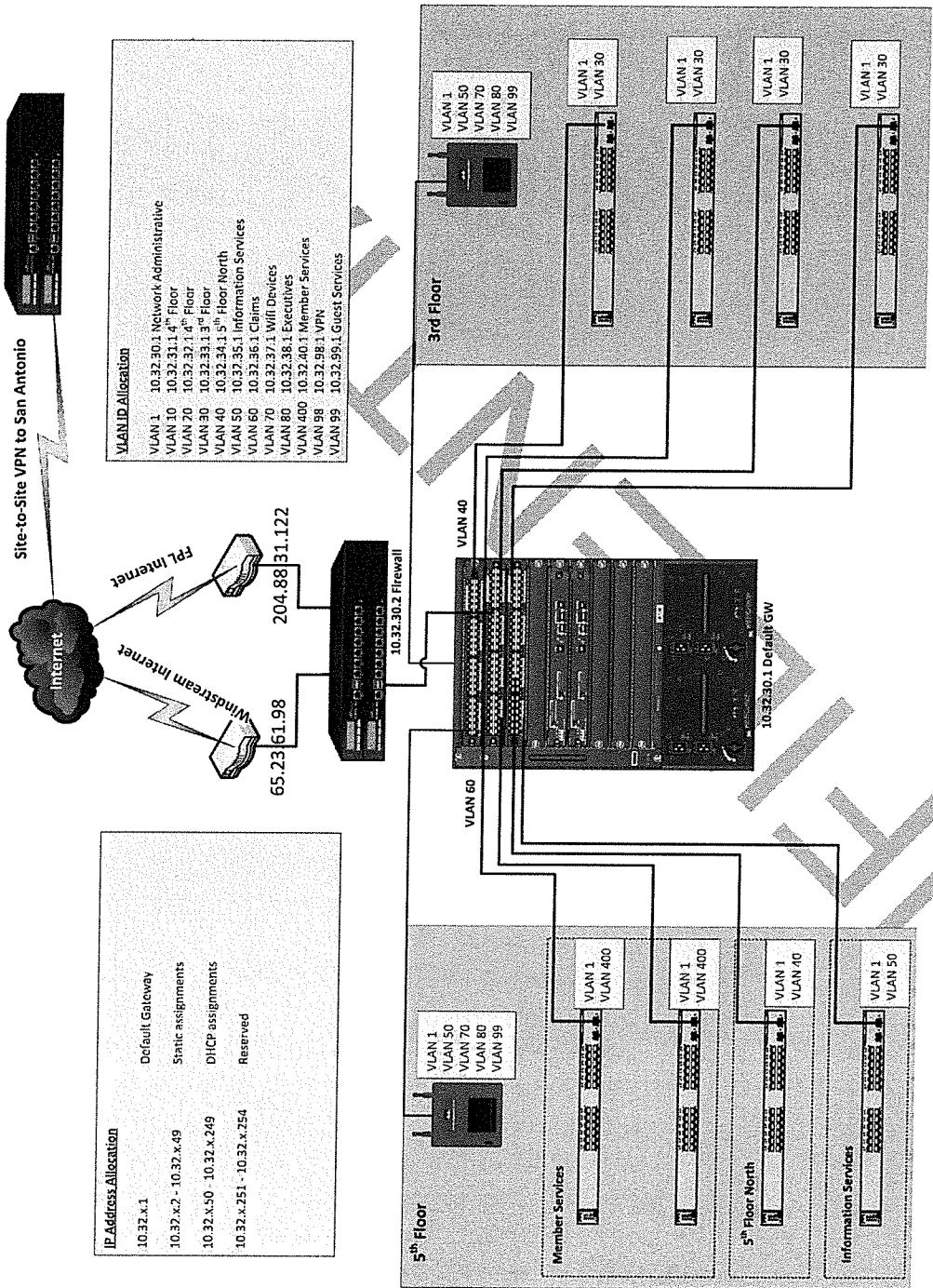
Ft. Lauderdale FL MCNA Rack Layout



San Antonio TX MCNA Office 2nd Floor Rack Layout



Ft. Lauderdale LAN



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Exhibit D

Core Hardware Inventory: Fort Lauderdale

Make/Model	Type	Location	Serial #
Cisco Catalyst 6509-E	Switching Router	FL 5 Network Room	SMG1209N6YD
Barracuda FG F400 Firewall	Firewall	FL 5 Network Room	436803
Barracuda FG F400 Firewall	Firewall	FL 5 Network Room	365845
HP Proliant DL120G7	Server	FL 5 Network Room (Claims)	2M222900N8
HP Proliant DL120G7	Server	FL 5 Network Room (Claims)	2M222900OPE
Cisco Catalyst 3750	Server	FL 5 Network Room (MS)	CNMV100CRE
Cisco Catalyst 3750	Server	FL 5 Network Room (MS)	CNMV1K0CRD
Cisco Catalyst 3750	Server	FL 5 Network Room (MS)	CNMV100CRB
HP Proliant DL120G7	Server	FL 3 Network Room (3rd Floor)	2M222900PF
HP Proliant DL120G7	Server	FL 3 Network Room (3rd Floor)	2M222900N9
DELL POWER CONNECT 2124	Switch	FL 5 Credentialing	CN03N3472829832N0139
Cisco Catalyst 3750	Switch	FL 5 File room	CAT0803N3PU
Cisco Catalyst 3750	Switch	FL 3 Network Room (3rd Floor)	CAT1020N3DU
Cisco Catalyst 3750	Switch	FL 3 Network Room (3rd Floor)	CAT1111ZHDQ
Cisco Catalyst 3750	Switch	FL 3 Network Room (3rd Floor)	CAT1018Z2US
Cisco Catalyst 3750	Switch	FL 3 Network Room (3rd Floor)	CAT1101NH1Q
Cisco SFE2000P 24-port 10/100 - PoE	Switch	FL 3 Network Room (3rd Floor)	DNI1551B20P
Cisco IAD2400 Series Integrated Access Devices	Router	FL 3 Network Room (3rd Floor)	FGL155214SQ

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Core Hardware Inventory: San Antonio

Make/Model	Type	Location	Serial #
Cisco Catalyst 6509-E	Switching Router	FL 2 Network Room	SAL094026KE
Barracuda FG F400 Firewall	Firewall	FL 2 Network Room	454608
Barracuda FG F400 Firewall	Firewall	FL 2 Network Room	374618
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI15220044
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI1522003X
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI152200FA
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI152200FB
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI152200DT
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI152200GU
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI1522003Y
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI153105F5
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI1522005U
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI153105FE
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI15210886
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 2nd Floor	DNI1522003Z
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 1st Floor	DNI1631002F
Cisco SG300-52	52 port gigabit Managed Switch	Rack 1 1st Floor	DNI16310027
Cisco SG300-52	52 port gigabit Managed Switch	Rack 2 1st Floor	DNI16310039
Cisco SG300-52	52 port gigabit Managed Switch	Rack 2 1st Floor	DNI1631001W
Cisco SG300-52	52 port gigabit Managed Switch	Rack 2 1st Floor	DNI16310023
Cisco Catalyst 6500-E	Switching Router	Rack 1 2nd Floor	SAL094026KE
Barracuda FG F400 Firewall	Firewall	Rack 3 2nd Floor	454608
Barracuda FG F400 Firewall	Firewall	Rack 3 2nd Floor	374618
Arista BoxPC-238D	VPN	Rack 3 2nd Floor	A8F0098347
Arista BoxPC-238D	TX-ARISTA01	Rack 3 2nd Floor	A8E0098346
Zotac Z-Box	Zotac Z-Box	Rack 3 2nd Floor	G11441690463
Cisco SG102-24	24 port gigabit switch	Rack 3 2nd Floor	PSJ144903AJ
Cisco SG102-24	24 port gigabit switch	Rack 3 2nd Floor	PSJ144903AD

Exhibit E

Application Description

Unless otherwise noted, all our applications operate using a web-based service model, which allows authorized users access regardless of physical location. Because of the nature of our IT infrastructure, our applications are geographically distributed in a way that allows MCNA to recover from service disruptions within minutes. Our infrastructure is architected to sustain a natural disaster affecting more than one of our hosting locations with no significant effect on the delivery of our services.

Applications do not need to be relocated in order to continue operating. We have built-in self-healing mechanisms within our implementation of AWS that allow our system to dynamically and automatically scale as the need arises, for example when any one of our hosting locations is service affected.

In the event of a disaster that requires restoration of services, all our server images are archived in multiple offsite repositories. Our Network Operations Center (NOC) will be available to immediately launch new services using our server images at the "click of a button" by accessing the AWS management console (<https://console.aws.amazon.com/console/home>). The security of applications is stored within each server image. Therefore, during the restoration process, all applications, services, and security settings are restored to their last configuration in order to minimize any disruption of services. All passwords are stored on site by the NOC as well as with our infrastructure support team using PGP-encrypted devices with no less than 1024-bits of encryption.

Application Name	RTO	Notes
DentalTrac™	1 day	
Portal Services	2 days	
Email	2 days	Email is operated by Google Applications Enterprise Services. Operated under SLA agreement of 99.9%
Website	1 day	

During a disaster event, the following staff will be responsible for the monitoring and restoring of any and all affected services:

Employee/Resource	Title	Telephone
Daniel Salama	CIO	954-655-8051
Steven Smith	Director of IT Infrastructure	954-610-8718
Thomas Blanchard	Senior System Administrator	954-279-3554
Aneurys Navarro	NOC Supervisor	786-266-1735
NOC Staff on call	NOC Staff	855-477-6262

Software Applications

The following list of software has been purchased by MCNA:

Software Name	Manufacturer
Microsoft Office	Microsoft Corporation
Microsoft Windows	Microsoft Corporation
OS X	Apple Inc
CentOS	CentOS
Firefox	Mozilla
Adobe PDF	Adobe Corporation
AllegroCL	Franz Inc
PostgreSQL	PostgreSQL Development Group