

**PERSONAL SERVICE AGREEMENT**

CO-802A REV. 2/08

STATE OF CONNECTICUT  
OFFICE OF THE STATE COMPTROLLER

1. PREPARE IN QUADRUPPLICATE
2. THE STATE BUSINESS UNIT AND THE CONTRACTOR AS LISTED BELOW HEREBY ENTER INTO AN AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN AND/OR ATTACHED HERETO AND SUBJECT TO THE PROVISIONS OF SECTION 4-88 OF THE CONNECTICUT GENERAL STATUTES AS APPLICABLE.
3. ACCEPTANCE OF THIS CONTRACT IMPLIES CONFORMANCE WITH TERMS AND CONDITIONS SET FORTH BY THE OFFICE OF POLICY AND MANAGEMENT PERSONAL SERVICE AGREEMENT STANDARDS AND PROCEDURES.

(1)  ORIGINAL  AMENDMENT (2) IDENTIFICATION NO. P.S. 2011 9740

CONTRACTOR	(3) CONTRACTOR NAME Milliman, Inc.		(4) ARE YOU PRESENTLY A STATE EMPLOYEE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	CONTRACTOR ADDRESS 80 Lambertson Road, Windsor, CT 06095-2126		
STATE AGENCY	(5) AGENCY NAME AND ADDRESS Office of the State Comptroller, 55 Elm Street, Hartford, CT 06016		
CONTRACT PERIOD	(6) DATE (FROM) 10/01/2010	THROUGH (TO) 9/30/2015	(7) INDICATE <input type="checkbox"/> MASTER AGREEMENT <input type="checkbox"/> CONTRACT AWARD NO. <input checked="" type="checkbox"/> NEITHER

CANCELLATION CLAUSE	THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE ENTIRE TERM OF THE CONTRACT PERIOD STATED ABOVE UNLESS CANCELED BY THE STATE BUSINESS UNIT, BY GIVING THE CONTRACTOR WRITTEN NOTICE OF SUCH INTENTION (REQUIRED DAYS NOTICE SPECIFIED AT RIGHT)		(8) REQUIRED NO. OF DAYS WRITTEN NOTICE 30
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COMPLETE DESCRIPTION OF SERVICE	(9) CONTRACTOR AGREES TO: (Include special provisions - Attach additional blank sheets if necessary.)  Amendment to reflect one year-extension of Contract to expire September 30, 2015		
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COST AND SCHEDULE OF PAYMENTS	(10) PAYMENT TO BE MADE UNDER THE FOLLOWING SCHEDULE UPON RECEIPT OF PROPERLY EXECUTED AND APPROVED INVOICES. See Amended Attachment I  Increases original obligated amount by \$900,000 to accommodate additional services authorized for Year 5 of contract		
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(11) OBLIGATED AMOUNT \$4,692,980									
(12) AMOUNT	(13) FUND	(14) DEPARTMENT	(15) SID	(16) PROGRAM	(17) ACCOUNT	(18) PROJECT/ GRANT	(19) CHARTFIELD 1	(20) CHARTFIELD 2	(21) BUDGET REFERENCE

An individual entering into a Personal Service Agreement with the State of Connecticut is contracting under a "work-for-hire" arrangement. As such, the individual is an independent contractor, and does not satisfy the characteristics of an employee under the common law rules for determining the employer/employee relationship of Internal Revenue Code Section 3121 (d) (2). Individuals performing services as independent contractors are not employees of the State of Connecticut and are responsible themselves for payment of all State and local income taxes, federal income taxes and Federal Insurance Contribution Act (FICA) taxes.

ACCEPTANCES AND APPROVALS		(22) STATUTORY AUTHORITY CGS §§5-259, 5-264, 3-112	
(23) CONTRACTOR OWNER OR AUTHORIZED SIGNATURE: <i>William J. Perry</i>	TITLE Principal & Consulting Actuary	DATE Sept. 22, 2014	
(24) AGENCY AUTHORIZED OFFICIAL: <i>Robert J. Gendron</i>	TITLE State Comptroller	DATE Sept. 25, 2014	
(25) OFFICE OF POLICY & MANAGEMENT DEPARTMENT OF ADMINISTRATIVE SERVICES	TITLE	DATE	
(26) ATTORNEY GENERAL (APPROVED AS TO FORM): <i>Joseph Rubin</i>	ASSOC. ATTY. GENERAL	DATE 11/5/15	

RECD PM 2:14 SEP 26 14  
 RECD PM 12:19 SEP 24 14

**Haering, Margaret**

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**From:** Ormerod, Sarah  
**Sent:** Friday, September 19, 2014 9:02 AM  
**To:** Woodruff, Thomas; Haering, Margaret  
**Cc:** Vieira, Doris; Braswell, Natalie  
**Subject:** FW: Final Disposition for Amendment PSA 2015\_17922

Good morning –

Here is the approval for the Milliman extension.

Thanks,  
Sarah

RSD  
PM 2:14 SEP 26 14

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**From:** Vieira, Doris  
**Sent:** Friday, September 19, 2014 9:01 AM  
**To:** Ormerod, Sarah  
**Subject:** FW: Final Disposition for Amendment PSA 2015\_17922

FYI

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**From:** [robert.dakers@ct.gov](mailto:robert.dakers@ct.gov) [mailto:[robert.dakers@ct.gov](mailto:robert.dakers@ct.gov)]  
**Sent:** Friday, September 19, 2014 9:00 AM  
**To:** Vieira, Doris  
**Cc:** Dakers, Robert  
**Subject:** Final Disposition for Amendment PSA 2015\_17922

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The Office of Policy and Management has Approved the following Amendment PSA

Health Benefit Consulting (2015\_17922)

**Contractor:** Milliman  
**Effective Date:** 10/1/14 - 9/30/15  
**Estimated Cost:** \$900,000.00  
**Comments/Conditions:** Approved RSD 9-19-14

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*Robert Dakers*  
Executive Financial Officer

**AMENDMENT  
TO THE AGREEMENT BEGINNING OCTOBER 1, 2010**

This Amendment ("Amendment") is entered into as of the \_\_\_ day of September 2014 and is the first amendment to the Agreement ("Contract") by and between the Office of the State Comptroller ("Comptroller") and Milliman, Inc. ("Contractor") for the period beginning October 1, 2010 and ending on September 1, 2014. Except as provided herein, and on the Amended Attachment 1 hereto, all terms and conditions contained in the Contract shall remain in full force and effect.

*Section 1, Effective Date*

This Contract covers the period from October 1, 2010 to through September 30, 2015, the parties having agreed to extend the original contract term for an additional one year.

RESD PM 2:14 SEP 25 '14

**ATTACHMENT I  
COST AND SCHEDULE OF PAYMENTS  
Amended as of Sept. 22, 2014**

**Hourly Fees Billing Rates**

2010 Hourly Billing Rates are attached. For all services (not stated as maximum, fixed fee) Milliman agrees that hourly billing rates will increase by no more than the rate of inflation, defined as the national CPI-U, or 5% per year, whichever is less. Fees are net of expenses.

**\*Requests for Proposals**

During the four-year period of the contract, Milliman will provide consulting services in connection with Requests for Proposals. These services may be performed in any one of the four contract years, but are likely to be performed in Years Two and Three of the contract. The total maximum fixed fees for such services are as follows:

Medical RFP (ASO)	\$133,000
Dental RFP (Fully insured)	\$ 85,000
Prescription Drug RFP(ASO)	\$104,500

**October 1, 2010 to September 30, 2011**

a. **Health and Employee Benefits Services** (excluding investment consulting) will not exceed the sum of \$917,400\*, comprised as follows:

<b>Monthly Experience Reporting Package ProBand†</b>		
Annual License Fee	\$150,000	Fixed
Hosting Fee - Reporting (\$8,000 per month)	\$ 96,000	Fixed
Risk Adjusters Annual License Fee	\$ 30,000	Fixed
<b>Annual Benefit Consulting Services</b>	<b>\$193,500</b>	<b>Fixed</b>
<b>Medicare Part D Consulting Fee</b>	<b>\$ 7,500</b>	<b>Fixed</b>
<b>General Consulting Fee</b>	<b>\$402,000</b>	
(includes GASB 45 valuation due 12/2010)		
<b>Early Retirement Reinsurance Program (ERRP)</b>		
Data Aggregation and HHS reporting (\$3,200 per month)	<b>\$ 38,400</b>	
	<b>\$917,400</b>	

†Includes preparation of Access database for use by State

b. **Investment Consulting, Defined Contribution Retirement Plans**

Not to exceed	<b>\$ 50,000</b>
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RPSD MW 214 SEP 26 14

**October 1, 2011 to September 30, 2012**

**a. Health and Employee Benefits Services** (excluding investment consulting) will not exceed the sum of \$925,400\*, comprised as follows:

<b>Monthly Experience Reporting Package ProBand†</b>		
Annual License Fee	\$150,000	Fixed
Hosting Fee - Reporting (\$8,000 per month)	\$ 96,000	Fixed
Risk Adjusters Annual License Fee	\$ 30,000	Fixed
<b>Annual Benefit Consulting Services</b>	\$198,000	Fixed
<b>Medicare Part D Consulting Fee</b>	\$ 7,500	Fixed
<b>General Consulting Fee</b>	\$320,000	
<b>Early Retirement Reinsurance Program (ERRP)</b>		
Data Aggregation and HHS reporting (\$3,200 per month)	\$ 38,400	
<b>Dental RFP (Fully insured)</b>	\$ 85,500	Fixed
	<b>\$925,400</b>	

†Includes preparation of Access database for use by State

**b. Investment Consulting, Defined Contribution Retirement Plans**  
Not to exceed **\$ 55,000**

RESD PM 2:14 SEP 26 '14

**October 1, 2012 to September 30, 2013**

**a. Health and Employee Benefits Services** (excluding investment consulting) will not exceed the sum of \$1,043,340\*, comprised as follows:

<b>Monthly Experience Reporting Package ProBand†</b>		
Annual License Fee	\$ 150,000	Fixed
Fixed Hosting Fee - Reporting (\$8,000 per month)	\$ 96,000	Fixed
Risk Adjusters Annual License Fee	\$ 31,000	Fixed
<b>Annual Benefit Consulting Services</b>	\$ 203,940	Fixed
<b>Medicare Part D Consulting Fee</b>	\$ 7,500	Fixed
<b>General Consulting Fee</b>	\$ 320,000	
<b>Early Retirement Reinsurance Program (ERRP)</b>		
Data Aggregation and HHS reporting (\$3,200 per month)	\$ 38,400	
<b>Medical RFP (ASO)</b>	\$ 133,000	Fixed
<b>Prescription Drug RFP (ASO)</b>	\$ 104,500	Fixed
	<b>\$1,043,340</b>	

†Includes preparation of Access database for use by State

**b. Investment Consulting, Defined Contribution Retirement Plans**

Not to exceed **\$ 60,000**

RECD PM 2 14 SEP 26 14

**October 1, 2013 to September 30, 2014**

**a. Health and Employee Benefits Services** (excluding investment consulting) will not exceed the sum of \$806,840\*, comprised as follows:

<b>Monthly Experience Reporting Package ProBand†</b>		
Annual License Fee	\$150,000	Fixed
Hosting Fee - Reporting (\$8,000 per month)	\$ 96,000	Fixed
Risk Adjusters Annual License Fee	\$ 32,000	Fixed
<b>Annual Benefit Consulting Services</b>	\$203,940	Fixed
<b>Medicare Part D Consulting Fee</b>	\$ 7,500	Fixed
<b>General Consulting Fee</b>	\$279,000	
<b>Early Retirement Reinsurance Program (ERRP)</b>		
Data Aggregation and HHS reporting (\$3,200 per month)	\$ 38,400	
	<b>\$806,840</b>	

†Includes preparation of Access database for use by State

**b. Investment Consulting, Defined Contribution Retirement Plans**  
Not to exceed **\$ 65,000**

RESD PM 2 14 SEP 26 14

**October 1, 2014 to September 30, 2015**

**a. Health and Employee Benefits Services** (excluding investment consulting) will not exceed the sum of \$900,000, comprised as follows:

<b>Monthly Experience Reporting Package †</b>		
License Fee ProBand including HCG Grouper	\$ 75,000	Fixed
Data Reporting and Processing Fee	\$ 96,000	Fixed
Risk Adjuster License	\$ 30,000	Fixed
Waste Calculator	\$ 60,000	Fixed
Truven Episode Grouper	\$ 60,000	Fixed
Internet Hosting for On-Line Access	\$ 60,000	Fixed
<b>Annual Benefit Consulting Services</b>	\$203,940	Fixed
<b>General Consulting Fee</b>	\$315,060	
	<b>\$900,000</b>	

**b. Investment Consulting, Defined Contribution Retirement Plans**  
Not included in total (no state funds)      **\$ 70,000**

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