



State of Arkansas, Bureau of Legislative Research

Employee Health Benefits Consulting Services

BLR-210001

April 12, 2021

ORIGINAL



One Paces West
2727 Paces Ferry Road, Suite 1400
Atlanta, Georgia 30339
segalco.com
T 678.306.3142 | M 470.279.0232
pklein@segalco.com

April 12, 2021

Ms. Jillian Thayer
Director of BLR Legal Counsel
State of Arkansas, Bureau of Legislative Research
500 Woodlane Street
State Capitol Building, Room 315
Little Rock, Arkansas 72201

RE: Employee Health Benefits Consulting Services to State of Arkansas, Bureau of Legislative Research

Dear Ms. Thayer:

I hope this finds you, your colleagues and your family well. As we learn to thrive during this unprecedented time, we are delighted to present Segal consulting services to State of Arkansas, Bureau of Legislative Research (BLR). The information we have prepared will demonstrate that Segal is highly qualified to provide services outlined in the Request for Proposal. I look forward to an opportunity to meet with you to discuss how Segal can help BLR meet its varied and complex needs.

Segal provides consulting services to over 500 public sector plans, including 36 states. We have deep working knowledge and understanding of the marketplace, including colleges and universities. We have extensive and long-term experience working on complex benefits issues with state and large, local governments similar to the BLR, and we are sensitive to both the fiscal and political environment in which benefits are delivered to your membership.

The services defined in your RFP are core services that we provide daily to our clients. In our response, we will clearly demonstrate our philosophy, approach and ability to meet your needs. We recognize that each client is unique. With this in mind, our approach to any project will be tailored, paying particular attention to nuances of BLR's benefits philosophy and culture.

We are confident that we can work collaboratively with BLR multiple stakeholders to review the current flexible benefit programs and strategize options that will deliver quality benefits in the most cost efficient manner to eligible participants/retirees of BLR.

We are well suited to provide the services outlined in the RFP and to address the challenges BLR might face. We will work closely with BLR as an advisor and business partner. We work collaboratively to understand both the culture and needs of our clients. Our depth of expertise, technology and custom solutions will yield both an assessment and management plan for BLR's long-term success. To the extent that BLR desires to implement any such program(s), we will work with BLR to develop, implement and monitor programs that meet current needs as well as longer-term needs.

We affirm that I am legally authorized to bind Segal.

We look forward to discussing our response with you in greater detail. Please feel free to contact me directly at 470.279.0232 or pklein@segalco.com with any questions pertaining to our benefits consulting experience and expertise. Following is a description of the services we will provide.

Sincerely,



Patrick J. Klein, FSA, MAAA
Vice President and Consulting Actuary
Segal

One Paces West | 2727 Paces Ferry Road, SE | Suite 1400 | Atlanta, GA 30339
T 678.306.3142 | M 470.279.0232 | F 678-669-1887
pklein@segalco.com

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Executive Summary (5.4)

A Vendor must provide a summary overview and an implementation plan for the entire project being proposed. The intent of this requirement is to provide the Subcommittee with a concise but functional summary of the discussion of each phase of the Vendor's plan in the order of progression. While the Subcommittee expects a Vendor to provide full details in each of the sections in other areas of the RFP relating to its plan, the Executive Summary will provide a "map" for the Subcommittee to use while reviewing the Proposal.

Each area summarized must be listed in chronological order, beginning with the date of Contract execution, to provide a clear indication of the flow and duration of the project. A Vendor may use graphics, charts, pre-printed reports, or other enhancements as a part of this section to support the chronology or add to the presentation. Any such materials must be included in the original and each copy of the Proposal.

We are pleased to submit this proposal to State of Arkansas, Bureau of Legislative Research (BLR) in response to your Request for Proposal for Employee Health Benefits Consulting Services.

Segal has been assisting public plans and employers for more than 70 years. Serving the public sector is the primary focus of your proposed consulting team and is one of the back bones upon which our firm was founded. Working with Segal, you will have a partner who understands your needs.

Value to the bureau (BLR)

Throughout our proposal, we will demonstrate the value Segal brings to BLR based on:

- **Broad Based Knowledge:** Segal provides employee benefits and human resource consulting that serves three distinct markets – private sector, public sector and multiemployer – with services, staff and expertise available to consult on the full range of health and welfare, retirement and human resource-related issues in each of these markets.
- **Segal's proprietary higher education benchmarking tool and database:** Our College and University Benefits (CUBS) tool and database includes benefits information for approximately 450 institutions. This tool will allow the BLR to benchmark itself against other higher education institutions and provide insight into building short and long-term strategies to ensure competitiveness with your peers. We believe our proposal to be fully compliant with the specifications in the RFP and commit to hold our pricing, terms and conditions firm for at least 180 days from the due date of the proposal, or until BLR takes official action on the proposals.
- **National resources with local, boutique service:** The Bureau will have the advantage of being serviced by national experts yet still receive the customized, "hands-on" service of a smaller firm from our local account team in Atlanta. We'll also continue to provide

Providing trusted advice
that improves lives

complimentary access to firm wide research and expertise to help you in your role, from compliance updates about legislation that affects your plan, to publications and informative webinars to explain benefits developments, to sharing industry data and benchmarking, at no additional cost.

- **Legislative and compliance expertise:** Our in-house Compliance team ensures that you will continue to stay informed and prepared for late-breaking legislation and other issues.
- **Unbiased consulting:** Unlike other firms, we are an independent, private, employee-owned company. We don't have any stake in selling pre-packaged solutions or conflicts of interests from external ownership or affiliations. Our only goal is to continue to help the Plan.
- **Public sector leadership:** Segal has been assisting public plans and employers for 70 years. Serving the public sector is the primary focus of your Segal team and is one of the back bones upon which our firm was founded. In addition to active participation and leadership in industry associations and conferences, our publications for the public sector community include survey data in our *2018 State Employee Health Benefits Study*, which provides an overview of all 50 states' wellness programs and services.
- **Competitive pricing:** We offer the customized, hands-on service of a small firm – while backed by national research and benchmarking capabilities. This structure allows us to be efficient and offer our high-value services for a competitive fee.
- **Public Sector Commitment.** Our East Region services almost 100 public sector entities ranging from local governments and municipalities to large state-level plans, as well as public schools and universities.

Working with public sector plans, we understand budgetary issues, public demands and political pressures to identify immediate and long-term changes that support a comprehensive health and welfare benefits strategy.

Helping you
manage changes

Flow and duration of the project

Based on our experience with this type of project and the SOW presented, we envision a project plan that will comprise of four phases. They are as follows:

- Phase 1: History and Market Review
- Phase 2: Goals / Strategy Development
- Phase 3: Opportunity Review
- Phase 4: Recommendations

Phase 1: As part of Phase 1, Segal will review the 15-year history of the state plan rates and contributions, historical offerings of other public employee plans, to include a comparison of the State against findings of our College and University Benefit Study. We will also perform a demographic review of the participants in the state plan, and a detailed benchmarking against other states and large self-insured employers.

Phase 2: With that background, we will have a meeting to review findings, as well as develop goals / objectives of this program.

The employee value proposition defines five components of total rewards that directly impact an employer's ability to recruit and retain talent.

Segal will conduct sufficient discovery of BLR's current programs, systems, demographics, financial climate, strategies, goals, etc., in order to understand the options that will best fit for BLR and your employees.

The objective of this meeting is to develop a strategy / point of view in terms of benefit offerings.

Phase 3: With background from historical review and strategy, Segal will begin to review options for consideration, this will include the following:

- Network analysis
 - Vendor Network Adequacy
 - Health Professional Shortage Area (HPSA) Network Analysis by Specialty
 - Provider contracting review
 - Accountable Care Organizations – including an evaluation of their current attribution model, shared risk vs. shared savings model, and quality based incentives
 - Pay for Performance
 - Patient Centered Medical Homes
 - Narrow Network strategies
 - Centers of Excellence
 - Bundled Payments
 - Episodes Based Reimbursement (prospective or retrospective)
 - Telemedicine Capabilities and Safety Protocols
- Contribution strategy
 - Tax implications of current funding / changes
 - Review of current sources of funding and considerations
 - Tier ratios – review of current rating structure (e.g., are families being negatively impacted by current contribution structure? Are singles subsidizing other tiers?)
 - Salary based contribution strategy
- Design concepts
 - Types of plans offered – as part of this review, Segal will reference results of benchmarking and established goals on where BLR's benefits should compare (e.g., 50th percentile? 75th percentile?)
 - Value based care strategies – Segal's evaluation includes the overall contracting methodology, network availability, and clinical quality controls in each vendor's value based design, including plans for expansion per geography and specialty.
 - Well-being strategy – through evaluation, consensus building and strategy development Segal can provide precision consulting to enhance overall health and well-being

Phase 4: After reviewing the options, will have a meeting to discuss, based on goals/objectives, will provide recommendations on ways to modify / improve the current program to best achieve these objectives.

We have provided a detailed work plan under **Appendix I: Work Plan**.

The Segal difference

Segal's mission sums it up: *Providing trusted advice that improves lives*. We care about your employees and their families as much as you do. We want you to be successful in carrying out your mission, so that the State of Arkansas will attract and retain the best employees and they can effectively serve State residents. We want your employees to feel valued and secure. While we have sophisticated technology and systems to make our work more efficient, it is the expertise, forward thinking, and creativity of our employees and their ability to help clients resolve issues and construct solutions— both common and unique - that differentiates Segal from other firms.

| Request for Proposal Sheet



State of Arkansas Bureau of Legislative Research

Marty Garrity, Director
Kevin Anderson, Assistant Director
for Fiscal Services
Tim Carlock, Assistant Director
for Information Technology
Matthew Miller, Assistant Director
for Legal Services
Estella Smith, Assistant Director
for Research Services

REQUEST FOR PROPOSAL

RFP Number: BLR-210001	
Commodity: Employee Health Benefits Consulting Services	Proposal Opening Date: April 12, 2021
Date: March 15, 2021	Proposal Opening Time: 4:00 P.M. CDT

PROPOSALS SHALL BE SUBMITTED IN HARD COPY AND ELECTRONIC FORMAT AND WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE PROPOSAL ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE PROPOSAL NUMBER, DATE AND HOUR OF PROPOSAL OPENING, AND VENDOR'S RETURN ADDRESS. THE ELECTRONIC SUBMISSIONS SHOULD BE CLEARLY MARKED AS A PROPOSAL IN RESPONSE TO RFP NO. BLR-210001. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE BUREAU OF LEGISLATIVE RESEARCH.

Vendors are responsible for delivery of their proposal documents to the Bureau of Legislative Research prior to the scheduled time for opening of the particular proposal. When appropriate, Vendors should consult with delivery providers to determine whether the proposal documents will be delivered to the Bureau of Legislative Research office street address prior to the scheduled time for proposal opening. Delivery providers, USPS, UPS, FedEx, and DHL, deliver mail to our street address, 500 Woodlane Street, State Capitol Building, Room 315, Little Rock, Arkansas 72201, on a schedule determined by each individual provider. These providers will deliver to our offices based solely on our street address.

MAILING ADDRESS: 500 Woodlane Street State Capitol Building, Room 315 Little Rock, Arkansas 72201	PROPOSAL OPENING LOCATION: Bureau of Legislative Research Director's Office State Capitol Building, Room 315
E-MAIL: thayerj@blr.arkansas.gov	
TELEPHONE: (501) 682-1937	

Company Name: The Segal Company (Southeast), Inc. d/b/a Segal

Name (type or print): Patrick Klein

Title: Vice President & Consulting Actuary

Address: One Paces West, 2727 Paces Ferry Road SE, Suite 1400, Atlanta, GA 30339

Telephone Number: 470.279.0232

Fax Number: 678-669-1887

E-Mail Address: pklein@segalco.com

We also acknowledge review of the Q and A released for March 29, 2021 - April 4, 2021.

Identification:

See below

Federal Employer ID Number

13-2619259

Social Security Number

**FAILURE TO PROVIDE TAXPAYER IDENTIFICATION NUMBER MAY
RESULT IN PROPOSAL REJECTION**

Business Designation (check one):	Individual []	Sole Proprietorship []	Public Service Corp []
	Partnership []	Corporation [<input checked="" type="checkbox"/>]	Government/ Nonprofit []

GENERAL DESCRIPTION:	Employee Health Benefits Consulting Services
TYPE OF CONTRACT:	Term

MINORITY BUSINESS POLICY

Participation by minority businesses is encouraged in procurements by state agencies, and although it is not required, the Bureau of Legislative Research ("BLR") supports that policy. "Minority" is defined at Arkansas Code Annotated § 15-4-303 as "a lawful permanent resident of this state who is: (A) African American; (B) Hispanic American; (C) American Indian; (D) Asian American; (E) Pacific Islander American; or (F) A service-disabled veteran as designated by the United States Department of Veteran Affairs". "Minority business enterprise" is defined at Arkansas Code Annotated § 15-4-303 as "a business that is at least fifty-one percent (51%) owned by one (1) or more minority persons". The Arkansas Economic Development Commission conducts a certification process for minority businesses. Vendors unable to include minority-owned businesses as subcontractors may explain the circumstances preventing minority inclusion.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

The Vendor shall submit a copy of the Vendor's Equal Opportunity Policy. EO Policies shall be submitted in hard copy and electronic format to the Bureau of Legislative Research accompanying the solicitation response. The Bureau of Legislative Research will maintain a file of all Vendor EO policies submitted in response to this solicitation. The submission is a one-time requirement, but Vendors are responsible for providing updates or changes to their respective policies.

EMPLOYMENT OF ILLEGAL IMMIGRANTS

The Vendor shall certify prior to award of the contract that it does not employ or contract with any illegal immigrants in its contract with the Bureau of Legislative Research. Vendors shall certify on the Proposal Signature Page and online at <https://www.ark.org/dfa/immigrant/index.php/disclosure/submit/new> . Any subcontractors used by the Vendor at the time of the Vendor's certification shall also certify that they do not employ or contract with any illegal immigrant. Certification by the subcontractors shall be submitted within thirty (30) days after contract execution.

RESTRICTION OF BOYCOTT OF ISRAEL

Pursuant to Arkansas Code § 25-1-503, a public entity shall not enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of Israel. This prohibition does not apply to a company which offers to provide the goods or services for at least twenty percent (20%) less than the lowest certifying business.

By checking the designated box on the Proposal Signature Page, the Vendor agrees and certifies that they do not, and will not for the duration of the contract boycott Israel.

EXECUTIVE ORDER E0-98-04
EXECUTIVE ORDER DISCLOSURE FORM

NAME: The Segal Company (Southeast), Inc. d/b/a Segal

ADDRESS: One Paces West, 2727 Paces Ferry Road SE, Suite 1400, Atlanta, Georgia 30339
Street City State/Zip County

CONTRACT NO: N/A (Pre-Award) FEDERAL NO: 13-2619259

CONTRACT EFFECTIVE DATE: N/A (Pre-Award)

B. DISCLOSURE REQUIREMENTS

Agencies shall require, as a condition of obtaining or renewing a contract, lease, purchase agreement, employment, or grant with any state agency, that any individual desiring to contract with, be employed by, or receive grant benefits from, any state agency shall disclose whether that person is a current or former; member of the general assembly, constitutional officer, board or commission member, state employee, or the spouse or immediate family member of any of the persons described in this sentence. Agencies shall require that any non-individual entity desiring to contract with, or receive grant benefits from, any state agency shall disclose (1.) any position of control, or (2.) any ownership interests of 10% or greater, that is held by a current or former member of the general assembly, constitutional officer, board or commission member, state employee, or the spouse or immediate family member of any of the persons described in this sentence.

As a condition for obtaining funding through a contract, lease, purchase agreement, or a grant with the Department of Health and Human Services, the following information must be disclosed:

Individual contractor indicate below if you are: **None**

	Current	Former	Term(s) of service
1. A member of the general assembly	Yes/No (circle one)	Yes/No (circle one)	
2. A constitutional officer	Yes/No (circle one)	Yes/No (circle one)	
3. A state employee	Yes/No (circle one)	Yes/No (circle one)	
4. Serving as a commission or board member	Yes/No (circle one)	Yes/No (circle one)	

Individual contractor indicate below if you are a spouse or immediate family member of an individual that is; **None**

	Current	Former	Term(s) of service	Relative's name and relationship
1. A member of the general assembly	Yes/No (circle one)	Yes/No (circle one)		
2. A constitutional officer	Yes/No (circle one)	Yes/No (circle one)		
3. A state employee	Yes/No (circle one)	Yes/No (circle one)		
4. Serving as a commission or board member	Yes/No (circle one)	Yes/No (circle one)		

Non-individual entity list any individual who holds a position of control or ownership interest of 10% or greater in the entity if the individual is: **None**

	Current	Former	Relative's name & Term(s) of Service	Relationship	Individual
1. A member of the general assembly	Yes/No (circle one)	Yes/No (circle one)			
2. A constitutional officer	Yes/No (circle one)	Yes/No (circle one)			
3. A state employee	Yes/No (circle one)	Yes/No (circle one)			
4. Serving as a commission or board member	Yes/No (circle one)	Yes/No (circle one)			

Non-individual entity list any individual who holds a position of control or ownership interest of 10% or greater in the entity if the individual is a spouse or immediate family member of: **None**

	Current	Former	Term(s) of service	Relative's name & Relationship	Individual
1. A member of the general assembly	Yes/No (circle one)	Yes/No (circle one)			
2. A constitutional officer	Yes/No (circle one)	Yes/No (circle one)			
3. A state employee	Yes/No (circle one)	Yes/No (circle one)			
4. Serving as a commission or board member	Yes/No (circle one)	Yes/No (circle one)			

Failure of any person or entity to disclose under any term of Executive Order 98-04 shall be considered a material breach of the terms of the contract.



Signature

April 12, 2021

Date

Vice President & Consulting Actuary

Title

THIS FORM MUST BE COMPLETED AND RETURNED PRIOR TO EXECUTION OF THE CONTRACT

There are no subcontractors for this engagement.

NAME: _____

ADDRESS: _____
Street City State/Zip County

PHONE: _____ FAX: _____

CONTRACT: _____

CONTRACT EFFECTIVE DATE: _____

DISCLOSURE OF SUBCONTRACTORS

Agencies shall require, as a condition of obtaining or renewing a contract, lease, purchase agreement, or grant with any state agency, that any individual or entity desiring to contract with any state agency shall require that any subcontractor, sub-lessor, or other assignee (hereafter "Third Party"), shall disclose whether such Third Party is a current or former; member of the general assembly, constitutional officer, board or commission member, state employee, or the spouse or immediate family member of any of the persons described in this sentence, or if any of the persons described in this sentence hold any position of control or any ownership interest of 10% or greater in the Third Party, and shall report any such disclosure by the Third Party to the agency. The disclosure requirements of this paragraph shall apply during the entire term of the contract, lease, purchase agreement, or grant, without regard to whether the subcontract, sublease, or other assignment is entered into prior or subsequent to the contract date.

Third Party shall indicate below if he/she is:

	Current	Former	Term(s) of Service	Relative's name & relationship	Third Party
1. A member of the general assembly	Yes/No (circle one)	Yes/No (circle one)			
2. A constitutional officer	Yes/No (circle one)	Yes/No (circle one)			
3. A state employee	Yes/No (circle one)	Yes/No (circle one)			
4. Serving as a commission or board member	Yes/No (circle one)	Yes/No (circle one)			

Third Party shall indicate below if he/she is a spouse or immediate family member of an individual that is

	Current	Former	Term(s) of service	Relative's name & relationship	Third Party
1. A member of the general assembly	Yes/No (circle one)	Yes/No (circle one)			
2. A constitutional officer	Yes/No (circle one)	Yes/No (circle one)			
3. A state employee	Yes/No (circle one)	Yes/No (circle one)			
4. Serving as a commission or board member	Yes/No (circle one)	Yes/No (circle one)			

Agencies shall require, as a further condition of obtaining or renewing any contract or agreement with any state agency, that the individual or entity desiring to contract shall incorporate into any agreement with a Third Party, previously defined, the below stated language, and any other necessary language as provided by rules and regulations promulgated to enforce Executive Order 98-04, which provides that failure of the Third Party to disclose the identity of any person or entity described previously shall be considered a material breach of the agreement.

The failure of any person or entity to disclose as required under any term of Executive Order 98-04, or the violation of any rule, regulation or policy promulgated by the Department of Finance and Administration pursuant to this Order, shall be considered a material breach of the terms of the contract, lease, purchase agreement, or grant and shall subject the party failing to disclose or in violation to all legal remedies available to the Agency under the provisions of existing law.

Signature of Third Party

THIS FORM MUST BE COMPLETED AND RETURNED PRIOR TO EXECUTION OF THE CONTRACT

| Proposal Signature Page

PROPOSAL SIGNATURE PAGE

Type or Print the following information:

Prospective Contractor Contact Information

Contact Person: Patrick Klein Title: Vice President & Consulting Actuary
Phone: 470.279.0232 Alternate Phone: 678.306.3142
Email: pklein@segalco.com

Confirmation of Redacted Copy

☐ YES, a redacted copy of proposal documents is enclosed.

☒ NO, a redacted copy of submission documents is not enclosed. I understand a full copy of non-redacted submission documents will be released if requested.

Note: If a redacted copy of the proposal documents is not provided with the Vendor's proposal, and neither box is checked a copy of the unredacted documents will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).

Illegal Immigrant Confirmation

By signing and submitting a response to this RFP and by certifying online at <https://www.ark.org/dfa/immigrant/index.php/disclosure/submit/new>, the Vendor agrees and certifies that they do not employ or contract with illegal immigrants. If selected, the Vendor certifies that they will not employ or contract with illegal immigrants during the aggregate term of the contract.

Israel Boycott Restriction Confirmation

By checking the box below, the Vendor agrees and certifies that they do not boycott Israel, and if selected, will not boycott Israel during the aggregate term of the contract.

☒ Vendor does not and will not boycott Israel.

An official authorized to bind the Vendor to a resultant contract shall sign below.

The Signature below signifies agreement that any exception that conflicts with the requirements of this RFP will cause the Vendor's proposal to be disqualified.

Authorized Signature:  Title: Vice President & Consulting Actuary

Printed/Typed Name: Patrick Klein Date: April 12, 2021

Section 1: General Information

Issuing Agency (1.1)

Segal acknowledges and agrees with the requirements set forth in this section.

Schedule of Events (1.2)

Segal acknowledges and agrees with the requirements set forth in this section.

Caution to Vendors (1.3)

Segal acknowledges and agrees with the requirements set forth in this section.

RFP Format (1.4)

Segal acknowledges and agrees with the requirements set forth in this section.

Alteration of Original RFP Documents (1.5)

Segal acknowledges and agrees with the requirements set forth in this section.

Requirement of Amendment (1.6)

Segal acknowledges and agrees with the requirements set forth in this section.

RFP Questions (1.7)

Segal acknowledges and agrees with the requirements set forth in this section.

Prices/Cost (1.8)

Segal acknowledges and agrees with the requirements set forth in this section.

Proprietary Information (1.9)

Segal acknowledges and agrees with the requirements set forth in this section.

Delivery of Response Documents (1.10)

Segal acknowledges and agrees with the requirements set forth in this section.

Bid Evaluation (1.11)

Segal acknowledges and agrees with the requirements set forth in this section.

Oral and/or Written Presentations/Demonstrations (1.12)

Segal acknowledges and agrees with the requirements set forth in this section.

Intent to Award (1.13)

Segal acknowledges and agrees with the requirements set forth in this section.

Appeals (1.14)

Segal acknowledges and agrees with the requirements set forth in this section.

Past Performance (1.15)

Segal acknowledges and agrees with the requirements set forth in this section.

Type of Contract (1.16)

Segal acknowledges and agrees with the requirements set forth in this section.

Payment and Invoice Provisions (1.17)

Segal acknowledges and agrees with the requirements set forth in this section.

Prime Contractor Responsibility (1.18)

Segal acknowledges and agrees with the requirements set forth in this section.

Delegation and/or Assignment (1.19)

Segal acknowledges and agrees with the requirements set forth in this section.

Conditions of Contract (1.20)

Segal acknowledges and agrees with the requirements set forth in this section.

Statement of Liability (1.21)

Segal acknowledges and agrees with the requirements set forth in this section.

Award Responsibility (1.22)

Segal acknowledges and agrees with the requirements set forth in this section.

Independent Price Determination (1.23)

Segal acknowledges and agrees with the requirements set forth in this section.

Publicity (1.24)

Segal acknowledges and agrees with the requirements set forth in this section.

Confidentiality (1.25)

Segal acknowledges and agrees with the requirements set forth in this section.

Proposal Tenure (1.26)

Segal acknowledges and agrees with the requirements set forth in this section.

Warranties (1.27)

Segal acknowledges and agrees with the requirements set forth in this section.

Contract Termination (1.28)

Segal acknowledges and agrees with the requirements set forth in this section.

Vendor Qualifications (1.29)

Segal acknowledges and agrees with the requirements set forth in this section.

Negotiations (1.30)

Segal acknowledges and agrees with the requirements set forth in this section.

Licenses and Permits (1.31)

Segal acknowledges and agrees with the requirements set forth in this section.

Ownership of Data & Materials (1.32)

Segal acknowledges and agrees with the requirements set forth in this section.

Section 2: Overview

Employee Health Benefits Study Overview (2.0)

Segal acknowledges and agrees with the requirements set forth in this section.

Objectives (2.1)

Segal acknowledges and agrees with the requirements set forth in this section.

Scope of Work/Specifications (3.0)

It will be the responsibility of the Vendor to provide the Subcommittee, and ultimately, the members of the Arkansas Legislative Council, with accurate and detailed reports, guidance, and opinions, including without limitation, information set forth in Section 2.0, above and in this Section 3.0.

A. In General

In order to achieve the objectives set forth in Section 2.1, above, the Successful Vendor will provide:

- Weekly status updates on the project to the BLR;*

We meet as often as necessary depending on the amount of work that is required. For ongoing general status meetings, we meet on a weekly, bi-weekly or monthly basis. During high peak times, we can meet as often as every other day (e.g., open enrollment, implementation of a new carrier, etc.). We are responsible for setting the agenda for these calls with input from our clients.

To better support the BLR, we utilize several different project management tools, dependent on the scope and complexity of each project and client preference. Your core team primarily utilizes an Open and Closed Items Log system for detailed tracking purposes. This allows the detail of each item to be preserved for historical purposes, all in one document. We typically meet with clients to discuss the log on a regular basis. For specific projects we use Microsoft Project or GANTT charts.

Our project management process, timing and level of input required from BLR is shown below.

Description	Details	Timing	Responsible Party
Develop and Maintain a Comprehensive Open Items Log	A comprehensive log will be developed to track the status of all open items.	Ongoing	Segal Lead — Segal will be responsible for maintaining the log. Input needed from BLR on an as-needed basis.
Status Calls and Meetings	Regular status calls will be scheduled with BLR weekly, bi-weekly, or monthly, depending on preference and level of activity. The open items log will serve as the agenda for the call. Throughout the year, ad-hoc meetings to address key issues, trends, or concerns including ACA and other legislative updates, potential compliance issues, vendor service issues, new market trends (such as carrier consolidation, new benefit offerings,)	Weekly, Bi-Weekly or Monthly	Segal Lead - Segal will schedule and lead the calls

We will provide ongoing consultation and advisory services via telephone calls, written correspondence, emails and meetings as requested.

When we assign the actuarial and consulting team to work with BLR, we will also provide office and cell numbers for the primary team members. Our objective is to provide you the ability to get in touch at almost any time. We will establish a key staffing hierarchy for receiving, processing and responding to possible issues, questions and needs of the client. By assigning more than one senior level actuary to be fully familiar with the benefits and our work, and by providing ready access to your actuaries when they are out of the office, we are able to reduce any impact from key staff being away from the office and unavailable.

We will generally return telephone calls within one business day, and we generally can arrange meetings within a few working days of the request.

- *Monthly reports to the Subcommittee, which will require monthly attendance at meetings of the Subcommittee to answer questions regarding the project;*

Segal has attended many meetings, participated in general discussions and has presented a great deal of information over many years to a variety of States, Cities, and Municipalities. As part of this project, Segal is prepared to attend regular scheduled meetings, as well as ad hoc meetings, as needed.

Along with Patrick Klein, we will bring a rotating group of experts to these monthly subcommittee meetings to answer any questions regarding the project. We are highly proficient at presenting complex concepts to legislative groups.

Segal is certainly available to participate in general discussions and attend meetings going forward with all appropriate parties, and we are available to do so very quickly when needed.

- *Answers to research requests or data inquiries by members of the Subcommittee, or other members of the General Assembly, as authorized by the Subcommittee co-chairs;*

Segal will answer research requests, data inquiries, participate in general discussions, and present information as necessary.

- *Assistance with draft legislation based on recommendations adopted by the Subcommittee; and*

In conjunction with your staff and legal team, we will support BLR in drafting legislation to support the final recommendations of the committee. We understand the legislative process, as our Lead Actuary and Account Manager have worked in many states and produced hundreds of fiscal impact statements. Your Segal compliance team will be instrumental in this task, having assisted a number of states.

Segal's experience in this area allows us to assist with draft legislation as requested.

- *Assistance with drafting a final report for the Subcommittee to submit to the Arkansas Legislative Council no later than October 15, 2021.*

Segal's report will document the results of each review component. Our draft report will be submitted to the administrator, in September, for review and comment. Following discussion with client personnel and approval to release, Segal will present the final bound report to the client.

Segal's reports and presentations are written to be understood by decision-makers who may not be day-to-day technical experts in health benefits.

We understand that the BLR must be prepared to present to legislative and administrative groups that have fiduciary responsibility and/or fiscal oversight for the program. We tailor our reports to provide both insight and perspective on the issue at hand. Where we are presenting the results of analysis or actuarial calculations, we include summary discussion of the scope, methodology and assumptions, as well as the findings and recommendations. We believe any presentation in a public forum should be internally sufficient to stand on its own. We also understand the importance of supporting all conclusions and recommended next steps and presenting the results in simple enough terms and processes that the outcomes cannot be misinterpreted.

It is our expectation that information that we produce for the BLR will be public and news worthy information. It is our usual practice to provide such materials in draft form prior to presentation to allow time for review and fine-tuning, including crafting of terms that may have different meanings in the public body's experience than in the health insurance discipline.

In addition, the Successful Vendor will need to:

- *Gather information from and meet with interested stakeholders; and*
- *Be available to attend meetings of the Subcommittee, the Arkansas Legislative Council, and other legislative committees, as requested and authorized by the Subcommittee co-chairs.*

We understand there will be a number of stakeholders involved in such a large endeavor. In our initial meetings with BLR, we will develop a plan on addressing the various stakeholders. On your request, we will put together appropriate materials and information particular to each and have meetings to discuss. It is imperative that this be flushed out in the beginning of the process in order to ensure a successful engagement.

Segal is here for you. We are prepared to attend meetings of the Subcommittee, the Arkansas Legislative Council, and other legislative committees, as requested and authorized by the Subcommittee co-chairs. This is a strength of your Segal team and an extremely important component of the entire project. Having done similar projects for a number of states throughout the south, we provide a wealth of experience in support of our recommendations.

B. Topics for Analysis and Recommendations

In addition to the topics addressed in Section 2.0, Vendor shall also provide the following to the Subcommittee as part of their regular updates and final report:

- *A comprehensive market based analysis of large self-funded employers, both governmental and private sectors, to compare key elements of the Plans.*

We routinely benchmark our clients' plans and programs to other comparable entities and will do the same for the BLR. Typically, we conduct a benchmarking review when we first engage with a new client, to evaluate and demonstrate how their benefit programs compare to local peers, national published surveys and Segal's book of business.

A successful benefit benchmark survey requires selecting the correct comparator organizations, gaining a comprehensive and accurate understanding of both current plans and future initiatives, and applying a rigorous and insightful analysis to the information collected. The key steps of a competitive survey and best practices analysis of health benefits are outlined below.

Identifying comparator organizations

The first step in the survey process is to identify the state organizations to be surveyed, and to whose benefit plans the BLR plans will be compared and measured. The "comparator" organizations are the organizations against which the client competes – or, more importantly, will compete – in seeking to attract and retain top-level talent. The organizations selected may be:

- In the comparable industry group
- Key employers in the geographic locations where the client has concentrations of employees
- Organizations, including those from different industry groups, whose employees have skill sets or experience that are particularly desirable to the client

The survey process

Our approach begins with a compilation of publicly available information about current plans, and then uses this information as a springboard for a more in-depth probe. Our comprehensive approach does not merely measure our client's place among their peers, but also measures benefits relative to best-practices benchmarks. A basic competitive survey may show that the client is the best in a mediocre group; therefore, adding a best-practices benchmark gives a more meaningful understanding of the way benefits can meet broader objectives.

We will compile data about current plans from publicly available sources. This first phase forms a foundation and identifies the types of quantitative and qualitative information needed to form an accurate, complete, and dynamic understanding of comparator organizations' benefit programs.

Analyzing data and reporting results

Following compilation of the data, we prepare a summary of findings and observations that gives a concise evaluation of the various organizations' benefit programs and directions and the client's position within the group. Our analysis is rigorous, exploring all the key aspects of a plan such as: premiums, contributions, subsidy percentages, plan design elements, actuarial value, and risk.

For this project, we plan on leveraging our public sector expertise by tapping into the following benchmarking surveys:

- **Segal's proprietary higher education benchmarking tool and database:** Our College and University Benefits (CUBS) tool and database includes benefits information for approximately 450 institutions. This tool will allow BLR to benchmark itself against other higher education institutions and provide insight into building short and long-term strategies to ensure competitiveness with your peers.
- **Study of State Health Plans:** State employee health benefits costs and cost sharing are increasing. Average total premiums for employee-only and family coverage in preferred provider organizations/point-of-service plans and high-deductible health plans/consumer-driven health plans have risen substantially in recent years. On average, states are requiring employees to share more of the premium cost. Our most recent survey was conducted in 2018 and below are some key findings.
 - All states provide wellness programs and services, with a majority having branded their programs.
 - Many states are using strategies in those programs that align incentives with desired behaviors.
 - Efficient utilization and cost management programs are being promoted through various measures, such as on-site clinics, narrow networks, transparency tools and telemedicine.

A summary of the survey can be found on our website at:

<https://www.segalco.com/consulting-insights/archive/reports-and-surveys/2019/2018-state-employee-health-benefits-survey>

We will work with the BLR to put together an appropriate benchmark analysis, ensuring we focus on the most relevant and impactful components.

Please see that we have included examples of our benchmarking survey analysis and findings for the State of Wisconsin and Texas Teachers Retirement System in Section 3.1 of our response under Consulting Capabilities.

- *Non-member demographics to fully analyze and understand the characteristics of the employed and eligible population that opt NOT to participate in the Plans at any available coverage tiers.*
- *Data and analysis that will provide the Subcommittee with a better understanding of the economic impact of the premium at the current rate compared to salary of different individuals.*
- *Vendor shall then use applicable details to examine the impact of and present options such as a possible salary adjustment factor or other income-based element to the current employee premium schedule.*

As part of the benchmarking process, Segal will also review the profile of individuals that are electing, as well as waiving coverage offered by the State. This will include information on their geography, age, and income levels. With this background, we will be able to provide insight into whether current contributions are a driving force in overall election of the program.

All of our clients are carefully evaluating employee contributions and overall cost sharing, including copays, deductibles and coinsurance. Segal assists employers with outlining their cost sharing strategy based on an organization's Total Rewards strategy, as well as benchmarking data, future trends, benefit plan objectives, employee satisfaction concerns and financial impact.

The cost sharing and contribution strategies we have utilized in the past vary among our clients as they are based on the objectives and culture of each organization and the Total Rewards they offer. For cost sharing, some clients prefer a strategy where their cost share (what members pay when at the time of service) is at the median or 50th percentile when compared to the market. This means that benefit provisions are in line with the benefit plans offered at organizations with whom these clients compete to retain and attract talent. Other clients strive to be better than the market or above the median/50th percentile. In all cases, we assist such clients in benchmarking the market and suggesting cost sharing to meet their objectives.

Contribution strategies we have utilized include fixed and tiered percentage levels. Some clients prefer to subsidize the employee-only cost more so than those with dependent coverage. Others target an overall percentage contribution cost share between employees and the employer. We have also implemented salary based contribution schedules, as well as strategies that contain a fixed and variable component with an annual maximum amount.

- *A comprehensive provider network analysis to review the breadth of the network supporting the Plans and a full actuarial analysis of the paid claims for a benchmark comparison to the published rates for Medicare fee for service.*

The right health care solution depends on where your employees are located. To aid in the selection of solutions, we would propose to conduct a preliminary evaluation of the availability of health plan networks in Arkansas.

Segal uses a Discount Database that houses provider discount information on a national basis.

We participate in the Uniform Data Specification (UDS) task that has devised a common methodology of evaluating provider discounts that is accepted by most carriers. Data is updated twice annually and can be used for client specific discount analyses to evaluate competitiveness of provider networks.

On occasion, we have provided prospective vendors with detail claim files for them to re-price using their network. Although this provides a more comprehensive view of their network arrangements, it does require careful review to ensure that the bidders' are not "gaming" the system.

Segal works with public sector plans to create healthcare networks that are cost effective and comprehensive. We have experience with a variety of networks, including:

- Preferred provider (PPO) networks, both broad and limited scope
- Health maintenance organization (HMO) programs in which primary care physicians (PCPs) are paid a capitation rate, hospitals a per case rate and specialty physicians a fixed schedule of fees
- Point-of-service (POS) programs in which PCPs function as gatekeepers for all in- and out-of-network care
- Specialty networks of behavioral health practitioners and facilities

Our network analysis services include:

- Investigating the current network to see if it is comprehensive for participants' current needs. This includes hospitals, physicians, skilled nursing facilities, home health, hospice, rehabilitation facilities, physical/occupational/speech therapists, chiropractors and durable medical equipment (DME).
- Using data to guide participants to Centers of Excellence to improve treatment outcomes and promote patient safety. This includes all procedures prone to high rates of quality variability.
- Investigating why participants are using non-PPO providers
- Reviewing PPO savings reports
- Implementing a tiered network concept to steer participants to more cost-effective providers and hospitals
- Soliciting competitive bids for PPO network options to assure that the fund is receiving the most competitive rates and best access available
- Helping clients select "Best in Class" provider networks based on discounts and the breadth and depth of specialty providers, as well as on best fit by region where high concentrations of participants reside
- Comparison of allowed charges to Medicare fee schedules

Segal also maintains a discount and disruption database for comparison of your current networks to potential networks. This can serve as a benchmark tool and help manage financial expectations of the procurements.

- *A comprehensive review of the Arkansas provider community to review Centers of Excellence or other recognized aspects of quality for various procedures as a consideration for a limited or specialized network for more complex procedures.*
 - *The review should be sensitive to the diversity of the State and School workforce in the areas of technical proficiency, geography, economic impact to the employer and member in regards to their time away from work, variations in out of pocket costs for care at different locations, and other issues that are directly impacted by limited access to care.*

Historically the shift in healthcare payment models from fee-for-service (FFS) to value-based healthcare was a slow but positive step to addressing the inequities in the delivery of healthcare services. The impact of COVID-19 on an already dated FFS model resulted in an accelerated need for alternative payment strategies that protect the independent local practitioner who is in tune with the needs of the community. The next generation of healthcare is to screen for social determinant risk scores, allowing healthcare analytics to personalize actionable recommendations that can impact the underlying need of the population. Utilizing individual and public data related to social risk, Segal can develop a personalized stagey that is sensitive to the unique needs of the population.

Accountable Care Organizations (ACO), risk-sharing models, as well as Centers of Excellence (COE) are all examples of value-based healthcare.

The FFS payment model in healthcare drives this high cost by encouraging and rewarding the volume of medical services, regardless of questionable efficacy, necessity or appropriateness. FFS drives volume by basing payments on quantity, not quality. The shift toward increased collaboration, shared risk, and outcome-based payment is going to change provider payment models. Listed below are some of the anticipated shifts from health plans.

- Realign networks around shared risk environment focused on quality, cost and patient experience outcomes
- Leverage new payment models to drive increased quality and reduced medical costs
 - ACO: provider organizations take accountability for care of a specific population
 - Payments based on achieving quality, cost, and patient outcome targets
 - Providers share in the risk and/or the savings of the population outcomes
- Performance based contracting
 - Provides opportunity to earn more for better outcomes
- Bundled and episodic payments
 - Provider (or group practice) receives a fixed PMPM for all health services rendered for a single episode of care

Value-based healthcare can take any of these forms, but the consistent theme is that it pays for quality rather than quantity.

Segal has experience in working with clients to implement value-based care through creative plan designs and plan member incentives. We have relationships with vendors who will engage in direct contracting with local providers; negotiate discounts and risk-sharing arrangement, and ability to evaluate the vendors independently in terms to best performance and outcomes.

Earlier this year we were retained by a large client in the Midwest to perform due diligence on vendors that engage in direct contracting with local hospital systems or has Centers of Excellence for elective procedures. Segal used a comprehensive approach to evaluate the vendors for their respective approaches. Once we received their proposals, our clinical and actuary consultants were able to compare their services and savings and quantify the potential impact of such, for the client. The direct contracting vendor specializes in offering deeper discounts at a select high quality hospital system that becomes a preferred narrow network. The COE carrier identifies top-quartile hospitals and surgical centers – by practice, procedure and specific physician group – and negotiates with these high-performing surgical teams for episode-of-care case rates, bundling the various charges for each surgery into a single price that is significantly less than that of typical PPO plans.

With independent analysis, Segal was able to help the client choose the vendor that fitted their requirements the best – which, in this case was the direct contracting vendor. Subsequently, we created a plan design centered around this arrangement that was attractive for members to choose, and quantified the potential savings, which in this case would be 20% of their current costs.

- *A comprehensive review of participation rates, members to subscriber ratio between the two Plans, plan designs detailing all cost shares to which the members were exposed, base premium cost, state/school contribution amounts, and employee / retiree premium for the last 15 years.*
 - *This review should include an analysis of the progression of the Plans in regards to participation, costs, and employer subsidy so that paths forward can have the benefit of the past to help direct strategic decisions.*

Throughout the benchmarking process and contribution analysis, Segal will work with the BLR to collect and review data related to the plan and its enrollment statistics over the past 15 years. This will dovetail with the analysis on the profile of individuals that have both elected and waived coverage in the plan over this time.

In addition, this analysis will include a comprehensive review of the evolution of the plans over time in terms of contributions, design structure, and total out-of-pocket costs for participants. As part of the strategy review, we will review this information in order to determine the overall goals of the BLR, and the desired direction of the plan structure going forward.

- *A review of the other public employee plans (cities, counties, colleges, universities, and other public workforces) offered throughout the state for employers outside the current ASE and PSE Plans.*
 - *This should include, at a minimum, the primary elements of plan design, the base premium, employer subsidy, and employee net costs for the last 5-7 years.*

During our plan review stage of the BLR's benefits, we will review the current plan and identify strengths and weaknesses within the program. Evaluation criteria will include:

- Cost effectiveness of the current program
- Competitiveness
- Administrative efficiency, including claim payment, eligibility updating and responses to inquiries
- Availability of utilization management reports for the BLR to make informed decisions

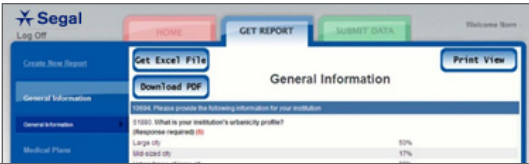
In reviewing each plan, Segal will compare the BLR's experience against normative standards and best practices. We utilize rigorous evaluation methodologies, adjusting for all pertinent data and information, such as demographic composition, location, plan design, etc. Our financial analysis will also include a current budget review and focus on current premiums, claims, reserves, negotiated costs and administration fees.

In addition to other States and Cities, Segal will compare the State's plans against our CUBS (database, including schools both in and around the State of Arkansas).

We recognize that fiscal and competitive pressures make it important to understand today's current benefit plans in the relevant markets. Therefore, a competitive evaluation and review of all components of the benefits plan is imperative for institutions that strive to attract and retain a high caliber and diverse workforce.

It is with this insight that Segal has developed its College and University Benefits Study (CUBS) tool specifically for clients who compete for talent in the higher education market. The tool contains over 400 higher education institutions and allows us to compare specific benefit offerings for an institution to its comparison markets. All of our benefits survey data is separately tabulated for:

- Full-time faculty
- Full-time professional and administrative staff
- Full-time clerical and support staff



The screenshot shows the Segal CUBS tool interface. It includes a navigation bar with 'Log Off', 'GET REPORT', and 'SUBMIT DATA'. Below this is a 'General Information' section with a 'Print View' button. The main content area displays a table titled '10753. What is the monthly COBRA cost for each tier of benefits?'. The table has columns for '25%', '50%', '75%', 'Average', 'You', and 'difference'. The rows list various benefit plans with their corresponding costs.

	25%	50%	75%	Average	You	difference
52121 Individual (S)	\$397.00	\$419.47	\$451.47	\$414.53	N/A	N/A
52122 Individual plus spouse (S)	\$826.00	\$838.54	\$902.94	\$845.27	N/A	N/A
52123 Individual plus child (S)	\$925.46	\$905.27	\$838.94	\$728.13	N/A	N/A
52124 Individual plus one (spouse or child) (S)	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A
52125 Family (individual plus 2 or more) (S)	\$1,037.00	\$1,199.89	\$1,273.19	\$1,153.05	N/A	N/A

Our benefits benchmarking approach is comprehensive; it can include all the following benefits:

Health Benefit Plans	Retirement Plans	Other Benefits	Leave Programs	Non-Traditional Benefits
<ul style="list-style-type: none"> • Medical • Dental • Health FSA 	<ul style="list-style-type: none"> • Defined Benefit Pension Plans • Defined Contribution Pension Plans • Retiree Health and Welfare 	<ul style="list-style-type: none"> • Tuition Benefits • Basic Life Insurance • Optional Life Insurance 	<ul style="list-style-type: none"> • Paid Sick Leave • Short Term Disability • Long Term Disability • Vacation Time, Holiday and Personal Days • Sabbaticals* • Paternity and Maternity Leave* 	<ul style="list-style-type: none"> • Day Care/ Elder Care Referral Services* • Long Term Care* • Legal Assistance* • Group/Home Auto Insurance* • Pet Insurance* • Concierge Services* • Adoption Assistance* • Housing Assistance* • Relocation Assistance* • Health Club Fee Assistance*

* The survey questions denoted with an asterisk address program accessibility and in some cases whether or not the institution subsidizes these programs, not their specific plan design features.

The survey provides us with information to assess the competitiveness of each of the above programs, plan prevalence, program structure, and benefit levels for commonly provided benefits.

Compile Benchmark Data into Exhibits

Segal can conduct distinct activities for BLR in the analysis process:

- Analyze and compare BLR programs to the comparison institutions selected (custom comparator group);
- Prepare a detailed report, illustrating how your benefit provisions compare to the 25th, 50th and 75th percentile levels among comparison institutions;
- Provide opportunities for plan optimization, in some cases better aligning with the comparison institutions while allowing BLR to better execute its benefit strategy; and
- Summarize benchmarking results into an exhibit that allows for easy assessment across the comparison institutions.

In short, we can analyze results and develop directional recommendations for consideration.

We continue to grow and administer our CUBS database, which uniquely positions our consultants to best understand the higher education market and our clients' needs. Should we be selected to work with BLR we will use the database to assess where you rank in relation to your peers in order to make informed decisions.

Deliverables

Our deliverables include a written report and meetings on campus to discuss observations, findings and recommendations. The recommendations will focus on competitiveness and relate to the priorities we discuss in the kickoff meeting. Two visual representations of portions of our work product follow.

● Above Average ● Average ○ Below Average					
ABC University					
Plan	Benchmark Institutions		General Industry		Overview of Peer Comparisons
	Faculty	Staff	Faculty	Staff	
Medical/ Prescription Drug	○	○	●	●	Total medical cost share is high, with employee contributions being high compared to the peer group and industry benchmarks
Dental	●	●	●	●	Plan is rich compared to peer group and general industry benchmarks. Employee contributions are competitive
Vision	○	○	N/A	N/A	Most peers allow 12-month frequency, while ABC requires 24 months
Flexible Spending Account	○	○	N/A	N/A	HCSA maximum is lower than peer majority. DCSA is in line with market
Life Insurance	○	●	●	●	Basic and supplemental benefit is low considering average faculty salary, but is in line with average staff salary. Benefit level is in line with general industry benchmarks
Short-term Disability	○	○	○	○	Staff must use accumulated sick and vacation time for first 90 days of disability. The peer majority and general industry benchmark provide benefit for the entire disability period
Long-term Disability	○	○	○	○	Monthly maximum benefit is lower than the peer majority and general industry benchmarks
Time Off	○	●	●	●	For the majority of ABC's population, vacation, sick and holiday time are on par with the peer group and exceed general industry
Tuition	○	○	N/A	N/A	The waiting period is longer than most peers and the peer majority allows dependents (spouse and children) to participate at 100% reimbursement
Retirement Welfare	○	○	●	●	While retiree contributions are higher than the peer group, they are in line with the general industry benchmark. The majority of peers and general industry provide benefit to spouses
Retirement Income	●	●	●	●	University contributions are in line with peer group and greater than the general industry firms providing DC only benefits
Non-traditional Benefits	●	●	N/A	N/A	Majority of these benefits are in line with the peer group. ABC's child care benefit is a rich addition to this benefit program as most peers only provide referral services
Overall Assessment	○	○	●	●	







Plan Provision	Comparison Group								Client		
	1 st Quartile		Median		3 rd Quartile		Mean		Low Deductible PPO Plan		
	In-Network	Out-Network	In-Network	Out-Network	In-Network	Out-Network	In-Network	Out-Network	Endorsed Encircle Network	Other In-Network	Out-Network
Primary Care Physician (PCP) Copay	\$25	N/A	\$20	N/A	\$15	N/A	\$26	N/A	N/A	N/A	N/A
Specialist Copay	\$40	N/A	\$35	N/A	\$25	N/A	\$40	N/A	N/A	N/A	N/A
Per-confinement Copay	Included for 38% of In-Network copayment, 32% of Out-of-Network copayment								None		Yes
Outpatient Services Copay	Included for 25% of In-Network copayment, 15% of Out-of-Network copayment								None		None
Individual Deductible	\$500	\$750	\$500	\$500	\$300	\$500	\$495	\$760		\$600	
Individual Out-of-Pocket Max (excluding deductible)	\$3,000	\$5,000	\$2,000	\$3,000	\$2,200	\$3,000	\$2,043	\$3,572	\$2,000	\$3,500	\$5,000
Institution Subsidized Coinsurance %											
Physician Visits Non-Specialist	85%	60%	100%	65%	100%	70%	94%	65%	80%	70%	60%
Physician Visits Specialist	85%	60%	100%	65%	100%	70%	93%	66%	80%	70%	60%
In-Patient Hospital	80%	60%	80%	60%	90%	70%	84%	65%	80%	70%	60%
Out-Patient Hospital	80%	60%	80%	60%	90%	70%	83%	64%	80%	70%	60%
In-Patient Surgery	80%	60%	80%	60%	90%	70%	84%	65%	80%	70%	60%
Out-Patient Surgery	80%	60%	80%	60%	90%	70%	83%	64%	80%	70%	60%
Emergency Room											
Copay	\$200	\$200	\$100	\$100	\$50	\$50	\$134	\$126	\$100	\$100	\$100
Coinsurance	100%	100%	100%	100%	100%	90%	87%	82%	80%	80%	80%




Sample CUBS Reports

Below is an example of the Executive Summary output.

Executive Summary Overall Competitiveness of XYZ Institution

Sample Report

Plan	XYZ Institution	Comments Relative to the Comparison Market
Medical/Prescription Drug and Wellness		XYZ Institution offers four plans whose benefit provisions range from More Competitive to Less competitive. However, XYZ Institution's cost sharing percentages are Highly Competitive for the PPO and High Deductible plans and More Competitive for the HMO. This combined with a robust wellness and disease management program make the overall program More Competitive.
Retiree Health		XYZ Institution's retiree health offering and benefit design is similar to the comparison market for institutions that subsidize retiree health (66%). The retiree health benefits are well subsidized, including 100% employer subsidy for post-65 benefits which make the overall benefits Highly Competitive.
Retirement Income		The Defined Contribution plan's provisions are mostly in-line with the market. XYZ Institution offers a more competitive minimum deferral to receive a match, but in order to fully maximize the institution contribution, employees must defer a significant higher percentage of salary. XYZ Institution offers a Defined Benefit plan to grandfathered employees only. About 47% of schools indicated they offer a DB plan to new employees. Overall, the retirement income plan is Competitive.
Dental & Vision		XYZ Institution offers a low and high dental PPO plan with Less Competitive and Competitive provisions, respectively, as well as a DHMO. While the dental provisions for these plans are in-line with the market, most institutions (71%) subsidize their dental benefits. The vision program is consistent with the comparison market. Overall, the dental and vision plans together are Less Competitive.
Tuition		The employee of benefit reimbursement of 97% is close to the median while the spouse and children benefit levels are more competitive. Most institutions offer benefits for children beyond their own institution. Overall, the tuition benefit is Competitive.
Life Insurance		The employer-paid basic life insurance benefits are competitive with the market. The optional life insurance benefits are more competitive for employees and in-line with the market for dependent life insurance making the benefit Competitive overall.

 Not Competitive
  Less Competitive
  Competitive
  More Competitive
  Highly Competitive

- *A review of the contribution strategy for each plan option and coverage tier and how the funding strategy impacts the mix of enrolled members.*
 - *For the current 2021 plan year, the amount of “State & Plan Contribution” varies by plan option and by coverage tier.*
 - *Historically, a contribution was allocated based on a percentage of the Base Monthly Premium that varies by plan and tier.*

We often work with clients that employ a variable contribution strategy for benefits. We are prepared to work with the BLR to walk through pros and cons of this type of approach, as well as the various alternatives available. Once the plan benchmarking is complete and the BLR has landed on a recommendation for the benefit offerings, Segal will develop funding and contribution scenarios the minimize exposure to the BLR. We have the actuarial experience needed to understand impacts of migration and adverse selection considerations associated with any type of contribution strategy, and will work with the BLR to develop a strategy that both limits these risks, and achieves the overall goals the State.

We typically like to recommend a base/buy-up approach, where the client is agnostic on which option an employee/retiree select, but will provide additional options for consideration as well. In general, if the risk and subsidies are normalized between the plans, the BLR can be shielded from selection bias.

Our actuarial team is highly proficient and do this for nearly all our public sector clients.

- *A review of the concepts around Value Based Contracting and Episode of Care contracting for various medical procedures as well as the benefits to the Plans and the members if all providers actively participated in public disclosure and price transparency.*

Value based payment models that reward quality and efficiency have gained momentum as cost savings alternatives to fee-for-service care. Segal has evaluated the financial arrangements for a broad range of alternative payment models from shared savings, bundled payments for episodes of care, reference-based pricing and other alternative value-based payment approaches for our clients to help mitigate price inflation and ensure the payment models create a positive return on investment.

Below are a few examples:

Reference Based Pricing – In response to the State of Montana's move to implement a reference based pricing model to pay hospitals for care using Medicare as an index, we worked with two large State systems to model the financial impact to follow this model. We are actively consulting on this topic and using this financial analysis for negotiating revised contracting terms with providers.

Shared Savings – Segal worked with the State of Maryland to implement a value based plan design. A key component of this program included the implementation of a shared savings performance arrangement that includes targets tied to clinical outcomes. The goal of the shared savings program is to partner with the carriers to improve the health risk profile of the covered population and close the gap from a baseline measurement period from when the program was

first implemented to goals established year over year. Clinical compliance measures are HEDIS based, and Segal is the firm that independently measure the population's outcomes to determine shared savings payout under the program.

Primary Care Payment Modeling – The State of Connecticut and the Office of the State Comptroller sought to develop a foundational analysis of actual and risk adjusted costs using the State of Connecticut Employee Plan claims experience. Segal developed the actuarial models for a primary care payment bundle and care management fee structure. Segal modeled the care management fees based upon the current Comprehensive Primary Care Plus Track 1 and Track 2 approach. The model consists of risk adjusted tiered payments to primary care providers for each Track. The primary care payment moved from fee-for-service to a combination of fee-for-service and capitation payments. The end product of the analysis was the development of an actuarially derived primary care payment model the State used to inform payment reform initiatives focused on aligning primary care payments to achieve both long-term cost savings and incentivize high-quality, patient-focused care.

Bundled Payment – for the State of Alaska, surgery costs represented the one of the largest component of health care spend. Segal evaluated the costs associated with episodes of care for key non-emergent surgical procedures and conducted an RFP of the marketplace. This resulted in supplementing non-emergent surgery coverage with a network that offers high quality, low cost benefits to employees of the State. Savings are estimated to be 30-50 percent per surgery over the prior network.

Above are just a few examples of how Segal has worked with clients on value based initiatives to create financial forecasts with stability to operate service delivery models on behalf of our clients. By targeting solutions and value based strategies that address plan design, aggressive vendor contracting, best-value providers, participant decision support tools and measurable population health improvement, we can help BLR maintain control over providing high value benefits that are well received by current and future plan participants.

Price transparency has become front and center with the latest legislative changes. We are currently working with our clients to help them implement the requirements and put together thoughtful responses. Segal has had numerous seminars on these topics – please see our website for additional information and recordings.

- *A review of the economic impact regarding the pre-tax premiums coordinated through the public school's cafeteria plans and how those tax savings could be used to benefit the PSE Plan as future premium subsidy.*

Segal's compliance consultants will review the impact of any potential changes relating to the tax treatment of the program as well as the impact of Arkansas Code on the funding methodology. As your consultant, Segal will work with the BLR to understand the concerns relating to these items and provide recommendations on the best path forward.

- *A review of the economic impact regarding a revision to the public school contribution threshold adjusting from a minimum contribution amount per enrolled individual per month (per Arkansas Code § 6-17-1117 et seq.) to a methodology similar to the state funding of an amount per-budgeted position basis.*

Segal's compliance consultants will review the impact of any potential changes relating to the tax treatment of the program as well as the impact of Arkansas Code on the funding methodology. As your consultant, Segal will work with the BLR to understand the concerns relating to these items and provide recommendations on the best path forward.

- *Analysis of all current legislation applicable to the Plans and recommendations for draft legislation to aid in the strategic growth of the Plans and their improved financial viability.*

Segal's consultants monitor federal legislative, regulatory and judicial changes that affect public sector plans. We proactively inform our clients about these changes by publishing articles and facilitating training on the latest compliance issues.

Segal provides proactive and responsive compliance advice through our national staff of attorneys focused on the myriad of health and welfare issues including COBRA and HIPAA. Kathy Bakich will lead this work for BLR. Please see her included resume detailing her extensive expertise and experience. In addition, Segal offers a range of compliance services and publications to help employers navigate the maze of federal, state and local laws and regulations related to benefit plans. These include:

- Drafting plan documents, summary plan descriptions, plan enrollment information, administrative forms and participant correspondence and notices
- Reviewing documents for compliance with Internal Revenue Code provisions and regulations, internal and external consistency and the provision of clear rules and guidelines for plan operations
- HIPAA privacy and security assessment, policies and procedures, compliance and training programs
- Designing wellness programs to promote healthy lifestyles while complying with strict federal guidelines
- Drafting policies and procedures, and conducting training, on a wide range of federally mandated plan provisions, including COBRA, QDROs, USERRA, Cafeteria plans and other laws
- Developing individual account health plans to accommodate changing health policy needs of employers, including Health Savings Accounts and Health Reimbursement Arrangements
- Helping employers navigate new and confusing rules regarding Medicare, coordination of benefits and the Medicare Part D Retiree Drug Subsidy (RDS)
- Helping employers prepare for government audits for plans

We have extensive experience in preparing comprehensive analyses of federal, state and local legislative and regulatory issues for our public sector clients. These analyses include a wide variety of research projects and reports that we have prepared for boards of trustees of state

and local government plans, state legislatures, state commissions and the federal executive and judiciary branches.

Our Washington- and Atlanta based staff of law experts maintain close relationships with government agencies and this allows them to follow legislative developments and be able to alert clients and respond to questions quickly and efficiently. In addition, Segal's compliance experts wrote and serve as ongoing editors to the Employer's Guide to HIPAA Privacy Requirements (Thompson Publishing Group, Inc.) and serve on the advisory boards of multiple employee benefit publications.

We will proactively share our analyses of emerging regulations and legislation through our Alerts and notices.

We encourage our clients to contact Segal whenever a question arises about an issue that can affect their plan. However, because Segal does not practice law, if a legal issue arises, you should supplement the information and observations that we offer by consulting with your attorneys for authoritative legal advice.

Staying informed

Staying informed about all developments affecting your plans is essential. Our relationships on behalf of clients with the Internal Revenue Service, U.S. Department of Health and Human Services, Department of Labor and numerous other agencies allow us to not only assist you with compliance and related matters but also disseminate critical information, including “hot-off-the-press” analysis of legislation, in a timely manner.

We regularly assess and proactively inform clients about the impacts of federal and state laws and regulations, including Governmental Accounting Standards Board Statement 74/75, COBRA, federal tax provisions, GINA, USERRA, HIPAA, HiTECH, EEO, PPACA (and new proposed legislation from the Trump administration) and IRS section 125 cafeteria plans. We also assist you in identifying any modifications needed to your benefits program to meet compliance standards for all benefits-related legislation.

Segal prepares materials including online *Compliance News* web posts and thought leadership, which are routinely provided to clients, at no additional charge, via e-mail:

- *Compliance News* summarizes important developments affecting retirement plan compliance and health benefit plan compliance, provides a concise description of the legislative or regulatory matter and discussed the possible implications for public sector plans
- Various [consulting insights](#) that discuss creative benefit planning options for employers and plan sponsors
- Complimentary webinars for our clients to discuss current topics of concern and new legal and regulatory requirements



Segal conducts frequent webinars (and seminars pre-COVID-19) for our clients to discuss current topics of concern and new legal and regulatory requirements. These seminars are held as webinars, using Zoom. The presentations, supporting materials and recordings are then made available on our website as an educational resource: segalco.com. During 2020, Segal held many of these regarding the dramatic impact of COVID-19 on benefits and compliance.

Topics vary widely and have included not only in-depth issues relating to compliance with recent legislation, fiduciary liability and fidelity bonds, cyber liability, employment practices liability, the uniqueness of training fund liability, etc. Guest speakers from the insurance carriers, law firms and other service providers are often included.

- With the passage of federal Healthcare Reform legislation, the landscape for health benefits for employees and retirees has changed and will continue to change for many years. Segal has been at the forefront in reviewing and anticipating the developments relating to healthcare reform as the legislation was being crafted and as the agencies issue regulations and guidance. We will bring that experience to the benefit of BLR in combination with our lengthy history of providing legislative and regulatory research for our clients' benefit plan needs.

In addition, we have extensive experience in preparing comprehensive studies and reports on benefits-related topics involving legislative and regulatory issues for many of our clients. We are also available to provide a range of training for clients, developed and customized to your specific needs.

Consulting Capabilities (3.1)

In this Section 3.1, Vendor should detail all capabilities, ideas, guidance, and other information to fully demonstrate the capabilities of the prospective Vendor.

Segal is prepared and agrees to provide, as BLR's benefits consulting service business partner, all of the services (at a minimum) identified and listed below as outlined in the RFP Section 2.0 and 3.0. Segal maintains, within the firm, all of the required qualifications, expertise, competencies and capabilities to provide these services and be BLR's trusted advisor.

To deliver the support requested by BLR, we have assembled a very experienced team with cross-functional expertise and deep knowledge of the healthcare industry and human resources/benefits challenges we anticipate will impact BLR in the coming years. We start off this section, describing our capabilities, by provided two examples of our state expertise and experience.

State of Wisconsin Department of Employee Trust Funds (ETF)

Segal was retained by the Wisconsin Group Insurance Board – Department of Employee Trust Funds (ETF) to perform a full range of services related to the analysis, design, management and communication of the State's health insurance program for employees and retirees.

The primary objective of the project was to analyze data from a variety of sources to develop and recommend strategies to improve health outcomes and increase the efficient delivery of quality healthcare to participants in the state employee health insurance program.

Segal provided two deliverables to ETF for this project. The first report focused on analysis and recommendations for consideration for calendar year 2016, as well as interim reports on larger analyses in process. The second report was completed later in 2015 and included findings, recommendations and strategies to consider for 2017 and future years.

Segal prepared a high-level review of the following components for the first report, providing recommendations for the 2016 plan year:

- Comprehensive Plan Benchmarking – plan costs, designs, access
- Health Management
- Pharmacy
- Consumer Driven Healthcare Design
- ACA Review – Excise Tax
- Private and Public Exchanges
- Market Observations
- Self-Insurance Concepts
- WHIO Database

For each component, we collected a wide array of data, both within the state and nationally. We met with all the 18 plans operating in the state, discussing a number of items – emerging markets, plan models, capitation options, risk sharing, value based designs, wellness incentives, etc.

The second report included findings, recommendations and strategies for consideration for 2017 and future years. Segal reviewed the following components:

- Total Health Management
- Program Structure
- Pharmacy
- Data Management
- Market Observations
- Self-Insurance
- Retiree Coverage
- Local Government Plan
- ACA Update and Strategies

Results

From our research, we recommended options for the program to be implemented in the 2016 plan year, as well as options for the longer term. **The initial contract resulted in a 6% decrease in the total cost of the program and a number of improved processes.** The full report can be found online at <http://etf.wi.gov/boards/agenda-items-2015/gib0325/item4c1.pdf>. The second report provided later that year, concentrated more on a sustainable long-term strategy. Many of these elements have been implemented. This report can also be found online at <http://etf.wi.gov/boards/agenda-items-2015/gib1117/item3ar.pdf>.

Based on our recommendations, the Board modified their program offerings to include a more competitive High Deductible Health Plan with HSA, offer a Nationwide Medicare Advantage Plan, provide a new wellness program and implement a data warehouse.

Segal worked with ETF to market each component and select appropriate vendors. We were also engaged to implement the program and provide ongoing support.

Teacher Retirement System of Texas

Segal provides full health consulting strategy and actuarial services to TRS of Texas. We started working with TRS in November of 2019, and already we have provided the following:

- Analyze medical vendor and Medicare Advantage RFP responses
- Redesign plans with different networks and new plan designs
- Benchmark competing products
- Perform actuarial analysis, projections and rate development

- Provide clinical consulting to customize/enhance UM, CM, COE networks and large claim review process
- Perform compliance and contract reviews
- Provide pharmacy consulting and PBM market check
- Implementation new medical and Medicare Advantage vendors
- Conduct Pre-Implementation Audits

The PBM market check showed it has the best contract in the country so we recommended extension of the contract and not to market via RFP. The new medical vendor and Medicare Advantage plans selected via RFP saves a total of \$750 million over five years.

We have provided a link our presentation to the TRS Board. Our presentation starts on page 223.

https://www.trs.texas.gov/TRS%20Documents/board_book_february_2021.pdf

Segal & BLR collaboration

By collaborating with Segal on its benefit programs, the State will gain access to industry-leading expertise in health and welfare benefits, fresh perspectives on key challenges and unique insights from a firm with a long history of helping public sector entities, including transit authorities, and other organizations. Indeed, for 82 years, clients have relied on Segal's technical expertise and innovative ideas to support their mission and objectives through more cost-effective compensation and benefit programs, enhanced employee culture and improved organizational effectiveness.

We are proud to be recognized as the firm that provides trusted advice that improves lives. Further, clients can attest that the solutions we offer are as unique as the lives we touch. Our individualized, client-centric approach to consulting allows team members to focus on each client's specific challenges, environment, resources and staff needs. By taking the time to get to know each client — its stakeholders, mission and objectives and how the benefit programs support its strategic and human resources goals — we consistently bring value to our clients.

80 Years of Innovation

Martin E. Segal founded the firm in New York		Designed Relative Value Schedules Our study of surgical benefit claims in California		Health and Financial Wellbeing Benefits <ul style="list-style-type: none"> HMO development Preferred Provider Organizations (PPOs) Creative use of pension surplus to finance business transactions 		Life Cycle Benefits Segal designed with various alternatives, to address a client's interest in providing "work-family" benefits to employees		Segal Pulse: Web-based version of the forecast modeling tool SHAPE (Segal's Health Analysis of Plan Experience): Health cost data mining technology Ref360: Web-based tool allowing sports leagues to track, monitor and assess officials' performance	
1930s	1940s	1950s	1960s	1970s	1980s	1990s	2000s	2010s	2020s
	Competitive bidding The actual bidding of medical insurance contracts was introduced by Segal		Sabbaticals Segal was one of the first companies design a sabbatical program		Actuarial Asset Valuation: An actuarial valuation method The Life Cycle Pension Plan: New type of final average salary DB plan Securing non-qualified benefits: Risk insurance method to securing non-qualified benefits MediMACS: Physician reimbursement system		Work/Life Calculator Created Return on Investment (ROI) Calculator to provide clients with reliable data demonstrating the quantitative value of non-traditional benefits		Created Analytical Tools <ul style="list-style-type: none"> COVID-19 Medical Plan & STD Cost Impact models M&A Readiness self-assessments Workforce Planning model Employee segmentation tools

Our team would welcome the opportunity to help Arkansas continue to build an enhanced, more cost-effective benefit program that supports your mission. Moreover, we envision a partnership that can support the BLR's values.

Our consulting approach

Our consulting approach is client focused, timely, pragmatic and forward thinking. The solutions for the challenges facing public sector entities today are not rooted in the past; nor can they be based on applying benchmarks to what "everyone else" is doing.

As a leading national benefits and actuarial consulting firm, we believe that there are some key and distinct characteristics that make us different. In deciding whether to select our team to serve your needs, we would request that you consider our firm's service philosophy in that we:

- **Consult in a different way:** We will consult with you on how your benefit programs contribute to your organization's strategic direction and competitive advantage.
- **Give you an unbiased opinion:** We are an independent, privately owned firm — we exclusively serve the interests of our clients. We do not participate in service provider incentive programs, sit on their boards or committees, or participate in other activities that might be perceived as having some bias towards a service provider. You can trust our analyses, recommendations and opinions to be completely unbiased.
- **Deliver impact:** We are committed to assessing the impact and effectiveness of the services we provide to our clients:
 - Collect input on our consulting performance so we can serve you better
 - Demonstrate our commitment to quality and the impact our work has on the BLR's programs

- Continue to better understand how you want to do business so that we can further customize the way in which we work with you
- **Negotiate for “best in class”:** We have a track record for working through the bureaucracy of service vendors to obtain “better-than-market” competitive services, financial terms and contract provisions. We use the analytical knowledge we internally build on your plans and our market leverage to negotiate the “best in class” standards that you desire.
- **Offer a team with deep technical expertise:** Our client team for Arkansas will be led by Patrick Klein, and will be comprised of technical experts: actuaries, analysts, consultants, clinicians and attorneys. You will get the right answers to the questions that need to be addressed.
- **Have the expertise, resources, tools, analytical processes and vendor auditing capabilities:** We have the cutting-edge capabilities that will enable us to help the BLR to accomplish its strategies, and manage and mitigate the dynamics of increasing health care costs.

Tools & technology resources

Our healthcare consultants use several analytical tools to measure, monitor and predict the costs of health and welfare benefit programs. We update and revise our tools as needed to provide maximum value to our clients.

Segal’s Healthcare Consulting Tools and Resources

COVID-19 Medical Plan Cost Impact Model	<ul style="list-style-type: none"> • Segal’s Cost Impact Modeler includes month-by-month claim projections for both the direct costs to test and treat COVID-19, as well as indirect savings from reduced utilization of healthcare services due to the pandemic
COVID-19 STD Pricing Impact	<ul style="list-style-type: none"> • Estimates the impact of Short-Term Disability (STD) claims resulting from COVID-19 • Segal developed a range of projected incidence and estimated the associated costs
Discount Database National Database of Provider Discounts	<ul style="list-style-type: none"> • Segal participates in the Uniform Data Specification (UDS) task that have devised a common methodology of evaluating provider discounts that is accepted by most carriers • Data is updated twice annually and can be used for client specific discount analyses to evaluate competitiveness of provider networks
Employee Cost Share Calculator and Benchmarking Tool Employee Cost Sharing Calculator and Summary-Level Data	<ul style="list-style-type: none"> • Allows plan sponsor to compare value of plan designs to determine optimal balance of employee and employer cost • Calculates the “true employee cost share” for a medical / Rx plan and graphically benchmarks it against other plans (i.e., includes plan copayment features, etc., not just EE payroll contributions / deductions) • Allows the comparison of the total (gross) value of the plans and / or the employee cost share of those plans against other entities

IBNR Model Model for Developing Reserves for Claims Incurred but Not Reported	<ul style="list-style-type: none"> • Spreadsheet template used to develop IBNR reserves • Uses claims triangular data (by incurred and paid month)
Medicare Part D Calculator Medicare Part D Actuarial Equivalence Calculation	<ul style="list-style-type: none"> • It is used to determine whether a plan will pass a gross test (prong 1) or a net test (prong 2) • This proprietary tool estimates a projected federal subsidy (total and per participant) based on client detailed drug claim information
Medi-Span National Drug Data File	<ul style="list-style-type: none"> • Drug product descriptive information (e.g., NDC elements, generic classification indicator and packaging examples) • Pricing (such as AWP and direct pricing) • HCFA drug product information • Clinical data (such as drug interactions and precautions)
Mental Health Parity Pricer Mental Health Parity Rating Tool	<ul style="list-style-type: none"> • Assessment of the likely cost impact to bring non-compliant design elements into compliance under the Mental Health Parity and Addiction Equity Act (MHPAEA)
National Dental Advisory Service (NDAS) Pricing Program Dental Fee Schedule Database	<ul style="list-style-type: none"> • The NDAS pricing program contains dental fee information from survey data as published by Yale Wasserman DMD Medical Publishers (primary participants in the survey are dentists in private practices) • This tool allows you to compare fees with NDAS 40th, 50th, 60th, 70th, 80th, 90th & 95th Percentile Fees. It can be used to review, fine-tune or design a fee schedule. It can also be used to support frequency/utilization analyses.
Optum CompPricer Health Plan Rating Modeler	<ul style="list-style-type: none"> • Software application designed to calculate medical plan premium rates and estimate the value of plan design changes • Also contains key benchmark data around utilization per 1,000, cost per unit and allowed costs at the service category level in addition to trend rates by service category, industry and geography factors • This model is based on data from a multipayer, national commercial database of more than 20 million individuals • Reflects client's benefit plan design, demographics, location and industry • Claims in a sample database are readjudicated to estimate expected claim costs, resulting in a more accurate estimate than a factor or table-driven model
Optum Comprehensive Medicare Coordination Model (CMCM) Post-65 Rating Model	<ul style="list-style-type: none"> • Prices healthcare benefits for a Medicare-eligible population • Models plan design options that coordinate with Medicare
Optum Dental Rate Model Dental Plan Cost Rating Tool	<ul style="list-style-type: none"> • Application used for developing dental premium rates and estimating the effect of plan changes • Uses plan design information
Pharmacy Benefit Diagnostic Check-Up	<ul style="list-style-type: none"> • Assesses the client's prescription drug benefits across the following categories: Financial, Plan Design, Utilization, Clinical Programs and Cost/Containment/Summary

Population Health Management (PHM) Assessment	<p>Segal medical management experts can help clients set clinical goals against which population health management programs' performance can be monitored and measured. The assessment:</p> <ul style="list-style-type: none"> • Analyzes client-specific data and evaluates the effectiveness of existing population health management programs such as wellness, condition management (including digital health solutions), case management and utilization management • Establishes baselines and sets criteria and targets to each plan's programs, drawn from plan-specific performance, national averages and ideal targets • Sets measures that provide a meaningful impact on future direct and indirect cost and quality indicators • Delivers a report outlining the findings and key recommendations – tailored specifically for each client • Provides a detailed assessment of a client's current population health management programs, makes recommendations for improvement and identifies new opportunities
Proposal Tech Electronic RFP Tool	<ul style="list-style-type: none"> • Software to automate the health RFP bidding and analyses processes that are performed on behalf of a health benefits program • System has the capability to attach necessary data required by a third party administrator, insurance carrier or vendor in order to calculate and provide competitive quotations • Offers auction like function and allows for auditing
Rx Omni Pricer Prescription Drug Cost Rating Tool	<ul style="list-style-type: none"> • Application used for developing prescription drug premium rates and calculate the value of plan changes to the plan design • Uses plan design information and summary level claims data (optional) • Also, a version is used for Medicare Part Actuarial Equivalence calculation where client drug claims data is not credible
SHAPE Segal's Health Analysis of Plan Experience is a Comprehensive Medical Data Mining Service	<ul style="list-style-type: none"> • Data warehouse that combines data across medical vendors and PBMs and has capability to compare plan to normative benchmarks. Information is used to: <ul style="list-style-type: none"> – Determine the medical conditions and treatments that are driving up healthcare costs which helps us develop more targeted and effective cost containment strategies – Benchmark cost and utilization patterns of a plan to industry norms and other plan sponsors – Assess impact and effectiveness of wellness, disease management and other clinical programs – Accurately measure the future saving impact of plan modifications being considered – Serve as the tool for plan sponsors and vendors to manage "at risk patients" through predictive modeling – Allow clients to centralize all data from multiple vendors in one locations
STAR Retiree Health Valuation System	<ul style="list-style-type: none"> • A multi-decrement actuarial valuation program that produces a comprehensive set of liability calculations and cost projections associated with a wide range of benefit plans • The modular structure of the program allows for improvements to be implemented with a high degree of ease, speed and accuracy
Stop-Loss Database Stop-Loss Benchmarks	<ul style="list-style-type: none"> • This proprietary tool allows Segal consultants to help our clients benchmark costs and coverage levels to group peers of similar size and industry • The Stop-Loss Database includes data on over 200 Segal clients

**Stop-Loss
Deductible Modeler
and Stop-Loss Pricer**
Customize Stop Loss
Deductible and
Calculate Premium
estimates

- Stop Loss Deductible Modeler generates customized stop loss deductible suggestions for your plan based on each client's risk tolerance and reserve position
- Whether you are implementing a new plan, revisiting existing stop loss policies or considering added coverage, our decision-support tool helps to guide you toward the appropriate level of coverage
- The tool provides a suggested range of deductibles based on several variables including:
 - Group size
 - Projected medical plan per capita claim costs and current reserve levels
 - Dependent ratio
 - Risk tolerance – The maximum dollars the plan is willing to put at risk each year
- Also a version (Pricer) that calculates stop-loss premium estimates for both individual and aggregate stop loss based on cost of underlying plan

Segal's health analysis of plan experience (SHAPE)

Segal's Health Analysis of Plan Experience (SHAPE) aggregates financial and population health information from multiple health plans, carriers and other sources in a single, user-friendly application to help you make more informed, timely decisions about your health benefit programs.

One of the most advanced tools of its kind, SHAPE provides the ability to drill down into plan experience data, allowing for a virtually limitless set of analytical possibilities. With this proprietary tool, BLR can benefit from:

SHAPE currently supports
88 clients representing
4 million lives

- **Proactive monitoring of health trends and savings opportunities:** Segal's team of clinicians, data informatics analysts and consultants proactively monitor each client's data, searching for trends or anomalies and proactively informing clients if cost savings opportunities are found. When we find savings opportunities in one client, we take the initiative to look across all clients to uncover similar results for them.
- **Deeper, richer analysis:** Unlike some competitors, Segal gains unlimited access to historical data, allowing for a deeper and richer level of analysis. If the vendor terminates, historic data is maintained in SHAPE. Segal obtains national best practice information because we can query data across clients, markets and geographies, enabling us to make more robust comparisons and analysis.
- **Speed and flexibility:** When data is maintained in SHAPE, there is no need to send separate request for special studies. Clients have the ability to drill down into health data to understand the underlying root causes driving costs – whether it be to answer granular questions about a specific provider's billing practices or to analyze broader trends in inpatient admission rates for different groups within a population.
- **A holistic view of their plan's strengths and potential weaknesses:** Clients gain a holistic, integrated view of all benefit coverages from a financial, clinical and operational performance perspective.

The data warehouse enables clients to answer a wide range of questions such as:

- What is driving cost and utilization trend?
- What viable plan design alternatives will result in:
 - Significant claims cost reductions?
 - Increased member satisfaction?
- Which possible disease management and/or wellness programs would yield the most benefits?
- What is the ROI from existing wellness and disease management programs?
- How does membership compliance with treatment protocols compare to norms?
- How is the utilization of imaging technology trending?
- How is the membership mix changing? What impact will that have on future costs?

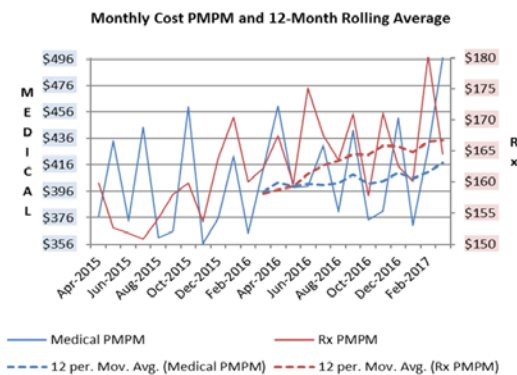
The power of this capability is in the variety of its scope. You can get answers to very granular questions, such as whether any providers are exhibiting atypical billing practices for specific procedure codes. Conversely, you can analyze the data at a high level, such as whether there is a significant difference in the inpatient admission rate for different groups of members.

The data warehouse's capabilities include standard reporting, robust ad hoc reporting and value-added data enhancements, such as individual risk scoring, disease classification algorithms, grouping of prescription drug experience into Segal's proprietary Disease Indications and thorough care gap compliance monitoring.

Sample dashboards of the types of reports and information we can provide through SHAPE are shown below.

Dashboard Snippets

1 Principal Financial Trends — Claims Cost Active + Non-Medicare Retirees



Observations

- The rolling twelve month Medical trend of 5.6% on a PMPM basis is below the 2017 projected Segal trends of 7.6%.
- The Rx trend of 5.5% is below the 2017 projected Segal trend of 11.6%.

2 Claims Summary Active + Non-Medicare Retirees

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total	Total Paid Amount	Total Paid PMPM	% of Total	
Outpatient Hospital	\$247,170,437	\$114.30	19.9%	\$235,501,084	\$107.65	19.8%	6.2%
Inpatient Hospital	\$249,528,738	\$115.39	20.1%	\$241,585,182	\$110.43	20.3%	4.5%
Non-Facility	\$277,638,038	\$128.39	22.3%	\$270,651,879	\$123.72	22.7%	3.8%
Ambulatory Surg Center	\$18,627,253	\$8.61	1.5%	\$18,338,233	\$8.38	1.5%	2.8%
Home	\$15,012,033	\$6.94	1.2%	\$12,801,462	\$5.85	1.1%	18.6%
Emergency Room	\$40,666,677	\$18.81	3.3%	\$37,460,251	\$17.12	3.1%	9.8%
All Others	\$54,826,453	\$25.35	4.4%	\$49,379,769	\$22.57	4.1%	12.3%
Total Medical	\$903,469,628	\$417.80	72.6%	\$865,717,859	\$395.73	72.6%	5.6%
Total Rx	\$340,640,833	\$166.74	27.4%	\$326,621,508	\$158.11	27.4%	5.5%
Total Paid	\$1,244,110,461	\$575.32	100.0%	\$1,192,339,366	\$545.03	100.0%	5.6%
Member Paid	\$76,025,909	\$35.16	6.1%	\$77,262,385	\$35.32	6.5%	-0.5%
Plan Paid	\$1,168,084,553	\$540.17	93.9%	\$1,115,076,981	\$509.72	93.5%	6.0%

Observations

- Overall, total (medical and Rx) trend increased 5.6%. Member Paid PMPM decreased 0.5%, while Plan Paid PMPM increased 6.0%.
- Emergency Room PMPM increased 9.8% from the prior period and represents 3.3% of total paid.
- Drug costs now represent 27.4% of the total paid. This is slightly higher than other groups in the industry, as the Rx component usually represents around 25% of total cost.

3 Key Healthcare Performance Metrics

Active + Non-Medicare Retirees

Category	Current Period	Prior Period	% Change	Norm ¹	Comparison to Norm
Avg Membership per Month ²	184,665	186,071	-0.8%	N/A	N/A
Office Visits per 1,000	6,251	6,589	-5.1%	4,406	41.9%
Inpatient Admissions per 1,000	70	69	0.6%	59	17.9%
Inpatient Days per Thousand	334	314	6.5%	245	36.4%
Average Inpatient Day Cost	\$4,040	\$4,134	-2.3%	\$4,689	-13.8%
Average Cost per Admission	\$19,370	\$18,730	3.4%	\$20,144	-3.8%
Readmission within 30 Days per 1,000	141	158	-10.9%	N/A	N/A
ER Visits per 1,000	224	231	-3.3%	232	-3.5%
Rx Scripts per 1,000	11,586	11,740	-1.3%	11,868	-2.4%

Observations

- Office Visits, which include PCP, Specialist, Preventive, Behavioral Health and Consultation visits, have decreased 5.1% from the prior period but still exceed the norm by 41.9%
- Inpatient admits per 1,000 increased slightly, while inpatient days per 1,000 increased 6.5% from the prior period.
- The average inpatient cost per day decreased but the average cost per admission increased 3.4% from the prior period.
- ER visits per 1,000 decreased 3.3% and are 3.5% below the norm.

¹ Verscend BOB Norms

² Based on average medical membership, including Kaiser members

³ Members with co-morbidities and their corresponding claims are combined in each applicable category. Kaiser members are included.

4 Major Conditions — Prevalence and Cost

Active + Non-Medicare Retirees with Conditions

Chronic Condition	Current Period							% Change	
	Members ³	% of Total	Norm	Paid	% of Total	PMPY	% of Avg PMPY	Members	PMPY
1. Diabetes	14,906	8.3%	9.0%	\$158,773,730	17.6%	\$10,652	212%	-3.0%	3.5%
2. CAD	6,794	3.8%	2.9%	\$122,624,368	13.6%	\$18,049	360%	-2.9%	7.3%
3. Asthma	13,820	7.7%	3.6%	\$86,076,018	9.5%	\$6,228	124%	2.6%	4.9%
4. COPD	2,275	1.3%	1.2%	\$40,675,830	4.5%	\$17,879	357%	-9.1%	10.6%
5. Hypertension	52,057	28.9%	22.0%	\$431,104,048	47.7%	\$8,281	165%	-1.9%	3.9%
6. Mental Illness	63,466	35.2%	18.6%	\$425,726,437	47.1%	\$6,708	134%	7.7%	-0.2%
7. Substance Abuse	17,034	9.5%	2.1%	\$146,500,139	16.2%	\$8,600	172%	-1.5%	3.0%
8. CHF	1,068	0.6%	0.6%	\$44,205,164	4.9%	\$41,391	826%	-11.3%	-3.4%
Totals (unique)	104,051	57.7%		\$656,481,680		\$6,309		1.5%	2.5%

Observations

- The members with at least one of these chronic diseases increased 1.5%, while the PMPY increased 2.5%.
- There was an increase of 7.7% in members identified with Mental Health issues; however, the PMPY decreased slightly for these members. Mental Illness is the most prevalent chronic condition within the Active and Non-Medicare Retiree population, with 35.2% of members being identified with the condition.
- Although the members identified with Substance Use Disorder decreased 1.5% from the prior period, 9.5% of the population has been identified with this condition (compared to a norm of 2.1%).

5 High Risk High Cost Analysis

Active + Non-Medicare Retirees High Cost By Condition

Chronic Condition for High Cost Claimants ¹	Current Period			Prior Period			% Change in Members	% Change in PMPY
	Members	% Within Condition	PMPY	Members	% Within Condition	PMPY		
1. Diabetes	1,326	8.9%	\$72,749	1,318	8.8%	\$71,272	0.6%	2.1%
2. CAD	1,158	17.0%	\$77,890	1,107	15.8%	\$76,227	4.6%	2.2%
3. Asthma	616	4.5%	\$63,775	577	4.3%	\$61,802	6.8%	3.2%
4. COPD	342	15.0%	\$85,249	350	14.0%	\$79,435	-2.3%	7.3%
5. Hypertension	3,510	6.7%	\$69,719	3,427	6.5%	\$68,082	2.4%	2.4%
6. CHF	362	33.9%	\$107,339	383	31.8%	\$118,950	-5.5%	-9.8%
7. Breast Cancer	412	17.4%	\$82,080	381	16.4%	\$73,749	8.1%	11.3%
8. Colon Cancer	117	28.8%	\$100,215	104	24.5%	\$95,706	12.5%	4.7%
9. Prostate Cancer	197	16.1%	\$60,453	168	13.1%	\$68,218	17.3%	-11.4%
Totals (unique)	4,387		\$67,437	4,155		\$66,373	5.6%	1.6%

Observations

- The number of unique high cost claimants increased 5.6% and the PMPY for those claimants increased 1.6%.
- The number of high cost claimants with CHF decreased 5.5% from the prior period and their PMPY decreased 9.8%.
- There was a 6.8% increase in high cost claimants with Asthma.
- The number of high cost claimants with Breast Cancer, Colon Cancer and Prostate Cancer increased from the prior period. Additionally, the PMPY for high cost claimants with Colon Cancer was second highest of all chronic conditions in the current and prior period.
- 17.0% of participants with Coronary Artery Disease (CAD) have total claims in excess of \$25,000.

¹ High Cost Claimants are above \$25,000

² Source : NCQA – State of Health Care Quality – Accredited Plans Commercial PPO Averages

6 Clinical Quality Performance

Active + Non-Medicare Retirees

Chronic Condition	Clinical Quality Metrics	Population	Individuals Performance		NCQA National Average ²
			Current Period	Prior Period	
Diabetes	At least 2 hemoglobin A1C tests in last 12 months	14,906	61.1%	60.0%	88.30%
	Annual screening for diabetic nephropathy	14,906	68.7%	70.7%	80.40%
	Annual screening for diabetic retinopathy	14,906	45.0%	35.2%	48.70%
CAD	Patients currently taking an ACE-inhibitor	6,794	29.6%	30.8%	78.80%
	Patients currently taking a statin	6,794	66.4%	67.2%	Not Available
Hyperlipidemia	Total cholesterol testing in last 12 months	52,968	74.2%	77.5%	Not Available
COPD	Spirometry testing in last 12 months	2,275	35.7%	36.1%	41.20%
Asthma	Patients with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	13,820	80.6%	80.9%	91.70%
Preventive Screening	Cervical cancer	83,076	42.3%	44.9%	73.80%
	Breast cancer	51,549	51.0%	53.1%	69.90%
	Colorectal cancer	65,429	37.1%	34.4%	57.70%
	Prostate cancer	29,143	46.2%	49.3%	Not Available

Observations

- There are opportunities for improvement in increasing the number of preventive screenings for all cancers, as the current period compliance rate is well below the NCQA National Average across all cancers.
- Compliance metrics for nine of the 12 listed measures decreased from the prior period.

7 Summary of Prescription Drug Expenses

Active + Non-Medicare Retirees

Category	Non-Specialty		Specialty		Total		
	Current Period	% Change	Current Period	% Change	Current Period	Prior Period	% Change
Total Cost	\$254,522,268	3.1%	\$86,118,565	7.9%	\$340,640,833	\$326,621,508	4.3%
% of Total Costs	74.7%	-1.1%	25.3%	3.5%			
Total Scripts	1,950,212	-2.3%	26,489	-4.3%	1,976,701	2,023,657	-2.3%
% of Total Scripts	98.7%	0.0%	1.3%	-2.0%			
Avg Cost PMPM	\$124.59	4.3%	\$42.15	9.1%	\$166.74	\$158.11	5.5%
Avg Cost per Rx	\$130.51	5.5%	\$3,251.11	12.7%	\$172.33	\$161.40	6.8%
Number of Scripts PMPM	0.95	-1.2%	0.01	-3.2%	0.97	0.98	-1.2%
PBM Generic Dispensing Rate	83.9%	1.6%	38.6%	-3.8%	83.3%	82.0%	1.6%
Member Cost %	9.8%	-9.5%	0.5%	-17.1%	7.4%	8.3%	-10.5%

Observations

- Total cost increased 4.3% while average cost PMPM increased 5.5%.
- Specialty drugs account for 25.3% of total cost of prescription drugs, which is below what we see for other groups in the industry (norm is around 30–35%).
- The generic dispensing rate continues to increase and is now 83.3%. Some groups in the industry are now reaching generic dispensing rates of over 85% and the State should strive to reach these targets as well.
- Member cost represents 7.4% of total paid, which is 10.5% lower than the prior period. The decrease in member paid is largely due to the 12.7% increase in the average cost of specialty drugs.

8 Prescription Drug Cost Management Analysis

Active + Non-Medicare Retirees

Top 10 Indications	Current Period				Prior Period			
	Rxs	Total Cost	Generic Fill Rate	PMPM	Rxs	Total Cost	Generic Fill Rate	PMPM
Diabetes	95,747	\$45,195,589	51.3%	\$22.12	96,199	\$40,492,769	52.1%	\$19.80
Autoimmune Disease	9,922	\$32,525,017	12.7%	\$15.92	9,750	\$25,790,046	13.4%	\$12.48
Multiple Sclerosis	2,583	\$17,647,464	2.6%	\$8.64	2,846	\$17,391,924	1.8%	\$8.42
Viral Infections/ HIV/AIDS	7,688	\$16,959,458	5.7%	\$8.30	8,036	\$15,054,861	5.5%	\$7.29
Skin Disorders	60,302	\$15,148,725	81.1%	\$7.42	61,571	\$13,990,983	78.7%	\$6.77
Oncology	9,739	\$14,436,104	88.0%	\$7.07	10,001	\$12,684,474	87.5%	\$6.14
Hepatitis	899	\$14,377,699	41.6%	\$7.04	1,181	\$17,828,930	45.8%	\$8.63
Asthma/COPD	76,675	\$12,629,726	36.5%	\$6.18	76,939	\$11,573,066	36.9%	\$5.60
Cardiovascular/ Hypertension	278,636	\$12,328,515	95.1%	\$6.03	286,370	\$13,093,302	93.5%	\$6.34
Lipid/Cholesterol Disorders	107,681	\$11,614,110	90.8%	\$5.69	113,630	\$15,779,681	78.0%	\$7.64
Total Top 10:	649,872	\$192,862,407	76.9%	\$94.41	666,523	\$183,680,017	74.2%	\$88.91

Observations

- The PMPM for the top 10 disease indications increased 6.2% from the prior period, while the script count decreased 125%.
- Multiple Sclerosis is the third leading disease indication. Ocrevus (ocrelizumab) is an intravenous (IV) injectable approved by the FDA on March 28, 2017 for the treatment of relapsing multiple sclerosis (RMS) and primary progressive multiple sclerosis (PPMS). Due to the nature of this medication, it requires close monitoring during and after the IV infusion by a health care professional, so is likely to be dispensed under the medical benefit.
- The utilization of blood pressure and cholesterol medicines both decreased from the prior period. This could be an indication that the wellness initiatives are successfully improving the health of some members enough to eliminate the need for these maintenance medications.

Access to this warehouse would enable Segal to meet BLR's routine reporting needs and provide the flexibility to measure the potential impact of proposed changes or new programs that BLR is considering implementing.

Health and welfare strategy development

A benchmark assessment provides a unique and invaluable understanding of how benefit programs compare among competing organizations. Evaluating all components of compensation, including health benefit plans, is imperative for organizations who strive to recruit top performers. Furthermore, it is important for employers to understand not only the current benefit plans in place at key industry and geographic competitors, but also the future direction of the benefit initiatives competitors may undertake.

Using your objectives as guidelines, we will prepare a preliminary suggested action plan for implementing any potential health and welfare changes at the BLR with suggested implementations over the next five years. Rather than relying on a single type of program or product, we will consider a combination of approaches for your consideration. We believe this strategy will allow the BLR to implement the best solution.

We will prepare a summary report outlining our observations and findings from the review and analysis. We will make concise recommendations for possible changes or enhancements to the program and outline the steps necessary to effect the changes over the next five years.

Vendor review

Your vendors are critical to supporting the BLR's strategy. Their capabilities, cost management programs, and member interaction are critical to your success. To ensure that your benefit and financial objectives are properly supported, vendors must be monitored closely through regular meetings, measurement and reporting of performance standards and guarantees, audits, and renewal negotiations.

Our approach to vendor management is described below.

- **Aggressively negotiate vendor contracts and make sure clients receive a competitive price and top-ranked service:** Our health analytics teams are comprised of actuaries and consultants, some of whom were previously very senior underwriting managers or actuaries in insurance companies. We have found that this insurance company experience brings an extra level of scrutiny (and insight) into vendor contracts.
- **Negotiate meaningful and measureable caps on the fees and premiums charged by vendors:** We often devise long-term provisions that hold vendors accountable to realistic price increases. This works well with public sector clients who must project budget costs months in advance of the beginning of each program year.
- **Conduct audits to verify that vendors are performing:** Our claims audit division has been assisting clients since 1973 through on-site and desktop audits of self-funded plans administered by carriers and third party administrators nationwide. Segal auditors are specifically trained to conduct healthcare claim audits. Because these individuals devote 100% of their time to this function, they have a level of experience and expertise that is unequaled in the industry.

Segal maintains an array of audit tools to assist in monitoring vendor service levels and validating their achievement, including:

- Periodic **on-site claim audits** to meet fiduciary responsibilities, reduce plan costs, enforce or implement performance guarantees, address benefit or plan concerns, and increase employee satisfaction.
 - **Desktop or electronic audits** that lend themselves to reviews of Rx programs administered through a pharmacy benefit manager (PBM) or analysis of claims data to determine utilization trends and comparisons.
 - **Dependent eligibility verifications** to identify, report and dis-enroll ineligible dependents from one or more benefit plans.
- **Develop standards for contract performance that reflect general practices among large employers:** These norms will be tailored to the specific needs of the benefit programs.

Typical performance guarantees include:

- Financial accuracy
- Payment accuracy
- Overall processing accuracy
- Claims turnaround time
- Customer service factors:
- Average speed to answer

- Percentage of abandonment rate
- ID card timeliness and accuracy
- Eligibility management
- Member satisfaction through surveys
- Timeliness of monthly and quarterly reporting

Employee Health Benefits Oversight Consulting (3.2)

Vendor's response to this Request for Proposal should be comprehensive and address each individual item of section 3.0 to the Vendor's fullest extent to communicate their understanding of the requirement and how best the Vendor will meet this requirement. All pertinent information regarding the Vendor's proposed solution, team, actuarial resources, technical infrastructure, or other details must be provided to the items in 3.0 and 3.1

Under Section 3.0 and 3.1, we have provided all pertinent information relating to Segal's consulting capabilities as they relate to the BLR Scope of Work.

As requested, the Vendor must attend various meetings of the Subcommittee and other legislative committees of the Arkansas General Assembly. Hourly compensation will be paid for meeting times. The Vendor shall explain any anticipated limitations in its ability to attend meetings of the Subcommittee or other legislative committees or to provide any of the services described in Section 3.0.

Segal agrees to attend various meetings of the Subcommittee and other legislative committees of the Arkansas General Assembly. We understand our attendance will be paid hourly based on the meeting times.

Procurement of Goods and Services (3.3)

If the Vendor anticipates the need to procure additional goods or services in order to provide the consulting services requested in their RFP, the Vendor must identify the goods and / or services that may be procured, the reason the procurement is necessary, the name of the vendor for whom the goods or services are to be procured, and the anticipated cost of the goods and/or services to be procured.

Segal assists hundreds of organizations annually with vendor selection, negotiation and management/maintenance. This is a core service our health practice provides our clients for all benefit types:

- Medical, including Medicare Advantage
- Behavioral health
- Pharmacy, including PDP/EGWPs
- Dental
- Vision
- Life Insurance
- Wellness
- Disability
- Supplemental Benefits (Hospital Indemnity, Cancer, Critical Illness, Accident, Long-Term Care, Universal Life, etc.)
- Flexible Spending Accounts

Working with clients on such efforts has been one of our firm's core services since its founding. Many of the generally accepted techniques involved in the competitive bidding process were developed by Segal and have been perfected over the years:

- In the 1960s, we developed a formalized method of searching for group health insurance through a uniformed, detailed specification letter, objective analysis of responses and negotiation with desired alternatives. Many large insurance carriers developed their bid response techniques based on our specification letters.
- More recently, we have incorporated the software tool Proposal Tech, which allows us to efficiently submit uniform, detailed specifications and efficiently obtain detailed responses. This tool, developed by an independent third party software firm, is accepted by most major insurance carriers and broker-administrators. It provides software to automate the RFP bidding and analyses processes that are performed on behalf of the benefits program and has the capability to attach necessary data required by an insurance carrier or other vendor in order to calculate and provide competitive quotations. This has been used with numerous public procurements.

- We have a rigorous RFP process that we use when supporting procurements for large programs. This serves as a foundation for us to custom build an RFP to solicit the best responses possible from the marketplace. We will also incorporate your procurement requirements and the nuances of your benefits program.

Through our consulting experience with many public sector jurisdictions and private sector employers, we are prepared to take on as much or as little of the procurement process as appropriate. We have worked with a number of public clients where our role was limited only to development of specifications and review of finalist vendors. We work with many more public sector clients where we are closely involved with the purchasing or procurement process from start to finish. This close coordination allows us to find the appropriate balance between conducting the bid process and providing expert technical and financial analysis.

We believe the client can benefit by involving its consultant consistently across benefit plan projects and activities. Our work usually includes developing program design, writing the technical specifications for the RFP, planning the timing of the bid, reviewing all technical proposal submissions, meeting with the selection committee to review and discuss the strengths and weaknesses of each technical proposal, analyzing the price proposals for all vendors, interviewing vendors, negotiating contract provisions and overseeing implementation of the new program. As a result of being consistently involved across the benefit programs, we develop real efficiency in handling the technical and financial portions of the bid processes.

We are also comfortable working in tandem with other technical advisors. Where staff or another consultant has the responsibility for certain of the annual renewal functions, we work closely with the client and that consultant to coordinate the need for our actuarial and consulting services. On bid processes, we make a point of working closely with the procurement representatives to assure that our work complements their need for an open and fair bid process.

Our experience with procurements

At Segal, we recognize that each procurement and entity is unique. Some clients, like Illinois and Wisconsin, have a large number of HMOs that compete in a managed competition style model. Others, like Alabama and North Carolina, have a few dominant carriers with a more traditional approach. We have also looked at a number of alternative models, such as integrating ACOs and Medical Homes, for clients in Texas and Connecticut. All are looking to use their unique local market strengths to best meet their members' needs and improve the sustainability of their programs.

To demonstrate our experience on larger projects, we have included a list of some State clients and the specific procurements we are performing or have performed during the last couple of years.

RFP Services

State	Medical	PBM	Med Adv	Dental	Vision	Life	PHM	STD/LTD	FSA
Alabama	✓	✓	✓				✓		✓
Alaska	✓	✓		✓	✓	✓	✓		✓
Arizona	✓	✓	✓	✓					
Connecticut	✓	✓	✓	✓					
Hawaii	✓	✓	✓	✓	✓				
Illinois	✓	✓	✓				✓		
Kansas	✓	✓		✓	✓	✓	✓		✓
Maryland	✓	✓			✓				✓
Nebraska	✓	✓							
New Hampshire	✓	✓	✓	✓	✓	✓		✓	✓
New Mexico	✓	✓	✓	✓	✓	✓	✓	✓	
North Carolina	✓	✓	✓				✓		
Pennsylvania	✓	✓		✓	✓	✓			
Rhode Island	✓	✓		✓					
South Dakota	✓	✓					✓		
Texas TRS	✓	✓	✓				✓		
Wisconsin	✓	✓	✓	✓			✓		✓

Section 4, Section 5 & Section 6

Segal's cost proposal is under separate cover, as required.

Compensation (4.0)

Compensation for Employee Health Benefits Consulting Services shall be paid based upon the work performed as specified in this RFP. A Vendor seeking consideration shall submit a compensation proposal for Employee Health Benefits Consulting Services as provided throughout the RFP.

The fee schedule will cover the time spent in the completion of the requested task or project, as well as other administrative costs (including, but not limited to, secretarial, bookkeeping, budget preparation, monitoring and auditing services, travel expenses, etc.). The fee schedule will cover the time expended inclusive of all overhead or any other costs associated with the particular individuals who may be performing the services.

Segal acknowledges and agrees with the requirements set forth in this section.

Payment schedule (4.1)

The BLR shall pay the Vendor based on the hours expended for the approved projects on a monthly basis or as otherwise may be agreed to in writing by the parties. The BLR may request and the Vendor shall provide timesheets or other documentation as may be directed by the BLR prior to the payment for any services rendered. Failure to provide appropriate and satisfactory documentation will be sufficient grounds to withhold payment for the disputed amount, but other nondisputed amounts must be paid in a timely manner.

Segal acknowledges and agrees with the requirements set forth in this section.

Travel, Lodging, and Meals (4.2)

The Successful Vendor may submit invoices and receive reimbursement for actual travel expenses allowed by law related to attending meetings of the Subcommittee and other legislative committees of the Arkansas General Assembly, or other travel related to work under the Contract as approved by the co-chairs of the Subcommittee. Reimbursement of travel expenses will be included in the total maximum contract amount.

Estimates of expenses as allowed by law for travel related to field work required by the Contract and this RFP should be included by the Vendor in the fee schedule, as required by Section 4.0.

Segal acknowledges and agrees with the requirements set forth in this section.

Comprehensive Vendor Information (5.0)

All proposals should be complete and carefully worded and should convey all of the information requested by the subcommittee and the BLR. If significant errors are found in the Vendor's proposal, or if the proposal fails to conform to the essential requirements of the RFP, the Subcommittee will be the sole judge as to whether that variance is significant enough to reject the proposal. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Vendor's capabilities to satisfy the requirements of the RFP. Emphasis should be on a completeness and clarity of the content. Proposals that include either modifications to any of the contractual requirements of the RFP or a Vendor's standard terms and conditions may be deemed non-responsive and therefore not considered for the award.

The fee schedule will cover the time spent in the completion of the requested task or project, as well as other administrative costs (including, but not limited to, secretarial, bookkeeping, budget preparation, monitoring and auditing services, travel expenses, etc.). The fee schedule will cover the time expended inclusive of all overhead or any other costs associated with the particular individuals who may be performing the services.

Segal acknowledges and agrees with the requirements set forth in this section.

Generally (6.0)

Segal acknowledges and agrees with the requirements set forth in this section.

Evaluation Criteria (6.1)

Segal acknowledges and agrees with the requirements set forth in this section.

Vendor Profile (5.1)

In addition to information requested in other sections of the RFP, the Vendor shall submit the following:

- *Business Name;*

The Segal Company (Southeast), Inc. d/b/a Segal

- *Business Address;*

One Paces West
2727 Paces Ferry Road, SE
Suite 1400
Atlanta, Georgia 30339

- *Alternate Business Address;*

Headquarters:

333 West 34th Street
3rd Floor
New York, NY 10001-2402

- *Primary Contact Name, Title, Telephone, Fax, and E-mail Address;*

Patrick J. Klein, FSA, MAAA
Vice President and Consulting Actuary
Segal
One Paces West | 2727 Paces Ferry Road, SE | Suite 1400 | Atlanta, GA 30339
T 678.306.3142 | M 470.279.0232 | F 678-669-1887
pklein@segalco.com

- *Proof that the Vendor is qualified to do business in the State of Arkansas;*

Please see a copy of our business license located under **Tab: Arkansas Business License**.

- *A disclosure of the Vendor's name and address and, as applicable, the names and addresses of the following: If the Vendor is a corporation, the officers, directors, and each stockholder of more than a ten percent (10%) interest in the corporation. However, in the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent (5%) or more of the securities need be disclosed; if the Vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust; if the Vendor is an association, the members, officers, and directors; and if the Vendor is a partnership or joint venture, all of the general partners, limited partners, or joint ventures;*

Segal is a for profit corporation.

Segal is a private, employee-owned benefits and investment consulting firm. Members of the Segal family include benefits specialists Segal; benefits communication specialists Segal Benz; and investment solutions specialists Segal Marco Advisors.

Segal has been employee owned by its officers since 1978. There are currently 299 employee owners, with no shareholder owning more than 5% of the company. An 11-member Board of Directors sets policy and governs the organization. Implementation of policies, development of strategies and day-to-day operations are the responsibilities of the Chief Executive Officer.

Segal

SEGAL BENZ

Segal Marco Advisors

Our teams help a wide range of industries. No matter who you are, we can assist you with:

Administration and Technology Consulting	Health and Welfare Benefits	Benefits Communication	Advisory Investment Solutions
Benefit Audit Solutions	HR and Benefits Technology	Communication Strategy	Corporate Governance and Proxy Voting
Compensation and Career Strategies	Insurance	Personalized Benefit Statements	Defined Contribution Consulting
Compliance	Organizational Effectiveness	Surveys and Focus Groups	Discretionary Consulting
	Retirement Benefits	Website and Portal Design	

Not any solution—your solution. Personalized advice and help.



Directors	Corporate Officers
Joseph LoCicero	<i>Joseph A. LoCicero, Chairman</i>
John R. DeMairo	<i>David Blumenstein, President and Chief Executive Officer</i>
David Blumenstein	<i>John R. DeMairo, Vice Chairman</i>
Jennifer Benz	<i>John Flynn, Chief Operating Officer</i>
Susan Crotty	<i>Ricardo M. DiBartolo, Senior Vice President, Treasurer and Chief Financial Officer</i>
Eileen Flick	<i>Steven C. Greenspan, Senior Vice President, Secretary and General Counsel</i>
Eugene Keilin	
Mary P. Kirby	
Stuart H. Lerner	
J. Robinson Lynch	
Andrew Sherman	

No person owns more than 5% interest in the corporation.

- *A disclosure of all the states and jurisdictions in which the Vendor does business and the nature of the business for each state or jurisdiction;*

Segal's public sector market team provides health benefit consulting services to more than 250 public sector entities, including 21 states (as shown in the exhibit below) as well as local entities, transportation authorities, special districts and both primary and secondary education institutions.



We have consulted to federal, state and local governments on their health benefit programs for over 70 years, and we began working with our longest-standing state client, Hawaii, more than 60 years ago.

As one of the nation's leading independent consultants to the public sector, Segal has the knowledge, expertise and experience to understand the environment in which decisions are made by public plans. We understand what solutions will work for a public plan and help our public sector clients craft those solutions to their specific needs.

Segal Public Sector Client List

Below, please see our firm-wide list of our key current and recent public sector clients. We provide a wide range of consulting services for these clients.

State Government and Statewide Retirement Systems

Alabama Public Education Employees' Health Insurance Plan
Alaska Retirement Management Board
AlaskaCare Health Plan
State of Delaware
The District of Columbia
North Carolina State Health Plan
State of Colorado
State of Connecticut
State of Hawaii

Florida Division of State Group Insurance
State of New Hampshire
State of Tennessee
State of West Virginia
State of Wyoming
State of Minnesota
State of South Dakota
Texas Group Benefit Plan for State Employees
State of Nebraska
Illinois Central Management Services

Georgia Municipal Employees' Retirement System	Arizona State Retirement Systems
Illinois Municipal Retirement Fund	California State Teachers' Retirement System
Illinois State Universities Retirement Systems	District of Columbia Retirement Board
Illinois Teachers' Retirement System	Minnesota State Retirement Systems
Missouri Local Employees Retirement System	Nevada Public Employees' Retirement System
Ohio School Employees Retirement System	North Dakota Public Employees Retirement System
Pennsylvania Public School Employees' Retirement System	North Dakota Teachers Fund for Retirement
New Mexico Public Schools Insurance Authority	Michigan Office of Retirement Systems
New Mexico Educational Retirement Board	Rhode Island Employees' Retirement System
New Mexico Retirees Association	Texas Municipal Retirement System
State of Kansas	University of California Retirement System
Texas Teachers Retirement System	Wisconsin Retirement System
	Wisconsin Employee Benefit Trust
	State of Maine
	State of Massachusetts

Local Governments and Public School Systems

Fairfax Water, VA	Washington Metropolitan Area Transit Authority
City of Austin, TX	City of Boston, MA
Dallas Independent School District, TX	City of Tucson, AZ
City of Houston, TX	Chicago Transit Authority, Retiree Healthcare Trust
City of San Jose, TX	Cook County, IL
City of Atlanta & Board of Education, GA	Cook County & Forest Preserve Pension Funds
City of Atlanta General Employees, GA	McHenry County, Illinois
City of Alexandria, VA	DeKalb County, GA
Fulton County, GA	Denver Public Schools, CO
Savannah-Chatham County Public Schools, GA	Fairfax County Public Schools, VA
Arlington, VA Public Schools	Fort Worth Retirement System, TX
Metro Atlanta Rapid Transit Authority GA	Los Angeles County Employees Retirement Association, CA
City of Baltimore, MD	Los Angeles Unified School District
Gwinnett County, GA	Shelby County, TN
Los Angeles County Employees Retirement Association, CA	Jacksonville, FL
Loudoun County Schools, VA	Hollywood, FL
San Antonio Fire and Police, TX	Ocala, FL
City of Chicago, IL	New York, New York
City of Chicago Retirees	New York Transit Authority
Chicago Public Schools	City of Philadelphia, PA
City of Savannah, GA	Village of Skokie, IL
City of Springfield, MO	

Federal Government Clients

U.S. Office of Personnel Management
Federal Reserve Bank
Administrative Office of the U.S. Courts
Argonne Labs
Fermi Lab
Freddie Mac

Postal Regulatory Commission
Blue Cross Federal Employee Plan
Railroad Retirement Board
U.S. Customs and Border Protection
Sandia National Labs

Public and Private Higher Education

Amherst College
Art Center College of Design
Baylor University
Bob Jones University
Bowdoin College
Brandman University
Brown University
Bucknell University
Caldwell College
Calvin College
Carroll College
Chapman University
Colgate University
Colorado School of Mines
Columbia College
Corban University
Cornell University
Dalhousie University
DePaul University
Des Moines University
Dominican University
Dickinson College
Drake University
Drew University
Duke University
Duquesne University
Embry-Riddle Aeronautical
University
Emerson College
Excelsior College
Fairleigh Dickinson University
Flagler College
Florida Institute of Technology
Gettysburg College
Georgetown University
Gonzaga University

Ithaca College
J. David Gladstone Institutes
Lewis University
Loyola Marymount University
Loyola University of Maryland
Manhattanville College
Marietta College
Marist College
Marymount Manhattan College
Massachusetts College of Art
Massachusetts Institute of
Technology
Mercy College
Methodist University
Molloy College
Monmouth University
Morehouse School of Medicine
Mount Holyoke College
Mount St. Mary's University
Mount Ida College
Nazareth College
New England College
Niagara University
North Central College
Nova Southeastern University
Ohio Northern University
Ohio Wesleyan University
Pace University
Pacific Northwest University
of HS
Polytechnic Institute
Princeton University
Providence College
Quinnipiac University
Rensselaer Polytechnic Institute
Regis University

Saint Mary's College of CA
Saint Peter's University
Salem College
Samford University
Sarah Lawrence College
Seattle University
Seton Hall University
Shenandoah University
Siena College
Skidmore College
Springfield College
St. Edwards University
St. Thomas University
Stetson University
Stevens Institute of Technology
Stonehill College
Temple University
Texas Christian University
Union College
University of Denver
University of Mount Union
University of Richmond
University of St. Thomas
University of Scranton
University of Tampa
University of the Pacific
University of Tulsa
Vanderbilt University
Vanguard University
Villanova University
Washington College (MD)
Westmont College
Wheaton College (MA)
Widener University
Wilkes University
Worcester Polytechnic Institute

Hamilton College	Rice University	Xavier University
High Point University	Rider University	Yale University
Hobart & William Smith College	Rocky Vista University	Yeshiva University
Illinois Institute of Technology	Saint Joseph's University	University of Florida
East Carolina University	Northern Virginia Community College	University of Idaho
Eastern Kentucky University	Northern Wyoming Community College	University of Kentucky
Florida Gulf Coast University	Northwood University	University of Louisville
Florida Polytechnic University	Oakland University	University of Maine
Florida State University	Oregon State University	University of Mary Washington
George Mason University	Pennsylvania State University	University of Maryland
Georgia Institute of Technology	Pima County Community College	University of Massachusetts – Lowell
Georgia Gwinnett College	Portland State University	University of Michigan
Indiana University	Prairie View A&M University	University of Minnesota
Iowa State University	Purdue University	University of Missouri
Kean University	Radford University	University of New Mexico
Keene State University	Stephen F. Austin State University	University of North Carolina – Charlotte
Longwood University	Texas Southern University	University of North Florida
Maricopa County Community Colleges	Texas State—San Marcos	University of Oklahoma
Coastal Carolina University	The Citadel	University of Pittsburgh
College of The Mainland (TX)	The City College of New York	University System of New Hampshire
College of William & Mary	University of Baltimore	University of Tennessee System
Collin County Community College	University at Brockport (SUNY)	University of Texas Health Sciences Center San Antonio
Columbus State Community College	University at Shady Grove	University of Utah
Community Colleges of Philadelphia	University of Alaska	University of Virginia
Cuyahoga Community College	University of Arkansas	Utah State University
Delaware County Community College	Medical University of South Carolina	Virginia Commonwealth University

- *A disclosure of all the states and jurisdictions in which the Vendor has contracts to supply the type of services requested under this RFP and the nature of the goods or services involved for each state or jurisdiction;*

Governmental entities require an array of specialized expertise, which Segal is committed to providing to meet the evolving needs of public sector clients. Our consulting experience extends not merely to the routine plan design, premium rate renewals, actuarial valuations and rate setting, but also to the special projects where jurisdictions are exploring new options to meet new challenges. This makes Segal uniquely qualified to provide the services outlined in the BLR's RFP.

The following table illustrates our experience in providing complex, similar services to other large state clients, in particular the deliverables and tasks contained in the RFP.

State	AK	AL	AZ	CO	CT	HI	IA	IL	KS	MD	MS	NC	NE	NH	NM	PA	RI	TX	WI	WY
Financial Projections	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
IBNR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Funding Rates/Plan Cost Modeling	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Legislative Support	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Actuarial Rate Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Data Analysis/Trends	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Participation in Meetings and Workgroups	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Procurement/Marketing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reporting	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Pharmacy Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HMOs/PPOs/FFS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CDHP (HSA/HRA)	✓		✓	✓					✓		✓	✓	✓				✓	✓	✓	✓
Medicare Advantage	✓	✓	✓	✓	✓	✓		✓	✓			✓		✓	✓	✓		✓	✓	
Medicare Supplement/Wrap	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓		✓	✓	✓			✓	✓
Medicare Part D Consulting	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓		✓	✓	✓		✓		
ACA Consulting/Healthcare Reform	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HIPAA Compliance		✓			✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
Plan Design Review	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Wellness Plan Designs & Program Analysis	✓	✓			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	
Clinics/Wellness Centers	✓								✓											
Medical Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Contract Negotiations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
OPEB Valuation			✓	✓	✓	✓	✓			✓		✓	✓	✓	✓				✓	✓
Strategic Planning/Migration Strategies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Communications	✓		✓		✓	✓		✓		✓				✓		✓	✓	✓		
Annual Comprehensive Financial Report	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓		✓			✓	✓		
Narrow Networks	✓		✓	✓	✓					✓		✓	✓		✓			✓	✓	
Direct Provider Contracting	✓		✓	✓	✓						✓					✓				
Local Governments/Schools	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓			✓	✓		✓	✓	✓
Claims Auditing					✓									✓	✓	✓	✓		✓	
Technology Consulting/Implementation																				

- *A disclosure of the details of any finding or plea, conviction, or adjudication of guilt in a state or federal court of the Vendor for any felony or any other criminal offense other than a traffic violation committed by the persons identified as management, supervisory, or key personnel;*

None to report.

- *A disclosure of the details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including without limitation bonded indebtedness, and any pending litigation of the Vendor;*

None to report.

- *A disclosure of any conflicts of interest on the part of the Vendor or its personnel that will be working on this project.*

We are not aware of any conflict of interest relating to Segal, as a company, or any team member assigned to the project.

- *Additional disclosures and information that the Subcommittee may determine to be appropriate for the procurement involved.*

None at this time.

General Information (5.2)

Vendor shall submit any additional information for consideration such as specialized services, staffs available, or other pertinent information the Vendor may wish to include.

Segal's major strengths are:

- **We have extensive public sector experience:** We have extensive experience in providing consulting and actuarial services to public employee benefit programs. Segal is employee owned and independent of any financial, insurance or investment entity. We provide benefits and actuarial consulting services to over 2,700 clients, of which 500 are public sector clients. For more than 70 years, we have developed cutting-edge total reward approaches that provide quality healthcare, secure retirement and competitive compensation programs for public employees. Offering comprehensive benefits requires public sector entities to continually search for cost efficiencies and innovations. Segal is a leading architect in the design and implementation of retirement plans and healthcare alternatives that provide employees with expanded choice and employers with more financial and quality control. Strategic benefits planning is the key tool we use to assess the current environment, develop future directions, identify long term goals and implement change for our clients.
- **Our people are experts and leaders in the industry:** Our professionals have extensive experience working with public sector organizations like yours and are considered experts in the industry. Many are frequent speakers, authors and advisors to organizations such as the State and Local Government Benefits Association, Association of Private Pension and Welfare Plans, National Association of State Retirement Administrators, Employee Benefit Research Institute, Government Finance Officers Association, International Foundation of Employee Benefit Plans, College and University Professionals Association – Human Resources, International Personnel Management Association – Human Resources, and WorldatWork. What this means for BLR is that we are aware of the ever-changing environment that your plan must adapt to and can provide solutions specific to your needs.

Segal experts also have extensive knowledge of public sector benefits, compensation and human resources issues and legislation. Segal is active in the review and development of public sector employee benefit programs and serves as a source of information and resources to the public sector. Our publications for the public sector community include *The Evolution of Public Sector Pension Plans*, published by the National Conference on Public Employee Retirement Systems (NCPERS), *An Elected Official's Guide to Public Retirement Plans*, published by the Government Finance Officers Association, and *Employers' Guide to HIPAA Privacy Requirements* published by Thompson Publishing Group.

The work we do as professionals servicing benefits programs is dependent on how well we apply the knowledge and experience of our employees to the issues we are asked to help resolve. While we have sophisticated electronic and processing systems to make our work more efficient, it is our employees and their ability to help clients work through difficult issues that differentiates Segal from other firms.

- **We employ rigorous quality control and peer review procedures:** Segal has quality control principles in place that mandate two levels of review for all actuarial work.

In addition to our standard review process for all work, members of Segal's National Health Practice and other senior Health staff from other Segal offices visit each Segal office annually

to complete a technical peer review of the department's work. This internal review will randomly select many of the work files to further ensure that the internal quality procedures have been followed. Segal's Health staff's individual compensation is tied to the results of these internal reviews.

Value-added services

At no additional charge, we provide other value-added services:

We can actively help BLR's identify legislative developments and compliance issues and monitor pertinent federal and state legal and regulatory developments through daily review of specialized trade publications such as the *BNA Daily Tax Report*, *Health Care Daily* and weekly *Pension and Benefits Reporter*, *Tax Notes Today* and *Inside CMS*. In addition, we monitor the release of pertinent government material and have prompt access to all official documents such as proposed and final regulations, Revenue Rulings and bills introduced or acted on in Congress. With the passage of federal Healthcare Reform legislation, the landscape for health benefits has changed and will continue to change for many years.

Our involvement at the highest levels of the legislative and regulatory process allows us to identify emerging issues to our clients when there is still time to influence the outcome. For example, when late-breaking developments can potentially affect your plans, we will alert you by telephone, email or both and explain the relevance and possible impact of a new statute, regulation or judicial decision on your plan(s) and discuss possible design opportunities. Clients are encouraged to contact their Segal team members who are familiar with their work whenever a question arises about an issue that can affect their plan.

We publish an array of newsletters, surveys and other informative publications that we routinely provide to our clients at no additional charge and post on our [website](#). We can use the data behind our published surveys to conduct specific comparisons and analyses for a client on a special case basis as part of our consulting engagement with that client. To see the variety of information we offer on benefits, compensation and human capital issues, visit <https://www.segalco.com/consulting-insights>.

Our plan-specific publications include:

- *Compliance News* summarizes important developments affecting retirement plan compliance and health benefit plan compliance, provides a concise description of the legislative or regulatory matter and discussed the possible implications for public sector plans
- Various [consulting insights](#) that discuss creative benefit planning options for employers and plan sponsors
- Complimentary webinars for our clients to discuss current topics of concern and new legal and regulatory requirements

We also conduct frequent seminars, forum groups and webinars for our clients to discuss current topics of concern and new legal and regulatory requirements. These seminars are held both in assembled groups and as [webinars](#), using Zoom. We will be sure that your staff are invited to these. The presentations, supporting materials recordings are then made available on

our [website](#) as an educational resource: [segalco.com](#). We also suggest periodic compliance briefings led by our compliance consultant.

Non-actuarial services

Our firm's business includes the following other non-actuarial services:

- **Administration and Technology Consulting** examines the best practices available for administration of benefit funds. Our consulting team offers practical alternatives to improve a fund's current procedures utilizing either outsourcing vendors or available technology.
- **Employee communications services** include the development of materials for a wide range of benefit programs, such as pension plans, welfare plans, flexible benefits, IRC Section 125 plans, 401(k) and other savings plan arrangements and healthcare cost management. The experienced staff produces brochures, posters, payroll stuffers, video and slide presentations, individualized benefit statements, comprehensive employee handbooks and individual Summary Plan Descriptions as well as computer interactive communications. The staff also conducts seminars, focus groups and training for meeting presenters.
- **Investment performance services**, provided by Segal Marco Advisors, the investment-management affiliate of The Segal Group, include evaluation of investment performance, assistance in setting investment policy guidelines and objectives, manager selection, GIC placement, and a wide variety of related services to assist Fund sponsors in the efficient organization and implementation of their investment programs.
- **Fiduciary liability insurance**: We broker fiduciary liability insurance for a number of clients. These services include the submission of completed applications to insurers, receiving and negotiating coverage terms and conditions and reporting to the BLR the results of our marketing efforts inclusive of our recommendations, as appropriate.

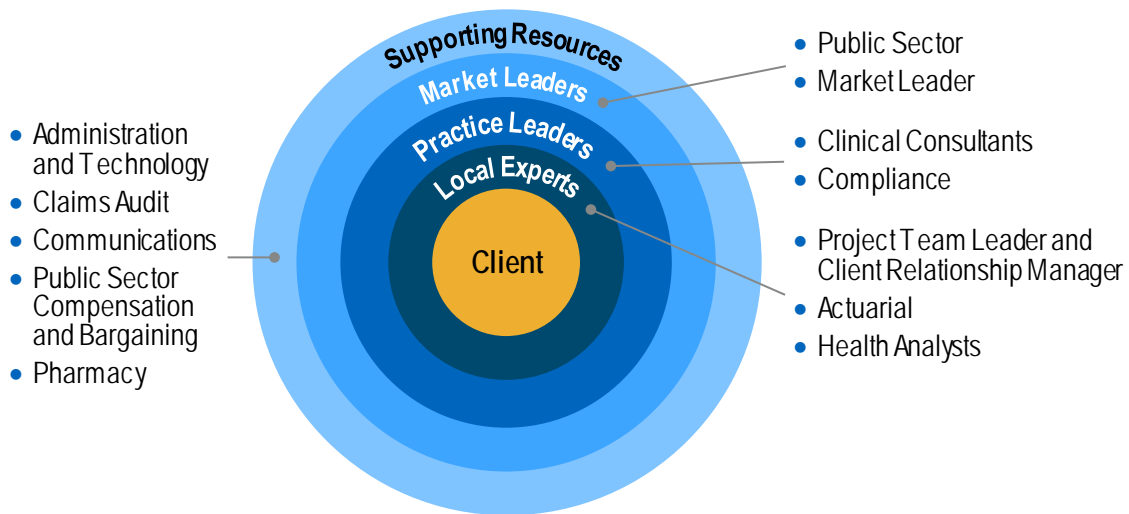
Cross-regional staffing

Unlike many other consulting firms where there is significant geographic focus and financial structures encourage local staffing, often leading to competition among offices, Segal has worked hard to remove artificial geographic barriers to staff projects on a national basis. Our goal is to ensure that the best resources are assigned to each client assignment, regardless of location. This national approach results in greater collaboration, innovation and dissemination of tools and resources. We will draw on resources across the country to achieve the BLR's objectives and ensure a successful outcome.

At Segal, we differ from our competitors in that we select team members based on needs and industry experience wherever they may be located, not just because they reside in the closest office locations. We fit the best people for the work that will most benefit the client, not our P&L.

We have invested in enabling technology to facilitate seamless and effective work regardless of office location. We are equipped with video and web meeting capabilities, which enables us to host virtual meetings as if we were in the same office. We will leverage this technology as appropriate to service BLR seamlessly.

You'll Be Serviced by a Team with Deep and Varied Resources



Disclosure of Litigation (5.3)

A Vendor shall include in its Proposal a complete disclosure of any civil or criminal litigation or indictment involving such Vendor. A Vendor shall also disclose any civil or criminal litigation or indictment involving any of its joint ventures, strategic partners, prime contractor team members, and subcontractors. This disclosure requirement is a continuing obligation, and any litigation commenced after a Vendor has submitted a Proposal under this RFP must be disclosed to the BLR in writing within five (5) days after the litigation is commenced.

There is no litigation currently pending against Segal, however, with more than 2,700 clients, Segal is occasionally named as a party in litigation involving the performance of its services. Past litigation has not affected Segal's ability to provide services to its clients, and no litigation has ever had a material effect on Segal's financial position. Segal has never been involved in litigation related to a security breach.

We agree to disclose any subsequent litigation filings within five (5) days after the RFP is commenced, should this happen.

Vendor's Qualifications (5.5)

A Vendor shall provide resumes or short biographies and qualifications of all management, supervisory, and key personnel to be involved in performing the services contemplated under this RFP. The resumes shall present the personnel in sufficient detail to provide the Subcommittee with evidence that the personnel involved can perform the work specified in the RFP. A Vendor shall provide a brief history of its company, to include the name and location of the company and any parent/subsidiary affiliation with other entities. If a Vendor is utilizing the services of a subcontractor(s) for any of the service components listed, the Vendor shall include in its proposal response a brief history of the subcontractor's company to include the information requested herein.

A Vendor shall provide:

- A brief professional history, including the number of years of experience in providing the services required under this RFP or related experience and any professional affiliations and trade affiliations.*

Segal was founded as the Martin E. Segal Company in 1939, early in the development of employee benefit plans in American industry. From the beginning, Segal has been involved in developing health and retirement programs that meet the needs of employees and employers as well as plan sponsors and participants.

The firm's first services focused on consulting for group health insurance and, soon after World War II, Segal began offering retirement plan consulting, including actuarial services. By the early 1950s, our leadership in retirement consulting services for collectively bargained plans brought us national recognition when our firm was asked to help set up some of the first multiemployer pension plans under the Taft-Hartley Act. Within a few years, Segal assisted in the establishment of numerous national industry-wide pension plans. These activities aided employees of industries such as entertainment, apparel, transportation and construction in which employees do not typically have prolonged employment with a single employer. Many widely accepted benefit practices were and are today innovations first conceived, designed and introduced by Segal.

Acquisitions over the years included Sibson Consulting (acquired in 2002), Segal Marco Advisors (acquired in 2017), Segal Benz (acquired in 2019) and LRWL Inc. (acquired in 2020), which are now all members of Segal

Today, we remain a private, employee-owned firm known for providing unbiased consulting based on the integrity, expertise, personal investment and trusted advice of our people. We assist public entities, multiemployer funds and public and private corporations on the full range of health and welfare, retirement and human resource-related issues.

Through our 80+-year history, we've built a firm that plan sponsors came to count on for truly personal actuarial, benefits and investment expertise aimed at one mission: delivering trusted advice that improves lives. Today, we formally operate under one name – Segal – and members of the Segal family include Segal, Segal Benz and Segal Marco.

- *A listing of current accounts and the longevity of those accounts.*

Below we have provided a list of our clients that are primarily serviced by our Atlanta Health Practice personnel.

Customer Name: Alabama PEEHIP

Customer Address: 201 S Union, St., Montgomery, AL 36104			
Year: 2013-Present	Contract Price: \$375,000 - \$500,000/year	Kind of Contract: Health and Retiree Health	Location of Work: Atlanta

Customer Name: Alabama SEIB

Customer Address: 201 S Union, St., Montgomery, AL 36104			
Year: 2017-Present	Contract Price: \$62,000 - \$225,000/year	Kind of Contract: Ad hoc Health Projects	Location of Work: Atlanta

Customer Name: State of Mississippi

Customer Address: 501 North West St., Suite 901B Woolfolk Building, Jackson, MS 39201			
Year: 2017-Present	Contract Price: \$175,000 - \$300,000/year	Kind of Contract: Health	Location of Work: Atlanta

Customer Name: Texas TRS

Customer Address: 1000 Red River St., Austin, TX 78701			
Year: 2019-Present	Contract Price: \$1.9M/year	Kind of Contract: Health	Location of Work: Atlanta

Customer Name: North Carolina State Health Plan for Teachers and State Employees

Customer Address: 3200 Atlantic Ave, Raleigh, NC 27604			
Year: 2010-Present	Contract Price: \$1.1M/year	Kind of Contract: Health & Retiree Health	Location of Work: Atlanta

Customer Name: State of Kansas Employee Health Plan

Customer Address: 900 SW Jackson St., Room 451, Topeka, KS 66612			
Year: 2014-Present	Contract Price: \$320,000/year	Kind of Contract: Health	Location of Work: Atlanta

Customer Name: State of Nebraska

Customer Address: 1526 K St., Suite 130, Lincoln, NE 68508			
Year: 2013-Present	Contract Price: \$250,000/year	Kind of Contract: Health	Location of Work: Atlanta

Customer Name: State of Iowa

Customer Address: Hoover Building, Floor 3, 1305 E. Walnut St., Des Moines, IA 50319			
Year: 2014-Present	Contract Price: \$260,000/year	Kind of Contract: Health	Location of Work: Atlanta

Customer Name: State of Wisconsin Employee Trust Funds Board

Customer Address: 801 West Badger Rd., Madison, WI 53713			
Year: 2014-Present	Contract Price: \$1.0M/year	Kind of Contract: Health	Location of Work: Atlanta

Customer Name: State of Illinois

Customer Address: 2200 Churchill Rd., Springfield, IL 62702			
Year: 2013-Present	Contract Price: \$500,000/year	Kind of Contract: Health	Location of Work: Atlanta

Customer Name: Fulton County, GA

Customer Address: 130 Peachtree St. SW, Suite 1168, Atlanta, GA 30303			
Year: 2020-Present	Contract Price: \$350,000/year	Kind of Contract: Health	Location of Work: Atlanta

Customer Name: City of Austin, TX

Customer Address: 100 Red River St., Austin TX 78701			
Year: 2017-Present	Contract Price: \$1.0M/year	Kind of Contract: Health & Retiree Health	Location of Work: Atlanta

Customer Name: City of Houston, TX

Customer Address: 611 Walker, 4 th Floor, Houston, TX 77002			
Year: 1998-Present	Contract Price: \$110,200 – \$350,000/year	Kind of Contract: Health, Retiree Health, and Compensation	Location of Work: Atlanta & DC

- *An organizational chart highlighting the names/positions that will be involved in the contract, including the individual who will be primarily responsible for managing the account on a day-to-day basis.*

Segal has assigned an account team that will bring to this engagement extensive experience with state and local government programs and other public sector entities, as well as familiarity with the BLR's programs. We understand the importance of having our top technical and consulting specialists knowledgeable with the BLR's benefit structure and programs and on call to allow rapid response to developing needs.



Strategic Support

Benefit Consultants	Health Actuaries & Analysts
Gina Sander, FLMI (<i>Lead</i>) Stephen L. Kuhn	Peter Wang, ASA, MAAA, EA, PhD Stephen Stejskal

Subject Matter Experts

Clinical & Wellness	Data Analytics/Network Analysis	Compliance Support
Sadhna Paralkar, MD, MPH, MBA Joanna Balogh-Reynolds, RN-BC, MSN, DNP	Albert Shaaya, PMP Anna Bishop	Joanne Husted, JD Kathryn Bakich, JD

Account manager

Patrick J. Klein, FSA, MAAA is a Vice President and Consulting Actuary in Segal's Atlanta office and will serve as the Account Manager. He has over 15 years of experience consulting to public sector group local and state health benefit plans. He will serve as BLR's Account Manager.

Patrick has specialized expertise in employee benefit strategy, vendor negotiation, and cost projections. Patrick works with clients by certifying estimated incurred but not paid reserves as well as the claims/premium assumptions used in retiree health valuations. He also helps develop employer health care strategies for active and retiree benefit programs, including plan offerings, vendor selection, employee contributions and eligibility provisions. In addition, Patrick calculates budgets and premium rates for employer health plans and estimates health care reform cost impacts to strategically minimize client exposure. Some of Patrick's recent and current clients include Fulton County (GA), City of Austin (TX), Wisconsin Employee Trust Fund, Kansas State Employees' Health Plan, State of Illinois, and State of Nebraska.

Lead actuary

Matthew A. Kersting, FSA, MAAA is a Vice President in Segal's Washington, DC office with over 15 years of experience in actuarial consulting related to employee benefit plans. He specializes in active and retiree health and welfare plan design and strategy, data analytics and predictive modeling, active and post-employment health accounting, and helping employers understand the impact of a changing healthcare landscape. Matt will serve as the Lead Actuary.

Account executive

Ken Vieira, FSA, FCA, MAAA, in our Atlanta office, serves as the East Region Public Sector Market Leader with 30 years of experience as an account manager/account executive, actuary and consultant.

Ken has long-term experience with local jurisdictions within the BLR and will serve as the Account Executive for this engagement - providing historical perspective and strategic oversight. Ken brings a substantial amount of practical experience to the project, combining the knowledge of an experienced consultant with the technical expertise of a seasoned chief actuary. Ken has worked on several Georgia governmental entities over his career, including Fulton and Gwinnett Counties, Georgia State Health Plan, Metro Atlanta Rapid Transit Authority (MARTA), Georgia Department of Community Health and the cities of Atlanta, Macon and Savannah. Currently, Ken manages state level plans in Alabama, Illinois, Kansas, Nebraska, North Carolina, Texas and Wisconsin.

Benefits consulting

Gina Sander, FLMI, Vice President and Atlanta Health Practice Leader, will serve as the BLR's Lead Benefits Consultant. Gina has over 30 years of experience as an underwriter, lead consultant, and account manager.

Gina has a strong technical underwriting background and brings a full complement of consulting expertise to her clients. She has extensive experience in strategic consulting, benefit program/plan design and evaluation, financial forecasting, trend analysis, plan rating, premium rate development, data analytics, and vendor selection and management. Some of Gina's recent and current clients include Fulton County (GA), Metro Atlanta Rapid Transit Authority (MARTA), City of Austin (TX), Wisconsin Employee Trust Fund, North Carolina State Health Plan, Kansas State Employees' Health Plan, and the State of Illinois.

Stephen L. Kuhn is a Vice President and Health Consultant in Segal's Boston office and has over 15 years of experience consulting to public sector and multiemployer group health benefit plans. He consults to clients on all types of benefits, including medical, prescription drug, dental, vision, life and disability income. He analyzes historic and projected costs, the effects of plan design modifications and other cost containment measures, and the implications of existing and pending legislation.

Mr. Kuhn also prepares bid specifications and the analysis of the resulting proposals, and has extensive experience with the intricacies of public sector procurement rules. He participates in the preparation and review of retiree health valuations as required by GASB 43 and 45 and FASB ASC 965. Mr. Kuhn is also involved in the Health Practice's quality review and control procedures to assure the accurate analysis of client deliverables.

Health actuaries & analysts

Peter Wang, ASA, MAAA, EA, PhD is an Associate Actuary in Segal's Atlanta office with over 22 years of actuarial consulting experience. He provides retiree health and related consulting services (including SOP 92-6 valuations and GASB OPEB valuations) to clients.

Stephen Stejskal is a Health Actuarial Analyst in the Atlanta office. He provides financial analysis for public sector health benefit plans, including analyzing claims experience, projecting the financial impact of benefit modifications, preparing budget projections and financial reports, and reviewing insurance contracts and amendments. He also analyzes the results of requests for proposal, insurance carrier renewals and rate negotiations.

Compliance

Joanne Hustead, JD will lead our Compliance and Health Care Reform consulting. Ms. Hustead is a Senior Vice President and the Deputy Practice Leader of Segal's National Health Compliance Practice in the Washington, D.C. office. She has 30 years of legal experience, including over 20 years in the health policy field. Ms. Hustead's expertise includes research and analysis of federal laws and regulations that impact health benefit plans, most recently focusing on the implementation of the Patient Protection and Affordable Care Act. She responds to questions from compliance staff and benefit consultants, develops templates and training materials for clients, provides training to compliance and health staff, and has helped Segal develop and implement its own privacy and security policies.

Kathryn Bakich, JD is a Senior Vice President in Segal's Washington, DC office with over 20 years of experience in health care compliance. She is the firm's National Health Compliance Practice Leader.

Ms. Bakich is one of the country's leading experts on employer sponsored health coverage. She specializes in providing research and analysis on federal laws and regulations affecting health coverage, including ERISA, Medicare, HIPAA, COBRA, the Newborns' and Mothers' Health Protection Act, the Mental Health Parity Act and the Women's Health and Cancer Rights Act.

Ms. Bakich is a recognized expert on the Patient Protection and Affordable Care Act. She speaks regularly about the law, helps plan sponsors understand its short- and long-term effects on their plans and assists clients with preparing comments on the legislation for submission to regulatory Departments (Treasury, Labor and Health & Human Services).

Ms. Bakich leads the Segal team responsible for publishing information about new health care laws and regulations, and trains internal staff on all legislation and related developments. She and her staff disseminate health compliance information, monitor federal and state laws and regulations, and prepare amendments for health plans and summary plan descriptions based on national models.

Clinical & wellness

Sadhna Paralkar, MD, MPH, is a Senior Vice President and National Medical Director in Segal's Chicago office with over 20 years of experience. Dr. Paralkar leads Segal's Clinical Consulting and has specialized expertise in health care informatics, medical management program design, clinical operations, on-site clinics, benefit plan design and network management strategies to optimize health improvement while containing costs, and evaluation and implementation of disease management and wellness programs. Dr. Paralkar has over 15 years of experience leading consulting engagements.

Joanna Balogh-Reynolds RN-BC, MSN, DNP, Vice President and Director of Clinical Consulting in our National Health Practice, is based in Pittsburgh, PA. She has an advanced degree in nursing, and deep experience in clinical consulting, population health management, and delivering hands-on medical management for a large health plan (Cigna). Her expertise includes helping employers with detailed research on specific health care issues pertinent to medical coverage, plan design, and quality of care, including wellness and associated incentive programs; EAP and behavioral health; prescription drugs; disease management; telephonic nurse triage programs; and utilization management. She is skilled in analyzing the effectiveness of health care delivery systems that guide managed care organizations. She brings her broad expertise and specialty background on issues of wellness and behavior change strategy to her role on Segal's National Health Team. Joanna will provide clinical review, input and commentary on such tasks as pay-for-performance evaluation, utilization and trend review and reporting, impact of wellness and preventive services, and clinical audits.

Data analytics/Network analysis

Albert Shaaya, PMP is a Senior Health Consultant in our Atlanta office. He has more than 16 years of Data Analytics and Business Intelligence experience with a focus on Healthcare data management and actuarial support. Mr. Shaaya has broad experience of working in the private sector, such as employer funded health plans, and the public sector, such as State Health Plans and Medicaid programs. In his role as a Data Analyst, he has managed the development of several data warehousing solutions that provide data reporting, data aggregation, and model

building capabilities to support client needs. In addition to providing technical and analytical solutions, Mr. Shaaya works closely with clients and data vendors to help establish a secure data transfer of historical, and on-going, enrollment and claims type data. The data procurement process also includes data scrubbing and loading, in addition to data profiling and validation.

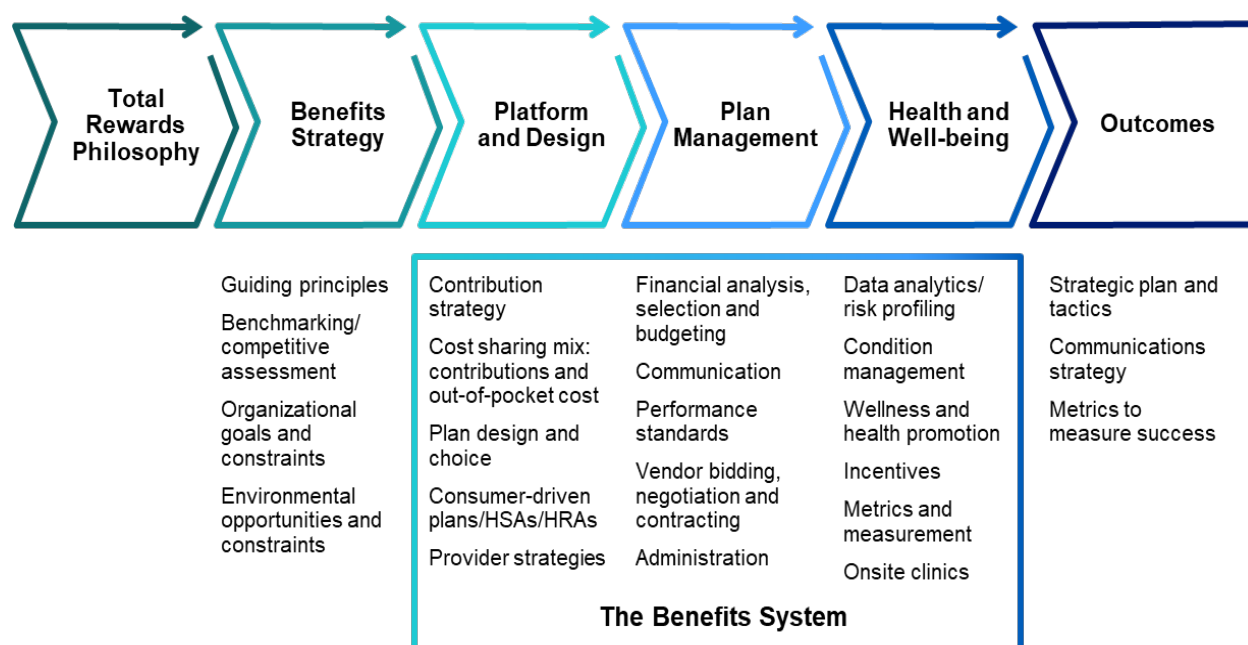
Anna Bishop is an Actuarial Analyst. She works on all phases of actuarial valuations and helps navigate administrative issues for a variety of governmental and multiemployer clients. Ms. Bishop has experience with estimating IBNR reserves, expense and revenue projections for self-funded health plans; and processing and analyzing health claims data.

In short, Segal possesses the skills and expertise, in house, to meet the needs – expected and unexpected – of the BLR’s programs.

Our core team member’s resumes are included in **Tab: Segal Team Resumes**.

- *A detailed description of the plan for assisting the Subcommittee in meeting its goals and objectives, including how the requirements will be met and what assurances of efficiency and success the proposed approach will provide.*

Our work with BLR will begin with separate assessments of the current state and development of longer-term benefits strategies. These assessments will prepare Segal to become your strategic partner. Our process will focus on the goals and objectives BLR wants to achieve through its benefits program, as well as how the benefits system and strategy support overall organizational strategies. Our process to develop a strategic plan is shown below:



Segal will work with BLR to establish a set of guiding principles for its benefit plans. From the guiding principles, we will develop a three-year strategic plan incorporating the following elements— design, plan management and health and well-being.

Segal's approach to reviewing and evaluating benefit plans begins with understanding the connection between an institution's human resource strategy and its institutional strategy. As part of our approach, we will gain an understanding of your overall people strategy, work culture, and total reward strategies.

As detailed in the chart above, there are a number of moving parts that all need to logically come together to support your objectives.

Quality control

Segal exercises a rigorous quality control process. All work product is prepared by the actuarial team and reviewed by a senior consultant familiar with the client's situation and the area addressed by the material.

Our performance expectations and timetable for the proposed services are outlined in the following work schedule and methodology, under our **Executive Summary**. A special set of procedures to initiate services in the first year is presented first in the table. There is a detailed step-by-step work plan for preparing the project and other required services.

Segal's formal policy for quality control was established in 1985 and has evolved over time to include additional best practices. General quality standards are maintained by the implementation of the following programs that have been in place since the firm's inception. All areas of our work are covered by our peer review process.

- **Mandatory peer review of actuarial reports and client correspondence:** Actuarial managers oversee a comprehensive, three-stage review process for all technical actuarial work: an actuarial analyst completes the basic work, which is checked in detail by a more experienced actuary; then, at least one more senior actuary conducts a final review. This ensures that current regulations and requirements are considered; all assumptions and calculations have been appropriately documented, checked and reviewed; quality control checklists are completed and followed; the review process is fully documented; data reasonability criteria met; and adherence is maintained with all of the firm's policies and procedures as well as professional actuarial standards.

- **Work product quality assurance:** Reports, memoranda and letters on complex or technical matters are prepared by an experienced team member and reviewed by the senior consultant who is an expert in the area addressed by the material. This person ordinarily is one who has enough experience and judgment not only to grasp the substantive matter being discussed but also to understand the nuances that might have unique application to a particular client's circumstance or need.
- **Team consulting:** Through the client service team, we make checks and balances for quality control an organic feature of the consulting process. Meetings, significant phone calls and other contacts with the client are documented in file memoranda that are shared with the team. In the course of keeping one another informed about client developments, the team members go through an automatic quality-review procedure.
- **Early warning system:** Each office and region has an early warning system to identify and deal with potential difficulties and anomalies as they emerge and before they become problematic. As an example, Segal has a solvency reporting policy where notification is required if a plan is expected to become insolvent within the next few years. Depending on the situation, our policy requires consultation with the local actuarial manager, the Office of the Chief Actuary, market experts and/or in-house General Counsel.



- *An indication of the timeframe the Vendor would require to assist the Subcommittee in meeting its goals and objectives.*

A detailed timeline of the anticipated services is provided in **Appendix I**.

- *A detailed, narrative statement listing the three (3) most recent, comparable contracts (including contact information) that the Vendor has performed and the general history and experience of its organization.*

Although we treat our full client list as confidential, we provide the following clients as a reference. ***We request that you contact us prior to contacting these individuals so we may notify them in advance of your call as a courtesy and so they will be expecting to hear from you.***

We encourage you to contact these individuals to gain a better understanding of our services and our level of support from a client's perspective. We hope that one day we will be able to add your organization as a reference to our growing list of customers.

Reference 1

Texas Teachers' Retirement System

Contact Information:

Katrina Daniel
Chief Health Care Officer
Agency #323, 1000 Red River
Austin, TX 78701
(512) 542-6521
Katrina.Daniel@trs.texas.gov

Number of Participants: 725,000

Services Provided: Segal was hired as the Teacher Retirement System of Texas (TRS) benefits consultant in 2019. TRS runs two health benefit programs, TRS-Care and TRS-ActiveCare. This complex project, requiring unique capabilities and expertise, affects the lives of more than 700,000 employees, retirees and their dependents.

The services we provide are the following:

- Plan design, procurement, analysis, and cost and quality management for medical and pharmacy benefit programs;
- Procurement Support and Negotiations of retiree coverages – including Medicare Advantage, Medicare MSA plans, other Medicare health plans;
- Pharmacy program management – including benchmarking, pricing, clinical review, opportunities, etc.;
- Actuarial support on the financial model and reserves for Active and Retiree Plans.
- Retiree coverages such as Medicare Advantage, Medicare MSA plans, other Medicare health plans;
- Pricing initiatives, including alignment of member, provider, and plan administrator incentives;
- Analysis of current benefits environment including review of state and national trends in benefits;
- Trends and innovations in healthcare, pharmacy, health insurance markets, expenditures, and contracting;
- Clinical Delivery, including programs to manage defined populations, innovative service delivery systems, strategies to increase access and reduce cost, and quality outcomes measurement;
- Population Health, including identification of high-risk populations and individuals through predictive analytics and other techniques;
- Alternative Payment Models (APM), including risk-based compensation, bundled payment, capitation, and blended designs;
- Evaluation and benchmarking of APM initiatives from a cost, quality, and patient experience perspective.

Reference 2

State of Illinois

Contact Information:

Chris Owsley
Division Manager – Benefit Management
801 South 7th Street, 6th Floor Annex
P.O. Box 19208
Springfield, IL 62794
217-558-1833
Chris.Owsley@Illinois.gov

Number of Participants: 440,000

Services Provided: The Illinois Department of Central Management Services (CMS), Bureau of Benefits (BOB), oversees the administration of group health benefits for over 440,000 enrollees including the State Employees Group Insurance Plan, the Local Government Health Plan, the Teachers' Retirement Insurance Program, and the College Insurance Program. There are nearly 180,000 retirees, of which, 123,000 are Medicare eligible. One of our first projects was to assist the client with an MAPD RFP. Segal Atlanta staff assisted with the design of the RFP, which enabled the market to submit proposals for PPO, HMO and Medicare Supplement options.

Reference 3

State of Wisconsin – Department of Employee Trust Fund (ETF)

Contact Information:

Ms. Eileen Mallow
Administrator
Wisconsin Department of Employee Trust Funds
4822 Madison Yards Way
Madison, WI 53705-9100
608-267-0732 (t)
Eileen.Mallow@etf.wi.gov

Number of Participants: 241,000

Services Provided: Segal Consulting was retained by ETF to perform a full range of services related to the analysis, design, management and communication of the State's health insurance program for employees and retirees.

The primary objective of the project is to analyze data from a variety of sources to develop and recommend strategies to improve health outcomes and increase the efficient delivery of quality health care to participants in the state employee health insurance program.

There were two deliverables provided to ETF for this project. The first report focuses on analysis and recommendations for consideration for calendar year 2016, as well as interim reports on larger analyses in process. The second report, to be issued later in 2015, will include findings, recommendations and strategies for consideration for 2017 and future years.

Segal completed a high-level review of the following components for the first report, providing recommendation for the 2016 plan year:

- Comprehensive Plan Benchmarking—plan costs, designs, access
- Health Management
- Pharmacy
- Consumer Driven Health Care Design
- ACA Review – Excise Tax
- Private and Public Exchanges
- Market Observations
- Self-Insurance Concepts
- WHIO Database

The second report included findings, recommendations and strategies for consideration for 2017 and future years. Segal reviewed the following components:

- Total Health Management
- Program Structure
- Pharmacy
- Data Management
- Market Observations
- Self-Insurance
- Retiree Coverage
- Local Government Plan
- ACA Update and Strategies

Results:

From our research, we recommended options for the program to be implemented in the 2016 plan year, as well as options for the longer term. The initial contract resulted in a 6% decrease in the total cost of the program and a number of improved processes. The full report can be found online at <http://etf.wi.gov/boards/agenda-items-2015/gib0325/item4c1.pdf>. The second report provided later that year, concentrated more on a sustainable long-term strategy. Many of these elements have been implemented. This report can also be found online at <http://etf.wi.gov/boards/agenda-items-2015/gib1117/item3ar.pdf>.

- *At least three (3) references from entities that have recent (within the last three (3) years) contract experience with the Vendor and are able to attest to the Vendor's work experience and qualifications relevant to this RFP.*

See above.

- *A list of every business for which Vendor has performed, at any time during the past three (3) years, services substantially similar to those sought with this solicitation. Err on the side of inclusion; by submitting an offer, Vendor represents that the list is complete.*

We have provided this client detail in previous locations of our proposal.

- *List of failed projects, suspensions, debarments, and significant litigation.*

None.

Segal is known in the benefits, compensation and human capital industry for the longevity of our client relationships. With more than 2,700 clients, we gain and lose some clients each year. Some of our client relationships span a period of as much as 50 years. In a number of cases, former clients that retained the services of other consultants have returned to us.

Although any company anticipates some amount of client turnover, tracking numbers of lost clients is difficult because these numbers often misrepresent the situations.

For example, some of our work involves project-based assignments, which come to natural conclusions. (It should be noted that the quality of our work often affords us the opportunity to bid on additional assignments, thereby continuing the relationship.) An example of this is in the corporate realm, for human capital projects. Another example is when we are asked to provide actuarial "second opinions." Additionally, some clients are on two-year cycles for their actuarial valuations rather than one.

Mergers and acquisitions and changes in leadership at the client are other reasons for client turnover. A number of our clients have merged into larger entities for cost efficiencies or other reasons. While we may already be the consultant for the larger entity, from a technical standpoint it could be considered that we lost a client although we continue to consult on benefits for the now-larger plan.

There is no litigation currently pending against Segal. However, with more than 2,700 clients, Segal is occasionally named as a party in litigation involving the performance of its services. Past litigation has not affected Segal's ability to provide services to its clients, and no litigation has ever had a material effect on Segal's financial position. Segal has never been involved in litigation related to a security breach.

- *An outline or other information relating to why the Vendor's experience qualifies in meeting the specifications stated in Section 3 of this RFP.*

The following reasons are why you should hire Segal for this project.

We believe the following key factors should be considered from the client's perspective when hiring a consultant:

- **Experience:** Experience helping public sector plans implement offering practical successful solutions with measurable results for over 20 state plans, any many public sector clients, including states in the Southeast: Texas, Mississippi, Alabama, and North Carolina.
Segal understands the issues facing BLR. For example, we also work with 300 clients in the higher education industry for ongoing health engagements. For many of these engagements, we provide services similar to those you request.
- **Holistic approach and unbiased consulting:** A trusted advisor not only on benefits questions and health data analytics, but also on the broader management concerns resulting from those questions and related issues including ACA compliance and employee communications.
Segal offers the local, customized service of a boutique firm, backed by national resources, including a research and compliance team headquartered in Washington, DC. We are an independent, privately owned firm and thus we provide objective advice with no conflicts of interests from ties to insurance companies.
- **Responsive:** 24/7 availability of a dedicated, experienced team.
Segal is proud of our reputation for client satisfaction, and our team has a back-up consultant (and a dedicated team) supporting the lead CRM to ensure your needs will always be met immediately.
- **Proactive and innovative:** A forward-thinking consultant that brings ideas and solutions to the client that add value, reduce costs and achieve efficiencies.
Segal has extensive experience finding ways to reduce plan costs that do not affect the participant's cost share, including healthcare provider renewal negotiations, healthcare procurements, utilization of high performance tiered networks, Medicare retiree plan options, formulary changes, value-based plan design and case management interventions.
- **Location:** We understand that when other considerations are equal, preference may be given to a firm whose principal place of business is within the State of Arkansas, or to a firm that will manage the engagement within the Arkansas Bureau of Legislative Research.

While Segal does not have an office in the State of Arkansas, we understand that this engagement requires special expertise, which is held by consultants in our Atlanta location. We believe that our proposal demonstrates Segal's expertise and proves we are able to perform the work.

Furthermore, there are many direct flights between our Atlanta location and Little Rock so travel will not be a hindrance to our performance.

A Vendor shall provide information on any conflict of interest with the objectives and goals of the Subcommittee that could result from other projects in which the Vendor is involved. Failure to disclose any such conflict may be cause for Contract termination or disqualification of the response.

There are no conflicts of interest.

A Vendor or its subcontractor(s) must list all clients that were lost between March 2018 and the present and the reason for the loss. The Subcommittee reserves the right to contact any accounts listed in this section. A Vendor must describe any contract disputes involving an amount of thirty-five thousand dollars (\$35,000) or more that the Vendor, or its subcontractor(s), has been involved in within the past two (2) years. Please indicate if the dispute(s) have been successfully resolved.

None.

Background Investigation (5.5.1)

Vendors must allow the BLR to perform an investigation of the financial responsibility, security, and integrity of a Vendor submitting a bid, if required by the Subcommittee.

Segal acknowledges and agrees with the requirements set forth in this section.

| Segal Team Resumes

Patrick J. Klein, FSA, MAAA
Vice President, Atlanta
Project Role: Account Manager



Expertise

Mr. Klein is a Vice President in Segal's Atlanta office with 15 years of actuarial and consulting experience working with public and private sector plans and employers. Working with both self-insured and fully insured plans, he has specialized expertise in developing employer healthcare strategies for active and retiree benefit programs, new product development, risk profiling, data analytics, vendor selection, employee contributions, wellness and eligibility provisions to meet client goals and objectives.

Mr. Klein thoughtfully negotiates fully insured renewals for Medicare Advantage, HMO and other insurance products on his clients' behalf, consistently resulting in significant savings. He provides certification of estimated incurred but not reported reserves (IBNR), as well as the claims/premium assumptions used in retiree health valuations. Mr. Klein is adept at building and presenting custom actuarial models used to calculate refined estimates and the sensitivities surrounding those estimates.

In addition to project management and client work, Mr. Klein assists clients with messaging and gaining organizational buy-in to support the recommended strategy. He regularly presents to various committees and governing boards, articulating complex actuarial concepts in easy-to-understand layman's terms.

Professional background

Prior to Segal, Mr. Klein was a Senior Consultant at Aon Hewitt. There, he served as the lead actuary and performed actuarial analyses for midsized private sector and public sector clients as well as large state health plans.

Education/professional designations

Mr. Klein holds a BS in Actuarial Science from Illinois State University. He is a Fellow of the Society of Actuaries and Member of the American Academy of Actuaries.

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Matthew A. Kersting, FSA, MAAA

Vice President, Washington, DC

Project Role: Lead Actuary



Expertise

Mr. Kersting is a Vice President in Segal's Washington, DC office with over 15 years of experience in actuarial consulting related to employee benefit plans. He specializes in active and retiree health and welfare plan design and strategy, data analytics and predictive modeling, active and post-employment health accounting and helping employers understand the impact of a changing healthcare landscape.

Mr. Kersting works with a variety of clients, including:

- American National Red Cross
- Schlumberger
- Lockheed Martin Corporation
- L3 Technologies

Education/professional designations

Mr. Kersting received a BA *cum laude* in Mathematics and Actuarial Science from the University of Connecticut. He is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He has earned the designation Managed Healthcare Professional (MHP) from America's Health Insurance Plans (AHIP) and holds a Life, Accident, and Health Insurance Agent's license in the States of New York, Connecticut and Massachusetts. Mr. Kersting has also received the firm's prestigious Quality Star Award.

Publications/speeches

- "How Public Sector Employers Can Manage Retiree Health Liabilities" by Matthew Kersting and Stephen Kuhn, *Benefits Quarterly* Vol. 34, First Quarter 2018.
- "Private Health Insurance Exchanges: The Latest Evolution in the Health Care Marketplace" by Matthew Kersting and Michael Eck, *Bloomberg BNA*, October 2015.
- "Choosing a Private Exchange Is Not a Decision to be Taken Lightly" by Chris Calvert and Matthew Kersting, *The Private Exchange Blog*, May 2014.
- "Private Health Exchanges," Northern New Jersey ISCEBS Chapter Meeting, May 2014
- "Shared Responsibility Penalties Under ACA: What Higher Education Institutions Need to Know," Sibson webinar, June 2013.
- "Now that the U.S. Supreme Court Has Spoken on the Affordable Care Act, It's Your Organization's Turn to Make a Decision about Future Health Benefits," *Perspectives*, July 2012.

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Kenneth C. Vieira, FSA, FCA, MAAA
*Senior Vice President, East Region Public
Sector Market Leader, Atlanta*

Project Role: Account Executive



Expertise

Mr. Vieira is a Senior Vice President and Consulting Actuary in Segal's Atlanta office with nearly 25 years of experience as an account manager/account executive, actuary and consultant. He serves as East Region Public Sector Market Leader and is a member of the firm's Public Sector Leadership Group and East Management Team.

Mr. Vieira brings a full complement of actuarial and consulting expertise to his clients. He has extensive experience in strategic consulting, benefit plan design and evaluation, financial forecasting, trend analysis, risk profiling, new product design, plan rating, premium rate development, data analytics, retiree medical, statistical modeling and other medical management programs.

Mr. Vieira's current public sector clients include:

- North Carolina State Health Plan
- Alabama Public Education Employees Health Insurance Plan
- Metropolitan Atlanta Rapid Transit Authority
- Fulton County, GA
- State of Illinois – Department of Central Management Services
- State of Nebraska
- State of Wisconsin – Department of Employee Trust Fund
- State of Kansas

In addition, Mr. Vieira has managed or provided actuarial support to the following additional state clients over the last five years:

- State of Tennessee
- Commonwealth of Kentucky
- Georgia State Health Benefit Plan
- Pennsylvania Public School Employees' Retirement System

In addition to his specialty in the governmental sector, Mr. Vieira has worked with large employers, healthcare providers and health plans. His varied projects have included packaging and pricing medical services, developing claims data reporting, utilizing risk management software, developing HMO rates and renewal support, and developing prospective payment systems.

Professional background

Prior to joining Segal, Mr. Vieira was the head of the Government Programs Health Practice at a large consulting firm in Atlanta. He has worked extensively with states and other large governmental employers on state health plans, Medicaid programs and a broad range of actuarial issues. With many of these states, Mr. Vieira served as both the account manager/account executive and actuary and provided a wide array of strategic consulting.

Education/professional designations

Mr. Vieira received a BS in Software Engineering from Syracuse University. He is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, a Fellow of the Conference of Consulting Actuaries, and a retired Enrolled Actuary. He is also a licensed Life and Health Insurance Consultant in Georgia, Tennessee, North Carolina and other states.

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Gina T. Sander, FLMI
*Vice President and Health Practice Leader,
Atlanta*

Project Role: Lead Benefits Consultant



Expertise

Ms. Sander is a Vice President and the Health Practice Leader in Segal's Atlanta office with 30 years of experience as an underwriter, consultant and account manager. She is a member of the East Region Health Practice and provides benefits consulting to public sector entities at the federal, state and local levels, as well as large corporate firms.

Ms. Sander has a strong technical underwriting background and brings a full complement of consulting expertise to her clients. She has extensive experience in strategic consulting, benefit program/plan design and evaluation, financial forecasting, trend analysis, plan rating, premium rate development, data analytics, vendor selection and management and presenting to committees, councils and boards.

She assists clients with strategic planning, benefit design, procurement and pricing of health and welfare benefits, vendor management, developing customized reports, evaluating the potential financial impact of health legislation and presenting to various committees and governing bodies.

Professional background

Prior to Segal, Ms. Sander served as a Senior Consultant at another major consulting firm, specializing in medical, prescription, wellness and other health and welfare benefits. She was responsible for account management, strategic planning, benefit design and modeling, vendor management and cost projections, among other tasks.

Education/professional designations

Ms. Sander received a BA in Economics from The University of Georgia. She has earned a Fellowship of Life Management Institute (FLMI) designation and is a licensed Life and Health Insurance Consultant in 21 states.

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Stephen L. Kuhn

Vice President, Health Consultant, Boston

Project Role: Benefits Consultant



Expertise

Mr. Kuhn is a Vice President and Health Consultant in Segal's Boston office and has over 15 years of experience consulting to public sector and multiemployer group health benefit plans. He consults to clients on all types of benefits, including medical, prescription drug, dental, vision, life and disability income. He analyzes historic and projected costs, the effects of plan design modifications and other cost containment measures and the implications of existing and pending legislation.

Mr. Kuhn also prepares bid specifications and the analysis of the resulting proposals and has extensive experience with the intricacies of public sector procurement rules. He participates in the preparation and review of retiree health valuations as required by GASB 43 and 45 and FASB ASC 965. Mr. Kuhn is also involved in the Health Practice's quality review and control procedures to assure the accurate analysis of client deliverables.

Professional background

Prior to joining Segal, Mr. Kuhn worked as an Actuarial and Financial Analyst at two international insurance carriers.

Education/professional designations

Mr. Kuhn received an MBA with a concentration in Corporate Advisory from Babson College (Wellesley, MA) and received a BS in Economics and Finance from Pfeiffer College (Misenheimer, NC). He is a licensed Life, Accident and Health Producer in the Commonwealth of Massachusetts and holds corresponding licenses in the other New England States and in the State of New York.

Stephen L. Kuhn
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segalco.com

Peter Wang, ASA, MAAA, EA
Associate Actuary, Atlanta
Project Role: Actuarial Team



Expertise

Mr. Wang is an Associate Actuary in Segal's Atlanta office with over 22 years of actuarial consulting experience. He provides retiree health and related consulting services (including SOP 92-6 valuations and GASB OPEB valuations) to clients.

A sample of recent client work includes:

- Mississippi State and School Employees Health Insurance
- Wisconsin Department of Employee Trust Funds
- Kansas State Employees Health Care
- Fulton County
- Illinois Central Management Services
- North Carolina State Health Plan

Professional background

Prior to joining Segal, Mr. Wang served as a Consulting Actuary for Cuni, Rust and Strenk, where he was responsible for reviewing and co-signing valuation reports for single employer and multiemployer pension and health and welfare funds (including both funding and accounting reports). In addition, he was responsible for signing government forms. Mr. Wang also served as a Consulting Actuary for United Actuarial Services, Inc. where he was responsible for the firm's post-retirement medical valuation practice and worked with several multiemployer pension funds.

Education/professional designations

Mr. Wang received a BS in Mathematics from Fudan University (Shanghai, China). He received a PhD in Statistics from Purdue University. Mr. Wang is an Associate of the Society of Actuaries (ASA), a Member of the American Academy of Actuaries (MAAA) and an Enrolled Actuary (EA).

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Stephen Stejskal

Health Benefits Analyst, Atlanta

Project Role: Health Actuarial Analyst



Expertise

Mr. Stejskal is a Health Benefits Analyst in the Atlanta office. He provides financial analysis for public sector and multiemployer health benefit plans, including analyzing claims experience, projecting the financial impact of benefit modifications, preparing budget projections and financial reports and developing models for unique benefit design changes as well as reviewing insurance contracts and amendments. He also analyzes the results of requests for proposals, insurance carrier renewals and rate negotiations.

Education/professional designations

Mr. Stejskal graduated *cum laude* from the Auburn University Honors College with a double major in applied Mathematics and Economics. While at Auburn, he served as both the Vice President and President of the school's council for the College of Sciences and Mathematics.

Mr. Stejskal has passed five actuarial exams in pursuit of becoming an Associate in the Society of Actuaries.

Stephen Stejskal
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678.306.3122
segalco.com

Sadhna Paralkar, MD, MPH, MBA
*Senior Vice President and National Medical
Director, Chicago*

Project Role: Wellness and Clinical



Expertise

Dr. Paralkar is a Senior Vice President and National Medical Director in Segal's Chicago office with over 20 years of experience. Dr. Paralkar leads Segal's Medical Management consulting and has specialized expertise in on-site clinics, wellness programs, medical management program design, healthcare informatics and network management strategies to optimize health improvement while containing costs, and evaluation and implementation of disease management and wellness programs.

Professional background

Dr. Paralkar's extensive experience in healthcare operations, informatics and consulting includes positions at UnitedHealth Group (UHG) and Ingenix (now Optum Insight), where she provided data centric clinical expertise to clients in the payer, public sector and employer markets. She was responsible for the Care Management ROI model as the Director of Product Development for the Care Management suite of products at Optum.

Prior to joining UHG, Dr. Paralkar worked at a *Fortune* 500 company, Navistar, in various capacities for six years. The last position Dr. Paralkar held at Navistar was Associate Medical Director, where she was responsible for occupational health and disability, on-site clinics, on-site wellness programs, health benefits plan design and healthcare purchasing.

Education/professional designations

A native of Mumbai (Bombay), India, Dr. Paralkar completed her medical internship at L.T.M. General Hospital of University of Bombay, India after she received her baccalaureate degree in Medicine and Surgery from the same institution.

As a licensed family practitioner, some of Dr. Paralkar's public health achievements include implementation and evaluation of immunization programs in rural India. She received an MS in Public Health from the University of Illinois at Urbana-Champaign focusing on Health Data Analysis and Epidemiology. The National Institutes of Health funded part of her analytic research on health communications in mass media. Dr. Paralkar also received an MBA with a focus on Health Industry Management and Marketing from Northwestern University's Kellogg School of Management.

Dr. Paralkar is a member of the American Public Health Association, American College of Occupational and Environmental Medicine, The Institute of Medicine of Chicago, American Association of Physicians from India and Women Business Leaders of the U.S. Health Care Industry Foundation.

Publications/speeches

Dr. Paralkar has published several articles on health and productivity in peer-reviewed journals and is a frequent speaker at national conferences concerning health care. Past speaking engagements include the Made in America Conference, the Society of Actuaries conference and the American College of Occupational and Environmental Medicine (ACOEM) conference.

Examples of Dr. Paralkar's publications and presentations include:

- "Setting Up for Success: Wellness Strategies for Multiemployer Plans," *Benefits Magazine*, December 2017
- "Using Data to Make Decisions for Your Fund," International Foundation of Employee Benefit Plans (IFEBP) Health Care Management Conference, May 2017
- "Blueprints & Cost for Onsite Clinics: Everything You Need to Know to Initiate and Successfully Run an Onsite Clinic," Made In America 14th Annual Taft-Hartley Benefits Summit, January 2017
- "Where Chronic Pain Management Meets Mental Health," IFEBP Annual Conference, November 2016
- "Are You Paying a Huge Price for the Opioid Drug Abuse Epidemic," *Benefits Magazine*, August 2016
- "ACOs/ACA Payment Reform/Shared Savings Arrangements," Conference of Consulting Actuaries, May 2015
- "Looking at the Future of Healthcare, Tele-Health, etc. What's the Impact on Your Fund?" Las Vegas, NV, Made in America: The 2015 Taft-Hartley Benefits Summit, January 2015
- "What Obesity's Designation as a Disease Means for Plan Sponsors," *IPMA HR News*, January 2015
- "The ROI of Your Wellness Program Depends on Design and Implementation," with Steven F. Cyboran, *Perspectives*, July 2013
- "How Healthy is Your Wellness Program? Measure Its Success," *Segal Newsletter*, August 2012
- "Genetic Testing: An Ever-Evolving Health Field Raises Complex Coverage Issues," with Joanne Hustead, *Benefits Law Journal*, Spring 2011
- "While We're Waiting for Health Care Reform...Things We Can Do Now to Control Rising Costs," *Employersweb*, June 11, 2009
- "Why Health Care Costs Keep Rising — And What to Do About It," *SHRM Online*, May 1, 2009

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Joanna M. Balogh-Reynolds, RN-BC, MSN,
DNP

*Senior Consultant, Director of
Clinical Consulting, Pittsburgh*

Project Role: Wellness and Clinical



Expertise

Ms. Balogh-Reynolds is a Senior Consultant and the Director of Clinical Consulting in Segal's National Health Practice. Based in Pittsburgh, she serves as a national resource on clinical and operational issues regarding population health management and well-being consulting.

Ms. Balogh-Reynolds is a doctoral trained Registered Nurse (RN) and Certified Case Manager with 15 years in the healthcare field and over 11 years in the industry. She has an extensive background in clinical program development, high risk cost containment strategies, evaluation of value-based provider contracting and measuring of clinical quality metrics.

Ms. Balogh-Reynolds is our national corporate well-being solutions leader and is versed in overall wellness design and behavior modification. Her expertise includes helping plan sponsors with specific healthcare issues pertinent to medical coverage, plan design, quality of care, mental well-being and substance use, and digital therapeutics. She possesses deep expertise in program and product development and excels at vendor management. She will provide clinical review, input and commentary on such tasks as pay-for-performance evaluation, utilization review and reporting, impact of wellness / preventive services and audits of vendor clinical management programs. She provides internal and external trainings on relevant clinical topics.

Professional background

Ms. Balogh-Reynolds has a strong background in managed care. Most recently, she was the Operational Director of Oncology Case Management for Cigna Healthcare. In this role, her responsibilities included oversight of 160 clinical case managers and serving as an expert on product and program development to meet the evolving needs of oncology care. She first joined Cigna in 2010 and served in various roles as a Case Manager and Case Management supervisor and four years as a Clinical Consultant and Nurse Executive. In this role, she was working with large national and regional clients in three market verticals including national corporate, Taft-Hartley and the Midwest regional office. Within the Midwest region, she supported the onboarding of the first ACOs in the marketplace including Advocate Health, Northwestern, and AMITA.

Education/professional designations

Ms. Balogh-Reynolds received her Doctor of Nursing Practice and Master's degree in Nursing Education and Leadership from Carlow University and her BS in Nursing from Duquesne University in Pittsburgh, PA. She is a Registered Nurse and Board Certified Case Manager with clinical experience in Transplant and Critical Care.

Ms. Balogh-Reynolds sits locally on the Advisory Board for the Albert Schweitzer Fellowship program, assisting advance degree healthcare students in the development and implementation of population health programming for predominantly underserved communities in Pittsburgh. She also remains as Adjunct faculty in Carlow University's Nursing and Healthcare Administration programs.

Publications/speeches

Ms. Balogh-Reynolds' past speaking engagements include the National Coordinating Committee for Multiemployer Plans (NCCMP) on the Social Determinants of Health (SDOH) and the Healthcare Human Resources Conference (AHHRA) related to well-being in the time of a pandemic. She also co-authored "Future of Healthcare: What Plan Sponsors Should Know."

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Albert Shaaya

Senior Health Consultant, Atlanta

Project Role: Data Analytics



Expertise

Mr. Shaaya is a Senior Health Consultant in Segal Consulting's Atlanta office. He has more than 16 years of data analytics and business intelligence experience with a focus on healthcare data management and actuarial support. Mr. Shaaya has broad experience working in the private sector, with employer funded health plans, as well as the public sector, with State health plans and Medicaid programs.

In his role as a Data Analyst, he managed the development of several data warehousing solutions that provide data reporting, data aggregation and model building capabilities to support client needs. In addition to providing technical and analytical solutions, Mr. Shaaya works closely with clients and data vendors to help establish a secure data transfer of historical and ongoing enrollment and claims type data. The data procurement process also includes data scrubbing and loading, in addition to data profiling and validation.

Mr. Shaaya's main role is to help the firm select the appropriate data management solutions in order to effectively analyze key data elements and help decision makers take action to improve plan performance. Additionally, throughout his career, he has managed many client engagements in utilizing data mining software to determine underlying cost drivers, develop strategies for engaging participants in their own care, contain costs and improve patient outcomes.

Mr. Shaaya's current state clients include:

- North Carolina State Health Plan
- State of Wisconsin — Department of Employee Trust Fund
- Alabama Public Education Employees Health Insurance Plan

Professional background

Prior to joining Segal in 2017, Mr. Shaaya worked in data analytics as a Senior Manager for a major consulting firm.

Education/professional designations

Mr. Shaaya received a MS in Information Technology from the American InterContinental University in Atlanta. Mr. Shaaya also holds a BS in Computer Engineering and is a certified Project Management Professional (PMP).

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Anna Bishop

Senior Health Benefits Associate, Atlanta

Project Role: Data Analytics



Expertise

Ms. Bishop is a Senior Health Benefits Associate in Segal's Atlanta office. She works on all phases of actuarial valuations and helps navigate administrative issues for a variety of governmental and multiemployer clients. Ms. Bishop has experience with estimating IBNR reserves, expense and revenue projections for self-funded health plans; and processing and analyzing health claims data.

Her current clients include:

- State of Maryland
- Alabama Public Education Employees Health Insurance Plan
- State of Alaska
- City of Houston
- Community Action Opportunities
- Metropolitan Atlanta Rapid Transit Authority

Education/professional designations

Ms. Bishop received a BS in Business Administration as well as a BS in Mathematics with a concentration in Actuarial Studies from the College of Charleston. She is currently taking exams given by the Society of Actuaries (SOA).

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Joanne L. Hustead, JD
*Senior Vice President, Deputy Practice Leader,
National Health Compliance Practice,
Washington, DC*

Project Role: Compliance



Expertise

Ms. Hustead is a Senior Vice President and the Deputy Practice Leader of Segal's National Health Compliance Practice in the Washington, DC office. She has 30 years of legal experience, including over 20 years in the health policy field. Ms. Hustead's expertise includes research and analysis of federal laws and regulations that impact health benefit plans, most recently focusing on the implementation of the Patient Protection and Affordable Care Act. She responds to questions from compliance staff and benefit consultants, develops templates and training materials for clients, provides training to compliance and health staff, and has helped Segal develop and implement its own privacy and security policies.

Professional background

Ms. Hustead joined Segal in 2003 as a Senior Health Compliance Specialist in the National Health Compliance Practice. Prior to joining the firm, she was an assistant research professor at Georgetown University's Institute for Health Care Research and Policy (now the Health Policy Institute), where she focused on medical privacy laws. Before that, Ms. Hustead spent 10 years with the National Partnership for Women & Families (formerly the Women's Legal Defense Fund) advocating for national health care reform, managed care reform, and medical and genetic privacy. She was an attorney in private practice from 1982 to 1990.

Education/professional designations

Ms. Hustead received her JD from the University of Pennsylvania School of Law and a BA in History and French from Tufts University. She is a member of the Bar of the District of Columbia and the United States Supreme Court.

Publications/speeches

For the last several years, Ms. Hustead has been on the faculty for the International Foundation of Employee Benefit Plans (IFEBC) Certificate for Public Plan Policy (CAPPP) program. She conducts webinars and presentations on various health care topics for Segal clients as well as organizations such as BNA. She is a contributing author of Thompson Publishing Group's *Employer's Guide to HIPAA Privacy Requirements* and a co-author of Thompson's *The HITECH Act and Related Rules: A Guide for Employers*.

Ms. Hustead frequently serves as an expert speaker and author on a variety of topics.

Recent published articles

- "The Consequences of Losing 'Grandfathered' Status," Joanne Hustead and Kathy Bakich, *Benefits Law Journal*, Autumn 2013

- “Multiemployer Plans Vs. The Exchanges: Digging In Or Letting Go,” *Benefits Magazine*, May 2013
- “Genetic Testing: An Ever-Evolving Health Field Raises Complex Coverage Issues,” Dr. Sadhna Paralkar and Joanne Hustead, *Benefits Law Journal*, Spring 2011
- “Expert Reviews Health Care Reform Law Implementation, Previews 2011 Developments,” Joanne Hustead, *Employee Benefits Management*, February 2011
- “Connecticut Licenses Same-Gender Marriages,” Joanne Hustead and Andrew Sherman, *Benefits Law Journal*, Summer 2009

Recent speeches

- "Legislative/Regulatory Developments — Health Care Reform: Implications for Public Sector Plans," IFEBP Certificate of Achievement in Public Plan Policy, June 2017
- "Legislative/Regulatory Developments — Health Care Reform: Implications for Public Sector Plans," IFEBP Annual Conference, November 2016
- "Legislative/Regulatory Developments — Health Care Reform: Implications for Public Sector Plans," IFEBP Certificate of Achievement in Public Plan Policy, June 2016

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Kathryn Bakich, JD
*Senior Vice President, National Health
Compliance Practice Leader,
Washington, DC*

Project Role: Compliance



Expertise

Ms. Bakich is a Senior Vice President in Segal's Washington, DC office with over 20 years of experience in health care compliance. She is the firm's National Health Compliance Practice Leader.

Ms. Bakich is one of the country's leading experts on employer sponsored health coverage. She specializes in providing research and analysis on federal laws and regulations affecting health coverage, including ERISA, Medicare, HIPAA, COBRA, the Newborns' and Mothers' Health Protection Act, the Mental Health Parity Act and the Women's Health and Cancer Rights Act.

Ms. Bakich is a recognized expert on the Patient Protection and Affordable Care Act. She speaks regularly about the law, helps plan sponsors understand its short- and long-term effects on their plans and assists clients with preparing comments on the legislation for submission to regulatory Departments (Treasury, Labor and Health & Human Services).

Ms. Bakich leads the Segal team responsible for publishing information about new health care laws and regulations, and trains internal staff on all legislation and related developments. She and her staff disseminate health compliance information, monitor federal and state laws and regulations, and prepare amendments for health plans and summary plan descriptions based on national models.

Professional background

Prior to joining Segal, Ms. Bakich was an attorney in private practice representing multiemployer health plans and an appellate administrative law judge.

Education/professional designations

Ms. Bakich graduated in 1979 with a BA in Political Science, in 1982 with an MA in Public Policy, and in 1985 with a JD from the University of Missouri. She has been admitted to the Bar in the District of Columbia, United States Supreme Court, and multiple federal district and appellate courts.

Ms. Bakich is a member of the Working Committee of the National Coordinating Committee for Multiemployer Plans (NCCMP), the Health Technical Issues Taskforce of the American Benefits Council (ABC), the Employers Council on Flexible Compensation (ECFC) Flex Advisory Council, and the American Bar Association (ABA). Ms. Bakich is co-chair of the ABA Joint Committee on Employee Benefits Subcommittee on Welfare Plan Regulation. She was also appointed to the Government Liaison Committee of the International Foundation of Employee

Benefit Plans (IFEBP). Ms. Bakich was named a Fellow of the American College of Employee Benefits Counsel in 2012.

Publication/speeches

Ms. Bakich has published multiple articles about employee health and welfare benefits, including a series of articles discussing HIPAA Administrative Simplification, EDI, and Privacy in the Benefits Law Journal. She is a co-author of the *Employers' Guide to HIPAA Privacy Requirements*, published by Thompson Publishing Group, and a chapter editor of *Employee Benefits Law*. Ms. Bakich speaks regularly on issues related to group health plans.

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Arkansas Business License



| Appendix I: Work Plan

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