

## PRM Analytics

### MILLIMAN PRM Analytics™ LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into as of May 1, 2016 (the "Effective Date"), by and between Milliman, Inc. ("Milliman") located at 1301 Fifth Avenue, Suite 3800, Seattle, WA 98101, with an office at 111 Monument Circle, Suite 601, Indianapolis, IN 46204, and PacificSource, on behalf of itself and its subsidiaries and affiliates ("Customer"), located at 110 International Way, Springfield, OR 97477. In consideration of the promises and agreements set forth below, Milliman and Customer agree as follows:

#### 1. SERVICES

- 1.1. **License Grant.** Subject to the terms and conditions of this Agreement, Milliman hereby grants to Customer a limited, non-transferable, non-sub licensable, non-exclusive right and license during the Term of this Agreement (as set forth below) to access and use Milliman PRM Analytics (the "Product") for its internal business purposes. Milliman agrees to host the Product and make its applicable components available to Customer via the internet and to provide certain services in connection with the Product as further described in Exhibit B of this Agreement (collectively, the Product and additional services described herein shall be referred to as the "Services"). Customer is a health plan and the services provided by Milliman under this Agreement will be used by the health plan, the participants in the health plan, persons providing management services to the health plan and various affiliates of such health plan, providers that render services to the members of the health plan, brokers to the health plan, and participants and management services personnel (collectively, the "Related Parties") to help support the health plan. Subject to the terms and conditions of this Agreement, Milliman hereby grants to Customer and the health plan Related Parties a limited, non-transferable, non-sub licensable, non-exclusive right and license to use the output from the Services (as defined in Exhibit B) ("Output") for their internal business purposes, with such license to use the Output continuing in perpetuity. Customer acknowledges and agrees that the provision of the Output to Related Parties shall be in compliance with all applicable laws, including, but not limited to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Rule") and the Security Standards for the Protection of Electronic Protected Health Information (the "Security Rule"), and Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH") enacted as part of the American Recovery and Reinvestment Act of 2009 (collectively, HIPAA, the Privacy Rule, Security Rule and HITECH shall be referred to herein as the "HIPAA Regulations").
- 1.2. **Implementation and Training Services.** Milliman will implement and configure the Services and will provide training to Customer in accordance with the scope set forth in Exhibit B.
- 1.3. **Customer's Use of the Product.** Customer agrees to use the Product solely: (i) for Customer's internal business purposes in connection with Milliman's provision of the Product and (ii) in accordance with the documentation and policies for the Product established by Milliman from time to time and furnished by Milliman to Customer. Customer will not provide access to any portion of the Product to any person or entity other than its employees or agents, or otherwise use the Product, except as expressly permitted by this Agreement. Customer may

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permit access to the Product to third party contractors provided that: (a) Customer shall ensure that all contractors' use and access to the Product is in compliance with the terms of this Agreement; (b) all contractors shall be under a written confidentiality agreement with Customer similar to the terms of this Agreement; and (c) Customer shall be and remain liable for any breach of the terms of this Agreement by its contractors.

- 1.4. **Customer's Use of the Output, Dashboard and Reports with Third Parties.** The Output, Dashboard and Reports are prepared solely for the internal business use of Customer and Related Parties. The Output, Dashboard and Reports may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of the Output, Dashboard and Reports, even if Milliman consents to the release of the Output, Dashboard and Reports to such third party. Milliman does not intend to benefit and assumes no duty or liability to any third parties who receive the Output, Dashboard and Reports and may include disclaimer language on its Output, Dashboard and Reports so stating. Customer and Related Parties agree not to remove any such disclaimer language from Output, Dashboard and Reports. Notwithstanding the foregoing, if Customer wishes to use the Output, Dashboard and Reports for the purpose of preparing communications to third parties (including excerpting, summarizing or referring to the Output, Dashboard and Reports) Customer may do so upon Milliman's approval of such excerpts, summaries or references, as described in this Section 1.4. Milliman shall review a sample summary or excerpt and once Milliman has provided written approval for such a sample (with such approval not to be unreasonably withheld, conditioned or delayed), Customer shall not be required to obtain prior written approval for other excerpts or summaries unless such excerpt or summary is not consistent with the sample provided. For every other instance of disclosure by Customer under this paragraph, such disclosure shall not include any verbal or written attribution to Milliman during the term of this Agreement or at any time thereafter, unless and until Milliman has reviewed such intended disclosure and has provided written notification of Milliman's acceptance of such disclosure. Milliman does not intend to benefit any third party recipient of its work, including any excerpts thereto. Customer acknowledges and agrees that the provision of the Output to any third party shall be in compliance with all applicable laws, including, but not limited to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Rule") and the Security Standards for the Protection of Electronic Protected Health Information (the "Security Rule"), and Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH") enacted as part of the American Recovery and Reinvestment Act of 2009 (collectively, HIPAA, the Privacy Rule, Security Rule and HITECH shall be referred to herein as the "HIPAA Regulations").
- 1.5. **Ownership.** Milliman and its suppliers own all right, title, and interest in and to the following property (the "Milliman Property"): (i) the Product, all software, hardware, and other technology used or made available by Milliman in connection with the Product; (ii) all ideas, know-how, and techniques that may be developed or discovered by Milliman under this Agreement; and (iii) all intellectual property rights in and to the above property. Except as otherwise provided herein or in a separate license agreement governing any Milliman Property: (a) the use rights set forth in this Agreement are the entirety of Customer's rights in connection with any Milliman Property; and (b) Customer shall not use, reproduce, distribute, sublicense, broadcast, or commercially exploit any Milliman Property.
- 1.6. **License Period.** Subject to the terms and conditions of this Agreement, during the License Term, Milliman will provide a license to the Product in accordance with the Services description described in Exhibit B, solely as necessary to allow Customer to access the

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Product. System Access Start Date, defined as access for designated authorized Customer users to the Product, will commence on the day of on-site training as described in Exhibit B, and run through the end of calendar month of the contract term then in force. Additionally, during the License Term, Milliman shall provide Operations Support Services to Customer as set forth in Exhibit C. Each party shall designate a contact person (and one or more backup contacts) to be primarily responsible for coordination of such Services (the "Customer Contact").

- 1.7. **Professional Services.** Upon mutual agreement of the parties, Milliman may provide additional professional services not encompassed by Exhibits A, B or C (the "Professional Services") for Customer as set forth in a mutually executed Change Order ("CO"). Such Professional Services will be performed in accordance with the terms of this Agreement. The CO shall set forth in detail the services to be performed and deliverables to be provided, along with the compensation for such services and deliverables, and any other details that the parties shall deem pertinent. Any deliverables provided in accordance with such Professional Services ("Deliverables") are prepared solely for the internal business use of Customer. Deliverables may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its Deliverables, even if Milliman consents to the release of Deliverables to such third party.

## 2. CUSTOMER DATA

- 2.1. **Milliman's Right to Use.** Customer hereby authorizes Milliman to use data specifically pertaining to Customer and/or its employees, agents and customers that Milliman may obtain in the course of performing the services under this Agreement (the "Customer Data"). Customer warrants and covenants that, throughout the term of this Agreement, (i) Customer has the right to authorize Milliman's use of the Customer Data as set forth in this Agreement; and (ii) the Customer Data is valid and accurate in all material respects. In addition, Customer grants Milliman the right to de-identify and aggregate Customer Data and to use such de-identified and aggregated data ("Pooled Customer Data") for its own internal research purposes, provided that such data is never re-identified or associated with Customer, is used only for research with the sole purpose of improving the quality of the Product, and is never sold to external customers or otherwise marketed as a source of de-identified data.

## 3. FEES AND PAYMENT TERMS

- 3.1. **Fees.** Customer hereby agrees to pay Milliman for the Services as specified in Exhibit A of this Agreement within thirty (30) days of receipt of an invoice from Milliman. If, at any time, Customer is delinquent in the payment of any fees hereunder (or is otherwise in breach of this Agreement), then Milliman may, in its sole discretion and without prejudice to its other rights, suspend Services and/or require Customer to either prepay for the Services or use an alternative payment method acceptable to Milliman. Delinquent payments hereunder will accrue interest at the rate of one percent per month or the highest rate allowed by applicable law, whichever is lower.
- 3.2. **Taxes.** In addition to the fees described in this Agreement, Customer shall pay (or, at Milliman's election, reimburse Milliman) for all taxes and assessments due in connection with this Agreement, including any penalties resulting from the failure to pay the same, but

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excluding taxes based on Milliman's net income or its authority to do business within a given jurisdiction.

### 4. WARRANTIES AND LIMITATIONS

- 4.1. **Product Warranty.** Milliman warrants that, during the term of this Agreement, the Product shall materially conform to the specifications set forth herein, and any Professional Services provided hereunder will be performed in a professional manner consistent with the quality of performance for similarly situated Customers and in accordance with generally accepted industry standards. Customer's sole and exclusive remedy for breach of the foregoing warranty shall be Milliman's use of diligent and reasonable efforts to correct, within a reasonable period of time given the circumstances, any errors found not to be in compliance with such warranty.
- 4.2. **Limitation of Warranty.** The express warranties set forth in this Section 4 are the sole warranties provided by Milliman hereunder. Milliman has no responsibility or liability regarding any information provided by or on behalf of Customer, any action taken by or on behalf of Customer, or any computer equipment used by Customer in connection with the Product, or for any actions or incidents that impact access to or use of the Product that are beyond the control of Milliman. MILLIMAN SPECIFICALLY DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES, CONDITIONS, AND GUARANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE PRODUCT OR SERVICES PROVIDED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.
- 4.3. **Limitation of Liability.** ANY LIABILITY OF A PARTY HERETO AND ITS AGENTS FOR DAMAGES (MONETARY OR OTHERWISE) UNDER ANY CIRCUMSTANCES FOR CLAIMS OF ANY TYPE OR CHARACTER ARISING FROM OR RELATED TO THE PRODUCT, THE SERVICES OR THIS AGREEMENT WILL BE LIMITED TO THE AMOUNT OF ALL FEES CHARGED HEREUNDER WHICH WERE ACTUALLY PAID TO MILLIMAN BY CUSTOMER IN THE LICENSE PERIOD PRECEDING THE TIME THAT THE CLAIM AROSE; PROVIDED, HOWEVER, THAT NEITHER PARTY HERETO NOR ITS AGENTS SHALL BE LIABLE FOR ANY DAMAGES RESULTING FROM LOSS OF ACCESS TO SERVICES, PROFIT, BUSINESS, REVENUE, OR GOODWILL, OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES, THAT THE OTHER PARTY MAY INCUR OR EXPERIENCE IN CONNECTION WITH THIS AGREEMENT, THE PRODUCT, OR THE SERVICES, HOWEVER CAUSED AND UNDER WHATEVER THEORY OF LIABILITY, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. However, the above limitations shall not apply to any indemnification, confidentiality, or payment obligations set forth in the Agreement, a violation of Milliman's intellectual property rights, or actual damages incurred by a party hereto as a direct result of any criminal or fraudulent acts of the other party or its agents. The parties agree that the fees set forth in this Agreement reflect the limitation on warranties and liability, and the allocation of risk, under this Agreement.
- 4.4. **Disclaimer.** THE PRODUCT IS NOT A CLINICAL TOOL AND DOES NOT CONSTITUTE GUIDANCE FOR THE PRACTICE OF MEDICINE. WITHOUT LIMITING THE

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DISCLAIMER OF WARRANTIES AND REPRESENTATIONS SET FORTH ABOVE, MILLIMAN DISCLAIMS ANY WARRANTY THAT THE PRODUCT CONSTITUTES REASONABLE OR ORDINARY CARE IN THE PROVISION OF HEALTH CARE SERVICES TO ANY INDIVIDUAL PATIENT.

### 5. INDEMNIFICATION

- 5.1. **By Milliman.** Milliman shall, at its expense, defend, indemnify, and hold harmless Customer and its employees, agents, successors and assigns from and against any and all loss, damage, liability, and expense arising from any third-party claim brought against any such indemnified party to the extent alleging that the Product, as provided by Milliman and used in accordance with the terms of the Agreement, infringes upon any United States patent, copyright, trademark, trade secret, or other proprietary right of such third party, subject to the terms of this Agreement. Notwithstanding the above, Milliman shall have no liability for any claim which: (i) pertains to any Milliman Property that has been altered or modified without Milliman's prior written approval; (ii) is based on use of the Product in conjunction with any item not provided by Milliman, unless such use is shown to constitute the infringement when not used in conjunction with the item not provided by Milliman; or (iii) identifies any third-party software, hardware, or service as forming the basis of such infringement.
- 5.2. **By Customer.** Customer shall, at its expense, defend, indemnify, and hold harmless Milliman and its employees, agents, successors and assigns from and against any and all loss, damage, liability, and expense arising from any claim brought against any such indemnified party related to Customer's misuse of the Product.
- 5.3. **Procedures.** For any indemnifiable claim hereunder, an indemnified party shall provide the indemnifying party with prompt written notice of any such claim brought against it, together with copies of all related court documents involving such claim. An indemnified party's failure to provide timely notice to the indemnifying party of any such claim shall not relieve the indemnifying party from any liability hereunder, to the extent that the indemnifying party is not prejudiced by such failure. The indemnifying party shall have the sole right to conduct the defense of any such claim, and all negotiations for its settlement. The indemnified party shall provide the indemnifying party with such information and assistance for the defense of such claim as is reasonably requested by the indemnifying party.

### 6. CONFIDENTIALITY

- 6.1. **General.** Neither party shall use, or otherwise disclose to any third party, the other party's Confidential Information without the prior written consent of the disclosing party; provided, however, that Milliman may use and disclose Customer Confidential Information as necessary in order to provide access to the Product hereunder or any Services. For purposes hereof, "Confidential Information" means all information of a confidential nature provided by the disclosing party to the receiving party, which shall include the Customer Data (as Customer Confidential Information) and the Milliman Property, Milliman pricing, and Milliman product information (as Milliman Confidential Information). However, Confidential Information does not include any information that: (i) is now, or hereafter becomes, through no act or failure to act on the part of the receiving party, generally known or available to the public; (ii) was acquired by the receiving party before receiving such information from the disclosing party and without restriction as to use or disclosure thereof; (iii) is hereafter furnished to the receiving

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party by a third party without violating any restriction as to use or disclosure thereof; (iv) is independently developed by the receiving party without use of the disclosing party's Confidential Information; or (v) is required by law or court order to be disclosed, but only to the extent and for the purpose of such required disclosure after providing the disclosing party with prompt written notice, if legally permissible, and an opportunity to contest the disclosure or seek an appropriate protective order. Except as otherwise necessary to meet any legal or professional requirements for retention, upon the disclosing party's request, the receiving party will return or destroy all Confidential Information of the disclosing party that is in its possession.

- 6.2. **ID Codes and Passwords.** Customer shall ensure the confidentiality of its corporate identification codes, user identification codes, and user passwords used in connection with the Product ("ID Codes"). Customer shall be responsible for all transactions entered through and under any ID Codes, and any such transactions will be deemed to be made by Customer. In no event will Milliman be liable for the foregoing obligations or the failure by Customer to fulfill such obligations.
- 6.3. **Publicity.** Except as allowed hereunder, Customer shall not refer to the Product in any communications with third parties. In particular, without limiting the foregoing, Customer shall not refer to the Product as the basis or source for decisions related to the management of an individual patient. Neither party shall refer to the identity of the other party in any third party disclosures, including without limitation, promotional material or press releases relating to the Product, unless the prior written consent of the other party has been obtained.

## 7. TERM AND TERMINATION; DUTIES UPON TERMINATION

- 7.1. **Term and Termination.** The Term of this Agreement (during which time the Customer shall be granted the limited license set forth in Section 1.5 of this Agreement) shall commence as of the Effective Date of this agreement and continue for a term of three years from the Effective Date (the "License Term"), unless sooner terminated by delivery of written notice upon any nonpayment of sums due or material breach hereunder by any party (the "breaching party"), if the other party ("non-breaching party") gives written notice of such breach to the breaching party and the same is not cured within thirty (30) days after delivery of such notice. Customer may terminate this Agreement for convenience upon thirty (30) days written notice to Milliman prior to first anniversary date.
- 7.2. **Duties upon Termination.** Upon termination of this Agreement: (i) Customer shall immediately pay Milliman for all unpaid fees accrued hereunder through the effective date of termination; (ii) Milliman may invalidate the ID Codes and otherwise deny further access to the Product; and (iii) at Customer's written request, Milliman will provide an electronic copy of Customer Data within 30 days of receiving such request, provided that Milliman may retain one copy of any Customer Data as necessary to comply with applicable work product documentation standards, and subject to the obligations of confidentiality contained herein. Termination of this Agreement shall not be construed to waive or release any claim that a party is entitled to assert at the time of such termination, and the applicable provisions of this Agreement shall continue to apply to such claim until it is resolved. The terms of Sections 1.4, 4.2, 4.3, 4.4, 5, 6, 7.2, and 8 of this Agreement shall survive the termination of this Agreement.

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### 8. MISCELLANEOUS

- 8.1. **Notices.** Except as otherwise specified herein, all notices hereunder by either party shall be given by personal delivery (including reputable courier service), fees prepaid, or by sending such notice by United States certified mail return receipt requested, postage prepaid, and addressed as set forth on Exhibit A of this Agreement. Such notices shall be deemed to have been given and delivered upon receipt or attempted delivery (if receipt is refused), as the case may be, and the date of receipt identified by the United States Postal Service on any return receipt card shall be conclusive evidence of receipt. Notices also may be sent by facsimile or email transmission, which shall be deemed received when transmitted if a document is electronically generated by the transmitting machine confirming that the transmission was received, and the recipient sends a responsive email confirming receipt. Any party, by written notice as above described, may alter the address for receipt by it of written notices hereunder.
- 8.2. **Waiver.** Failure to enforce any term or condition of this Agreement shall not be a waiver of the right to later enforce such term or condition or any other term or condition of this Agreement.
- 8.3. **Severability.** If any provision of this Agreement is found to be void or unenforceable, that provision will be enforced to the maximum extent possible, and the remaining provisions of this Agreement will remain in full force and effect.
- 8.4. **Assignment.** This Agreement may not be assigned or transferred by either party without the prior written consent of the other party, which permission shall not be unreasonably withheld. Customer agrees that Milliman may subcontract services to be performed in connection with this Agreement provided that any such subcontracting arrangement shall not relieve Milliman of any of its obligations hereunder.
- 8.5. **Excused Performance.** Neither party shall be liable for any delay or failure to perform due to causes or events beyond such party's reasonable control.
- 8.6. **Entire Agreement/Amendments.** This Agreement, together with the Exhibits thereto, contains the entire agreement and understanding between Milliman and Customer with respect to the subject matter thereof and supersedes all prior agreements and negotiations, written and oral, relating to the subject matter. This Agreement and such Exhibits shall not be deemed or construed to be modified, amended, or waived, in whole or in part, except as set forth herein or in writing executed by the parties hereto. No document, purchase order, or any handwritten or typewritten text which purports to alter or amend the printed text of this Agreement shall alter or amend any provision of this Agreement unless executed in writing by both parties. Execution and delivery of this Agreement by facsimile transmission shall be binding for all purposes.
- 8.7. **Governing Law/Dispute Resolution.** The Agreement shall be governed by, subject to, and interpreted in accordance with Indiana law, without regard to conflict of laws principles. In the event of any dispute arising out of or relating to this Agreement, the parties agree that the dispute will be resolved by final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall take place before a panel of three arbitrators. Within 30 days of the commencement of the arbitration, each party shall designate in writing a single neutral and independent arbitrator. The two arbitrators designated by the parties shall then select a third arbitrator. The arbitrators shall have a background in either insurance, actuarial science or law. The arbitrators shall have the authority to permit limited discovery, including depositions, prior to the arbitration hearing, and such discovery

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shall be conducted consistent with the Federal Rules of Civil Procedure. The arbitrators shall have no power or authority to award punitive or exemplary Damages. The arbitrators may, in their discretion, award the cost of the arbitration, including reasonable attorney fees, to the prevailing party. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential, and except as required by law, neither party may disclose the content or results of any arbitration hereunder without the prior written consent of the other parties, except that disclosure is permitted to a party's auditors and legal advisors.

**MILLIMAN, INC.**

By Art Holmes

Title Principal and Consulting Actuary

Date February 10, 2016

**CUSTOMER**

By Ken R. R.

Title President & CEO

Date May 9, 2016

**Contract Effective Date: May 1, 2016**

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### Exhibit A - Milliman PRM Analytics™ Fees for PacificSource Health Plans

*Quarterly Fees for Contract Year 1. \$10,000†; \$40,000 per contract year*

*Quarterly Fees for Contract Year 2. \$10,000; \$40,000 per contract year*

*Quarterly Fees for Contract Year 3. \$10,000; \$40,000 per contract year*

*† Price increases annually at 3%. Contract annually renews unless 30 day notice provided by the Customer.*

**Change Order Fees:** Milliman will provide estimates for change orders on a time and expense incurred basis. Change orders require Customer approval before work commences.

PRM Standard Services	Description
<b>Comparison of Actuarial Budget Experience to internal Milliman benchmarks: Medicare, Medicaid, Commercial</b>	Utilization of services for your Commercial, Medicaid, and Medicare populations are compared to well- and loosely-managed benchmarks. This includes an approximate quantification of the opportunity to reduce population expenditures if utilization is reduced to well-managed levels. Benchmarks available from the Milliman Health Cost Guidelines (HCGs) and other proprietary services are used for this purpose.
<b>Retrospective expenditure experience using Milliman defined medical service categories</b>	Actuarial Cost Models provide a summary of utilization expenditures for your population by service category. Cost models are useful for understanding expenditure patterns for your population. An aggregate cost model is provided as well as cost models for beneficiaries of each Beneficiary Enrollment Type.
<b>Retrospective assessment of Potentially Avoidable inpatient admissions</b>	Three analyses provide an assessment of opportunities to reduce expenditures for acute services related to chronic conditions that potentially could have been avoidable via more comprehensive ambulatory care.
<b>Retrospective assessment of emergency room performance metrics</b>	The Emergency Department Performance Metrics Reports provide a summary of emergency department visits by facility, split between those that resulted in an inpatient admission, observation or discharge to home.
<b>Retrospective assessment of inpatient discharge performance metrics</b>	The Inpatient Facility Discharge Performance Metrics Report provides a summary of acute inpatient discharges by facility with additional information regarding readmission rates and the prevalence of certain discharge status codes.

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*Optional Offerings - Annual Fees at Contract Inception for Year 1.*

PRM Additional Services per Line of Business	Annual License Fee
Cost Model Dashboard	\$30,000†
Physician Risk and Credibility Adjusted Report	\$25,000†

*† Price increases annually at 3% for a five year term.*

**Change Order Fees:** Milliman will provide estimates for change orders on a time and expense incurred basis. Change orders require Customer approval before work commences.

PRM Additional Services	Description
Cost Model Dashboard	The Cost Model Dashboard (CMD) is an advanced business intelligence tool that provides organizations a way to visualize and drill into their claims and demographic data. The tool will quickly allow the user to identify trends in their data and support period over period analysis including rolling time periods. This option includes access to the Power User Data Mart. This license provides access to 25 Users.
Physician Risk and Credibility Adjusted Report	The Physician Risk and Credibility Adjusted Report (PRCA) is an operational management tool used to report on various aspects of physician performance. The tool first adjusts physician experience for patient morbidity using industry standard risk scores, then adjusts measures to account for the unreliable nature of small patient panels and general patient cost variability. This license provides access to 25 Users.

The terms of this estimate expire 90 days from the date the estimate was provided to Customer. Standard License conditions apply.

Addresses of Milliman and Customer to use for purposes of notification under this agreement:

**Milliman, Inc.**

**Attention of:** Arthur L. Wilmes, FSA, MAAA

**Street Address:** 111 Monument Circle; Suite 601

**City:** Indianapolis, IN 46204

**Customer:** PacificSource Health

**Attention of:** Jeanette Simms

**Street Address:** 110 International Way

**City:** Springfield, OR 97477

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## Exhibit B – Description of Provided Products and Services

### Service Description for Milliman PRM Analytics™ Benchmark Analysis Reports

**I. Scope.** This Service shall include the following deliverables:

<b>Comparison of Actuarial Budget Experience to internal Milliman benchmarks: Medicare, Medicaid, Commercial</b>	Utilization of services for your Commercial, Medicaid, and Medicare populations are compared to well- and loosely-managed benchmarks. This includes an approximate quantification of the opportunity to reduce population expenditures if utilization is reduced to well-managed levels. Benchmarks available from the Milliman Health Cost Guidelines (HCGs) and other proprietary services are used for this purpose.
<b>Retrospective expenditure experience using Milliman defined medical service categories</b>	Actuarial Cost Models provide a summary of utilization expenditures for your population by service category. Cost models are useful for understanding expenditure patterns for your population. An aggregate cost model is provided as well as cost models for beneficiaries of each Beneficiary Enrollment Type.
<b>Retrospective assessment of Potentially Avoidable inpatient admissions</b>	Three analyses provide an assessment of opportunities to reduce expenditures for acute services related to chronic conditions that potentially could have been avoidable via more comprehensive ambulatory care.
<b>Retrospective assessment of emergency room performance metrics</b>	The Emergency Department Performance Metrics Reports provide a summary of emergency department visits by facility, split between those that resulted in an inpatient admission, observation or discharge to home.
<b>Retrospective assessment of inpatient discharge performance metrics</b>	The Inpatient Facility Discharge Performance Metrics Report provides a summary of acute inpatient discharges by facility with additional information regarding readmission rates and the prevalence of certain discharge status codes.

- A. Frequency.** The Benchmark Analysis Reports are produced every quarter during the term of this license after receipt of clean data from Customer.
- B. User Guide.** The Benchmark Analysis Reports are accompanied by Read Me documentation explaining navigation and features of the reports and all information included in the reports.
- C. Training.** One user training session of approximately one hour duration is provided at the time of initial Customer set up by electronic means. Additional training is available upon request and will be handled as a change order in accordance with Exhibit A of the PRM Analytics License Agreement.

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**II. Production Launch.** The Production Launch component shall consist of the following:

- A. All errors in the Milliman PRM Analytics™ Benchmark Analysis Reports identified during user acceptance testing (UAT) by Customer, and mutually agreed upon with Milliman PRM Analytics, are addressed. UAT will be for a period of one month upon signing of this Agreement. Issues due to limitations or data quality issues with Customer data sources are out of scope for completing the UAT.
- B. All deliverables, as described in Section I of this service description, have been mutually accepted in writing by Customer and Milliman PRM Analytics.
- C. Benchmark Analysis Reports are being delivered to Customer as part of quarterly production releases, within two weeks of receiving clean data from Customer. Any changes to this frequency must be negotiated and will be handled as a change order in accordance with Exhibit A of the Agreement.

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### Glossary of Terms

- **BI:** Business Intelligence
- **CCR:** Milliman PRM Analytics Care Coordinator Report
- **PMPM:** Per member per month
- **PRCA:** Physician Risk and Credibility Adjusted
- **UAT:** User Acceptance Testing
- **UI:** User Interface

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## Exhibit C - Milliman PRM Analytics™ Operations Support Services for Secure Hosted Web Application

**Statement of Intent.** Milliman strives to provide a high level of service. This Service Level Agreement ("SLA") outlines the services, site availability, and support that Milliman will provide to PRM Analytics™ clients (also referred to as "Customer")

- I. Time Conventions.** This SLA uses the following conventions to refer to times:
  - A. Times expressed in the format "hours: minutes" reflect the Eastern Time zone.
  - B. Times expressed as a number of "business days" include Milliman business hours Monday through Friday, excluding Milliman designated holidays.
  - C. The symbol "---" indicates that no time applies to the associated category.
- II. Services Provided.** Under this Agreement, Milliman will provide implementation support services to the client as outlined below:
  - A. Implementation.** Implementation of the Milliman product includes:
    1. Perform the credentialing for Customer;
    2. Provision Customer for access to the Product;
    3. Obtain any third party consents required in order for Customer to access the Product;
    4. Access to the product through a secure and encrypted channel;
    5. Technical support by email to assist the Customer in startup as needed. A user guide is available online; and
    6. Help Desk support as detailed under Section III. Milliman Support Responsibilities.
  - B. Redundancy.** The primary purpose for backup to magnetic media is to help Milliman provide its customers with timely disaster recovery should the Services be rendered inoperative due to hardware or environmental impacts. Services restoration will be performed as a recovery procedure after a disaster and is included in the Milliman provided Services. Milliman's formal backup procedures includes a full backup of the software and any necessary databases on a weekly basis. Incremental backups will be performed daily. Milliman will determine the method and process including hardware/software used for all data backup operations.
  - C. Availability.** The availability of the Product is outlined below.
    - 1. Normal Service Availability Schedule.** The product is available 24 hours a day, seven days a week with the exception of planned outages for upgrades or unplanned outages outside of Milliman control. Milliman represents and warrants that except in the case of catastrophic failure of the Server and/or Software caused by circumstances outside of Milliman's control, Milliman will maintain monthly availability of 98.00%.

Milliman's SLA applies only to outages directly related to the data center hosting the server and the proprietary software. The Scope of this SLA does not include the performance or availability of any public Internet backbone or network, any server or other equipment on

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the Internet outside of Milliman's host facility, Customer's premise equipment or local access service of any type.

Events of Force Majeure shall not be deemed Service Unavailability for the purpose of this SLA.

Table C.1 shows the times when Milliman is scheduled to be available for Customer support:

**Table C.1 Customer Support Availability\*\***

Times	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Start	---	8:00	8:00	8:00	8:00	8:00	---
Stop	---	17:00	17:00	17:00	17:00	17:00	---

\*\*Adjusted when necessary for scheduled outages and non-emergency enhancements.

2. **Scheduled Events that Impact Service Availability.** Regularly scheduled events can cause a temporary service outage. Notice to Customer of scheduled events that may result in an outage of longer than 15 minutes, that are deemed by Milliman to be required, shall occur at least two (2) business days in advance. Table C.2 shows the typical times when these events may occur.

**Table C.2 Scheduled Outages**

Times	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Start	23:00*	23:00*	23:00*	23:00*	23:00*	23:00*	00:00
Stop	02:00*	02:00*	02:00*	02:00*	02:00*	02:00*	23:59

\*Weekday scheduled events will only occur for urgent updates or upgrades

### **III. Milliman Support Responsibilities.** Milliman provides the following support to all Customers:

- A. **User Support.** Milliman provides user support by way of a fully trained Help Desk accessible through email at [prm.support@milliman.com](mailto:prm.support@milliman.com). The intent of the Help Desk is to resolve Milliman-trained end users issues, not to entertain requests for Services enhancements, modifications, or clinical guidance.
- B. **Problem Severity Description.** Table C.3 outlines problem severity descriptions. The diagnosis of severity as related to a reported issue is determined by qualified Milliman system engineers/analyst.

**Table C.3 Problem Severity Descriptions**

Severity	Description
Priority 1	All or most of the service functionality is lost. Milliman is not operational and there is no workaround. A Priority 1 problem can be reduced to a Priority 2 problem if an acceptable workaround is found. <b>Priority 1 support takes effect immediately until the issue is resolved.</b>

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Priority 2	Some functionality of the services is lost but still provides useful information. Priority 2 issues are queued ahead of standard issues.
Standard	Service functionality is intact with issues revolving around items that limit the usefulness and/or user friendliness of the system.

### 1. Problem Reporting Process.

All issues received via the support email address will provide an auto-reply to acknowledge receipt of the issue. Within 1 business day Milliman Customer Support will provide a reply as to the problem Severity level and/or courses of action to be taken in relation to the issue. As part of the diagnosis/triage Milliman may request additional information and/or diagnostics to be performed by the client to effectively identify the issue.

### 2. Problem Resolution.

When Milliman's Help Desk is informed of a problem, the following actions are taken:

- a. **Problem Reproduction.** Milliman's Customer Support Department will attempt to reproduce the problem. For this, a customer will need to provide a clear description of the circumstances under which the problem occurs. This may include Customer Support requesting the email address (account name) of the account in question. As part of problem reproduction Milliman may request more information and/or diagnostics to be performed by the client.
- b. **Defect Logging.** When the problem has been duplicated by Milliman's Customer Support Department; it may be logged as a defect in Milliman's defect database if the root cause of the original problem is due to a software defect
- c. **Defect Investigation.** Milliman's Product Development Team will investigate the cause of the problem.
- d. **Workaround.** When, in the course of the investigation, alternative ways are found to obtain the design goal while avoiding the interruptive symptoms of the defect; these workarounds will be communicated as a solution to the problem. If the defect is deemed critical, a slipstream release will be created to address the issue. If the defect is minor it will likely be addressed in a future release of the system.