STATE OF LOUISIANA
OFFICE OF THE GOVERNOR
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS (OGB)

REQUEST FOR PROPOSALS (RFP)
FOR
SERVICES OF A FINANCIAL ADVISER

ISSUED

February 4, 2011

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SECTION I

BACKGROUND AND SCOPE

A. Introduction/Purpose

The Office of Group Benefits (OGB) is a component unit of the State of Louisiana created within the Office of the Governor, Division of Administration, pursuant to R.S. 42:801, et seq., as amended and reenacted by Act 1178 of 2001. OGB is vested with the general administration of all aspects of the employee benefits programs authorized under the provisions of Chapter 12, Title 42, of the Louisiana Revised Statutes, including group health benefits, group life insurance, and an IRS qualified cafeteria plan for employees and retirees (and their dependents) of all governmental and administrative subdivisions, departments, agencies, boards and commissions of the executive, legislative, and judicial branches of the state, all institutions of higher education and the governing boards, and approximately two-thirds of the public elementary and secondary school systems in the State.

OGB wishes to explore alternative methods of carrying out its statutory responsibilities through contract(s)for the provision of basic health care services and other health care services to the OGB program's covered persons and/or for any other health care plan or systems, including but not limited to, any health care service, delivery system, benefits programs, insurance, or any other plan or programs that may be authorized by law. This may include the sale, lease, or other transfer of tangible and/or intangible assets of OGB.

In furtherance of this effort, OGB seeks the services of a qualified financial adviser:

1. To assess the market value of the tangible and/or intangible assets of OGB; and
2. To negotiate for and on behalf of the OGB, in accordance with the OGB's authority pursuant to La.R.S. 42:802.

B. Minimum Requirement for Proposers

Proposers must demonstrate at least ten (10) years experience in the valuation and sale of entities in the health insurance market with enterprise values exceeding $150 million.

C. General Information

In fulfillment of its statutory responsibilities, OGB currently maintains a self-insured and self-administered health and accident benefits plans (the PPO plan) with its own network of contracted participating providers. Pursuant to administrative service contracts with OGB, Blue Cross/Blue Shield of Louisiana administers a self-insured HMO plan and United HealthCare administers a self-insured consumer directed (high deductible) health plan with a health savings account. Vantage Health Plan, pursuant to contract with OGB for a pilot program, provides a fully insured medical home HMO plan in the northeast region of the state.

In addition, the Louisiana State University (LSU) System, as authorized by interagency agreement with OGB, administers a separate consumer directed health plan with a health reimbursement account that is available to employees and retirees (and their dependents) of LSU and the Legislature of Louisiana.

Mental health and substance abuse benefits are provided and administered by a contracted behavioral health firm. A pharmacy benefits management firm administers prescription benefits. Another contractor provides disease management services, A utilization management firm provides hospital pre-admission certification, concurrent stay review, and case management services.

OGB also administers an IRS qualified cafeteria plan offering optional benefits such as dental, eye care, cancer and catastrophic illness coverage, long term disability, and health care and child care flexible spending accounts.

D. OGB Information Technology

Desktop:	450 Dell Workstations running Windows XP
LAN:	10/100/1000 Ethernet using Cisco switches
Servers:	Windows servers, VMware, AIX UNIX servers, and LINUX servers.
WAN:	VPN over DSL switches, and firewalls.
Scanners:	Fujitsu scanners.
Printers:	Lexmark and Xerox laser printers.

Computer Applications: Impact (claims adjudication, customer services, provider contracting and eligibility processes), Discoverer (Oracle report writer), MS Office, MS Exchange, FileNet (Oracle based imaging and document management system). OGB uses Oracle databases as its standard.

OGB uses Imprivata – Bio-login, single-sign-on and centralized security system.

C. Scope of Services and Deliverables

The services and deliverables to be provided pursuant to any contract awarded pursuant to this RFP include the following:

1. Assess the market value of the tangible and/or intangible assets of OGB;
2. Negotiate for and on behalf of the OGB, in accordance with the OGB's authority pursuant to La.R.S. 42:802, for the provision of basic health care services and other health care services to the OGB program's covered persons and/or for any other health care plan or systems, including but not limited to, any health care service, delivery system, benefits programs, insurance, or any other plan or programs that may be authorized by law and may include the sale, lease, or other transfer of tangible and/or intangible assets of OGB;
3. Provide recommendations to OGB for contracting in light of the assessment and negotiations;
4. Assist in the drafting and final execution of any contract resulting from the

assessment and negotiations; and

5. Provide testimony before any committee of the Louisiana legislature or other tribunal that may conduct hearings regarding any contract resulting from the assessment and negotiations.

The scope of the assessment shall include any and all health benefits programs offered by the State of Louisiana, including, but not limited to, the OGB PPO Plan, the self-insured HMO Plan, and the self-insured consumer directed (high deductible) health plan with health savings account.

The negotiations, as well as any resulting contract, may include any or all of these plans.

D. Standard Contract

Any contract resulting from this RFP will include the terms and conditions set forth in Attachment 1. Suggested or requested modifications of the contract terms should be detailed in the Proposal, subject to negotiation upon award of a contract. The impact of such modifications will be considered in the review and evaluation of the proposals. The provisions of this RFP and the successful proposal will be incorporated by reference into the contract. Any additional provisions required by federal or state law or regulations in effect at the time of execution of the contract will be included.

SECTION II

INFORMATION AND INSTRUCTIONS ON THE RFP PROCESS

A. Schedule of Events

RFP Issued - Public Notice by Advertising in the Official Journal of the State/Posted OGB Website/Posted to LAPAC…….	Friday, February 4, 2011
RFP Mailed or Available to Prospective Proposers Posted to OGB Website; Posted to LAPAC…….	Friday, February 4, 2011
Deadline to Notify OGB of Interest to Submit a Proposal **(MANDATORY)** …….	Monday, February 14, 2011
Deadline to Receive Written Questions…….	Monday, February 14, 2011
Response to Written Questions……..	Monday, February 21, 2011
Proposers Conference **(IF NECCESSARY)**.....	Thursday, February 24, 2011
Proposals Due to OGB……..	Monday, March 7, 2011
Finalist's Interviews……	Monday, March 14, 2011
Probable Selection and Notification of Award……	Friday, March 18, 2011
Contract Effective Date……..	To be determined

NOTE: OGB reserves the right to deviate from this schedule.

B. Notification to OGB of Interest to Submit a Proposal (MANDATORY)

All interested parties shall notify OGB of interest to submit a proposal on or before the date listed in the Schedule of Events. Notice should be sent to:

Tommy D. Teague
Chief Executive Officer
Office of Group Benefits

Delivery:
7389 Florida Blvd., Ste. 400
Baton Rouge, LA 70806

Mail:
Post Office Box 44036
Baton Rouge, LA 70804

Fax: (225) 922-0282

E-Mail: Tommy.Benoit@La.Gov

C. Written Questions on the RFP

Written question regarding the RFP should be received in the office of the Chief Executive Officer of OGB not later than 4:00 PM (Central Time) on the date indicated in the Schedule of Events above. Written questions should be directed to:

Tommy D. Teague
Chief Executive Officer
Office of Group Benefits

Delivery:
7389 Florida Blvd., Ste. 400
Baton Rouge, LA 70806

Mail:
Post Office Box 44036
Baton Rouge, LA 70804

Fax: (225) 922-0282

E-Mail: Tommy.Benoit@La.Gov

D. Proposers Conference (IF NECESSARY)

If deemed necessary by OGB, a Proposers Conference will be held 10:00 AM (Central Time) on the date listed in the Schedule of Events at the following location:

Office of Group Benefits
7389 Florida Blvd., Ste. 400
Baton Rouge, LA. 70806

A representative the primary proposing firm/organization should participate in person. OGB staff will be available to discuss the proposal specifications, clarify the written responses to submitted questions, and address follow-up questions.

E. Proposal Due Date

The original proposal must be signed by an authorized representative of your organization. Submit one (1) original together with eight (8) complete copies and one (1) redacted copy [see Section II(F)(3)(g), below] , which must be received not later than 4:00 p.m. (Central Time) on the date indicated in the Schedule of Events. Proposals should be directed to:

Tommy D. Teague
Chief Executive Officer
Office of Group Benefits

Delivery:
7389 Florida Blvd., Ste. 400
Baton Rouge, LA 70806

Mail:
Post Office Box 44036
Baton Rouge, LA 70804

F. Instructions on Proposal Format

Proposers should respond thoroughly, clearly and concisely to all of the questions set forth in the Request for Proposals (RFP). Answers should specifically address current capabilities separately from anticipated capabilities.

1. Answer questions directly. Where you cannot provide an answer, indicate "not applicable" or "no response".

2. Do not answer a question by referring to the answer of a previous question; restate the answer or recopy the answer under the new question. If however, the question asks you to provide a copy of something; you may indicate where this copy can be found by an attachment/exhibit number, letter or heading. You are to state the question, then answer the question. Do not number answers without providing the question.

F. Ownership, Public Release and Costs of Proposals

1. All proposals submitted in response to this RFP become the property of the OGB and will not be returned to the Proposers.

2. Costs of preparation, development and submission of the response to this RFP are entirely the responsibility of the Proposer and will not be reimbursed in any manner.

3. Proprietary, Privileged, Confidential Information in Proposals:

   a. After award of the Contract, all proposals will be considered public record and will be available for public inspection during regular working hours.

   b. As a general rule, after award of the Contract, all proposals are considered public record and are available for public inspection and copying pursuant to the Louisiana Public Records Law, La.R.S. 44.1 et.seq. OGB recognizes that proposals submitted in response to the RFP may contain trade secrets and/or privileged commercial or financial information that the Proposer does not want used or disclosed for any purpose other than evaluation of the proposal. The use and disclosure of such data may be restricted, provided the Proposer marks the cover sheet of the proposal with following legend, specifying the pages of the proposal which are to be restricted in accordance with the conditions of the legend:

      "Data contained in Pages _____of the proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information and such data shall only be disclosed for evaluation purposes, provided that if a contract is awarded to this Proposer as a result of or in connection with the submission of this proposal, OGB shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the right of OGB to use or disclose data obtained from any other source, including the Proposer, without restrictions.

c. Further, to protect such data, each response containing such data shall be specifically identified and marked “CONFIDENTIAL”.

d. You are advised to use such designation only when appropriate and necessary. A blanket designation of an entire proposal as confidential is NOT permitted. Your fee proposal may not be designated as confidential.

e. It should be noted, however, that data bearing the aforementioned legend may be subject to release under the provision of the Louisiana Public Records Law. OGB assumes no liability for disclosure or use of unmarked data and may use or disclose such data for any purpose. Any resultant contract will become a matter of public record.

f. OGB reserves the right to make any proposal, including proprietary information contained therein, available to its primary consultant, personnel of the Office of the Governor, Division of Administration, Office of Contractual Review, or other state agencies or organizations for the purpose of assisting OGB in its evaluation of the proposal. OGB will require such individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of their participation.

g. **In addition, you are to provide a redacted version of your proposal omitting those responses (or portions thereof) and attachments that you determine are within the scope of the exception to the Louisiana Public Records Law. In a separate document, please provide the justification for each omission.**

   The Louisiana Office of Group Benefits (OGB) will make the edited proposal available for inspection and/or copying upon the request of any individual pursuant to the Louisiana Public Records Law without notice to you.

SECTION III

PROPOSAL EVALUATION

A. Proposal Evaluation

Proposals will be evaluated by a Selection Committee. Each proposal will be evaluated to insure that all requirements and criteria set forth in the RFP have been met. Failure to meet all the mandatory requirements will result in rejection of the proposal.

After initial review and evaluation, the Selection Committee may invite those firms whose proposals are deemed reasonably susceptible of being selected for award for interviews and discussions at OGB's offices in Baton Rouge, Louisiana, or the Committee may make site visits to the firm's offices and conduct interviews and discussions on site. The interviews and/or site visits will allow the Committee to substantiate and clarify representations contained in the written proposals, evaluate the capabilities of each firm and discuss each firm's understanding of OGB's needs. The results of the interviews and/or site visits, if held, will be incorporated into the final scoring for each firm selected as a finalist.

Following interviews and discussions, if held, scoring will be finalized in accordance with the evaluation criteria below. The proposal receiving the highest total score will be recommended for contract award.

B. Evaluation Criteria

After determining that a proposal satisfies the all requirements stated in the Request for Proposals, an assessment of the relative benefits and deficiencies of each proposal, including information obtained during the interviews and discussions and/or site visits, if held, shall be made using the following criteria:

CATEGORY	MAXIMUM POINTS
1. Qualifications and Experience of the Proposer	300
2. Qualifications and Experience of Assigned Staff	200
3. Service Approach and Coordination Strategy	350
4. Cost of Services	150
TOTAL	1,000

C. Cost Evaluation

The Proposer must provide an estimated cost of services encompassing total expenses anticipated from the provision of services under the contract. The cost must be supported, in detail, by similar transactions completed by the Proposer in the health insurance market.

OGB reserves the right to negotiate the final cost structure with the selected

Financial Advisor during contract negotiations .

Evaluation of Cost:

The total contract charge must be quoted on the Cost Proposal Form included in this RFP. The maximum score of 150 points will be awarded to the proposal with the lowest total cost.

Points for the other proposals will be determined by calculating cost points using the following formula:

Cost points = (lowest total cost proposal/specific proposer's total cost proposal) x maximum cost points.

SECTION IV

PROPOSALS

TAB 1 – PROPOSER INFORMATION

A. PRIMARY PROPOSER

Name of Organization _____

Address _____

_____

Principals: _____

_____

Date Founded _____

B. PARENT COMPANY

Name of Organization _____

Address _____

_____

Principals: _____

_____

Date Founded _____

C. SUBSIDIARIES, AFFILIATES AND/OR SUBCONTRACTORS THAT WILL PERFORM SIGNIFICANT SERVICES (Provide the requested information for each such organization.)

Name of Organization _____

Address _____

_____

Principals: _____

_____

Date Founded _____

D. RFP COORDINATOR/CONTACT

Name _____

Title _____

Address _____

City/State _____

Direct Dial
Telephone Number _____

Fax Number _____

E-mail Address _____

TAB 2 – QUALIFICATIONS AND EXPERIENCE OF PROPOSER

1. Provide a brief summary of the qualifications and experience of your organization and state why it is best qualified to provide the services requested in this RFP. Include in your response details and references demonstrating at least ten (10) years experience in the valuation and sale of entities in the health insurance market with enterprise values exceeding $150 million.

2. Define the resources within (a) your own organization, (b) as applicable, your parent organization, subsidiaries, affiliates and/or subcontractors that will provide expertise in rendering the services requested in this RFP.

3. Describe successful transactions that you have completed that might be comparable to OGB's situation.

4. On engaged sales or mergers and/or acquisitions assignments in the past two years, how many did not close and why?

5. Identify any potential conflicts of interest which might impact this transaction?

TAB 3 – QUALIFICATIONS AND EXPERIENCE OF ASSIGNED STAFF

Identify all persons who will be assigned any responsibility for providing the services requested in this RFP, defining the role and providing credentials of each. Your response must clearly identify and differentiate:

1. Those individuals who will perform the “hands-on” tasks and directly interface with OGB personnel and third parties in the course of the project; and

2. Those who will serve in a supervisory and/or advisory capacity.

TAB 4 – SERVICE APPROACH AND COORDINATION STRATEGY

1. Describe your valuation methodology.

2. Describe your approach to structure the transaction.

3. What do you see as OGB's most valuable asset or capability?

4. Describe your sales methodology. How long will it take?

5. How will you identify and communicate with potential contractors/buyers? With how many potential contractors/buyers do you anticipate communicating?

6. How much time and effort should OGB's management team expect to devote to the sales process?

7. State in detail any and all suggested or requested modifications of the contract terms set forth in the standard contract attached to the RFP (Attachment 1).

TAB 5 – COST PROPOSAL

_____ proposes to provide Financial Advisory Services for the State of Louisiana, Office of the Governor, Division of Administration, Office of Group Benefits, in accordance with the requirements, terms, and conditions of the Request for Proposals issued on February #, 2011.

Estimated Total Contract Amount **$** _____

NOTE: A detailed breakdown of costs and expenses related to providing the services and deliverables requested in the RFP must be included with the proposed total amount.

Date: _____

_____
Authorized Representative

_____
Title

TAB 6 – SIGNATURE PAGE

This proposal, together with all attachments and the fee proposal form, is submitted on behalf of:

Proposer: _____

I hereby certify that:

1. This proposal complies with all requirements of the RFP. In the event of any ambiguity or lack of clarity, the response is intended to be in compliance.

2. This proposal was not prepared or developed using assistance or information illegally or unethically obtained.

3. I am solely responsible for this proposal meeting the requirements of the RFP.

4. I am solely responsible for its compliance with all applicable laws and regulations to the preparation, submission and contents of this proposal.

5. All information contained in this proposal is true and accurate.

Date: _____ _____
Authorized Representative

_____
Title

ATTACHMENTS TO THE RFP

ATTACHMENT I – OGB Standard Contract

STATE OF LOUISIANA
CONTRACT

The STATE OF LOUISIANA, OFFICE OF THE GOVERNOR, DIVISION OF ADMINISTRATION, OFFICE OF GROUP BENEFITS (hereinafter sometimes referred to as the OGB) located at 7389 Florida Blvd., Suite 400, Baton RouGe, LA 70806 and_____ _____, located at _____ (hereinafter sometimes referred to as "Contractor") do hereby enter into a Contract under the following terms and conditions:

1. SCOPE OF SERVICES AND DELIVERALBLES

a. The goal of the OGB is to fulfill its delegated responsibility to serve the State of Louisiana by meeting the needs of its past, present and future employees for an innovative approach to health, life, and related benefits.

b. The objective of the OGB is to provide quality, cost-effective hospital and health care services to Plan Participants.

[Scope of Services and Deliverables defined in accordance with the RFP and the successful proposal.]

2. TERM OF CONTRACT

a. This contract shall begin on *(beginning date)* and shall terminate on *(ending date)*.

b. Notwithstanding, this Contract is not effective until approved by the Director of the Office of Contractual Review in accordance with La. R.S. 39:1502.

3. TERMINATION FOR CAUSE

OGB may terminate this Contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the Contract; provided that OGB shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then OGB may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of OGB to comply with the terms and conditions of this contract; provided that the Contractor shall give OGB written notice specifying OGB's failure and a reasonable opportunity for OGB to cure the defect.

4. TERMINATION FOR CONVENIENCE

OGB may terminate the Contract at any time by giving thirty(30) days written notice to the Contractor. The Contractor shall be entitled to payment for deliverables in

progress, to the extent work has been performed satisfactorily.

5. PAYMENT TERMS

In consideration of the services described above, state hereby agrees to pay the Contractor a maximum fee of $_____.

Payment will be made only on approval of *(Name of authorized person)*.

If progress and/or completion to the reasonable satisfaction of the agency is obtained, payments are scheduled as follows:
[Payment terms per the RFP and successful proposal.]

6. TAXES

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract and/or legislative appropriation shall be contractor's obligation and identified under Federal tax identification number _____.

7. FISCAL FUNDING

The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

8. REMEDIES FOR DEFAULT

a. Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA - R.S. 39:1524 - 1526.

b. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be construed pursuant to, and in accordance with, the laws of the State of Louisiana except where preempted by federal law. The venue of any action brought under this Contract shall be the Nineteenth (19th) Judicial District Court, State of Louisiana.

9. OWNERSHIP

All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this

contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

10. NONASSIGNABILITY

Contractor shall not assign any interest in this contract by assignment, transfer, or novation, without prior written consent of OGB. This provision shall not be construed to prohibit the contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to OGB.

11. RIGHT TO AUDIT

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of contractor which relate to this contract.

12. NON-DISCRIMINATION

The contractor agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.
Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities.
Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

13. RECORD RETENTION

Contractor agrees to retain all books, records, and other documents relevant to this Contract and the funds expended hereunder for at least three years after project completion of Contract, or as required by applicable Federal law, whichever is longer.

14. AMENDMENTS IN WRITING

Any alteration, variation, modification, or waiver of provisions of this Contract shall be valid only when it has been reduced to writing, duly signed. No amendment shall be

valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

15. CAUSES BEYOND CONTROL

Neither party shall be responsible for delays in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to acts of God, strikes, riots, lockouts, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, power failure, earthquakes, or other disasters, or by reason of judgment, ruling, or order of any court or agency of competent jurisdiction.

16. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

a. This Contract (together with the RFP issued thereto by the OGB, the Proposal submitted by the Contractor in response to the OGB's RFP, and any exhibits specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.

b. This Contract shall, to the extent possible, be constructed to give effect to all provisions contained therein: however, where provisions are in conflict, first priority shall be given to the provisions of the Contract, excluding the RFP and the Proposal; second priority shall be given to the provisions of the RFP and amendments thereto; and third priority shall be given to the provisions of the Proposal.

IN WITNESS WHEREOF, the parties have executed this Agreement as of this _____ day of _____ 2011.

STATE OF LOUISIANA,
OFFICE OF THE GOVERNOR,
DIVISION OF ADMINISTRATION, OFFICE OF GROUP BENEFITS

[CONTRACTOR]

_____
Tommy D. Teague, CEO

By:_____

ATTACHMENT II – OGB Financial Statements (FY06-FY10)

OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2006
ACCRUAL

ASSETS		
Cash	$	54,566,709
Receivables for premiums		15,326,975
TOTAL ASSETS	**$**	**69,893,684**
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts payable	$	38,939,322
Advance from State Treasury for Imprest Account		50,000
Deferred Revenue		457,886
Estimated Liability for IBNR Claims		63,000,000
Total Current Liabilities	**$**	**102,447,208**
FUND BALANCE JUNE 30, 2006	**$**	**(32,553,524)**
TOTAL LIABILITIES AND FUND EQUITY	**$**	**69,893,684**

OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2005 - JUNE 30, 2006
ACCRUAL

REVENUES:		
Premiums - PPO	$	453,954,530
Premiums - United EPO	$	77,128,390
Premiums - Humana - HMO - Fully Insured	$	334,926,417
Premiums-Vantage- HMO- Fully Insured	$	7,688,812
Premiums - FARA - MCO	$	192,294,312
Premiums - Life	$	28,098,671
Interest		1,274,821
Miscellaneous		37,776
Cafeteria		168,944
TOTAL REVENUES	**$**	**1,095,572,673**
EXPENSES:		
OGB - PPO Claims		248,538,798
Recoveries of OGB - PPO Claims		(4,274,559)
United Health - EPO		53,931,494
United Health - Administrative Fees		2,687,052
Fara - MCO Claims		179,404,806
Fara - MCO Administrative Fees		8,183,862
Humana - HMO		309,566,509
Vantage - HMO		20,654,793
Catalyst		141,855,283
Catalyst - Administrative Fees		5,728,279
Catalyst Rebates		(7,526,660)
Advance PCS Rebates		(234,156)
Medco Settlement		(2,300,000)
Prudential		26,566,226
United Behavioral Health		7,561,668
Capella Group Inc.		173,656
Cafeteria		107,611
SUB-TOTAL	$	990,624,662
ADMINISTRATIVE EXPENSES:		
Personal services		18,098,614
Travel		72,699
Operating services		4,665,498
Supplies		206,840
Professional Services		7,835,197
Other Charges		166,036
Capital Acquisitions		577,108
IAT		3,472,940
TOTAL ADMINISTRATIVE EXPENSES		35,094,932
TOTAL EXPENSES	**$**	**1,025,719,594**
TOTAL SURPLUS (DEFICIT) FOR JULY 1 - JUNE 30, 2006	**$**	**69,853,079**
FUND BALANCE AT JUNE 30, 2005		(102,406,603)
FUND BALANCE AT JUNE 30, 2006	**$**	**(32,553,524)**

OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2007
ACCRUAL

ASSETS		
Cash	$	182,640,878
Receivables for premiums		16,917,412
TOTAL ASSETS	**$**	**199,558,290**
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payables	$	17,920,850
Advance from State Treasury for Imprest Account		50,000
Deferred Revenue		128,337
Estimated Liability for IBNR Claims		87,212,086
Total Current Liabilities	**$**	**105,311,273**
FUND BALANCE JUNE 30, 2007	**$**	**94,247,017**
TOTAL LIABILITIES AND FUND EQUITY	**$**	**199,558,290**

OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2006 - JUNE 30, 2007
ACCRUAL

REVENUES:		
Premiums - PPO	$	423,168,498
Premiums- United - EPO	$	93,524,937
Premiums- Vantage- HMO- Fully Insured	$	22,236,914
Premiums- FARA- MCO	$	169,359,586
Premiums-Humana- HMO- Self Insured	$	385,186,776
Premiums- Life	$	27,738,967
Medicare Pt. D Subsidy	$	20,560,632
Interest		5,604,179
Miscellaneous		14,380
Cafeteria		278,194
ASI Premiums-Pass Thru		238,436
TOTAL REVENUES	**$**	**1,147,911,499**
EXPENSES:		
OGB - PPO Claims		234,259,179
Recoveries of OGB - PPO Claims		(2,576,795)
United Health - EPO		68,327,605
United Health - Administrative Fees		3,043,351
Fara - MCO Claims		157,887,625
Fara - MCO Administrative Fees		6,415,774
Humana - ASO		300,605,754
Humana - ASO- Administrative Fees;		14,898,835
Humana- HMO-PY Premium Adjustments		(973,381)
Vantage - HMO		23,174,679
Catalyst		150,930,972
Catalyst - Administrative Fees		5,766,610
Catalyst Rebates		(7,303,296)
Advance PCS Rebates		(1,850,000)
Prudential		25,977,701
United Behavioral Health		7,334,894
Cafeteria		199,626
Beech Street		44,746
ASI- Premiums Pass Thru		238,436
SUB-TOTAL	$	986,402,315
ADMINISTRATIVE EXPENSES:		
Personal services		18,675,987
Travel		87,535
Operating services		4,648,849
Supplies		1,449,654
Professional Services		5,312,090
Other Charges		560,963
Capital Acquisitions		1,671,095
IAT		2,302,476
TOTAL ADMINISTRATIVE EXPENSES		34,708,649
TOTAL EXPENSES	**$**	**1,021,110,964**
TOTAL SURPLUS (DEFICIT) FOR JULY 1, 2006 - JUNE 30, 2007	**$**	**126,800,535**
FUND BALANCE AT JUNE 30, 2006		**(32,553,520)**
FUND BALANCE AT JUNE 30, 2007	**$**	**94,247,015**

OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2008
ACCRUAL

ASSETS		
Cash	$	340,690,874
Receivables for premiums	$	32,036,826
TOTAL ASSETS	**$**	**372,727,700**
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts payable	$	18,089,540
Advance from State Treasury for Imprest Account	$	50,000
Deferred Revenue	$	523,715
Estimated Liability for IBNR Claims	$	83,543,663
Total Current Liabilities	**$**	**102,206,918**
FUND BALANCE JUNE 30, 2008	**$**	**270,520,782**
TOTAL LIABILITIES AND FUND EQUITY	**$**	**372,727,700**

OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2007 - JUNE 30, 2008
ACCRUAL

REVENUES:		
Premiums	$	1,172,440,606
Interest	$	10,376,507
Cafeteria	$	415,841
Miscellaneous	$	278,744
Medicare Part D Subsidy	$	17,424,540
ASI Premiums - Pass Thru	$	281,902
DHH Premiums - Family Opportunity Act	$	12,504
DHH Premiums - LaCHIP		15,592
TOTAL REVENUES	**$**	**1,201,246,236**
EXPENSES:		
OGB - PPO Claims		240,844,004
Recoveries of OGB - PPO Claims		(3,449,463)
Fara - MCO Claims		(3,930,036)
Fara - MCO Administrative Fees		2,091,020
Humana - ASO		327,187,678
Humana - ASO Administrative Fees		15,024,635
Humana Medicare Advantage		2,245,354
United - EPO		154,583,586
United - EPO Administrative Fees		5,648,906
United Settlement of O/S Checks		1,295,533
Catalyst		217,715,751
Catalyst - Administrative Fees		4,649,335
Catalyst Rebates		(13,110,087)
Prudential		28,943,477
United Behavioral Health		12,609,488
Beech Street		33,845
ASI Premiums - Pass Thru		281,902
Cafeteria		415,840
DHH Premiums - Family Opportunity Act		8,394
DHH - LaCHIP		11,929
SUB-TOTAL	$	993,101,091
ADMINISTRATIVE EXPENSES:		
Personal services		20,350,848
Travel		120,739
Operating services		5,249,096
Supplies		282,467
Professional Services		2,666,632
Other Charges		292,252
Capital Acquisitions		1,251,201
IAT		1,658,145
TOTAL ADMINISTRATIVE EXPENSES		31,871,380
TOTAL EXPENSES	**$**	**1,024,972,471**
TOTAL SURPLUS (DEFICIT) FOR JULY 1 - JUNE 30, 2008	**$**	**176,273,765**
FUND BALANCE AT JULY 1, 2007		94,247,017
FUND BALANCE AT JUNE 30, 2008	**$**	**270,520,782**

OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2009
ACCRUAL

ASSETS		
Cash	$	487,332,973
Receivables for premiums		15,552,253
TOTAL ASSETS	**$**	**502,885,226**
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts payable	$	22,737,883
Advance from State Treasury for Imprest Account		50,000
Estimated Liability for IBNR Claims		81,875,321
Total Current Liabilities	**$**	**104,663,204**
FUND BALANCE JUNE 30, 2009	**$**	**398,222,022**
TOTAL LIABILITIES AND FUND EQUITY	**$**	**502,885,226**

OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2008 - JUNE 30, 2009
ACCRUAL

REVENUES:		
Premiums	$	1,216,110,857
Interest		6,998,746
Cafeteria		571,124
Miscellaneous		735,768
Medicare Part D Subsidy		17,964,834
DHH Premiums - Family Opportunity Act		46,034
DHH Premiums - LaCHIP		2,404,926
DHH Premiums - Medicaid Purchase Plan		38,285
TOTAL REVENUES	**$**	**1,244,870,574**
EXPENSES:		
OGB - PPO Claims		246,142,390
Recoveries of OGB - PPO Claims		(3,385,256)
Fara - MCO Claims		64,225
Fara - MCO Administrative Fees		27,290
Humana - ASO		390,603,159
Humana - ASO Administrative Fees		18,524,928
United - EPO		142,275,612
United - EPO Administrative Fees		6,023,877
Catalyst		242,003,011
Catalyst - Administrative Fees		4,602,085
Catalyst Rebates		(12,556,612)
Humana Medicare Advantage		2,304,357
UHC Medicare Advantage		398,592
Vantage Medicare Advantage		2,874,548
N.O. Reg. Phys. Hosp. Medicare Advantage		252,902
Pyramid Life Medicare Advantage		35,037
Prudential		28,893,961
United Behavioral Health		12,264,787
Beech Street		91,038
Cafeteria		571,124
DHH Premiums - Family Opportunity Act		43,612
DHH - LaCHIP Claims		2,412,272
DHH - Medicaid Purchase Plan		22,910
SUB-TOTAL	$	1,084,489,849
ADMINISTRATIVE EXPENSES:		
Personal services		21,900,854
Travel		139,170
Operating services		5,332,784
Supplies		265,567
Professional Services		2,618,699
Other Charges		356,872
Capital Acquisitions		684,694
IAT		1,380,845
TOTAL ADMINISTRATIVE EXPENSES		32,679,485
TOTAL EXPENSES	**$**	**1,117,169,334**
TOTAL SURPLUS (DEFICIT) FOR JULY 1 - JUNE 30, 2009	**$**	**127,701,240**
FUND BALANCE AT JULY 1, 2008		270,520,782
FUND BALANCE AT JUNE 30, 2009	**$**	**398,222,022**

OFFICE OF GROUP BENEFITS
BALANCE SHEET
JUNE 30, 2010
ACCRUAL

ASSETS		
Cash	$	529,498,647
Receivables for premiums		22,511,617
TOTAL ASSETS	**$**	**552,010,264**
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts payable	$	21,926,104
Advance from State Treasury for Imprest Account		50,000
Deferred Revenue		325,789
Estimated Liability for IBNR Claims		73,725,839
Total Current Liabilities	**$**	**96,027,732**
FUND BALANCE JUNE 30, 2010	**$**	**455,982,533**
TOTAL LIABILITIES AND FUND EQUITY	**$**	**552,010,265**

OFFICE OF GROUP BENEFITS
STATEMENT OF REVENUES, EXPENDITURES , AND CHANGES IN FUND BALANCE
FOR THE PERIOD JULY 1, 2009 - JUNE 30, 2010
ACCRUAL

REVENUES:		
Premiums	$	1,261,114,050
Interest		2,532,937
Cafeteria		349,413
Miscellaneous		967,419
Medicare Part D Subsidy		18,167,351
DHH Premiums - Family Opportunity Act		72,144
DHH Premiums - LaCHIP		4,688,772
DHH Premiums - Medicaid Purchase Plan		144,004
TOTAL REVENUES	**$**	**1,288,036,090**
EXPENSES:		
OGB - PPO Claims		247,896,138
Recoveries of OGB - PPO Claims		(3,805,160)
Fara - MCO Claims		(28,857)
Fara - MCO Administrative Fees		5,190
Vantage MHHP		14,970,188
Humana - ASO		435,638,130
Humana - ASO Administrative Fees		19,929,133
United - EPO		151,767,426
United - EPO Administrative Fees		6,290,561
Catalyst		274,172,200
Catalyst - Administrative Fees		4,609,679
Catalyst Rebates		(13,786,259)
Humana Medicare Advantage		2,471,203
UHC Medicare Advantage		344,936
Vantage Medicare Advantage		4,484,738
N.O. Reg. Phys. Hosp. Medicare Advantage		314,814
Prudential		28,350,559
United Behavioral Health		11,451,578
Beech Street		74,751
Cafeteria		349,413
DHH Premiums - Family Opportunity Act		73,824
DHH - LaCHIP Claims		4,758,871
DHH - Medicaid Purchase Plan		146,330
SUB-TOTAL	$	1,190,479,386
ADMINISTRATIVE EXPENSES:		
Personal services		22,793,521
Travel		109,438
Operating services		5,989,038
Supplies		185,642
Professional Services		8,754,999
Other Charges		306,397
Capital Acquisitions		212,924
IAT		1,444,234
TOTAL ADMINISTRATIVE EXPENSES		39,796,193
TOTAL EXPENSES	**$**	**1,230,275,579**
TOTAL SURPLUS (DEFICIT) FOR JULY 1 - JUNE 30, 2010	**$**	**57,760,511**
FUND BALANCE AT JULY 1, 2009		398,222,022
FUND BALANCE AT JUNE 30, 2010	**$**	**455,982,533**