

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B0200273
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864	Lisa Eggert	leggert@deltadentalmi.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(517) 347-5709	1480

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	Civil Service	Lauri Schmidt	(517) 373-9211	schmidtl@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Lance Kingsbury	(517) 284-7017	kingsburyl@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Dental Plan Administration for State Employees/Retirees – Civil Service Commission			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2010	June 30, 2015	2, 1 yr. options	June 30, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2 years	June 30, 2017
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$474,000,000.00		\$189,600,000.00	\$663,600,000.00	

DESCRIPTION:
 Effective July 1, 2015, the option years available on this contract is hereby exercised. The revised contract expiration date is June 30, 2017. Contract is also increased by \$189,600,000.00. The contract rate will remain at \$3.03 for the term of the contract.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval and per the approval of the State Administrative Board on May 12, 2015.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7 REVISED
 to
CONTRACT NO. 071B0200273
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864	Lisa Eggert	leggert@deltadentalmi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 347-5709	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	Civil Service	Lauri Schmidt	(517) 373-9211	schmidtl@michigan.gov
BUYER	DTMB	Lance Kingsbury	(517) 284-7017	kingsburyl@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION Dental Plan Administration for State Employees/Retirees – Civil Service Commission			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2010	June 30, 2015	2, 1 yr. options	June 30, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:			ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:	
\$0.00			\$474,000,000.00	

Effective October 1, 2014, the following Plan Designs for the State Dental Plan are hereby incorporated into this contract.

Summary of changes:

- Effective October 12, 2014, Implants are covered at the Prosthodontic Service level (PPO: 70%, Premier: 50%, Non-Participating: 50%) for active employees, with the exception of MSPTA (T01) represented employees.
- Effective October 1, 2014, Implants are covered at the Prosthodontic Service level (PPO: 70%, Premier: 50%, Non-Participating: 50%) for retired State employees, with the exception of persons retiring from the Michigan State Police enlisted unit.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

Current Plan Designs for the State Dental Plan

State Dental Plan Design # 1
Updated July 14, 2014 (Effective 10-12-2014)

State of Michigan Summary of Benefits

Group No. 8700

State Dental Plan

Covered Services	PPO Dentist*		Participating Dentist**		Nonparticipating Dentist***	
	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits						
Diagnostic and Preventive Services - Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments).	100%	0%	100%	0%	100%	0%
Emergency Palliative Treatment - Used to temporarily relieve pain	90%	10%	90%	10%	90%	10%
Radiographs - X-rays	100%	0%	90%	10%	90%	10%
Class II Benefits						
Sealants - Dental sealants to prevent decay of first and second permanent molars for people under age 14.	70%	30%	50%	50%	50%	50%
Minor Restorative Services - Used to repair teeth damaged by disease or injury (for example, fillings).	100%	0%	90%	10%	90%	10%
Extractions - Simple and surgical extractions, including preoperative and postoperative care.	100%	0%	90%	10%	90%	10%
Oral Surgery Services - Dental surgery, including preoperative and postoperative care, but not including extractions.	90%	10%	90%	10%	90%	10%
Endodontic Services - Used to treat teeth with diseased or damaged nerves (for example, root canals).	100%	0%	90%	10%	90%	10%
Periodontic Services - Used to treat diseases of the gums and supporting structures of the teeth.	100%	0%	90%	10%	90%	10%
Major Restorative Services - Used when teeth can't be restored with another filling material (for example, crowns).	90%	10%	90%	10%	90%	10%
Veneers (cosmetic bonding) - For people age 8 through 19 for the eight anterior teeth if damaged by specific conditions. Covered for Administrative Support Unit, Human Services Unit, Non-Exclusively Represented Employees (NEREs) only.	100%	10%	90%	10%	90%	10%
Class III Benefits						
Prosthetic Services - Used to replace missing natural teeth (for example, bridges, implants, and dentures).	70%	30%	50%	50%	50%	50%
Relines - Relines and rebase to dentures.	70%	30%	50%	50%	50%	50%
Prosthetic Repairs - Repairs to bridges, implants, and dentures.	100%	0%	50%	50%	50%	50%
Class IV Benefits						
Orthodontic Services - Used to correct malposed teeth (for example, braces).	75%	25%	60%	40%	60%	40%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.

~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice per benefit year.

- ~ Benefits for prophylaxes are payable three times per benefit year.
- ~ Benefits for bitewing X-rays are payable once per benefit year.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three year period.
- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.
- ~ Implants and implant related services are payable once per tooth in any five-year period.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy – anterior
- D3421 – apicoectomy – bicuspid, first root
- D3425 – apicoectomy – molar, first root
- D3426 – apicoectomy (each additional root)
- D3427 – periradicular surgery without apicoectomy
- D3430 – retrograde filling – per root
- D3450 – root amputation (per root)

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4249 – clinical crown lengthening – hard tissue
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4266 – guided tissue regeneration – resorbable barrier, per site
- D4267 – guided tissue regeneration – nonresorbable barrier, per site
- D4270 – pedicle soft tissue graft procedure
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft
- D4277 – free soft tissue graft, first tooth
- D4278 – free soft tissue graft, each additional tooth

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
- D7280 – surgical access of an unerupted tooth
- D7283 – Placement of device to facilitate eruption of impacted tooth
- D7310 – alveoloplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoloplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoloplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoloplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.

**State Dental Plan Design # 2
State Police Troopers**

	PPO Dentist*	Participating Dentist**	Nonparticipating Dentist***
	Plan Pays	Plan Pays	Plan Pays
CLASS I			
Diagnostic – Includes routine and emergency oral exams. Oral Exams are limited to two times in a Plan year.	100%	100%	100%
Preventive – Includes prophylaxes, space maintainers, and fluoride treatments. Prophylaxes (teeth cleanings) are limited to three times in a Plan year. Fluoride treatments once per Plan year to age 14 and space maintainers for enrolled dependents under age 14.	100%	100%	100%
Radiographs – X-rays as required for routine care or as necessary for the diagnosis of a specific condition. Bitewing X-rays once per Plan year to age 15 and once every 24 consecutive months for individuals 15 and older.	100%	90%	90%
Emergency Palliative Treatment – Emergency treatment to temporarily relieve pain.	90%	90%	90%
CLASS II			
Sealants – Dental sealants to prevent decay of first and second permanent molars for dependents under age 14.	70%	50%	50%
Minor Restorative Services – Used to repair teeth damaged by disease or injury (for example, fillings).	100%	90%	90%
Extractions – Simple and complex tooth extractions.	100%	90%	90%
Endodontics – Treatment of teeth with diseased or damaged nerves (for example, root canals).	100%	90%	90%
Periodontics – Treatment of diseases of the gums and supporting structures of the teeth.	100%	90%	90%
Oral Surgery – Surgical dental procedures, including preoperative and postoperative care, but not including extractions.	90%	90%	90%
Major Restorative Services – Includes cast restorations (crowns), but only when teeth cannot be restored with another filling material.	90%	90%	90%
CLASS III			
Repairs – Repairs to bridges, partial dentures, and complete dentures.	100%	50%	50%
Relines – Relines and rebase to partial dentures and complete dentures.	70%	50%	50%
Prosthodontics – Includes bridges, partial dentures, and complete dentures.	70%	50%	50%
CLASS IV			
Orthodontic Services (no age limit) – Services, treatment, and procedures to correct malposed teeth.	75%	60%	60%
For orthodontic care, the Plan pays a lifetime maximum of \$1,500 for each eligible person.			

- *Preferred Provider Network providing increased savings to participants
- **Managed Fee-for-Service Program
- ***Non-participating providers who may balance bill the participant the full amount above the approved paid amount
- ~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.
- ~ Benefits for oral examinations are payable twice per benefit year.
- ~ Benefits for prophylaxes are payable three times per benefit year.
- ~ Benefits for bitewing X-rays are payable once per benefit year up to age 15 and once every 24 months for members 15 years or older.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Benefits for fluoride treatments are payable once per benefit year to age 14.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three-year period.
- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy – anterior
- D3421 – apicoectomy – bicuspid, first root
- D3425 – apicoectomy – molar, first root
- D3426 – apicoectomy (each additional root)
- D3427 – periradicular surgery without apicoectomy
- D3430 – retrograde filling – per root
- D3450 – root amputation (per root)

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4249 – clinical crown lengthening – hard tissue
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4266 – guided tissue regeneration – resorbable barrier, per site
- D4267 – guided tissue regeneration – nonresorbable barrier, per site
- D4270 – pedicle soft tissue graft procedure
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft
- D4277 – free soft tissue graft, first tooth
- D4278 – free soft tissue graft, each additional tooth

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
- D7280 – surgical access of an unerupted tooth
- D7283 – Placement of device to facilitate eruption of impacted tooth
- D7310 – alveoloplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoloplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoloplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoloplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.

Current Plan Designs for the Preventive Dental Plan

Preventive Dental Plan Design # 1

Covered Services	PPO Member Dentist*		Participating** or Nonparticipating*** Dentist	
	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits				
Diagnostic and Preventive Services – Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments)	100%	0%	100%	0%
Radiographs – X-rays	100%	0%	100%	0%
Class II Benefits				
Periodontal Prophylaxes – Teeth cleaning by a specialist	100%	0%	100%	0%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice in a benefit period.
- ~ Benefits for prophylaxes are payable three in a benefit period.
- ~ Benefits for bitewing X-rays are payable once in a benefit period.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.

Maximum Payment – There is no maximum payment for Class I or II Benefits.

Deductible – None.

Current Plan Designs for the State Retiree Dental Plan

State Retiree Dental Plan Design # 1
Updated September 10, 2014 (Effective 10-01-2014)

State of Michigan Summary of Benefits

Group No. 8600 & 8601

State Dental Plan

Does not apply to persons retiring from the Michigan State Police enlisted unit.

Covered Services	PPO Dentist*		Participating Dentist**		Nonparticipating Dentist***	
	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits						
Diagnostic and Preventive Services - Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments).	100%	0%	100%	0%	100%	0%
Emergency Palliative Treatment - Used to temporarily relieve pain	90%	10%	90%	10%	90%	10%
Radiographs - X-rays	100%	0%	90%	10%	90%	10%
Class II Benefits						
Sealants - Dental sealants to prevent decay of first and second permanent molars for people under age 14.	70%	30%	50%	50%	50%	50%
Minor Restorative Services - Used to repair teeth damaged by disease or injury (for example, fillings).	100%	0%	90%	10%	90%	10%
Extractions* - Simple and surgical extractions, including preoperative and postoperative care.	100%	0%	90%	10%	90%	10%
Oral Surgery Services - Dental surgery, including preoperative and postoperative care, but not including extractions.	90%	10%	90%	10%	90%	10%
Endodontic Services - Used to treat teeth with diseased or damaged nerves (for example, root canals).	100%	0%	90%	10%	90%	10%
Periodontic Services - Used to treat diseases of the gums and supporting structures of the teeth.	100%	0%	90%	10%	90%	10%
Major Restorative Services - Used when teeth can't be restored with another filling material (for example, crowns).	90%	10%	90%	10%	90%	10%
Class III Benefits						
Prosthetic Services - Used to replace missing natural teeth (for example, bridges, implants, and dentures).	70%	30%	50%	50%	50%	50%
Relines - Relines and rebase to dentures.	70%	30%	50%	50%	50%	50%
Prosthetic Repairs - Repairs to bridges, implants, and dentures.	100%	0%	50%	50%	50%	50%
Class IV Benefits						
Orthodontic Services - Used to correct malposed teeth (for example, braces).	75%	25%	60%	40%	60%	40%

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- ~ Benefits for bitewing X-rays are payable once per benefit year.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three year period.

- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.
- ~ Implants and implant related services are payable once per tooth in any five-year period.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

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- D3426 – apicoectomy (each additional root)
- D3427 – periradicular surgery without apicoectomy
- D3430 – retrograde filling – per root
- D3450 – root amputation (per root)

Periodontics – Surgical Services

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Oral Surgery

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- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.

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Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864	Lisa Eggert	leggert@deltadentalmi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 347-5709	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	Civil Service	Lauri Schmidt	(517) 373-9211	schmidtl@michigan.gov
BUYER	DTMB	Lance Kingsbury	(517) 284-7017	kingsburyl@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION Dental Plan Administration for State Employees/Retirees – Civil Service Commission			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2010	June 30, 2015	2, 1 yr. options	June 30, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
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DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$0.00		\$474,000,000.00		

Effective October 1, 2014, the following Plan Design for the State Dental Plan is hereby incorporated into this contract:

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

Current Plan Designs for the State Dental Plan

State Dental Plan Design # 1
Updated July 14, 2014 (Effective 10-12-2014)

State of Michigan Summary of Benefits

Group No. 8700

State Dental Plan

Covered Services	PPO Dentist*		Participating Dentist**		Nonparticipating Dentist***	
	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits						
Diagnostic and Preventive Services - Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments).	100%	0%	100%	0%	100%	0%
Emergency Palliative Treatment - Used to temporarily relieve pain	90%	10%	90%	10%	90%	10%
Radiographs - X-rays	100%	0%	90%	10%	90%	10%
Class II Benefits						
Sealants - Dental sealants to prevent decay of first and second permanent molars for people under age 14.	70%	30%	50%	50%	50%	50%
Minor Restorative Services - Used to repair teeth damaged by disease or injury (for example, fillings).	100%	0%	90%	10%	90%	10%
Extractions - Simple and surgical extractions, including preoperative and postoperative care.	100%	0%	90%	10%	90%	10%
Oral Surgery Services - Dental surgery, including preoperative and postoperative care, but not including extractions.	90%	10%	90%	10%	90%	10%
Endodontic Services - Used to treat teeth with diseased or damaged nerves (for example, root canals).	100%	0%	90%	10%	90%	10%
Periodontic Services - Used to treat diseases of the gums and supporting structures of the teeth.	100%	0%	90%	10%	90%	10%
Major Restorative Services - Used when teeth can't be restored with another filling material (for example, crowns).	90%	10%	90%	10%	90%	10%
Veneers (cosmetic bonding) - For people age 8 through 19 for the eight anterior teeth if damaged by specific conditions. Covered for Administrative Support Unit, Human Services Unit, Non-Exclusively Represented Employees (NEREs) only.	100%	10%	90%	10%	90%	10%
Class III Benefits						
Prosthetic Services - Used to replace missing natural teeth (for example, bridges, implants, and dentures).	70%	30%	50%	50%	50%	50%
Relines - Relines and rebase to dentures.	70%	30%	50%	50%	50%	50%
Prosthetic Repairs - Repairs to bridges, implants, and dentures.	100%	0%	50%	50%	50%	50%
Class IV Benefits						
Orthodontic Services - Used to correct malposed teeth (for example, braces).	75%	25%	60%	40%	60%	40%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.

~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice per benefit year.

- ~ Benefits for prophylaxes are payable three times per benefit year.
- ~ Benefits for bitewing X-rays are payable once per benefit year.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three year period.
- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.
- ~ Implants and implant related services are payable once per tooth in any five-year period.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy – anterior
- D3421 – apicoectomy – bicuspid, first root
- D3425 – apicoectomy – molar, first root
- D3426 – apicoectomy (each additional root)
- D3427 – periradicular surgery without apicoectomy
- D3430 – retrograde filling – per root
- D3450 – root amputation (per root)

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4249 – clinical crown lengthening – hard tissue
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4266 – guided tissue regeneration – resorbable barrier, per site
- D4267 – guided tissue regeneration – nonresorbable barrier, per site
- D4270 – pedicle soft tissue graft procedure
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft
- D4277 – free soft tissue graft, first tooth
- D4278 – free soft tissue graft, each additional tooth

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
- D7280 – surgical access of an unerupted tooth
- D7283 – Placement of device to facilitate eruption of impacted tooth
- D7310 – alveoplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.

**State Dental Plan Design # 2
State Police Troopers**

	PPO Dentist*	Participating Dentist**	Nonparticipating Dentist***
	Plan Pays	Plan Pays	Plan Pays
CLASS I			
Diagnostic – Includes routine and emergency oral exams. Oral Exams are limited to two times in a Plan year.	100%	100%	100%
Preventive – Includes prophylaxes, space maintainers, and fluoride treatments. Prophylaxes (teeth cleanings) are limited to three times in a Plan year. Fluoride treatments once per Plan year to age 14 and space maintainers for enrolled dependents under age 14.	100%	100%	100%
Radiographs – X-rays as required for routine care or as necessary for the diagnosis of a specific condition. Bitewing X-rays once per Plan year to age 15 and once every 24 consecutive months for individuals 15 and older.	100%	90%	90%
Emergency Palliative Treatment – Emergency treatment to temporarily relieve pain.	90%	90%	90%
CLASS II			
Sealants – Dental sealants to prevent decay of first and second permanent molars for dependents under age 14.	70%	50%	50%
Minor Restorative Services – Used to repair teeth damaged by disease or injury (for example, fillings).	100%	90%	90%
Extractions – Simple and complex tooth extractions.	100%	90%	90%
Endodontics – Treatment of teeth with diseased or damaged nerves (for example, root canals).	100%	90%	90%
Periodontics – Treatment of diseases of the gums and supporting structures of the teeth.	100%	90%	90%
Oral Surgery – Surgical dental procedures, including preoperative and postoperative care, but not including extractions.	90%	90%	90%
Major Restorative Services – Includes cast restorations (crowns), but only when teeth cannot be restored with another filling material.	90%	90%	90%
CLASS III			
Repairs – Repairs to bridges, partial dentures, and complete dentures.	100%	50%	50%
Relines – Relines and rebase to partial dentures and complete dentures.	70%	50%	50%
Prostodontics – Includes bridges, partial dentures, and complete dentures.	70%	50%	50%
CLASS IV			
Orthodontic Services (no age limit) – Services, treatment, and procedures to correct malposed teeth.	75%	60%	60%
For orthodontic care, the Plan pays a lifetime maximum of \$1,500 for each eligible person.			

- *Preferred Provider Network providing increased savings to participants
- **Managed Fee-for-Service Program
- ***Non-participating providers who may balance bill the participant the full amount above the approved paid amount
- ~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.
- ~ Benefits for oral examinations are payable twice per benefit year.
- ~ Benefits for prophylaxes are payable three times per benefit year.
- ~ Benefits for bitewing X-rays are payable once per benefit year up to age 15 and once every 24 months for members 15 years or older.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Benefits for fluoride treatments are payable once per benefit year to age 14.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three-year period.
- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy – anterior
- D3421 – apicoectomy – bicuspid, first root
- D3425 – apicoectomy – molar, first root
- D3426 – apicoectomy (each additional root)
- D3427 – periradicular surgery without apicoectomy
- D3430 – retrograde filling – per root
- D3450 – root amputation (per root)

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4249 – clinical crown lengthening – hard tissue
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4266 – guided tissue regeneration – resorbable barrier, per site
- D4267 – guided tissue regeneration – nonresorbable barrier, per site
- D4270 – pedicle soft tissue graft procedure
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft
- D4277 – free soft tissue graft, first tooth
- D4278 – free soft tissue graft, each additional tooth

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
- D7280 – surgical access of an unerupted tooth
- D7283 – Placement of device to facilitate eruption of impacted tooth
- D7310 – alveoloplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoloplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoloplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoloplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.

Current Plan Designs for the Preventive Dental Plan

Preventive Dental Plan Design # 1

Covered Services	PPO Member Dentist*		Participating** or Nonparticipating*** Dentist	
	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits				
Diagnostic and Preventive Services – Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments)	100%	0%	100%	0%
Radiographs – X-rays	100%	0%	100%	0%
Class II Benefits				
Periodontal Prophylaxes – Teeth cleaning by a specialist	100%	0%	100%	0%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice in a benefit period.
- ~ Benefits for prophylaxes are payable three in a benefit period.
- ~ Benefits for bitewing X-rays are payable once in a benefit period.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.

Maximum Payment – There is no maximum payment for Class I or II Benefits.

Deductible – None.

Current Plan Designs for the State Retiree Dental Plan

State Retiree Dental Plan Design # 1
Updated September 10, 2014 (Effective 10-01-2014)

State of Michigan Summary of Benefits

Group No. 8600 & 8601

State Dental Plan

Does not apply to persons retiring from the Michigan State Police enlisted unit.

Covered Services	PPO Dentist*		Participating Dentist**		Nonparticipating Dentist***	
	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits						
Diagnostic and Preventive Services - Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments).	100%	0%	100%	0%	100%	0%
Emergency Palliative Treatment - Used to temporarily relieve pain	90%	10%	90%	10%	90%	10%
Radiographs - X-rays	100%	0%	90%	10%	90%	10%
Class II Benefits						
Sealants - Dental sealants to prevent decay of first and second permanent molars for people under age 14.	70%	30%	50%	50%	50%	50%
Minor Restorative Services - Used to repair teeth damaged by disease or injury (for example, fillings).	100%	0%	90%	10%	90%	10%
Extractions* - Simple and surgical extractions, including preoperative and postoperative care.	100%	0%	90%	10%	90%	10%
Oral Surgery Services - Dental surgery, including preoperative and postoperative care, but not including extractions.	90%	10%	90%	10%	90%	10%
Endodontic Services - Used to treat teeth with diseased or damaged nerves (for example, root canals).	100%	0%	90%	10%	90%	10%
Periodontic Services - Used to treat diseases of the gums and supporting structures of the teeth.	100%	0%	90%	10%	90%	10%
Major Restorative Services - Used when teeth can't be restored with another filling material (for example, crowns).	90%	10%	90%	10%	90%	10%
Class III Benefits						
Prosthetic Services - Used to replace missing natural teeth (for example, bridges, implants, and dentures).	70%	30%	50%	50%	50%	50%
Relines - Relines and rebase to dentures.	70%	30%	50%	50%	50%	50%
Prosthetic Repairs - Repairs to bridges, implants, and dentures.	100%	0%	50%	50%	50%	50%
Class IV Benefits						
Orthodontic Services - Used to correct malposed teeth (for example, braces).	75%	25%	60%	40%	60%	40%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.
- ~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice per benefit year.
- ~ Benefits for prophylaxes are payable three times per benefit year.
- ~ Benefits for bitewing X-rays are payable once per benefit year.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three year period.

- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.
- ~ Implants and implant related services are payable once per tooth in any five-year period.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy – anterior
- D3421 – apicoectomy – bicuspid, first root
- D3425 – apicoectomy – molar, first root
- D3426 – apicoectomy (each additional root)
- D3427 – periradicular surgery without apicoectomy
- D3430 – retrograde filling – per root
- D3450 – root amputation (per root)

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4249 – clinical crown lengthening – hard tissue
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4266 – guided tissue regeneration – resorbable barrier, per site
- D4267 – guided tissue regeneration – nonresorbable barrier, per site
- D4270 – pedicle soft tissue graft procedure
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft
- D4277 – free soft tissue graft, first tooth
- D4278 – free soft tissue graft, each additional tooth

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
- D7280 – surgical access of an unerupted tooth
- D7283 – Placement of device to facilitate eruption of impacted tooth
- D7310 – alveoplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 6
 to
CONTRACT NO. 071B0200273
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864	Lisa Eggert	leggert@deltadentalmi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 347-5709	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	Civil Service	Lauri Schmidt	(517) 373-9211	schmidtl@michigan.gov
BUYER	DTMB	Don Mandernach	(517) 241-7233	mandernachd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION Dental Plan Administration for State Employees/Retirees – Civil Service Commission			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2010	June 30, 2015	2, 1 yr. options	June 30, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	June 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$0.00		\$474,000,000.00		

Per Agency request and Contractor letter dated 12/10/13, Dental Code Procedures to be updated per the attached.
 All other terms, conditions, specifications, and pricing remain unchanged.

Current Plan Designs for the State Dental Plan

State Dental Plan Design # 1

Updated November 26, 2013 (Effective 1-1-2014)

State of Michigan Summary of Benefits

Group No. 8700

State Dental Plan

Covered Services	PPO Dentist*		Participating Dentist**		Nonparticipating Dentist***	
	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits						
Diagnostic and Preventive Services - Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments).	100%	0%	100%	0%	100%	0%
Emergency Palliative Treatment - Used to temporarily relieve pain	90%	10%	90%	10%	90%	10%
Radiographs - X-rays	100%	0%	90%	10%	90%	10%
Class II Benefits						
Sealants - Dental sealants to prevent decay of first and second permanent molars for people under age 14.	70%	30%	50%	50%	50%	50%
Minor Restorative Services - Used to repair teeth damaged by disease or injury (for example, fillings).	100%	0%	90%	10%	90%	10%
Extractions - Simple and surgical extractions, including preoperative and postoperative care.	100%	0%	90%	10%	90%	10%
Oral Surgery Services - Dental surgery, including preoperative and postoperative care, but not including extractions.	90%	10%	90%	10%	90%	10%
Endodontic Services - Used to treat teeth with diseased or damaged nerves (for example, root canals).	100%	0%	90%	10%	90%	10%
Periodontic Services - Used to treat diseases of the gums and supporting structures of the teeth.	100%	0%	90%	10%	90%	10%
Major Restorative Services - Used when teeth can't be restored with another filling material (for example, crowns).	90%	10%	90%	10%	90%	10%
Veneers (cosmetic bonding) - For people age 8 through 19 for the eight anterior teeth if damaged by specific conditions. Covered for Administrative Support Unit, Human Services Unit, Non-Exclusively Represented Employees (NEREs) only.	90%	10%	90%	10%	90%	10%
Class III Benefits						
Prosthetic Services - Used to replace missing natural teeth (for example, bridges and dentures).	70%	30%	50%	50%	50%	50%
Relines - Relines and rebase to dentures.	70%	30%	50%	50%	50%	50%
Prosthetic Repairs - Repairs to bridges and dentures.	100%	0%	50%	50%	50%	50%
Class IV Benefits						
Orthodontic Services - Used to correct malposed teeth (for example, braces).	75%	25%	60%	40%	60%	40%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.
- ~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice per benefit year.
- ~ Benefits for prophylaxes are payable three times per benefit year.

- ~ Benefits for bitewing X-rays are payable once per benefit year.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three year period.
- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy – anterior
- D3421 – apicoectomy – bicuspid, first root
- D3425 – apicoectomy – molar, first root
- D3426 – apicoectomy (each additional root)
- D3427 – periradicular surgery without apicoectomy
- D3430 – retrograde filling – per root
- D3450 – root amputation (per root)

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4249 – clinical crown lengthening – hard tissue
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4266 – guided tissue regeneration – resorbable barrier, per site
- D4267 – guided tissue regeneration – nonresorbable barrier, per site
- D4270 – pedicle soft tissue graft procedure
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft
- D4277 – free soft tissue graft, first tooth
- D4278 – free soft tissue graft, each additional tooth

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
- D7280 – surgical access of an unerupted tooth
- D7283 – Placement of device to facilitate eruption of impacted tooth
- D7310 – alveoloplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoloplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoloplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoloplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.

State Dental Plan Design # 2

	PPO Dentist*	Participating Dentist**	Nonparticipating Dentist***
	Plan Pays	Plan Pays	Plan Pays
CLASS I			
Diagnostic – Includes routine and emergency oral exams. Oral Exams are limited to two times in a Plan year.	100%	100%	100%
Preventive – Includes prophylaxes, space maintainers, and fluoride treatments. Prophylaxes (teeth cleanings) are limited to three times in a Plan year. Fluoride treatments once per Plan year to age 14 and space maintainers for enrolled dependents under age 14.	100%	100%	100%
Radiographs – X-rays as required for routine care or as necessary for the diagnosis of a specific condition. Bitewing X-rays once per Plan year to age 15 and once every 24 consecutive months for individuals 15 and older.	100%	90%	90%
Emergency Palliative Treatment – Emergency treatment to temporarily relieve pain.	90%	90%	90%
CLASS II			
Sealants – Dental sealants to prevent decay of first and second permanent molars for dependents under age 14.	70%	50%	50%
Minor Restorative Services – Used to repair teeth damaged by disease or injury (for example, fillings).	100%	90%	90%
Extractions – Simple and complex tooth extractions.	100%	90%	90%
Endodontics – Treatment of teeth with diseased or damaged nerves (for example, root canals).	100%	90%	90%
Periodontics – Treatment of diseases of the gums and supporting structures of the teeth.	100%	90%	90%
Oral Surgery – Surgical dental procedures, including preoperative and postoperative care, but not including extractions.	90%	90%	90%
Major Restorative Services – Includes cast restorations (crowns), but only when teeth cannot be restored with another filling material.	90%	90%	90%
CLASS III			
Repairs – Repairs to bridges, partial dentures, and complete dentures.	100%	50%	50%
Relines – Relines and rebase to partial dentures and complete dentures.	70%	50%	50%
Prostodontics – Includes bridges, partial dentures, and complete dentures.	70%	50%	50%
CLASS IV			
Orthodontic Services (no age limit) – Services, treatment, and procedures to correct malposed teeth.	75%	60%	60%
For orthodontic care, the Plan pays a lifetime maximum of \$1,500 for each eligible person.			

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.
- ~ Benefits for oral examinations are payable twice per benefit year.
- ~ Benefits for prophylaxes are payable three times per benefit year.
- ~ Benefits for bitewing X-rays are payable once per benefit year up to age 15 and once every 24 months for members 15 years or older.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Benefits for fluoride treatments are payable once per benefit year to age 14.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three-year period.
- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy – anterior
- D3421 – apicoectomy – bicuspid, first root
- D3425 – apicoectomy – molar, first root
- D3426 – apicoectomy (each additional root)
- D3427 – periradicular surgery without apicoectomy
- D3430 – retrograde filling – per root
- D3450 – root amputation (per root)

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4249 – clinical crown lengthening – hard tissue
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4266 – guided tissue regeneration – resorbable barrier, per site
- D4267 – guided tissue regeneration – nonresorbable barrier, per site
- D4270 – pedicle soft tissue graft procedure
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft
- D4277 – free soft tissue graft, first tooth
- D4278 – free soft tissue graft, each additional tooth

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
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- D7310 – alveoloplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoloplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoloplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoloplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.

Current Plan Designs for the Preventive Dental Plan

Preventive Dental Plan Design # 1

Covered Services	PPO Member Dentist*		Participating** or Nonparticipating*** Dentist	
	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits				
Diagnostic and Preventive Services – Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments)	100%	0%	100%	0%
Radiographs – X-rays	100%	0%	100%	0%
Class II Benefits				
Periodontal Prophylaxes – Teeth cleaning by a specialist	100%	0%	100%	0%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice in a benefit period.
- ~ Benefits for prophylaxes are payable three in a benefit period.
- ~ Benefits for bitewing X-rays are payable once in a benefit period.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.

Maximum Payment – There is no maximum payment for Class I or II Benefits.

Deductible – None.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B0200273
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864	Lisa Eggert	leggert@deltadentalmi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 347-5709	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	Civil Service	Lauri Schmidt	(517) 373-9211	schmidt1@michigan.gov
BUYER	DTMB	Don Mandernach	(517) 241-7233	mandernachd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION Dental Plan Administration for State Employees/Retirees – Civil Service Commission			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2010	June 30, 2015	2, 1 yr. options	June 30, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	June 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$0.00		\$474,000,000.00		

Per Agency ITRAC request dated 1/18/13 and vendor letter dated 12/18/12, Dental Code Procedures to be updated per the attached.

All other terms, conditions, specifications and pricing remain unchanged.

Change Notice Number 5

Contract Number 071B0200273

Code that is to be **removed** from the Contract is:

D4271 – Free soft tissue graft procedure (including donor site)

Codes that are to be **added** to the Contract are:

D4277 – Free soft tissue graft, first tooth

D4278 – Free soft tissue graft, each additional tooth

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

May 3, 2011

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B0200273
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864 leggert@deltadentalmi.com		TELEPHONE (517) 347-5709 Lisa Eggert
		BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Lauri Schmidt (517) 373-9211 SchmidtL@michigan.gov Dental Plan Administration for State Employees/Retirees – Civil Service Commission		
CONTRACT PERIOD: From: July 1, 2010 To: June 30, 2015		
TERMS Net 45	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT PER CIVIL SERVICE RULE 5-11.1, SECTION (E)(2).

NATURE OF CHANGE(S):

As of March 1, 2011 the following changes are hereby made to this contract.

Attached codes are added to contract.

All other terms, conditions, specifications and pricing remain unchanged.

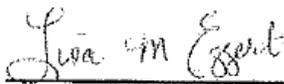
AUTHORITY/REASON:

Per vendor email dated 3/1/2011 and DTMB/Procurement & Real Estate Services Administration approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$474,000,000.00

DATE: March 1, 2011

TO: Lauri Schmidt, Acting Director, Employee Benefits Division, State of Michigan

FROM: 
Lisa M. Eggert, Sr. Account Manager, Delta Dental

CC: Deb Fogg, Manager, Employee Benefits Division, State of Michigan
Joni Maier, Group Implementation Manager, Delta Dental

SUBJECT: Correction to Procedure Codes Exempt from the Annual Maximum

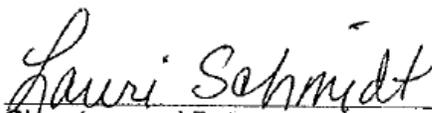
Contract #071B0200273 includes a list of codes that are covered at 100% and are exempt from the annual maximum. An audit of those codes found that there were four codes omitted from the contract documents that should be included. We have referenced a memo signed by Peggy Moczul dated March 12, 2003 which shows the codes should be included in the list. The codes that need to be added are as follows:

- D3450 – Root amputation (per root)
- D4249 – Clinical crown lengthening – hard tissue
- D4266 - Guided tissue regeneration – resorbable barrier, per site
- D4267 – Guided tissue regeneration – nonresorbable barrier, per site

You will note that these codes are shown on the attached document on both the State Dental Plan Design #1 and the State Dental Plan Design #2. In addition, please note that all claims since January 1, 2003 have been processed in accordance with the memo signed by Peggy Moczul on March 12, 2003.

We are requesting your approval to have the contract corrected and the codes listed above added back to the contract documents. Please sign two copies and return one to me.


I agree that Delta Dental should adjust the oral surgery codes to include the codes previously omitted from the contract documents and continue to exempt them from the annual maximum and pay at 100%.


Signature and Date

3/1/2011

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

March 25, 2011

***REVISED CHANGE NOTICE NO. 3
 TO
 CONTRACT NO. 071B0200273
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864		TELEPHONE (517) 347-5709 Lisa Eggert
		BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Lauri Schmidt (517) 373-9211 SchmidtL@michigan.gov Dental Plan Administration for State Employees/Retirees – Civil Service Commission		
CONTRACT PERIOD: From: July 1, 2010 To: June 30, 2015		
TERMS	Net 45	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT PER CIVIL SERVICE RULE 5-11.1, SECTION (E)(2).

NATURE OF CHANGE(S):

As of January 20, 2011 the following changes are hereby made to this contract.

The text of Section 2.281 is hereby removed from the contract, and the words “Deleted – Not Applicable” are added to the end of the section heading.

***Also, the Contract Compliance Inspector has been changed to Lauri Schmidt.**

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor email dated 1/20/2011 and DTMB/Procurement & Real Estate Services Administration approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$474,000,000.00

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

January 20, 2011

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B0200273
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864 <p style="text-align: right;">leggert@deltadentalmi.com</p>	TELEPHONE (517) 347-5709 Lisa Eggert
	BUYER/CA (517) 241-4225 Kevin Dunn
	Contract Compliance Inspector: Susan Kant (517) 335-3068 kants@michigan.gov Dental Plan Administration for State Employees/Retirees – Civil Service Commission
CONTRACT PERIOD: From: July 1, 2010 To: June 30, 2015	
TERMS <p style="text-align: center;">Net 45</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT PER CIVIL SERVICE RULE 5-11.1, SECTION (E)(2).

NATURE OF CHANGE(S):

As of January 20, 2011 the following changes are hereby made to this contract.

The text of Section 2.281 is hereby removed from the contract, and the words “Deleted – Not Applicable” are added to the end of the section heading.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor email dated 1/20/2011 and DTMB/Procurement & Real Estate Services Administration approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$474,000,000.00

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

July 21, 2010

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B0200273
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (517) 347-5709 Lisa Eggert
Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864 leggert@deltadentalmi.com		BUYER/CA (517) 241-4225 Kevin Dunn
		Contract Compliance Inspector: Susan Kant (517) 335-3068 kants@michigan.gov Dental Plan Administration for State Employees/Retirees – Civil Service Commission
CONTRACT PERIOD: From: July 1, 2010 To: June 30, 2015		
TERMS	SHIPMENT	
Net 45		N/A
F.O.B.	SHIPPED FROM	
N/A		N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE(S):

Effective immediately, the buyer and Contract Administrator in Section 2.014 are hereby changed to:

Kevin Dunn
 Phone: 517-241-4221
 Email: dunnk3@michigan.gov

Effective immediately, the following terms and conditions are hereby added to the Contract:

Contract Section Heading 2.320 Extended Purchasing is added back into the Contract.

The following new sections are hereby added to the Contract:

Section 2.321 MiDEAL

A. 1984 PA 431 permits DTMB to provide purchasing services to any city, village, county, township, school district, Intermediate school district, non-profit hospital, institution of higher education, community or junior college. A current listing of approved program members is available at www.michigan.gov/mideal. Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized MiDEAL member before extending the State Contract to them.

- B. The Contractor must make the Plan Design and Article 2 Terms and Conditions available to any MiDEAL member that request to participate in the Contract. The Contractor must honor the foregoing terms of the Contract when providing pricing to any MiDEAL member. The Contractor must negotiate in good faith with any MiDEAL member to offer the Services for a reasonable administrative fee. The administrative fee should be transparent, with no hidden costs or fees. The Contractor and the local unit of government may negotiate the scope and specific services to be provided pursuant to the administrative portions of the State Contract and the administrative fee to be charged for the Services. The administrative fee for Services provided to the State of Michigan shall not be binding on any other such contract. Changes to the Article 2 Terms and Conditions, or Plan Design are not allowed. The Parties agree that this Contract shall not operate to impair the obligation of any existing business relationship or otherwise apply to any pre-existing contracts.
- C. The Contractor must submit its invoices to, and be paid by the local unit of government on a direct and individual basis.

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON: Executive Directive 2010-1, vendor agreement dated 6/21/10, and Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$474,000,000.00

FOR THE CONTRACTOR:	FOR THE STATE:
Delta Dental Plan of Michigan, Inc.	Signature
Firm Name	Sergio Paneque, Director
Authorized Agent Signature	Name/Title
Authorized Agent (Print or Type)	Business Services Administration
Date	Division
Date	Date

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

July 21, 2010

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B0200273
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864 <p style="text-align: right;">leggert@deltadentalmi.com</p>	TELEPHONE (517) 347-5709 Lisa Eggert
	BUYER/CA (517) 241-1916 Jim Wilson
	Contract Compliance Inspector: Susan Kant (517) 335-3068 Dental Plan Administration for State Employees/Retirees – Civil Service Commission
CONTRACT PERIOD: From: July 1, 2010 To: June 30, 2015	
TERMS <p style="text-align: center;">Net 45</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately, the attached Performance Standards and Guarantees are hereby added to this contract and remain in effect until September 30, 2010.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

DTMB/Purchasing Operations' approval and vendor agreement.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$474,000,000.00

FOR THE CONTRACTOR:

Delta Dental Plan of Michigan, Inc.
 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Date

FOR THE STATE:

 Signature
Sergio Paneque, Director
 Name/Title
Business Services Administration
 Division

 Date

1. Performance Standards and Guarantees (Revised 6/1/2006)

As part of the 2002 implementation, the State requires your organization to agree to reduce administrative fees by at least 20%, based on meeting the performance goals outlined below.

Complete the table below. In the column "Expected Standard/Result" state your performance objective and measurement criteria. In the last column indicate the percent of State's annual premium committed to meeting the performance goal. In some instances goals and/or financial standards have been predetermined.

Service Requirements	Expected Standard/Results	% of Admin. Reduction
Network Access	<p>In all States where the SOM has employees, 90% of plan enrollees have access to 2 providers within a 10 mile radius.</p> <p>Measured on a calendar year basis based on a GeoAccess Analysis report using State's December census. Results will be presented within 75 days after December 31.</p>	6%
Patient Satisfaction Surveys	<p>The carrier must administer employee satisfaction surveys annually, to a statistically valid random sample of the State's enrollees. The survey instrument must be prepared by the carrier with the State's review. Results will be tabulated by the carrier and reported to the State within 75 days after December 31.</p> <p>We will develop a State-specific satisfaction survey and administer it in September of each year. Results will be reported to the State within 75 days after December 31.</p>	2%
Monitoring of Plan Performance	<p>Ongoing monitoring and periodic reporting of utilization management (UM) plan performance is an essential plan activity. A formal, written and distributed UM program must be in place. The UM program must, at a minimum, contain policy, enforcement, and reporting for the following activities:</p> <ul style="list-style-type: none"> ▪ Enforcement of encounter form filing requirement. ▪ Clinical review of specialty claims meeting review criteria. ▪ Post-treatment statistical review to identify potentially inappropriate treatment patterns. ▪ Ability to "flag" provider files for focused review. ▪ Regular UM reports provided to the State, as described in this RFP. <p>Our UM program contains the elements described above. We will provide the State with a calendar year UM report based on our FAMS/Focused Review results.</p>	4%
Customer Service Response Time	Average speed of answer will be 30 seconds or less.	2%
	Call abandonment rate will be less than 5%	2%
	Measured on a calendar year basis. Results will be reported	

	within 75 days.	
Inquiry Resolution	<p>95% of written inquiries that the Contractor receives either from the State or members will be answered within 10 business days. The response time is calculated from the date of receipt by the Contractor to final resolution. Final resolution will be defined as any written response that either resolves the issue or requests additional information in order to help resolve the issue.</p> <p>95% of phone inquiries that the Contractor receives either from the State or members will be answered within first contact.</p> <p>Measured on a calendar year basis using State of Michigan data. Results will be presented to State within 75 days.</p>	1%
Timeliness of Experience Reports	<p>Timeliness of experience and reporting. Provide your proposed timetable for these items, and indicate how you will monitor compliance.</p> <p>Monthly: within <u>13</u> business days of the end of the month Quarterly: within <u>13</u> business days of the end of the quarter Fiscal Year-end: by December 31.</p> <p>Measured on a calendar year basis. Results will be reported within 75 days.</p>	1%
Delivery of Performance Standards Reports	<p>Timeliness of performance standards reports delivered to the state. Indicate how often reports are generated, and the number of days following the close of the period by which they are delivered to the State.</p> <p>Reports generated on a calendar year basis and presented to the State within 75 days.</p>	1%

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

July 12, 2010

NOTICE
TO
CONTRACT NO. 071B0200273
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864 leggert@deltadentalmi.com		TELEPHONE (517) 347-5709 Lisa Eggert
		BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Susan Kant (517) 335-3068 Dental Plan Administration for State Employees/Retirees – Civil Service Commission		
CONTRACT PERIOD: From: July 1, 2010 To: June 30, 2015		
TERMS Net 45	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

The terms and conditions of this Contract are those of RFP #071I9200154, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

Current Authorized Spend Limit: **\$474,000,000.00**

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B0200273
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Delta Dental Plan of Michigan 4100 Okemos Road Okemos, MI 48864 <p style="text-align: right;">leggert@deltadentalmi.com</p>	TELEPHONE (517) 347-5709 Lisa Eggert BUYER/CA (517) 241-1916 Jim Wilson
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MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of RFP #07119200154, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Current Authorized Spend Limit: \$474,000,000.00</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the RFP #07119200154. Orders for delivery may be issued directly by the Civil Service Commission through the issuance of a Purchase Order Form.

FOR THE CONTRACTOR:

Delta Dental Plan of Michigan

 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Date

FOR THE STATE:

 Signature
Sergio Paneque, Director

 Name/Title
Business Services Administration

 Division

 Date



STATE OF MICHIGAN
Department of Technology, Management and Budget
Purchasing Operations

Contract No. 071B0200273
Dental Plan Administration for State Employees/Retirees
Civil Service Commission

Buyer Name: Jim Wilson
Telephone Number: 517-241-1916
E-Mail Address: wilsonj4@michigan.gov



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**DEFINITIONS**

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

Additional Service means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

ASO means Administrative Services Only.

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

Bidder(s) are those companies that submit a proposal in response to the RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

COB means Coordination of Benefits.

Contract Holder means an active employee, retiree, pension beneficiary or COBRA participant who satisfies all of the eligibility criteria necessary to receive dental coverage through the CSC.

CSC means Civil Service Commission.

Days means calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

Deliverable means physical goods and/or services required or identified in a Statement of Work.

DTMB means the Michigan Department of Technology, Management and Budget.

Disruption Analysis means a review of where members are receiving their services under the current program, followed by a review to determine if any of them will no longer have the same access under the new Contract. It also includes the identification of any members so affected, along with proposed remediation.

EDI means Electronic Data Interchange.

EFT means Electronic Funds Transfer.

EOB means Explanation of Benefits.

Hazardous Material means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

HRMN means Human Resource Management Network. This is the State's human resource system.

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.



ORS means Office of Retirement Services.

Recycling means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

Reuse means using a product or component of municipal solid waste in its original form more than once.

RFP means a Request for Proposal designed to solicit proposals for services.

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Subcontractor means a company selected by the Contractor to perform a portion of the Services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

UCR means Usual, Customary, and Reasonable, in reference to provider reimbursement rates.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

UM means Utilization Management.

Waste Prevention means source reduction and reuse, but not recycling.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

The objectives of the State for this Contract include, but are not limited to:

- Continue to offer a dental program to active employees, COBRA participants, retirees, and eligible dependents as described in this Contract.
- Obtain competitive ASO pricing and/or premium rates along with effective plan management for dental services through a broad network of contracted providers offering convenient access to members and their dependents.
- Maintain a high level of member satisfaction with the program.
- Improve access and quality of care.
- Receive quality network oversight and clinical management.
- Obtain timely utilization reporting.
- Provide quality customer and account service features, including performance guidelines and fees at risk to ensure compliance with the terms of the Contract.
- Provide transition at the beginning or end of the Contract to another contractor if necessary.

The Contract is to be effective July 1, 2010 through June 30, 2015.

1.012 Background

The Civil Service Commission (CSC) contracts to assist in providing dental benefits to it's' employees, COBRA participants and retirees through a choice of dental plans: a State Dental Plan and a Preventive Dental Plan. The State of Michigan also offers a Dental HMO plan that is not part of this Contract.

- (a) **State Dental Plan.** The State Dental Plan provides comprehensive coverage and is administered by a third party contractor. The State Dental Plan includes enhanced benefits to members if they obtain service from a Dental Point-of-Service PPO provider. Benefit designs may vary slightly among different enrollee groups. The Contractor must be able to administer benefit plans reflecting this structure and to adapt to any future changes.

Summary for State Dental Plan			
Fiscal Year	Average Number of Employees and Their Dependents	Average Number of Retirees *	Employee, Retiree, and all Dependents Claims Paid
07-08	124,977	47,728	\$81,042,278
06-07	128,617	45,862	\$80,256,134
05-06	131,338	44,541	\$77,907,166

* Retiree dependents are also covered, but not included, in the average retiree counts above

Enrollment Class Summary for State Dental Plan as of 3/9/09*		
	Actives	Retirees
Employee only	12,877	23,780
Employee and spouse	10,563	19,449
Employee and children	6,214	734
Full Family	18,971	2,126
Total	48,625	46,089

* Dependents are covered, but not included, in the class summary above



(b) **Preventive Dental Plan.** The Preventive Dental Plan covers 100% of diagnostic and preventive services (exams, x-rays and cleanings). The Preventive Dental Plan currently covers approximately 140 state employees plus their dependents. Benefits designs may vary slightly among different enrollee groups. The Contractor must be able to administer benefit plans reflecting this structure and to adapt to any future changes.

Preventive Plan		
Fiscal Year	Average Number of Employees and Dependents	Claims Paid
07-08	332	\$18,620
06-07	371	\$32,234
05-06	352	\$26,205

Enrollment Class Summary for Preventive Dental Plan As of 3/9/09	
Employee only	47
Employee and spouse	36
Employee and children	5
Full Family	53
Total	141

1.020 Scope of Work and Deliverables

1.021 In Scope

The Contractor must provide services and staff and do everything necessary or incidental to perform the required Services set forth in this Contract, including but not limited to:

- A. Administration in accordance with the plan designs and the requirements of IRC Section 125;
- B. Administration in accordance with the latest HIPAA privacy and security regulations;
- C. Customer Service, including, but not limited to:
 - Toll-free telephone number for enrollees to obtain information regarding eligibility, referrals, appeals and general plan provisions,
 - Extended hours on business days,
 - Live operator, IVR and web-based customer service capabilities,
 - Provide reimbursement/claim forms, when applicable, and
 - Provide member ID cards with alternate identification (TBD).
- D. Data Reports, including, but not limited to:
 - Provide monthly, quarterly, and annual data reports.
- E. Member Communications, including, but not limited to:
 - Provide electronic copies of all member communications for the State’s review and approval,
 - Require electronic documents for posting on the CSC Website, if needed,
 - Provide participant web-access with the ability to view and obtain plan provision information, participant information and view EOBs.

1.022 Work and Deliverable

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

**A. Eligibility***Requirements:*

Participant information must be maintained by the Contractor. CSC will transmit eligibility and enrollment information for State active employees, COBRA participants and their dependents. CSC will also transmit eligibility and enrollment information for some of the Defined Contribution former qualified participants. The ORS will transmit eligibility and enrollment information for State Employee Retirement System (SERS), State Police Retirement System (SPRS), Judges Retirement System (JRS) and Military Retirement System (MRS), COBRA participants and their dependents. ORS will also transmit eligibility and enrollment information for some of the Defined Contribution former qualified participants.

The Contractor must accept electronic data transfer, and administer membership information in compliance with the latest HIPAA privacy and security regulations.

B. Claim Information*Requirements:*

Data collection on behalf of the State program must not be distributed to any party without the written consent of the State or used by the Contractor for any purposes without express, written approval by the State. All data identifying specific enrollees or their dependents are highly confidential and are to be treated and secured according to the latest HIPAA privacy and security regulations. Specifically, the Contractor must protect by passwords electronic transmission of identifiable data and a File Transfer Protocol site must be used for retrieval.

C. Electronic Transmission of Identifiable Information*Requirements:*

The following are Contractor requirements related to the necessary systems interface between the Contractor and the State:

- Accept the State's electronic enrollment files in the file format outlined by the State and process change transactions to maintain up-to-date information for eligibility certification.
- Provide a staff of information systems professionals to provide timely programming required to implement system changes and produce reports and designate a high-level management staff member to serve as liaison for systems related matters.
- Use the State of Michigan SSL Message Center, or provide a similar secure system, for all administrative communications concerning individual participants, including transport of electronic files containing confidential information.
- Provide communication involving any and all identifiable participant information must be protected using passwords and a File Transfer Protocol site for retrieval.
- Comply with 2004 PA 454 (Social Security Number Privacy Act).

D. Plan Design*Requirements:*

Contractor agrees to administer dental services in accordance with the State Dental Plan and the Preventive Dental Plan. The Contractor must duplicate the current plan designs.

Plan designs are subject to change throughout the duration of this Contract. The Contractor must implement plan changes as requested by the State in a timely fashion, at no additional cost to the State.

E. Claims Administration, Information Systems and Eligibility*Requirements:*

The Contractor must meet the following requirements:

- Eligibility information will be maintained by the Contractor.
- The Contractor must accept a changes only file on a weekly basis and a full file for auditing purposes on a quarterly basis.
- The Contractor must accept eligibility information from the CSC for participants via EDI on a weekly basis. Data for active participants will be supplied through HRMN.
- The Contractor must accept eligibility information from ORS, or its designee, in a HIPAA compliant 834 file provided through a data exchange gateway on a weekly basis.
- The Contractor must administer eligibility and claims administration in accordance with the plan designs consistent with the requirements of IRC Section 125 where applicable.
- The Contractor must accept COBRA membership.



- The Contractor must comply with all requirements of HIPAA, including EDI, data confidentiality, security, etc.
- The Contractor must maintain records for auditing, management information, reporting and analysis.

F. Financial Arrangements

Requirements:

The Contractor must meet the following requirements:

- Provide competitive contracted reimbursement rates with participating providers.
- Utilize UCR or other basis, for reimbursing non-participating providers.
- For ASO the contracted fixed administrative fee per covered employee, COBRA participant or retiree will be paid to the Contractor once per month and the claims costs will be reimbursed to the Contractor on a weekly basis via EFT. The Contractor must provide weekly claim reimbursement requests separated between active and retiree group. In addition, retiree claims must be reported separately by State employee retiree, State Police Retiree, Judge retiree, and Military Retiree groups. This breakdown must be provided for all reports.
- For fully insured, CSC and the Contractor will agree to payment schedules prior to Contract award.

G. Utilization Management and Quality Assurance

Requirements:

The Contractor must provide state-of-the-art Utilization Management (UM) programs.

The Contractor must have a documented Quality Assurance program.

H. Customer Service

Requirements:

The Contractor must provide, but is not limited to, the following requirements:

- A single front-end toll-free telephone number with touch-tone routing (if necessary) for member services to respond to requests for participating provider locations, inquiries on claims, and complaints regarding provider practices and services.
- The customer service center must be available, at a minimum, for extended hours on business days.
- A voice response system with a user-friendly menu.
- Initial credentialing, monitoring, auditing, and re-credentialing of network providers (for Contractors with network arrangements).
- Comprehensive patient and provider education services.

One random sample member survey must be completed annually on a book of business basis. A minimum of a 90% rating of "Satisfactory" is required.

I. Account Management

Requirements:

The Contractor must provide the following:

- An assigned account representative, and assigned service representatives, who respond to inquiries, requests, and issues, raised by the State; and
- Dentists and dental specialists available to provide clinical advice to the State.

J. Subcontracting

Requirements:

All essential services associated with delivery of this program must be provided directly by the Contractor, and the use of Subcontractors must be minimal, with the possible exception of peripheral services such as printing, communications design, etc.

K. Network Match

Requirements:

The Contractor must maintain a network of preferred dental providers in areas where State employees and retirees reside. The Contractor must expand the provider network in certain key areas as may be required by the State of Michigan.



L. Communication Materials and Identification Cards

Requirements:

Contractor must prepare and cover the cost of all announcements, letters, notices, brochures, forms, postage and other supplies and services for U.S. mail distribution to employees and retirees homes. There must be no additional charge for customization. The State will have final approval of all communication materials. All information/materials must be approved by the State prior to use.

The Contractor must create and distribute Identification (ID) cards to all Contract Holders, through the US Postal Service, within 10 business days of receipt of eligibility files. ID cards must include the toll-free number for the Contractor's customer service center. The ID card must have a unique identifier, to be assigned by the Contractor, subject to approval by the State.

M. Audits

Requirements:

The State intends to periodically (at least once every two years) perform on-site audits of plan administrators. Contractor must make records associated with the administration of the State Dental Plan and the Preventive Dental Plan available to, and must cooperate with, such auditors and audits as the State may designate. The Contractor must maintain and make available to the State's auditors the following claim source documents for the audit:

- Paper claim submission – Original document or microfilm or print-out of imaged claim document.
- Optical Character Recognition (OCR) – Copy of original paper document.
- EDI – Documentation in a readable format of original submitted data as it appeared when received by administrator.

The State's current approach has been to audit two Plan years at one time, conducted within 12 months of the end of the second year audited. This approach may change without prior notice.

The Contractor will not be liable for errors caused by the State, nor will the State be liable for errors caused by the Contractor. The errors will be established by using statistically significant sampling methods resulting in a 95% confidence level with precision of +/- 3%. The State will include adjustments made up to four months after the close of the audited year. If claims samples are selected using a financially stratified methodology, the results will be extrapolated to the entire population of claims during the audit period using a weighted average method for each category:

- **Financial Payment Accuracy:** Measures the dollar value of errors. Calculated as total audited paid dollars minus the absolute value of over-and underpayments, divided by total audited paid dollars. The acceptable error rate for years 1-5 of the Contract will be 1% (i.e. a 99% accuracy rate).

The acceptable error value is the acceptable error rate multiplied by net paid claims during the review period. The standards are as shown below:

FINANCIAL PAYMENT ACCURACY

Review Period	Error Standard as a % of Dollars Paid
Years 1-5	1.0% of net claims

- **Payment Incidence Accuracy:** Measures the incidence of claims processed without payment error. It is defined as the percentage of audited claims processed without payment error. The definition of error includes any type of error (e.g. coding, procedural, system, payment, etc.) that results in a payment error. It is calculated as the total number of audited claims minus the number of claims processed with "payment" errors, divided by the total number of audited claims. The acceptable error rate for the first year of the Contract will be 3% (97% accuracy) and 2.5% (97.5% accuracy) for subsequent contract years.
- **Claims Processing Accuracy:** Measures the overall claims processing accuracy, based on whether or not the claims were processed without an error. Claims processing accuracy is calculated as the total number of audited claims minus the number of claims with errors, divided by the total number of audited claims. The acceptable error rate for the first year of the Contract will be 5% (95% accuracy) and 4% (96% accuracy) for subsequent contract years.



1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

The State and Contractor agree that the following personnel are Key Personnel for purposes of this Contract

Name: Lisa Eggert	Title: Senior Account Manager
Name: Sandy Griggs	Title: Senior Underwriter
Name: Danielle Wagner	Title: Group Administration Analyst
Name: Joni Maier	Title: National Accounts Implementation Manager
Name: David Fitzke	Title: Director, Group and Corporate Services
Name: Tony Robinson	Title: Director, Commercial and Government Accounts
Name: Dr. Jed Jacobson	Title: Senior Vice President and Chief Science Officer
Name: Michael Clark	Title: Chief Marketing Officer

1.040 Project Plan

1.041 Implementation Plan Management

Requirements:

All transition and implementation plans are subject to the approval of CSC.

The following SLA applies to implementation only:

Implementation SLA
Implementation
Guarantee
The Contractor must begin providing full Services as described throughout Section 1.022 at 12:00 am on July 1, 2010.
Penalty
The total penalty at risk for failure to meet the implementation date under this SLA is \$150,000.00 , to be paid no later than 90 days following the close of the fiscal year.

1.042 Reports

Requirements:

The Contractor must provide detailed claims information to the State of Michigan. The Contractor must provide reports to the State for use in effectively administering the programs. Weekly requests for reimbursement of claims paid must be separated between active and retiree groups. In addition, CSC retiree members need to be reported separately by State employees, State Police, Judges and Military groups. This breakdown must be provided for all reports.

The State must receive the Contractor’s standard report package and those reports described below:

- A brief summary (in letter form) of significant activities, issues or problems identified or addressed during the month, or anticipated in subsequent months;
- Claims Report, showing claims paid in the month, split by plan (Standard and Preventive), split between Actives, COBRA, and Retirees, and by major category of service (preventive, restorative, major procedures, orthodontia, etc.), showing number of claims, plan charges, employee copays, and plan payments;
- Claims “lag” report, accumulated year-to-date;
- Number of subscribers and number of dependents covered, split between Actives, COBRA and Retirees, by tier (EE/Ret only, w/Spouse, etc);



- Quarterly and YTD summaries of Monthly Claims Report;
- Quarterly report on the standard plan, showing participating and non-participating provider utilization;
- Quarterly utilization review summaries, which provide (a) the number of reconsideration claims submitted, (b) the length of time (in days) to make reconsideration, and (c) the reversal rate for necessity decisions for both internal reconsideration and external appeals;
- Quarterly Performance Standard Guarantee Report on all SLA requirements.
- Quarterly network management report, including:
 - a. number of providers identified as requiring further investigation.
 - b. number of providers for which more details were requested and are currently pending, with number concluded with no adverse recommendations.
 - c. percent of providers reviewed in monitoring patterns of abuse.
 - d. average time from identification of the problem to conclusion of the investigation.
 - e. number of complaints made and number unresolved.
 - f. summary of all reconsiderations and appeals.
 - g. number of providers and ratio of providers to claims.
- Annual management summary;
- Annual full financial and enrollment experience, including the items shown in monthly and quarterly reports, summarized to an annual basis;
- Annual totals accumulated by ADA procedure codes, split plan, by Actives, COBRA and Retirees, showing services, charges, employee co-payments, and claim payments;
- Annual claims coordinated, split by claims coordinated with the State-sponsored health plans, and by spouse's employer-sponsored medical and/or dental plans;
- Annual report summarizing grievance activity by type of grievance;
- Annual ad hoc reports as requested.

The Contractor must provide monthly reports within 15 business days of the end of the month, quarterly reports within 45 business days of the end of the quarter, and annual reports within 90 days of the fiscal year end.

1.050 Deleted - N/A

1.060 Proposal Pricing

1.061 Proposal Pricing

See Attachment A-1

1.062 Price Term

Prices are firm for the entire length of the Contract.



1.070 Service Level Agreements

1.071 Service Level Agreements

Requirements:

The Contractor must ensure that the SLAs are measurable using the Contractor’s standard management information systems. The CSC reserves the right to independently verify the Contractor’s assessment of its performance, either by State employee or third party review. Disagreements regarding SLAs will be subject to Dispute Resolution (Section 2.190).

All penalties must be paid within 90 days of the State’s fiscal year end.

The following SLAs are related to ongoing Services and will apply beginning October 1, 2010 and throughout the duration of the Contract, including any optional renewal periods (if exercised):

SLA#1
Eligibility
Guarantee
All valid eligibility files will be loaded into our system within two business days of receipt from the CSC or ORS, with confirmation of changes and number of records loaded submitted to the CSC. Valid files are files that do not require additional programming or approval by the State of Michigan. Business hours will be defined as Monday thru Friday 8 a.m. to 5 p.m. and excludes Delta Dental corporate holidays. The performance on this SLA will be measured using State of Michigan data on a monthly basis and reported on a quarterly basis.
Penalty
2% per month not met, of the monthly administrative fees. To be paid within 90 days of the end of the Fiscal Year.

SLA# 2
Claim Turnaround Time
Guarantee
The maximum time period between receipt of billings by the Contractor and the date of payment (or denial) will be 90% within ten business days and 99% in 20 business days (measured from the date a completed claim is received to the date it is adjudicated in the claim system or denied). This excludes time spent on information requests sent to the dental office or subscriber. Business days will be defined as Monday thru Friday and excludes Delta Dental corporate holidays. The performance on this SLA will be measured on the Corporate Book of Business on a monthly basis, reported on a quarterly basis, and penalty will be paid based on a monthly accumulative basis for the Contract Year (Oct – Sept).
Penalty
2% per month not met, of the monthly administrative fees. To be paid within 90 days of the end of the Fiscal Year.



SLA# 3

Claims Accuracy – Financial Payments

Guarantee

The State shall audit the Contractor’s administration of claims for accuracy. The State’s approach has been to audit two (2) Plan Years at one time, conducted within 12 months of the end of the second year audited. This approach may change without prior notice.

The Contractor will not be liable for errors caused by the State, nor will the State be liable for errors caused by the Contractor. The errors will be established by using statistically significant sampling methods resulting in a 95% confidence level with precision of +/- 3%. The State will include adjustments made up to four months after the close of the audited year. If claims samples are selected using a financially stratified methodology, the results will be extrapolated to the entire population of claims during the audit period using a weighted average method.

Financial Payment Accuracy: Measures the dollar value of errors. Calculated as total audited paid dollars minus the absolute value of over-and underpayments, divided by total audited paid dollars. The acceptable error rate for the entire length of the Contract will be 1% (i.e. a 99% accuracy rate).

The acceptable error value is the acceptable error rate multiplied by net paid claims during the review period. The standards are as shown below:

FINANCIAL PAYMENT ACCURACY

Review Period	Error Standard as a % of Dollars Paid
Years 1-5	1.0% of net claims

The performance on this SLA will be measured on the Corporate Book of Business on a monthly basis, reported on a quarterly basis, and penalty will be paid based on an monthly basis for the Contract Year (Oct – Sept).

Penalty

2% per month not met, of the monthly administrative fees. To be paid within 90 days of the end of the Fiscal Year.

The Contractor must self-report results from internal quality reviews on a Book of Business and monthly basis. The penalty for failure to meet this SLA is 2.0% per month not met, of the monthly Administrative Fees. The Contractor also agrees to use third-party audit results as the basis for measurement of Claims Accuracy- Financial Payments and applicable penalties. The penalties based on the third-party audit will use State of Michigan account specific audit results and will be 2.0% of the Administrative Fees incurred during the audit period. This penalty will be reduced by the monthly penalty already paid for Claims Accuracy- Financial Payments during the same audit period.



SLA# 4
Claims Accuracy – Payment Incidence
Guarantee
<p>The State shall audit the Contractor’s administration of claims for accuracy. The State’s approach has been to audit two (2) Plan Years at one time, conducted within 12 months of the end of the second year audited. This approach may change without prior notice.</p> <p>The Contractor will not be liable for errors caused by the State, nor will the State be liable for errors caused by the Contractor. The errors will be established by using statistically significant sampling methods resulting in a 95% confidence level with precision of +/- 3%. The State will include adjustments made up to four months after the close of the audited year. If claims samples are selected using a financially stratified methodology, the results will be extrapolated to the entire population of claims during the audit period using a weighted average method.</p> <p>Payment Incidence Accuracy: Measures the incidence of claims processed without payment error. It is defined as the percentage of audited claims processed without payment error. The definition of error includes any type of error (e.g. coding, procedural, system, payment, etc.) that results in a payment error. It is calculated as the total number of audited claims minus the number of claims processed with “payment” errors, divided by the total number of audited claims. The acceptable error rate for the first year of the Contract will be 3% (97% accuracy) and 2.5% (97.5% accuracy) for subsequent contract years.</p> <p>The performance on this SLA will be measured on the Corporate Book of Business on a monthly basis, reported on a quarterly basis, and penalty will be paid based on a monthly basis for the Contract Year (Oct – Sept).</p>
Penalty
<p>2% per month not met, of the monthly administrative fees. To be paid within 90 days of the end of the Fiscal Year.</p> <p>The Contractor must self-report results from internal quality reviews on a Book of Business and monthly basis. The penalty for failure to meet this SLA is 2.0% per month not met, of the monthly Administrative Fees. The Contractor also agrees to use third-party audit results as the basis for measurement of Claims Accuracy - Payment Incidence and applicable penalties. The penalties based on the third-party audit will use State of Michigan account specific audit results and will be 2.0% of the Administrative Fees incurred during the audit period. This penalty will be reduced by the monthly penalty already paid for Claims Accuracy - Payment Incidence during the same audit period.</p>



SLA# 5
Claims Accuracy – Claims Processing
Guarantee
<p>The State shall audit the Contractor’s administration of claims for accuracy. The State’s approach has been to audit two (2) Plan Years at one time, conducted within 12 months of the end of the second year audited. This approach may change without prior notice.</p> <p>The Contractor will not be liable for errors caused by the State, nor will the State be liable for errors caused by the Contractor. The errors will be established by using statistically significant sampling methods resulting in a 95% confidence level with precision of +/- 3%. The State will include adjustments made up to four months after the close of the audited year. If claims samples are selected using a financially stratified methodology, the results will be extrapolated to the entire population of claims during the audit period using a weighted average method.</p> <p>Claims Processing Accuracy: Measures the overall claims processing accuracy, based on whether or not the claims were processed without an error. Claims processing accuracy is calculated as the total number of audited claims minus the number of claims with errors, divided by the total number of audited claims. The acceptable error rate for the first year of the Contract will be 5% (95% accuracy) and 4% (96% accuracy) for subsequent contract years.</p> <p>The performance on this SLA will be measured on the Corporate Book of Business on a monthly basis, reported on a quarterly basis, and penalty will be paid based on a monthly basis for the Contract Year (Oct – Sept).</p>
Penalty
<p>2% per month not met, of the monthly administrative fees. To be paid within 90 days of the end of the Fiscal Year.</p> <p>The Contractor must self-report results from internal quality reviews on a Book of Business and monthly basis. The penalty for failure to meet this SLA is 2.0% per month not met, of the monthly Administrative Fees. The Contractor also agrees to use third-party audit results as the basis for measurement of Claims Accuracy- Claims Processing and applicable penalties. The penalties based on the third-party audit will use State of Michigan account specific audit results and will be 2.0% of the Administrative Fees incurred during the audit period. This penalty will be reduced by the monthly penalty already paid for Claims Accuracy- Claims Processing during the same audit period.</p>



SLA# 6
Inquiry Handling
Guarantee
<p>95% of written inquiries that the Contractor receives either from the State or members will be answered within 10 business days. The response time is calculated from the date of receipt by the Contractor to final resolution. Final resolution will be defined as any written response that either resolves the issue or requests additional information in order to resolve the issue.</p> <p>98% of messages received from SOM subscribers after the call center is closed will be returned within one business day, and 100% of messages received will be returned within 10 business days.</p> <p><i>Service level metric will be addressed in SLA #7.</i></p> <p>Business days will be defined as Monday through Friday and excludes Delta Dental corporate holidays.</p> <p>The performance on this SLA will be measured using State of Michigan data on a monthly basis, reported on a quarterly basis, and penalty will be paid based on a monthly basis for the Contract Year (Oct – Sept).</p>
Penalty
<p>1% per month not met, of the monthly administrative fees for written inquiries. To be paid within 90 days of the end of the Fiscal Year.</p> <p>1% per month not met, of the monthly administrative fees for telephone inquiries. To be paid within 90 days of the end of the Fiscal Year.</p>

SLA#7
Customer Service Calls - Average Speed of Answer
Guarantee
<p>On a monthly basis 90% of the calls will be answered in 45 seconds or less.</p> <p>This is calculated as the amount of time that elapses between the time a call is received into a customer service queue to the time the phone is answered.</p> <p>The performance on this SLA will be measured using State of Michigan data on a monthly basis, reported on a quarterly basis, and penalty will be paid based on a quarterly accumulative basis for the Contract Year (Oct – Sept).</p>
Penalty
<p>2% per quarter not met, of the quarterly administrative fees. To be paid within 90 days of the end of the Fiscal Year.</p>



SLA# 8
Customer Service Calls - Abandonment Rate
Guarantee
<p>The monthly call abandonment rate will not exceed 3%.</p> <p>The number of abandoned calls will be measured by the number of calls not answered, divided by the number of calls received.</p> <p>The performance on this SLA will be measured using State of Michigan data on a monthly basis, reported on a quarterly basis, and penalty will be paid based on a quarterly accumulative basis for the Contract Year (Oct – Sept).</p>
Penalty
2.5% per quarter not met, of the quarterly administrative fees. To be paid within 90 days of the end of the Fiscal Year.

SLA# 9
First Call Resolution Rate
Guarantee
<p>95% of customer service calls must be handled to conclusion on the first call.</p> <p>The number of calls completed on the first call will be measured by the number of calls completed without need for referral or follow-up actions, divided by total number of calls received.</p> <p>The performance on this SLA will be measured using State of Michigan data on a monthly basis, reported on a quarterly basis, and penalty will be paid based on a monthly basis for the Contract Year (Oct – Sept).</p>
Penalty
2% per month not met, of the monthly administrative fees. To be paid within 90 days of the end of the Fiscal Year.

SLA# 10
Grievance Reporting-Deleted/Not Applicable
Guarantee
Deleted/Not Applicable
Penalty
Deleted/Not Applicable



SLA# 11
Member Satisfaction Surveys
Guarantee
<p>One random sample member survey will be completed annually on a book of business basis. A response of “satisfied” or higher, from a minimum of 90% of survey respondents, is required. The respondent pool must be statistically valid based on the total plan population. Our entire book of business survey is comprehensive and includes measures on all areas of customer service, web access, access to network dentists, and Delta Dental operations. Results will be tabulated and reported to the State no later than March 31 of each year</p>
Penalty
2.5% of the annual administrative fees. To be paid within 90 days of the end of the current Fiscal Year.

SLA# 12
Reporting
Guarantee
<p>100% of monthly reports must be delivered by no later than 15 business days after the last day of the month.</p> <p>100% of quarterly reports must be delivered by no later than 45 business days following the close of the quarter.</p> <p>100% of annual reports must be delivered by no later than 90 days following the close of the fiscal year.</p> <p>The Contractor must measure their performance on this SLA on a monthly basis and report on a quarterly basis by no later than 45 business days following the close of the quarter.</p>
Penalty
2.5% per month not met, of the monthly administrative fees. To be paid within 90 days of the end of the Fiscal Year.



SLA #13
Additional Savings Guarantee
Delta Dental's Guarantee
Delta Dental is so confident in our ability to increase savings to the State of Michigan and its members that we are willing to guarantee our performance. We guarantee that the gap between net submitted charges ¹ per employee per month and allowed charges per employee per month will grow by at least \$0.50 in each of the first three years of the Contract and by at least \$0.60 in the fourth and fifth years of the Contract compared to the 10/2007-09/2008 baseline contract year. ² This equates to almost \$3.5 million in additional savings in the first three years of the Contract and over \$5.5 million in additional savings in the last two years of a five-year contract ³ for a total of over \$9 million in additional savings .
Delta Dental's Penalty
If the gap does not grow by this amount, Delta Dental will refund \$0.01 per employee per month for each \$0.01 by which we miss the goal.
Furthermore, we will deliver these savings while maintaining the most robust package of networks in the industry. If, under Delta Dental's standard reimbursement methodology, the percentage of procedures paid to out-of-network providers relative to the total number of procedures increases during the Contract by more than 3% over the 10/2007-09/2008 baseline of 6%, that is, the percent of procedures paid to out-of-network providers will not exceed a total of 9%, Delta Dental will refund \$250,000 of collected administrative fees.

Additional Savings Guarantee Example:

	Net Submitted	Allowed Charges	Difference
Baseline 10/01/2007 – 9/30/2008	\$102.66	\$86.45	\$16.22
Guaranteed Gap and Increase			
First Year	\$0.50	\$582,000	\$16.72
Guaranteed Second Year Gap	\$1.00	\$1,164,000	\$17.22
Example if Increase is Missed			
First Year	\$0.40	\$465,600	\$16.62
First Year Penalty	(\$0.10)	(\$116,400)	
Second Year	\$0.75	\$873,000	\$16.97
Second Year Penalty	(\$0.25)	(\$291,000)	
*Based on a projected enrollment of 97,000			

¹ Net submitted charges = Gross submitted charges – Invalid claims – Eligibility denials

² The gap for 10/2009-09/2010 is guaranteed to be greater than or equal to the gap for 10/2007-09/2008 plus \$0.50. The gap for 10/2010-09/2011 is guaranteed to be greater than or equal to the gap for 10/2007-09/2008 plus \$1.00. The gap for 10/2011-09/2012 is guaranteed to be greater than or equal to the gap for 10/2007-09/2008 plus \$1.50. The gap for 10/2012-09/2013 is guaranteed to be greater than or equal to the gap for 10/2007-09/2008 plus \$2.10. The gap for 10/2013-09/2014 is guaranteed to be greater than or equal to the gap for 10/2007-09/2008 plus \$2.70.

³ Projections are based on an average monthly enrollment of 97,000 employees each year.



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

The Contract is for a period of five years beginning July 1, 2010 through June 30, 2015. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

The Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two additional one year periods.

2.003 Legal Effect

Contractor must show acceptance of the Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under the Contract, until Contractor is notified in writing that the Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing the Contract, are incorporated in their entirety and form part of the Contract.

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under the Contract. All orders are subject to the terms and conditions of the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor must furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.

**2.007 Headings**

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.008 Form, Function & Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration**2.021 Issuing Office**

The Contract is issued by the Department of Technology, Management and Budget, Purchasing Operations and CSC (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within Purchasing Operations for the Contract is:

Jim Wilson
Buyer Specialist, Professional Services
Purchasing Operations
Department of Technology, Management and Budget
Email: wilsonj4@michigan.gov
Phone: 517-241-1916

2.022 Contract Compliance Inspector

After DTMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with CSC, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of the Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DTMB Purchasing Operations.** The CCI for the Contract is:

Susan Kant
Director, Employee Benefits Division
Civil Service Commission
Email: kants@michigan.gov
Phone: 517-335-3068

**2.023 Project Manager – Deleted – N/A****2.024 Change Requests**

The State reserves the right to request, from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Purchasing Operations.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of this Contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

**2.029 Assignments**

(a) Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

(c) If the Contractor intends to assign the Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions**2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under the Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.



2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables – Deleted – N/A

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties must negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under the Contract must list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the CCI and the Contractor.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) must mutually agree upon. The schedule must show payment amount and must reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements must be forwarded to the designated representative by the 15th day of the following month.

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services must be pro-rated for any partial month.

2.046 Antitrust Assignment – Deleted – N/A

2.047 Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under the Contract must constitute a waiver of all claims by Contractor against the State for payment under the Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State contracts. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

**2.050 Taxes****2.051 Employment Taxes**

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes.

2.052 Sales and Use Taxes – Deleted – N/A**2.060 Contract Management****2.061 Contractor Personnel Qualifications**

All persons assigned by Contractor to the performance of Services under the Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of the Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Contractor Key Personnel

(a) The Contractor must provide the CCI with the names of the Key Personnel.

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c) The State reserves the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State must provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements and appropriate transition planning must be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

**2.064 Contractor Personnel Location**

All staff assigned by Contractor to work on the Contract must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor must cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor must provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources – Deleted – N/A**2.068 Contract Management Responsibilities**

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070 Subcontracting by Contractor**2.071 Contractor Full Responsibility**

Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under the Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to Delegation

Contractor must not delegate any duties under the Contract to a Subcontractor unless the Department of Technology, Management and Budget, Purchasing Operations has given written consent to such delegation. The State reserves the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

**2.073 Subcontractor Bound to Contract**

In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under the Contract will not relieve Contractor of any obligations or performance required under the Contract.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor must flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

The Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.080 State Responsibilities – Deleted – N/A**2.090 Security****2.091 Background Checks**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel must agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. The Contractor must present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff must comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Requirements – Deleted – N/A



2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of the Contract for any reason.



2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under the Contract. The performance of all obligations under the Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under the Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.



(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under the Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under the Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under the Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in the Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e) The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into the Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under the Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.

(h) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to the Department of Technology, Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability – Deleted – N/A

2.123 Warranty of Fitness for a Particular Purpose – Deleted – N/A

2.124 Warranty of Title – Deleted – N/A

2.125 Equipment Warranty – Deleted – N/A

2.126 Equipment to be New – Deleted – N/A

2.127 Prohibited Products – Deleted – N/A

2.128 Consequences for Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of the Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.



The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked below:

1. Commercial General Liability with the following minimum coverage:
- \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan as a Certificate Holder on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

2. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan as a Certificate Holder on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:
- \$100,000 each accident
 - \$100,000 each employee by disease
 - \$500,000 aggregate disease

5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of \$1,000,000.00 with a maximum deductible of \$50,000.00.

6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: \$3,000,000.00 each occurrence and \$3,000,000.00 annual aggregate.



8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under the Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies **MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED** without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Technology, Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of the Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

**2.143 Employee Indemnification**

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its Subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its Subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its Subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under the Contract.

2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under the Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under the Contract;



(iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

(a) The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in the Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate the Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination.



If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate the Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates the Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under the Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under the Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.



(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for Services and Deliverables provided under the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of the Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Deleted – N/A

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.**

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's Subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's Subcontractors or vendors. Contractor must notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition – Deleted – N/A

2.175 Transition Payments

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.



2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.



(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 Prevailing Wage – Deleted – N/A

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

**2.212 Compliance with Laws**

Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability**2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

2.230 Disclosure Responsibilities**2.231 Disclosure of Litigation**

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform the Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of the Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (a) Contractor and its Subcontractors must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and
 - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.



- (c) Contractor must make the following notifications in writing:
- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB Purchasing Operations.
 - (2) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

Contractor and/or all Subcontractors involved in the performance of the Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of the Contract.

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate the Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241(a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs)

- (a) SLAs will be completed with the following operational considerations:
- (i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (iii) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.



(iv) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:

1. Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
2. Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b) Chronic Failure for any Service(s) is defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service must not affect any tiered pricing levels.

(c) Root Cause Analysis must be performed on any business critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor must provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.

(d) All decimals must be rounded to two decimal places, with five and greater rounding up and four and less rounding down, unless otherwise specified.

2.243 Liquidated Damages – Deleted – N/A

2.244 Excusable Failure

Neither party will be liable for any default, damage, or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military, or otherwise), power failure, lightning, earthquake, war, water or other forces of nature or acts of God, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. but the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

**2.250 Approval of Deliverables – Deleted – N/A****2.260 Ownership****2.261 Ownership of Work Product by State – Deleted – N/A****2.262 Vesting of Rights – Deleted – N/A****2.263 Rights in Data**

(a) The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor must not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor must not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State must not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards**2.271 Existing Technology Standards**

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration management procedures.



2.280 *Extended Purchasing – Deleted – N/A*

2.290 *Environmental Provision*

2.291 Environmental Provision – Deleted – N/A

2.300 *Other Provisions*

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials
Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

Forced or indentured child labor means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.



	A	C	D	E	F	G	H	I
	FY 2008	7/1/10-	10/1/10-	10/1/11-	10/1/12-	10/1/13-	10/1/14-	
	Current	9/30/10	9/30/11	9/30/12	9/30/13	9/30/14	6/30/15	Comments
1 Assumptions								
2	Average Enrollment	96,123	96,123	96,123	96,123	96,123	96,123	N/A
3	Claims - PEPM	\$70.21	N/A	N/A	N/A	N/A	N/A	N/A
4	Claims - PEPY	\$842.47	N/A	N/A	N/A	N/A	N/A	N/A
5	Claims - Total	\$80,980,672	N/A	N/A	N/A	N/A	N/A	N/A
6 Set Up								
7	Annual Set-up fee	N/A	N/A	N/A	N/A	N/A	N/A	
8 ASO Fees - PEPM**								
9	Claim Administration	N/A	\$2.24	\$2.29	\$2.37	\$2.46	\$2.57	\$2.73
10	Network Access	N/A	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
11	Fiduciary Liability	N/A						
12	Utilization Review	N/A						
13	Total Monthly ASO Fees	0.00	\$2.54	\$2.59	\$2.67	\$2.76	\$2.87	\$3.03
14 Other Fees								
15	Other (Projected Claims)	N/A	\$22,875,000.00	\$91,500,000.00	\$91,500,000.00	\$91,500,000.00	\$91,500,000.00	\$68,625,000.00
16	Other (Guranteed Annual Savings)	N/A	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	Other (Projected Claims)	N/A	\$22,875,000.00	\$91,500,000.00	\$91,500,000.00	\$91,500,000.00	\$91,500,000.00	\$68,625,000.00
25 Total ASO Fee								
26	Grand Total PEPM Fee	0.00	\$2.54	\$2.59	\$2.67	\$2.76	\$2.87	\$3.03
27	Total Monthly Cost	0.00	\$244,152.42	\$248,958.57	\$256,648.41	\$265,299.48	\$275,873.01	\$291,252.69
28	Total Cost	0.00	\$732,457.26	\$2,987,502.84	\$3,079,780.92	\$3,183,593.76	\$3,310,476.12	\$2,621,274.21

\$15,915,085.11



Appendix A – Current Plan Designs for the State Dental Plan

State Dental Plan Design # 1 — approximately 91,000 Contracts

Benefit Year – 1/1 to 12/31 for approximately 44,000 contracts

Benefit Year – 10/1 to 9/30 for approximately 47,000 contracts

State of Michigan Summary of Benefits

Group No. 8700

State Dental Plan

Covered Services	PPO Dentist*		Participating Dentist**		Nonparticipating Dentist***	
	Plan Pays	You Pay	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits						
Diagnostic and Preventive Services - Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments).	100%	0%	100%	0%	100%	0%
Emergency Palliative Treatment - Used to temporarily relieve pain	90%	10%	90%	10%	90%	10%
Radiographs - X-rays	100%	0%	90%	10%	90%	10%
Class II Benefits						
Sealants - Dental sealants to prevent decay of first and second permanent molars for people under age 14.	70%	30%	50%	50%	50%	50%
Minor Restorative Services - Used to repair teeth damaged by disease or injury (for example, fillings).	100%	0%	90%	10%	90%	10%
Extractions - Simple and surgical extractions, including preoperative and postoperative care.	100%	0%	90%	10%	90%	10%
Oral Surgery Services - Dental surgery, including preoperative and postoperative care, but not including extractions.	90%	10%	90%	10%	90%	10%
Endodontic Services - Used to treat teeth with diseased or damaged nerves (for example, root canals).	100%	0%	90%	10%	90%	10%
Periodontic Services - Used to treat diseases of the gums and supporting structures of the teeth.	100%	0%	90%	10%	90%	10%
Major Restorative Services - Used when teeth can't be restored with another filling material (for example, crowns).	90%	10%	90%	10%	90%	10%
Veneers (cosmetic bonding) - For people age 8 through 19 for the eight anterior teeth if damaged by specific conditions. Covered for Administrative Support Unit, Human Services Unit, Non-Exclusively Represented Employees (NEREs) only.	90%	10%	90%	10%	90%	10%
Class III Benefits						
Prosthetic Services - Used to replace missing natural teeth (for example, bridges and dentures).	70%	30%	50%	50%	50%	50%
Relines - Relines and rebase to dentures.	70%	30%	50%	50%	50%	50%
Prosthetic Repairs - Repairs to bridges and dentures.	100%	0%	50%	50%	50%	50%
Class IV Benefits						
Orthodontic Services - Used to correct malposed teeth (for example, braces).	75%	25%	60%	40%	60%	40%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.
- ~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice per benefit year.
- ~ Benefits for prophylaxes are payable three times per benefit year.
- ~ Benefits for bitewing X-rays are payable once per benefit year.



- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three year period.
- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.

The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy/periradicular surgery – anterior
- D3421 – apicoectomy/periradicular surgery – bicuspid, first root
- D3425 – apicoectomy/periradicular surgery – molar, first root
- D3426 – apicoectomy/periradicular surgery (each additional root)
- D3430 – retrograde filling – per root

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4270 – pedicle soft tissue graft procedure
- D4271 – free soft tissue graft procedure (including donor site)
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
- D7280 – surgical access of an unerupted tooth
- D7283 – Placement of device to facilitate eruption of impacted tooth
- D7310 – alveoloplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoloplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoloplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoloplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.



State Dental Plan Design # 2 — approximately 3,950 Contracts

Benefit Year – 1/1 to 12/31 for approximately 2,400 contracts

Benefit Year – 10/1 to 9/30 for approximately 1,550 contracts

	PPO Dentist*	Participating Dentist**	Nonparticipating Dentist***
	Plan Pays	Plan Pays	Plan Pays
CLASS I			
Diagnostic – Includes routine and emergency oral exams. Oral Exams are limited to two times in a Plan year.	100%	100%	100%
Preventive – Includes prophylaxes, space maintainers, and fluoride treatments. Prophylaxes (teeth cleanings) are limited to three times in a Plan year. Fluoride treatments once per Plan year to age 14 and space maintainers for enrolled dependents under age 14.	100%	100%	100%
Radiographs – X-rays as required for routine care or as necessary for the diagnosis of a specific condition. Bitewing X-rays once per Plan year to age 15 and once every 24 consecutive months for individuals 15 and older.	100%	90%	90%
Emergency Palliative Treatment – Emergency treatment to temporarily relieve pain.	90%	90%	90%
CLASS II			
Sealants – Dental sealants to prevent decay of first and second permanent molars for dependents under age 14.	70%	50%	50%
Minor Restorative Services – Used to repair teeth damaged by disease or injury (for example, fillings).	100%	90%	90%
Extractions – Simple and complex tooth extractions.	100%	90%	90%
Endodontics – Treatment of teeth with diseased or damaged nerves (for example, root canals).	100%	90%	90%
Periodontics – Treatment of diseases of the gums and supporting structures of the teeth.	100%	90%	90%
Oral Surgery – Surgical dental procedures, including preoperative and postoperative care, but not including extractions.	90%	90%	90%
Major Restorative Services – Includes cast restorations (crowns), but only when teeth cannot be restored with another filling material.	90%	90%	90%
CLASS III			
Repairs – Repairs to bridges, partial dentures, and complete dentures.	100%	50%	50%
Relines – Relines and rebase to partial dentures and complete dentures.	70%	50%	50%
Prosthodontics – Includes bridges, partial dentures, and complete dentures.	70%	50%	50%
CLASS IV			
Orthodontic Services (no age limit) – Services, treatment, and procedures to correct malposed teeth.	75%	60%	60%
For orthodontic care, the Plan pays a lifetime maximum of \$1,500 for each eligible person.			

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ The orthodontic age limitations are waived for eligible subscribers, spouses and dependent children.
- ~ Benefits for oral examinations are payable twice per benefit year.
- ~ Benefits for prophylaxes are payable three times per benefit year.
- ~ Benefits for bitewing X-rays are payable once per benefit year up to age 15 and once every 24 months for members 15 years or older.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.
- ~ Benefits for fluoride treatments are payable once per benefit year to age 14.
- ~ Sealants are only payable for the occlusal surface of first and second permanent molars to age 14. The surface must be free from decay and restorations. Sealants are payable once per tooth per three-year period.
- ~ Provisional splinting is a covered benefit.
- ~ Composite resin (white) restorations and porcelain crowns are not Covered Services on posterior teeth.

Maximum Payment – \$1,500 per person total per 12 month period (Benefit Year) on Class I, Class II and Class III Benefits. Payment for Class IV Benefits will not exceed a lifetime maximum of \$1,500 per eligible person.



The following procedures are exempt from the annual maximum and are covered at 100%.

Apicoectomy/periradicular Services

- D3410 – apicoectomy/periradicular surgery – anterior
- D3421 – apicoectomy/periradicular surgery – bicuspid, first root
- D3425 – apicoectomy/periradicular surgery – molar, first root
- D3426 – apicoectomy/periradicular surgery (each additional root)
- D3430 – retrograde filling – per root

Periodontics – Surgical Services

- D4210 – gingivectomy or gingivoplasty – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4211 – gingivectomy or gingivoplasty – one to three teeth, per quadrant
- D4240 – gingival flap procedure, including root planning – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4241 – gingival flap procedure, including root planning – one to three teeth, per quadrant
- D4245 – apically positioned flap
- D4260 – osseous surgery (including flap entry and closure) – four or more contiguous teeth or bounded teeth spaces, per quadrant
- D4261 – osseous surgery (including flap entry and closure) – one to three teeth, per quadrant
- D4263 – bone replacement graft – first site in quadrant
- D4264 – bone replacement graft – each additional site in quadrant
- D4265 – biologic materials to aid in soft and osseous tissue regeneration
- D4270 – pedicle soft tissue graft procedure
- D4271 – free soft tissue graft procedure (including donor site)
- D4273 – subepithelial connective tissue graft procedures
- D4274 – distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)
- D4275 – soft tissue allograft
- D4276 – combined connective tissue and double pedicle graft

Oral Surgery

- D7220 – removal of impacted tooth – soft tissue
- D7230 – removal of impacted tooth – partially bony
- D7240 – removal of impacted tooth – completely bony
- D7241 – removal of impacted tooth – completely bony, with unusual surgical complications
- D7250 – surgical removal of residual tooth roots (cutting procedure)
- D7280 – surgical access of an unerupted tooth
- D7283 – Placement of device to facilitate eruption of impacted tooth
- D7310 – alveoloplasty in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7311 – alveoloplasty in conjunction with extractions – one to three or tooth spaces, per quadrant
- D7320 – alveoloplasty not in conjunction with extractions, four or more teeth or tooth spaces, per quadrant
- D7321 – alveoloplasty not in conjunction with extraction – one to three teeth or tooth spaces, per quadrant
- D7960 – frenulectomy (frenectomy or frenotomy) – separate procedure
- D7963 – frenuloplasty
- D7970 – excision of hyperplastic tissue – per arch
- D7971 – excision of pericoronal gingival

Anesthesia

- D9220 – deep sedation/general anesthesia – first 30 minutes
- D9221 – deep sedation/general anesthesia – each additional 15 minutes
- D9241 – intravenous conscious sedation/analgesia – first 30 minutes
- D9242 – intravenous conscious sedation/analgesia – each additional 15 minutes

Deductible – None.



Appendix B – Current Plan Designs for the Preventive Dental Plan

Preventive Dental Plan Design # 1 — 136 Contracts

Benefit Year – October 1 through September 30

Covered Services	PPO Member Dentist*		Participating** or Nonparticipating*** Dentist	
	Plan Pays	You Pay	Plan Pays	You Pay
Class I Benefits				
Diagnostic and Preventive Services – Used to diagnose and/or prevent dental abnormalities or disease (includes exams, cleanings and fluoride treatments)	100%	0%	100%	0%
Radiographs – X-rays	100%	0%	100%	0%
Class II Benefits				
Periodontal Prophylaxes – Teeth cleaning by a specialist	100%	0%	100%	0%

*Preferred Provider Network providing increased savings to participants

**Managed Fee-for-Service Program

***Non-participating providers who may balance bill the participant the full amount above the approved paid amount

- ~ Benefits for oral examinations and fluoride treatment (to age 19) are payable twice in a benefit period.
- ~ Benefits for prophylaxes are payable three in a benefit period.
- ~ Benefits for bitewing X-rays are payable once in a benefit period.
- ~ Benefits for full mouth X-rays (which include bitewing X-rays) are payable once in a five-year period.

Maximum Payment – There is no maximum payment for Class I or II Benefits.

Deductible – None.



APPENDIX C-1

834 Transaction Set

Electronic Data Interchange File

<i>Name</i>	<i>Size</i>	<i>Comments</i>	<i>Where to get the data</i>
Control Header	A 3	###	Fixed = "###"
Transaction Set Identifier Code	A 3	834 = Benefit Enrollment and Maintenance	Fixed = "834"
Insurer Identification Code	A 30	Insurance Carrier's Federal Taxpayer's Identification Number	BCR-CARRIER-ID from BNCARRIER where BCR-INS-CARRIER = PRM-Insurer
Region Indicator	A 1	Region Indicator	"P" If PRODUCT-LINE = "PROD" "T" If PRODUCT-LINE NOT= "PROD"
Job Name	A 10	Job Name	CRT-JOB-NAME
Insurer Name	A 30	Insurance Carrier Name	BCR-NAME from BNCARRIER where BCR-INS-CARRIER = PRM-Insurer
~		Segment length = 77	##### PZB206xxx INS CARRIER NAME
Transaction Set Header	A 2	ST	Fixed = "ST"
Transaction Set Identifier Code	N 3	834 = Benefit Enrollment and Maintenance	Fixed = "834"
Transaction Set Control Number	N 4	Increment beginning with "0001" Must be a unique number within the set of transactions.	Fixed = "0001"
~		Segment length = 9	ST8340001
Beginning Segment	A 3	BGN	Fixed = "BGN"
Transaction Set Purpose Code	N 2	"00" = Original transaction; used the first time the transaction is sent. "15" = Re-Submission; used if the first transaction sent has yet to be processed but contains errors, and you are sending a corrected transaction. "22" = Informational; used when the original transaction was lost or never processed, and you are passing another transaction identical to the original.	Parameter: Rerun "00" if Rerun Flag = 1 (No). "15" if Rerun Flag = 2 (Yes, changed file) "22" if Rerun Flag = 3 (Yes, duplicate file)
Transaction Set Identifier Code (Reference Identification)	A 30	Assign (incrementally) this identifier for future reference to this set.	Consists of three fields to make it unique: Job Name plus System Date plus Parameter: Identifying Code (Required)
Transaction Set Creation Date (Date)	N 8	Current system date (CCYYMMDD)	System Date
Transaction Set Creation Time (Time)	N 6	Current system time (HHMMSS)	System Time



Time Zone Code (Time Code)	A 2	<p>“CD” = Central Daylight Time “CS” = Central Standard Time “ED” = Eastern Daylight Time “ES” = Eastern Standard Time “MD” = Mountain Daylight Time “MS” = Mountain Standard Time “PD” = Pacific Daylight Time “PS” = Pacific Standard Time **Internal Note: Additional options available**</p>	Parameter: Time Zone. (May be left blank) For SOM, only ES and ED codes are used.
Transaction Set Identifier Code (Reference Identification)	A 30	If Transaction Set Purpose Code = “15” or “22”, then this identifier should be used to cross-reference the original transaction set.	Consists of three fields to make it unique: Job Name plus System Date plus Parameter: Prior Identifying Code. (Required if Rerun Flag = 2 or 3, else will be left blank.)
Action Code	N 1	<p>“2” = Change (Update), used to identify a set of adds/changes/terms. “4” = Verify, used to identify full enrollment information to ensure synchronization of sponsor’s and payer’s systems.</p>	Parameter: Transaction Purpose. “2” if Trans Purpose = 1 “4” if Trans Purpose = 2
~		Segment length = 82	BGN00ZB206xxx 2003070700000000000120030707093215ES 2 OR BGN15ZB206xxx 2003070800000000000120030508103502ESZB206xxx 200307070000000000012
Transaction Set Policy Number	A 3	REF	Parameter: Use Master Policy Number “REF”, if Yes Else, do not include this segment.
Reference Identification Qualifier	N 2	“38” = Master Policy Number	Parameter: Use Master Policy Number “38”, if Yes.
Master Policy Number (Reference Identification)	A 30		BCR-CONTRACT-NMB from BNCARRIER: where BCR-INS-CARRIER = PRM-INS-CARRIER
~		Segment length = 35	REF38PA8382983
File Effective Date	A 3	DTP	Parameter: File Effective Date “DTP”, if not spaces (zeroes) Else, leave blank. This segment is generated only for ‘Verify’ option.
Date/Time Qualifier	N 3	“007” = Effective	Parameter: File Effective Date “007”, if parameter not = spaces (zeroes) Else, leave blank.
Date/Time Period Format Qualifier	A 2	“D8” = Format CCYYMMDD	Parameter: File Effective Date If not spaces (zeroes), use “D8” Else, leave blank.
Date/Time Period	N 8	Date, Time, or Date and Time. May also include ranges of Dates and/or Times.	Parameter: File Effective Date (Convert to 8-digit date format: CCYYMMDD)
~		Segment length = 16	DTP007D820030101~
Sponsor Name	A 2	N1	Fixed = “N1”
Entity Identifier Code	A 2	“P5” = Plan Sponsor	Fixed = “P5”

Gray shading indicates areas not used by the State of Michigan



Plan Sponsor Name (Name)	A 30	Used at the sender's discretion (Company name)	PRS-NAME for the Company (PRS-COMPANY = PRM-COMPANY and PRS-PROCESS-LEVEL = spaces).
Identification Code Qualifier	A 2	"FI" = Federal Taxpayer's Identification Number (adopted as the HIPAA standard).	Fixed = "FI"
Sponsor Identifier (Identification Code)	A 30	**Must provide a key to the table of plan sponsor's maintained by the transaction processing party. This is the most efficient method of providing organizational identification.	PLN-SPONSOR-ID from PLAN where PLN-COMPANY = PRM-COMPANY and PLN-PLAN-TYPE = PRM-PLAN-TYPE(1) and PLAN-PLAN-CODE = PRM-PLAN-CODE(1)
~		Segment length = 66	N1P5Lawson Software FI93-2191827
Payer	A 2	N1	Fixed = "N1"
Entity Identifier Code	A 2	"IN" = Insurer	Fixed = "IN"
Insurer Name (Name)	A 30	Used at the sender's discretion (Insurance Carrier Name)	BCR-NAME from BNCARRIER where BCR-INS-CARRIER = PRM-Insurer
Identification Code Qualifier	A 2	"FI" = Federal Taxpayer's Identification Number (to be used until the HIPAA standard identifier is adopted) "XV" = Health Care Financing Administration National Plan ID (required if mandated for use)	BCR-HIPAA-ID-TYPE from BNCARRIER where BCR-INS-CARRIER = PRM-INS-CARRIER
Insurer Identification Code (Identification Code)	A 30	**Must provide a key to the table maintained by the transaction processing party. This is the most efficient method of providing organizational identification.	If preceding field is populated (FI or XV), then get BCR-CARRIER-ID from BNCARRIER where BCR-INS-CARRIER = PRM-Insurer
~		Segment length = 66	N1INHealthPartners FI28-374857
Broker/TPA	A 2	N1	Parameter: Broker or TPA If not = spaces, use "N1" Else, leave blank. SOM does not use Broker/TPA. This segment will not be generated for both 'Change' and 'Verify' options.
Entity Identifier Code	A 2	"BO" = Broker "TV" = Third Party Administrator	BCR-ENTITY-TYPE from BNCARRIER where BCR-INS-CARRIER = PRM-INS-CARRIER <ul style="list-style-type: none"> • If 2, then "BO" • If 3, then "TV" • If 1, spaces, or record not found, leave blank.
Broker/TPA Name (Name)	A 30	Used at the sender's discretion (Insurance Carrier Name)	Parameter: Broker or TPA If not = spaces, get BCR-NAME from BNCARRIER where BCR-INS-CARRIER = PRM-Broker or TPA. Else, leave blank.
Identification Code Qualifier	A 2	"FI" = Federal Taxpayer's Identification Number (to be used until the HIPAA standard identifier is adopted) "XV" = Health Care Financing Administration National Plan ID (required if mandated for use)	BCR-HIPAA-ID-TYPE from BNCARRIER where BCR-INS-CARRIER = PRM-BROKER or TPA <ul style="list-style-type: none"> • If 1, then "FI" • If 2, then "XV" • If 3, spaces, or not found, then leave blank. ERROR: Valid Broker or TPA ID number not found.



Insurer Identification Code (Identification Code)	A 30	**Must provide a key to the table maintained by the transaction processing party. This is the most efficient method of providing organizational identification.	If preceding field is populated (FI or XV), then get BCR-CARRIER-ID, where BCR-INS-CARRIER = PRM-Broker or TPA.	
~		Segment length = 66	N1TVMidwest Administrators FI28-374857	
TPA/Broker Account Information	A 3	ACT	Parameter: Broker or TPA If not = spaces, use "ACT" Else, leave blank. SOM does not use Broker/TPA. This segment will not be generated for both 'Change' and 'Verify' options.	
TPA or Broker Account Number (Account Number)	A 30	Account number (Contract Number from BN01)	Parameter: Broker or TPA If not = spaces, get BCR-CONTRACT-NMBR from BNCARRIER where BCR-INS-CARRIER = PRM-BROKER or TPA. If spaces or not found, leave blank.	
~		Segment length = 33	ACT2384297382	
<p>***SEGMENTS THAT FOLLOW ARE BASED ON BNTRANS RECORDS FOUND IN BNTRANS, OR ON BENEFIT, PARTBEN, AND HRDEPBEN RECORDS***</p> <p>-----Segments must repeat for each member (Employee, Retiree, COBRA Participant, and Dependent) found to a maximum of 10,000 members. The enrollment data for families must not be split into two transaction sets.-----</p>				
Member Level Detail	A 3	INS	Fixed = "INS"	
Insured Indicator (Subscriber Indicator)	A 1	"Y" = Yes; used for subscriber (employee) "N" = No; used for dependent	<u>Tran Purpose = 1 (Update)</u> "Y" if BNT-DEPENDENT on BNTRANS record is blank. Else, "N"	<u>Tran Purpose = 2 (Validate)</u> "Y" for BENEFIT and PARTBEN records "N" for HRDEPBEN records.

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<p>Individual Relationship Code</p>	<p>N 2</p>	<p> "01" = Spouse "03" = Father or Mother "04" = Grandfather or Grandmother "05" = Grandson or Granddaughter "06" = Uncle or Aunt "07" = Nephew or Niece "08" = Cousin "09" = Adopted Child "10" = Foster Child "11" = Son/Daughter-in-law "12" = Brother/Sister-in-law "13" = Mother/Father-in-law "14" = Brother or Sister "15" = Ward "17" = Stepson or Stepdaughter "18" = Self "19" = Child "23" = Sponsored Dependent "24" = Dependent of a Minor Dep "25" = Ex-Spouse "26" = Guardian "31" = Court Appointed Guardian "32" = Mother "33" = Father "38" = Collateral Dependent (relative related by blood or marriage who resides in the home and is dependent on the insured for a major portion of their support) "48" = Stepfather "49" = Stepmother "53" = Life Partner </p>	<p> If prior field = "Y", then use "18". If prior field = "N", get EMD-REL-CODE for the dependent on the record in question. Then get PCO-HIPAA-REL-CODE from PCODES where PCO-TYPE = 'DP' and PCO-CODE = EMD-REL-CODE </p>		
<p>Maintenance Type Code</p>	<p>N 3</p>	<p> "001" = Change "021" = Addition "024" = Cancellation or Termination "030" = Audit or Compare </p>	<table border="0"> <tr> <td data-bbox="846 1163 1146 1335"> <p> <u>Tran Purpose = 1 (Update):</u> From BNTRANS record get BNT-TRAN-ACTION <ul style="list-style-type: none"> • "001" if = C • "021" if = A • "024" if = S or D </p> </td> <td data-bbox="1146 1163 1450 1335"> <p> <u>Tran Purpose = 2 (Verify):</u> Fixed = "030" </p> </td> </tr> </table>	<p> <u>Tran Purpose = 1 (Update):</u> From BNTRANS record get BNT-TRAN-ACTION <ul style="list-style-type: none"> • "001" if = C • "021" if = A • "024" if = S or D </p>	<p> <u>Tran Purpose = 2 (Verify):</u> Fixed = "030" </p>
<p> <u>Tran Purpose = 1 (Update):</u> From BNTRANS record get BNT-TRAN-ACTION <ul style="list-style-type: none"> • "001" if = C • "021" if = A • "024" if = S or D </p>	<p> <u>Tran Purpose = 2 (Verify):</u> Fixed = "030" </p>				



Maintenance Reason Code	A 2	"01" = Divorce "02" = Birth "03" = Death "04" = Retirement "05" = Adoption "06" = Strike "07" = Termination of Benefits "08" = Termination of Employment "09" = COBRA "10" = COBRA Premium Paid "11" = Surviving Spouse "14" = Voluntary Withdrawal "16" = Quit "17" = Fired "18" = Suspended "20" = Active "21" = Disability "22" = Plan Change "25" = Chg in Identifying Data Elements "26" = Declined Coverage "27" = Pre-Enrollment (used for expected newborns) "28" = Initial Enrollment "29" = Benefit Selection (for changing benefits within a plan) "31" = Legal Separation "32" = Marriage "37" = Leave of Absence with Benefits "38" = Leave of Absence without Benefits "39" = Layoff with Benefits "40" = Layoff without Benefits "41" = Re-enrollment "43" = Change of Location "AI" = No reason given "XN" = Notification only (used for audit transactions)	<u>Tran Purpose = 1 (Update):</u> From BNTRANS record, get BNT-TRAN-REASON. If spaces, use "AI". If BNT-COVER-TYPE = "C" (COV-TYPE, COBRA Participant) use "09"	<u>Tran Purpose = 2 (Verify):</u> Fixed = "XN"
Benefit Status Code	A 1	"A" = Active "C" = COBRA	<u>Tran Purpose = 1 (Update):</u> "C" if BNT-COVER-TYPE on BNTRANS record is "C" Else, "A"	<u>Tran Purpose = 2 (Verify):</u> "C" for PARTBEN records where Participant not = spaces, Else, "A"
COBRA Qualifying Event Code	N 1	"1" = Termination of Employment "2" = Reduction of work hours "3" = Medicare "4" = Death "5" = Divorce "6" = Separation "7" = Ineligible Child "8" = Bankruptcy of a Retired Employee	BNT-EVENT-CODE If spaces, or record not found, ERROR: COBRA event / not identified. (Insert PAR-OCCUR-TYPE.)}	
Medicare Plan Code	A 1			

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Employment Status Code	A 2	<p>“AO” = Active Military – Overseas “AU” = Active Military – USA “FT” = Full-time (Full-time Active) “L1” = Leave of Absence “PT” = Part-time (Part-time Active) “RT” = Retired “TE” = Terminated</p>	<p>From BNT-COVER-TYPE determine the Employment Status Code. If Coverage Type = “A”, Employment Status Code = “FT” If Coverage Type = “R”, Employment Status Code = “RT” If Coverage Type = “C”, Employment Status Code = “L1”</p>
Student Status Code	A 1	<p>“F” = Full-time “N” = Not a student</p>	<p>Parameter: Student Status If Y, and this is a non-spouse Dependent get student flag from EMDEPEND: “F”, if EMD-STUDENT = Y or F or P “N” if EMD-STUDENT = N Else, leave blank.</p>
Handicap Indicator	A 1	<p>“N” = No “Y” = Yes</p>	<p>Parameter: Disabled Status If Y, and this is a Dependent (BNT-DEPENDENT or HRDEPBEN record) get disabled flag from EMDEPEND. Else, leave blank.</p>
Date Time Period Format Qualifier	A 2	<p>“D8” = Date expressed as CCYYMMDD</p>	<p><u>Tran Purpose = 1 (Update):</u> If BNTRANS, BNT-TRAN-REASON = 03 (Death), use “D8”, else leave blank.</p> <p><u>Tran Purpose = 2 (Verify):</u> Leave this field and following field blank.</p>
Insured Individual Death Date	N 8	<p>Holds the date of death of the insured or dependent (Does not replace the use of a termination date)</p>	<p>If BNTRANS, BNT-TRAN-REASON = 03 (Death), then from EMPLOYEE USE EMP-DEATH-DATE If spaces, ERROR: Date of death for Emp / not identified. (Insert EE Number.)</p>
Birth Sequence Number	N 4	<p>Required in the event you are reporting more than one family member with the same birth date.</p>	<p>If this is a Dependent (BNT-DEPENDENT > zeroes or HRDEPBEN record), get EMD-SEQ-NBR.</p>
~		<p>Segment length = 32</p>	<p>INSY1802128A 0FT 000000000000 OR INSN0102128A 0 FN000000000001</p>
Subscriber Number	A 3	<p>REF</p>	<p>Fixed = “REF”</p>
Reference Identification Qualifier	A 2	<p>“0F” = Subscriber Number</p>	<p>Fixed = “0F” (Zero – F)</p>
Subscriber Identifier (Reference Identification)	A 15	<p>Information defined for the transaction set.</p>	<p><u>Tran Purpose = 1 (Update):</u> From BNTRANS, get BNT—MEMBER-ID value: If 1, get: EMP-FICA-NBR for EE (and their dependents), PAR-FICA-NBR for COBRA participants (and their dependents). The SSN should not contain hyphens in the output. If 2, then get EMP-EMPLOYEE for EE (and their dependents), PAR-PARTICIPANT for COBRA Participants and their dependents.</p> <p><u>Tran Purpose = 2 (Verify):</u> We will assume Member ID = Social Number. Get: EMP-FICA-NBR for EE (and their dependents), PAR-FICA-NBR for COBRA participants (and their dependents). The SSN should not contain hyphens in the output.</p>



~		Segment length = 7	REFQQ18
Member Level Dates (can occur twice – begin and end)	A 3	DTP	Tran Purpose = 1 (Update): Fixed = "DTP" Tran Purpose = 2 (Verify): See comments below.
Date/Time Qualifier	N 3	"303" = Maintenance Effective "356" = Eligibility Begin "357" = Eligibility End "301" = COBRA Qualifying Event "340" = COBRA Begin "341" = COBRA End	Do the following for Update files: From BNTRANS record get BNT-START-DATE For Employees, use BENSET and if a record is found with stop date 1 day less than BNTRANS BNT-EFFECT-DATE this will be treated as a "Change". For FC = C, or A with prior benefit, use "303" Only code "303" will be used, all other dates will appear in Loop 2300.
Date/Time Period Format Qualifier	A 2	"D8" = Format CCYYMMDD	Tran Purpose = 1 (Update): Fixed = "D8" Tran Purpose = 2 (Verify): Leave blank.
Status Information Effective Date (Date/Time Period)	N 8	Date, Time, or Date and Time. May also include ranges of Dates and/or Times.	Tran Purpose = 1 (Update): Use BNT-EFFECT-DATE on the BNTRANS record. (CCYYMMDD) Tran Purpose = 2 (Verify): Leave blank.
~		Segment length = 16	DTP356D820020301
Member Name	A 3	NM1	Fixed = "NM1"
Entity Code Identifier	A 2	"IL" = Insured or Subscriber	Fixed = "IL"
Entity Type Qualifier	N 1	"1" = Person	Fixed = "1"
Subscriber Last Name (Name Last)	A 30	Individual last name	EMP-LAST-NAME for Employees, Retirees EMD-LAST-NAME for Dependents PAR-LAST-NAME for COBRA participants
Subscriber First Name (Name First)	A 15	Individual first name	EMP-FIRST-NAME for Employees, Retirees EMD-FIRST-NAME for Dependents PAR-FIRST-NAME for COBRA participants
Subscriber Middle Name (Name Middle)	A 15	Individual middle name	EMP-MIDDLE-NAME for Employees, Retirees EMD-MIDDLE-INIT for Dependents PAR-MIDDLE-INIT for COBRA participants
Subscriber Name Prefix (Name Prefix)	A 10	Prefix to individual name	EMP-LAST-NAME-PRE for Employees, Retirees EMD-LAST-NAME-PRE for Dependents (N/A for COBRA Participants)
Subscriber Name Suffix (Name Suffix)	A 4	Suffix to individual name	EMP-NAME-SUFFIX for Employees, Retirees EMD-NAME-SUFFIX for Dependents (N/A for COBRA Participants)
Identification Code Qualifier	A 2	"34" = Social Security Number "ZZ" = Mutually defined (required if the National Individual identifier is mandated)	From BNTRANS record, get BNT-MEMBER-ID: If 1 or 2, then "34"
Subscriber Identifier (Identification Code)	A 15	SSN when available and allowed; until the HIPAA individual identifier is available.	If prior field = 34, then get EMP-FICA-NBR for EE, EMD-FICA-NUMBER for Dependents, and PAR-FICA-NBR for COBRA participants. The SSN should not contain hyphens in the output. If prior field = ZZ, then get EMP-EMPLOYEE for EE, EMD-EMPLOYEE and EMD-SEQ-NBR for Dependents, and PAR-PARTICIPANT for COBRA Participants. If prior field blank, leave blank.



~		Segment length = 97	NMILL1Smith John Paul 34123456789
Member Communications Numbers	A 3	PER	Parameter: Emp Contact Numbers: "PER", if not = spaces. Else, do not include this segment. SOM does not have contact numbers for all members. This segment will not be generated for both 'Change' and 'Verify' options.
Contact Function Code	A 2	"IP" = Insured Party	Fixed = "IP"
Communication Number Qualifier	A 2	"EM" = Electronic Mail "EX" = Telephone Extension "FX" = Facsimile "HP" = Home Phone Number "TE" = Telephone "WE" = Work Phone Number	Parameter: Emp Contact Numbers: If 1 or 3, then "HP" If 2, then "WE"
Communication Number	A 20	Complete communications number including country or area code when applicable.	Parameter: Emp Contact Numbers: If 1 or 3, use PEM-HM-PHONE-NBR If 2, use PEM-WK-PHONE-NBR PEM followed by WK-PHONE-EXT.
Communication Number Qualifier	A 2	"EM" = Electronic Mail "EX" = Telephone Extension "FX" = Facsimile "HP" = Home Phone Number "TE" = Telephone "WE" = Work Phone Number	Parameter: Emp Contact Numbers: If 3, then "WE" Else, leave spaces.
Communication Number	A 21	Complete communications number including country or area code when applicable.	Parameter: Emp Contact Numbers: If 3, then PEM-WK-PHONE-NBR followed by PEM-WK-PHONE-EXT. Else, leave spaces.
~		Segment length = 50	PERIPHP6517374657 WE651767400046311
Member Residence Street Address	A 2	N3	Parameter: Resident Address "N3", if not spaces. Else, leave all fields in segment spaces.
Subscriber Address Line (Address Information)	A 30	Address Line 1	Parameter: Resident Address For EMPLOYEES/RETIRES: If 1, use EMP-ADDR1 If 2, use PEM-SUPP-ADDR1 For PARTICIPANTS: Use PAR-ADDR1 For DEPENDENTS: Use EMD-ADDR1. If spaces, follow what is used for Employee.
Subscriber Address Line (Address Information)	A 30	Address Line 2	Parameter: Resident Address For EMPLOYEES/RETIRES: If 1, use EMP-ADDR2 If 2, use PEM-SUPP-ADDR2 For PARTICIPANTS: Use PAR-ADDR2 For DEPENDENTS: Use EMD-ADDR2. If spaces, follow what is used for Employee.
~		Segment length = 62	N31410 E 18 th Street Apt 5

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Member Residence City, State, Zip Code	A 2	N4	Parameter: Resident Address "N4", if not spaces. Else, leave all fields in segment spaces.
Subscriber City Name (City Name)	A 18	City	Parameter: Resident Address For EMPLOYEES/RETIRES: If 1, use EMP-CITY If 2, use PEM-SUPP-CITY For PARTICIPANTS: Use PAR-CITY For DEPENDENTS: Use EMD-CITY. If spaces, follow what is used for Employee.
Subscriber State Code (State or Province Code)	A 2	Valid state or province code as defined by government authority.	Parameter: Resident Address If 1, use EMP-STATE If 2, use PEM-SUPP-STATE For DEPENDENTS: Use EMD-STATE. If spaces, follow what is used for Employee.
Subscriber Postal Zone or ZIP Code (Postal Code)	A 10	Postal Code	Parameter: Resident Address If 1, use EMP-ZIP If 2, use PEM-SUPP-ZIP For DEPENDENTS: Use EMD-ZIP. If spaces, follow what is used for Employee.
Country Code	A 2	Valid country code	Parameter: Resident Address If 1, use EMP-COUNTRY-CODE If 2, use PEM-SUPP-CNTRY-CD For DEPENDENTS: Use EMD-COUNTRY-CODE. If spaces, follow what is used for Employee.
~		Segment length = 34	N4Minneapolis MN55457 US
Member Demographics	A 3	DMG	Fixed = "DMG"
Date Time Period Format Qualifier	A 2	"D8" = Format CCYYMMDD	Fixed = "D8"
Member Birth Date (Date Time Period)	N 8	Date of Birth	Get PEM-BIRTHDATE (Employee, Retiree), EMD-BIRTHDATE (Dependent) or PAR-BIRTHDATE (COBRA).
Gender Code	A 1	"F" = Female "M" = Male "U" = Unknown (should only be used when the gender cannot be obtained)	Check PEM-SEX (Employee, Retiree), EMD-SEX (Dependent), or PAR-SEX (COBRA): F = "F" M = "M" Blank = "U"



Marital Status Code	A 1	<p>“B” = Registered Domestic Partner “D” = Divorced “T” = Single “M” = Married “R” = Unreported “S” = Separated “U” = Unmarried (single, divorced, or widowed; used if previous status is unknown) “W” = Widowed “X” = Legally Separated</p>	<p>Parameter: Marital Status If Yes, check PEM-TRUE-MAR-STAT (Employees and Retirees ONLY): D = “D” S = “T” M = “M” S = “S” U = “U” W = “W” L = “X” O = “R” P = “B” C = “M” Note: Blank, if (BNT-DEPENDENT = spaces, or HRDEPBEN record.) or COBRA.</p>
~		Segment length = 15	DMGD819650512FS
Member Health Information	A 3	HLH	<p>Parameter: Smoker Status “HLH”, if Yes Else, leave blank. SOM does not capture smoker information. This segment will not be generated for both ‘Change’ and ‘Verify’ options.</p>
Health-Related Code	A 1	<p>“N” = None “S” = Substance Abuse “T” = Tobacco Use “U” = Unknown “X” = Tobacco Use and Substance Abuse</p>	<p>Parameter: Smoker Status If Yes, Get PEM-SMOKER (Employee, Retiree), EMD-SMOKER (Dependent), or PAR-SMOKER (COBRA): use “T”, If Smoker = Y use “N”, If Smoker = N Else use “U” If parameter = No, leave blank.</p>
~		Segment length = 4	HLHT
Member Mailing Address	A 3	NM1	<p>Parameter: Mailing Address If not = spaces, use “NM1” Else, leave blank. SOM captures only residence address for member and this is reported in the prior segments. This segment will not be generated for both ‘Change’ and ‘Verify’ options.</p>
Entity Identifier Code	N 2	“31” = Postal Mailing Address	<p>Parameter: Mailing Address If not = spaces, use “31” Else leave blank (zeroes)</p>
Entity Type Qualifier	N 1	“1” = Person	<p>Parameter: Mailing Address If not = spaces, use “1” Else leave blank (zero)</p>
~		Segment length = 6	NM1311
Member Mail Street Address	A 2	N3	<p>Parameter: Mailing Address If not = spaces, use “N3” Else, leave blank. SOM captures only residence address for member and this is reported in the prior segments. This segment will not be generated for both ‘Change’ and ‘Verify’ options.</p>

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Subscriber Address Line (Address Information)	A 30	Address Line 1	Parameter: Mailing Address For Employee/Retiree benefits ONLY: If 1, use EMP-ADDR1 If 2, use PEM-SUPP-ADDR1 Else, leave blank (Leave blank for Dependents and COBRA – we only track one address for each.)
Subscriber Address Line (Address Information)	A 30	Address Line 2	Parameter: Mailing Address For Employee/Retiree benefits ONLY: If 1, use EMP-ADDR2 If 2, use PEM-SUPP-ADDR2 Else, leave blank (Leave blank for Dependents and COBRA – we only track one address for each.)
~		Segment length = 62	N3P.O. Box 1234
Member Mail City, State, Zip Code	A 2	N4	Parameter: Mailing Address If not = spaces, use "N4". Else, leave blank. SOM captures only residence address for member and this is reported in the prior segments. This segment will not be generated for both 'Change' and 'Verify' options.
Subscriber City Name (City Name)	A 18	City	Parameter: Mailing Address For Employee/Retiree benefits ONLY: If 1, use EMP-CITY If 2, use PEM-SUPP-CITY Else, leave blank. (Leave blank for Dependents and COBRA – we only track one address for each.)
Subscriber State Code (State or Province Code)	A 2	Valid state or province code as defined by government authority.	Parameter: Mailing Address For Employee/Retiree benefits ONLY: If 1, use EMP-STATE If 2, use PEM-SUPP-STATE Else, leave blank (Leave blank for Dependents and COBRA – we only track one address for each.)
Subscriber Postal Zone or ZIP Code (Postal Code)	A 10	Postal Code	Parameter: Mailing Address For Employee/Retiree benefits ONLY: If 1, use EMP-ZIP If 2, use PEM-SUPP-ZIP Else, leave blank. (Leave blank for Dependents and COBRA – we only track one address for each.)
Country Code	A 2	Valid country code	Parameter: Mailing Address For Employee/Retiree benefits ONLY: If 1, use EMP-COUNTRY-CODE If 2, use PEM-SUPP-CNTRY-CD Else, leave blank (Leave blank for Dependents and COBRA – we only track one address for each.)
~		Segment length = 34	N4Minneapolis MN55457-1234US
Health Coverage	A 2	HD	Fixed = "HD"

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Maintenance Type Code	N 3	"001" = Change "002" = Delete "021" = Addition "024" = Cancellation or Termination "030" = Audit or Compare	Tran Purpose = 1 (Update): If 1, then value here is based on BNT-TRAN-ACTION. <ul style="list-style-type: none"> • If FC = A, then "021" • If FC = C, then "001" • If FC = S, then "024" • If FC = D, then 002" 	Tran Purpose = 2 (Validate): Fixed = "030"
Insurance Line Code	A 3	"AG" = Preventative Care/Wellness "AH" = 24 Hour Care "AJ" = Medicare Risk "AK" = Mental Health "DCP" = Dental Capitation (for DMO) "DEN" = Dental "EPO" = Exclusive Provider Organization "FAC" = Facility "HE" = Hearing "HLT" = Health (both Hospital and Professional Care) "HMO" = Health Maintenance Organization "LTC" = Long Term Care "LTD" = Long Term Disability "MM" = Major Medical "MOD" = Mail Order Drug "PDG" = Prescription Drug "POS" = Point of Service "PPO" = Preferred Provider Organization "PRA" = Practitioners "STD" = Short Term Disability "UR" = Utilization Review "VIS" = Vision	For Plan Type and Plan from PLAN, PLN-HIPAA-INS-CODE.	
Plan Coverage Description	A 30	Free form descriptive information	PLN-DESC for the Plan Type, Plan on the PLAN record.	



Coverage Level Code	A 3	<p>“ECH” = Employee and Children “EMP” = Employee Only “ESP” = Employee and Spouse “FAM” = Family</p>	<p>Parameter: Include Coverage Options. If Y, then use Cov-Dependents and Nbr-Dependents from BNCOVOPT for the BEN-COV-OPTION (Employee) or PTB-COV-OPTION (COBRA or Retiree) for the subscriber.</p> <ul style="list-style-type: none"> • If Cov-Dependents = N, use “EMP” • If Cov-Dependents = S, use “ESP” • If Cov-Dep = D or B, and Nbr-Dependents = 1, use “E1D” • If Cov-Dep = D or B, and Nbr-Dependents = 2, use “E2D” • If Cov-Dep = D or B, and Nbr-Dependents = 3, use “E3D” • If Cov-Dep = D or B, and Nbr-Dependents > 3, use “FAM” <p>If N, leave blank.</p> <p>If Coverage Option = 3, use “ECH”</p> <p>***This element must be blank for dependents!***</p>	
~		Segment length = 41	HD021HLTStandard Indemnity Health Plan EMP	
Health Coverage Dates	A 3	DTP	Fixed = “DTP”	
Date/Time Qualifier	N 3	<p>“303” = Maintenance Effective “348” = Benefit Begin “349” = Benefit End “543” = Cobra Last Premium Paid Date</p>	<p><u>Tran Purpose = 1 (Update):</u> From BNTRANS get BNT-TRAN-ACTION: If FC = A, use “348” & 349 for Cobra Participant & 543 for Cobra Participant and DC Retiree If FC=C, use “303” & “348” & 349 for Cobra Participant & 543 for Cobra Participant and DC Retiree If FC = S or D, use “349” & “303” & “348” & 543 for Cobra Participant and DC Retiree</p>	<p><u>Tran Purpose = 2 (Verify):</u> Fixed = “348” & 349 for Cobra Participant & 543 for Cobra Participant and DC Retiree</p>
Date/Time Period Format Qualifier	A 2	“D8” = Format CCYYMMDD	Fixed = “D8”	
Coverage Period (Date/Time Period)	N 8	Date, Time, or Date and Time. May also include ranges of Dates and/or Times.	<p><u>Tran Purpose = 1 (Update):</u> From BNTRANS get BNT-EFFECT-DATE (CCYYMMDD).</p>	<p><u>Tran Purpose = 2 (Verify):</u> Use the Start Date of the benefit record for all types.</p>
~		Segment length = 16	DTP348D820020601	
Health Coverage Policy	A 3	AMT	<p>Parameter: Include Premium Amounts If Y, use “AMT” Else, leave blank. This segment will be generated only for Flexible Spending Accounts (vendor = FBMC).</p>	
Amount Qualifier Code	A 2	<p>“B9” = Co-Insurance – Actual “C1” = Co-Payment Amount “D2” = Deductible Amount “P3” = Premium Amount</p>	<p>Parameter: Include Premium Amounts If Y, use “P3” Else, leave blank.</p>	

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Contract Amount (Monetary Amount)	N 13	Amount	Parameter: Include Premium Amount If Y, use BEN-TOT-CONTRIB Else, leave blank (zeroes).
~		Segment length = 18	AMTP300000000186.38
Identification Card	A 3	IDC	Parameter: Identification Cards Requested If not = zero, use "IDC" Else, leave blank. This segment will not be generated for both 'Change' and 'Verify' options.
Plan Coverage Description	N 1	(If not used, include a single zero)	Fixed = "0"
Identification Card Type Code	A 1	"D" = Dental Insurance "H" = Health Insurance "P" = Prescription Drug Service	Parameter: Identification Cards Requested If not = zero, get Plan Type (Key3) from BNTRANS record. If HL, use "H" If DN, use "D" Else, leave blank
Identification Card Count	N 1	Send a value only if greater than 1.	Parameter: Identification Cards Requested If > 1, use the value entered Else leave blank (zero).
~		Segment length = 5	IDCH2
Provider Information	A 2	LX	Parameter: Primary Care Provider. If Y, use "LX" If N, leave blank. SOM does not capture provider information. This segment will not be generated for both 'Change' and 'Verify' options.
Assigned Number	N 2	Automatically assigned number (incremental).	Parameter: Primary Care Provider. If Y, use = "01"
~		Segment length = 4	LX01
Provider Name	A 3	NM1	Parameter: Primary Care Provider. If Y, use "NM1", and fill in segments that follow. Else leave blank. SOM does not capture provider information. This segment will not be generated for both 'Change' and 'Verify' options.
Entity Identifier Code	A 2	"3D" = Obstetrics and Gynecology Facility "OD" = Doctor of Optometry "P3" = Primary Care Provider "QA" = Pharmacy "QN" = Dentist "Y2" = Managed Care Organization	Parameter: Primary Care Provider. If Y, use "P3" Else leave blank



Entity Type Qualifier	N 1	"1" = Person "2" = Non-Person Entity	Parameter: Primary Care Provider. If Y, get PEM-PRIMARY-CARE, for EE, EMD-PRIMARY-CARE for Dependents. From HRUTILITY: System = BN Release = 7 Rel Level = 2 Key1 = HR80F9 Key2 = PC Key3 = PEM-PRIMARY-CARE If positions 32-61 in HUT-DATA are not = spaces, use "1". Else, use "2" If no record found, or parameter = N, leave blank (zero).
Provider Last or Organization Name (Name Last or Organization Name)	A 30	Name only used when not able to provide the standard ID number	Parameter: Primary Care Provider If Y, from HRUTILITY (record identified above). If field above = "1", get positions 32-61. If field type = "2", get positions 78-107. If field above is blank, or parameter = N, leave blank.
Provider First Name (Name First)	A 15	Name only used when not able to provide the standard ID number	Parameter: Primary Care Provider If Y, from HRUTILITY (record identified above). If field above = "1", get positions 62-76. Else, leave blank.
Provider Middle Name (Name Middle)	A 1	Name only used when not able to provide the standard ID number	Parameter: Primary Care Provider If Y, from HRUTILITY (record identified above). If field above = "1", get positions 77. Else, leave blank.
Identification Code Qualifier	A 2	"34" = Social Security Number "FI" = Federal Taxpayer's Identification Number "XX" = Health Care Financing Administration National Provider Identifier (required if mandated for use)	Parameter: Primary Care Provider If Y, from HRUTILITY (record identified above). Get position 31. If 1, then use "34" If 2, then use "FI" Else, leave blank
Provider Identifier (Identification Code)	A 30		Parameter: Primary Care Provider If Y, from HRUTILITY (record identified above). Get positions 1-30.
Entity Relationship Code	N 2	"25" = Established Patient "26" = Not Established Patient "72" = Unknown	Parameter: Primary Care Provider If Y, then get record from HRUTILITY: System = BN Release = 7 Rel Level = 2 Key1 = HR11 Key2 = Company Key3 = Employee Get position 9 from HUT-DATA. If 1, use "26" If 2, use "25" Else, use "72". If Parameter = N, leave blank (zeroes).
~		Segment length = 86	NM1P32Fairview Clinic FI35- 2348763 25
END OF REPEATING SEGMENTS			
Transaction Set Trailer	A 2	SE	Fixed = "SE"

Gray shading indicates areas not used by the State of Michigan



Transaction Segment Count	N 10	Total number of data segments, including ST and SE.	Cannot exceed 10,000.
Transaction Set Control Number	N 4	Must match the control number used in the ST segment; used as a unique identifier?	Fixed = "0001" (Must match number in beginning segment.)
~		Segment length = 16	SE00000000530001



APPENDIX C-2

Batch Program Extract Health Care Data File

Description:

This batch program is run on a scheduled basis each week and is used to extract data to populate the Health Care Enrollment Data File in order to capture new health care enrollment member information to be sent to each respective health care vendor. When this batch program is requested to run as a resubmission, the data extract is the same as a previous file to a vendor on a specified date.

Data Rules:

Selection Criteria:

Scheduled Job Stream (original file sent to vendors)

Health Care Enrollment Data Tape

Rule 1: This data file must capture and transmit all change instances of a health care plan. Once a record of the modification has been sent, it will not be sent again in a future batch run of this data file.

Examples:

1. If a dependent is added to the coverage of an existing contract, then send the information of the new dependent only.
2. If a dependent was dropped from the coverage, then send the information of the dependent who was dropped from the coverage.
3. If a new contract has been added, then the information on all the dependents covered in the health care contract will be sent to the vendor.
4. If a contract was ended, then the information on all the dependents will be sent to the vendor.

Rule 2: Once a record which represents a modification (an add, end, or update) is included in the batch, a flag field will be set (i.e. turned on) to indicate that the modification has been sent. This will prevent the record from being selected in a future batch run and prevent the health care plan from being deleted.

Rule 3: Whenever a change is made to existing contract policy to update missing contract person information, using a reason code as "updating data", the batch process should not send the information to the vendor.

- Selection Criteria:
 - Select records which have been modified (added, terminated, updated) on and before the date of the current batch run and where the 'Sent' indicator (see Rule 2 above) is set to 'off' (0) and also the 'Rdy_in' is set to 1. This indicator can be set to true (1) or false (0) from Tab Health Care. This will include records where the 'Change Effective date' field may have been set for any date during the week or any time in



- the past. After conclusion of the batch, set the 'Sent' indicator to 'on' (1) for all records which were picked up in the selection. Set the sent date to the business date of the batch run.
- Include in this selection, records where the 'Change Effective Date' field has been set for a future date up to and including sixty (60) days beyond the date of the batch run. After conclusion of the batch, set the 'sent' indicator to 'on' (1) for all records which were picked up in the selection. Set the sent date to the business date of the batch run.
 - Do not include records where the 'Change Effective Date' of the modification is set more than sixty (60) days beyond the date of the batch run.
 - Select records which have had an address change on and before the date of the current batch run from the end of the previous batch run. This will include records where `be_addr.addr_in1_nm` or `be_addr.addr_in2_nm` has been modified for any person owning a health care contract (subscribers). Any address changes made to non-health care owners will not be selected. Additionally, only address information will be selected for health care contract owners who only have changes made to their address information and not their health care contract information. Should a member have an address change and also health care information changes, all relevant address and health care data will be selected and written to the data file.
 - Select records which have had a name, birth date or SSN change on and before the date of the current batch run from the end of the previous batch run. This will include records where `be_prsn.fst_nm`, `be_prsn.last_nm`, `be_prsn.mid_nm`, `be_prsn.dsgtn.cd`, `be_prsn.sfx.cd`, `be_prsn.brth_dt` or `be_prsn.ss_nr` has changed for any person owning a health care contract. Any name or SSN changes made to non-health care owners will not be selected. Additionally, only name and SSN information will be selected for health care contract owners and covered related individuals who only have changes made to their name, birth date and SSN and not their health care contract information. Should a member have a name, birth date or SSN change and also health care information changes, all relevant name, birth date, SSN and health care data will be selected and written to the data file.

Requested Job Stream (for file resubmission to vendors)

Rule 1: This data file must recapture and transmit all change instances of a health care plan based on specific input parameters. The parameters are as follows:

Vendor – Vendor for which the file will be resubmitted

Original Run Date – Date of the original file run date for a chosen vendor

- Selection Criteria:

- Select records where the sent date equals the original run date entered by the user.

Data Population Rules:

Segment ISA

- This is a fixed length segment.

1. Authorization Information Qualifier

00 – No Authorization Information Present



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Batch Program - Extract Health Care Data File**2. Authorization Information**

Fill with spaces. File is not reporting authorization information.

3. Security Information Qualifier

00 – No Security Information Present

4. Security Information

Fill with spaces. File is not reporting security information.

5. Interchange ID Qualifier

30 – U.S. Federal Tax Identification Number

6. Interchange Sender ID

Retirement System Tax ID number (be_org.tax_id_nr) with trailing spaces

7. Interchange ID Qualifier

30 – U.S. Federal Tax Identification Number

8. Interchange Receiver ID

Tax ID number of the receiver/health care vendor (be_org.tax_id_nr) with trailing spaces

9. Interchange Date

Denotes the date that the file is created and will always be the business date on which the job is run in YYMMDD format.

10. Interchange Time

Denotes the time that the file is created and will always be the time on the business date on which the job is run in HHMM format.

11. Interchange Control Standards Identifier

U – U.S. EDI Community of ASC X12, TDCC, and UCS

12. Interchange Control Version Number

00401 – Draft Standards for Trial Use Approved for Publication by ASC X12 Procedures Review Board through October 1997

13. Interchange Control Number

Unique system-defined number given to each file. This number will start with '000000001' and increase by an increment of 1 for each respective file produced.

14. Acknowledgement Requested



0 – No Acknowledgement Requested

15. Usage Indicator

Indicates whether the file produced is a test file or a real production submission (be_834_file_typ.file_typ_cd)

P – Production Data

T – Test Data

16. Component Element Separator

: - Component element separator (if needed)

Segment GS

17. Functional Identifier Code

BE – Benefit Enrollment and Maintenance (834)

18. Application Sender's Code

Retirement System Tax ID number (be_org.tax_id_nr)

19. Application Receiver's Code

Tax ID number of the receiver/health care vendor (be_org.tax_id_nr)

20. Date

Denotes the date that the file is created and will always be the business date on which the job is run in CCYYMMDD format.

21. Time

Denotes the time that the file is created and will always be the time on the business date on which the job is run in HHMM format.

22. Group Control Number

Unique system-defined number given to each group. This number will start with '000000001' and increase by an increment of 1 for each respective group submitted in a file.

23. Responsible Agency Code

X – Accredited Standards Committee X12

24. Version/Release/Identifier Code

004010X095 – Draft Standards Approved for Publication by ASC X12 Procedures Review Board through October 1997, as published in this implementation guide.



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Batch Program - Extract Health Care Data File

Implementation guide used – National Electronic Data Interchange Transaction Set Implementation Guide, Benefit Enrollment and Maintenance, 834, ASC X12N 834 (004040X095) from the Washington Publishing Company May 2000.

*Segment ST***25. Transaction Set ID Code**

834 - Benefit Enrollment and Maintenance

26. Transaction Set Control Number

Unique system-defined number given to each record in the file and signifies the beginning of a transaction set with this control number. This number will start with '0001' and increase by an increment of 1 for each respective vendor file produced.

*Segment BGN***27. Transaction Set Purpose Code**

00-Original; Used only in the scheduled batch; Number will increase by 1 for each vendor file created
15-Re-Submission; Used only in the JS-Request Health Care Data File Resubmission; Number will increase by 1 for each vendor file created

28. Reference ID #

System generated number which denotes the beginning of a transaction set; Stored in tp_cntrct_prsn_enroll_dtls. This number will increase by 1 for each vendor file created. This number will start with '1' and increase by an increment of 1 for each respective vendor file produced.

29. Date

Denotes the date that the file is created and will always be the business date on which the job is run in CCYYMMDD format.

30. Time

Denotes the time that the file is created and will always be the time on the business date on which the job is run in HHMM format.

31 Action Code

2 – Change; Denotes type of file

*Loop 1000A, Segment NI***32. Entity ID Code**

P5 Plan Sponsor; Designates entity within the Sponsor segment



42. Maintenance Type Code

001-Change; Use when changes to plan
021-Addition; Use when adding a new enrollment
024-Cancellation or Termination; Use when suspending a plan
025-Reinstatement; Use when activating a suspended plan
030-Audit or Compare

Specific code to use will be determined by the maintenance reason code in the next field

43. Maintenance Reason Code

Map reason codes to the maintenance type codes (maintenance type codes in parenthesis):

Existing reason codes:

01-Divorce (024)
02-Birth (021)
03-Death (024)
05-Adoption (021)
07-Termination of Benefits (024)
11-Surviving Spouse (021)
18-Suspended (024)
25-Change in Identifying Data Elements (001); This code will be used for name changes and SSN changes;
28-Initial Enroll (021)
29-Benefit Selection (001)
32-Marriage (021)
41-Re-Enrollment (025)
43-Change of Location (001); This code will be used for name changes and SSN changes;

44. Benefit Status Code

A – Active; Select from be_hc_cntrct where end_dt = '2999-12-31 00:00:00.000'; All health care contract owners and their covered dependents will be listed as 'Active' if the owner is not deceased and reason code is not 'Survivor Activation'.
C – COBRA; This value is set if be_cntrct_policy_elctn.cobra_in = 1
S – Surviving Insured; This value is set if the reason code is Survivor Activation and no death date is populated for the contract owner.

45. Medicare Plan Code

A – If Medicare Part A exists;
Select where be_cntrct_prsn.medicare_in = 1 and
Part_A_eff_dt is not null and
Part_B_eff_dt is null;

B – If Medicare Part B exists;
Select where be_cntrct_prsn.medicare_in = 1 and
Part_B_eff_dt is not null and
Part_A_eff_dt is null;

C – If Medicare Part A and B exists;
Select where be_cntrct_prsn.medicare_in = 1 and
Part_A_eff_dt is not null and



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Part_B_eff_dt is not null;

E – No Medicare; Select where be_ctrct_prsn.medicare_in = 0

Determines if the member is a Medicare recipient

46. Employment Status Code

RT – Retired

TE – Terminated; this code will be populated for all records that are terminated.

47. Student Status Code

F – Full-time (where be_ctrct_prsn.student_in = 1)

N – Not a Student (where be_ctrct_prsn.student_in = 0)

Determines if the member is a student

48. Yes/No Condition Response Code

N = No

Y = Yes

Determines if the member is disabled (be_ctrct_prsn.disabled_in)

49. Date Time Period Format Qualifier

- Populate only if Date of Death exists;

Constant – 'D8' (Date Expressed in Format CCYYMMDD)

50. Date Time Period

- Populate only if Date of Death exists;

Date of Death (CCYYMMDD) (be_prsn.deth_dt)

Loop 2000, Segment REF

51. Reference Identification Qualifier

0F – Subscriber Number

52. Reference Identification

Subscriber SSN (be_prsn.ss_nr)

Loop 2000, Segment REF

53. Reference Identification Qualifier

6O – Cross Reference SSN

54. Reference Identification



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Cross Reference Owner's SSN

*Loop 2000, Segment REF***55. Reference Identification Qualifier**

ZZ – Mutually Defined

56. Reference Identification

Combination of system (be_pln.pln_id), benefit structure type (be_bene_struct_ref.bene_struct_cli_cd) and retirement effective date (be_bene_acct.rtrmt_dt) concatenated

Ex) SERS, SERS DB Classified, 01/01/2004 would write to the file as '1&SDBC&20040801'; The Ampersand is the delimiter used to separate the three attributes.

Loop 2000, Segment REF

- Populate only if HIC number is available.

57. Reference Identification Qualifier

F6 – Medicare HIC number

58. Reference Identification

Medicare HIC number - (be_ctrct_prsn.HIB is not null)

*Loop 2000, Segment DTP***59. Date/Time Qualifier**

286 – Retirement

60. Date/Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD

61. Date Time Period

Retirement Effective Date (be_bene_acct.rtrmt_dt; CCYYMMDD)

*Loop 2000, Segment DTP***62. Date/Time Qualifier**

356 – Reason date

63. Date/Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD



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Reason Date (be_cntrct_prsn.reason_dt; CCYYMMDD)

Loop 2000, Segment DTP

- Only if Medicare plan code (field #45) is A or C

65. Date/Time Qualifier

338 – Medicare Begin

66. Date/Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD

67. Date Time Period

Populate with the Medicare A effective date (be_cntrct_prsn.part_a_eff_dt); (CCYYMMDD)

Loop 2000, Segment DTP

- Only if Medicare plan code (field #45) is B or C

68. Date/Time Qualifier

338 – Medicare Begin

69. Date/Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD

70. Date Time Period

Populate with the Medicare B effective date (be_cntrct_prsn.part_b_eff_dt); (CCYYMMDD)

*Loop 2100A, Segment NMI***71. Entity Identifier Code**

IL – Insured or Subscriber; Used when identifying information of a new health care policy owner

74 – Corrected Insured; Used in correcting the identifying information of a member who is already enrolled, including name and SSN changes

72. Entity Type Qualifier

1 – Person

73. Name Last or Organization Name

Member's last name (be_prsn.last_nm)



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Batch Program - Extract Health Care Data File**74. Name First**

Member's first name (be_prsn.fst_nm)

75. Name Middle

Member's middle name (be_prsn.mid_nm)

76. Name Prefix

Member's name prefix (be_prsn.dsgtn_cd)

77. Name Suffix

Member's name suffix (be_prsn.sfx_cd)

78. Identification Code Qualifier

34 – SSN

79. Identification Code

Member's SSN (be_prsn.ss_nr)

Loop 2100A, Segment PER

- Populate only if a Home phone number is available for the subscriber

80. Contact Function Code

IP – Insured Party

81. Communication Number Qualifier

HP – Home Phone Number

82. Communication Number

The subscriber's home phone number (be_tel.tel_nr)

Loop 2100A, Segment N3

- Populate only if a 'PERM' (Permanent) address type is available for the subscriber

83. Address Information

The member's address (be_addr.addr_ln1_nm)

84. Address Information

The member's address; Combine be_addr.addr_ln2_nm and be_addr.addr_ln3_nm (will truncate after 55 characters, losing up to a maximum of 5 characters)



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- Populate only if a 'PERM' (Permanent) address type is available for the subscriber

85. City Name

The member's city of residence (be_addr.city_nm)

86. State or Province Code

The member's state or province code of residence (be_addr.st_cd or be_addr.frn_prov_cd)

87. Postal Code

The member's postal code of residence (be_addr.zip_cd)

88. Country Code

The member's country of residence (be_addr.ctry_cd); The country code is required by 834 format guidelines to be a two character code derived from the ISO 3166 list of country codes. This list is found at:

<http://www.iso.org/iso/en/prods-services/iso3166ma/02iso-3166-code-lists/list-en1.html>*Loop 2100A, Segment DMG***89. Date Time Period Format Qualifier**

D8 – (Date Expressed in Format CCYYMMDD)

90. Date Time Period

Member's (be_prsn.brth_dt) (Date Expressed in Format CCYYMMDD)

91. Gender CodeF – Female (select where be_prsn.sex_cd = 'F')
M – Male (select where be_prsn.sex_cd = 'M')
U – Unknown (select where be_prsn.sex_cd = 'UKNW')*Loop 2200, Segment DSB*

- Populate only if the subscriber is a disability retiree

92. Disability Type Code

3 – Permanent or Total Disability (where be_cntrct_prsn.disabled_in = 1)

Loop 2200, Segment DTP

- Populate only if the subscriber is a disability retiree

93. Date/Time Qualifier

360 – Disability Begin



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D8 – Date Expressed in Format CCYYMMDD

95. Date Time Period

Retirement Effective Date (CCYYMMDD)

*Loop 2300, Segment HD***96. Maintenance Type Code**

Similar to Loop 2000, Segment INS, Maintenance Type Code.

97. Insurance Line Code

The following values will be populated for different vendors

DEN – Dental Vendors

HLT – Health Vendors

VIS – Vision Vendors

98. Coverage Level Code

The following values will be populated based on the coverage level code

EMP – Employee only

ESP – Employee and Spouse

ECH – Employee and Children

FAM – This will be used in the case of Self, Spouse and Children coverage

SPO – Spouse Only

SPC – Spouse and Children

ESD – Employee and one or more dependents – This will be used when parents are covered

*Loop 2300, Segment DTP***99. Date/Time Qualifier**

303 – Maintenance effective date

100. Date Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD

101. Date Time Period

Change Effective Date (CCYYMMDD)

102. Date/Time Qualifier

348 – Benefit Begin

103. Date Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD

104. Date Time Period



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The reason date will be populated (CCYYMMDD)

The following segment will be reported only when the contract is terminated and an end date for the contract is available.

105. Date/Time Qualifier

349 – Benefit End

106. Date Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD

107. Date Time Period

Reason date will be populated. (CCYYMMDD)

Loop 2320,

The 2320 loop will be sent if Medicare A or Medicare B date is available.

*Segment COB - Only if Medicare plan code (field #45) is A or C***108. Payer Responsibility Sequence Number Code**

U – Unknown

109. Reference Identification

HIB# - Send the HIB#.

110. Coordination of Benefits Code

U – Unknown

*Segment N1 - Only if Medicare plan code (field #45) is A or C***111. Entity Identifier Code**

IN – Insurer

112. Name

Medicare Part A – to denote Medicare part A date is being sent

*Segment DTP - Only if Medicare plan code (field #45) is A or C***113. Date/Time Qualifier**

344 – Coordination of Benefits Begin

114. Date Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD



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Batch Program - Extract Health Care Data File**115. Date Time Period**

Populate with the Medicare A effective date (be_cntrct_prsn.part_a_eff_dt) (CCYYMMDD)

*Segment COB - Only if Medicare plan code (field #45) is B or C***116. Payer Responsibility Sequence Number Code**

U – Unknown

117. Reference Identification

HIB# - Send the HIB#.

118. Coordination of Benefits Code

5 – Unknown

*Segment NI - Only if Medicare plan code (field #45) is B or C***119. Entity Identifier Code**

IN – Insurer

120. Name

Medicare Part B – to denote Medicare part A date is being sent

*Segment DTP - Only if Medicare plan code (field #45) is B or C***121. Date/Time Qualifier**

344 – Coordination of Benefits Begin

122. Date Time Period Format Qualifier

D8 – Date Expressed in Format CCYYMMDD

123. Date Time Period

Populate with the Medicare B effective date (be_cntrct_prsn.part_b_eff_dt) (CCYYMMDD)

*Segment SE***124. Number of Included Segments**

Calculated; Sum of all segments included in respective vendor file

125. Transaction Set Control Number

Unique system-defined number given to each record in the file and signifies the end of a transaction set with this control number. This number will start with '0001' and increment by 1 for each respective vendor file produced. Should be the same number as the Transaction Set Control Number listed in the Transaction Set Header segment



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Batch Program - Extract Health Care Data File

(Data Element number 2 above).

Segment GE

126. Number of Transaction Sets Included

Count of the number of ST segments included in the file.

127. Group Control Number

Identical to the control number used in data element 22 (GS06)

Segment IEA

128. Number of Included Functional Groups

Count of the number of GS segments included in the file.

129. Interchange Control Number

Identical to the control number used in data element 13 (ISA13)