North Shore-Long Island Jewish Health System

AGREEMENT FOR CONSULTING SERVICES

AGREEMENT FOR CONSULTING SERVICES, made and entered into as of March 8, 2013 by and between North Shore-Long Island Jewish Health System, Inc. a Not-for-Profit Corporation with a place of business at 145 Community Drive, Great Neck, NY 11021 (hereinafter referred to as "Customer") and Milliman, Inc. a Corporation existing under the laws of the State of Washington with offices at One Pennsylvania Plaza, 38th Floor, New York, NY 10119 (hereinafter referred to as "Consultant").

WHEREAS, Consultant has considerable expertise in actuarial services and related products and services.

WHEREAS, Consultant desires to provide and Customer desires to have Consultant provide services to assist Customer in connection with providing actuarial services and advice related to various insurance related business projects.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, Customer and Consultant hereby agree as follows:

Only the terms set forth in this Agreement and the Purchase Order issued for services shall constitute an agreement between the parties. If this Agreement is in addition to a Consultant document such as a proposal, quote, scope of work, or other similar document, the terms and conditions of this Agreement shall take precedence over the terms and conditions set forth in such Consultant document. No changes, modifications or alterations of this Agreement shall be deemed effective nor binding upon Customer or any of its member hospitals or facilities unless made in a writing that specifically identifies the provision in this Agreement being modified or changed and signed by a Customer's Officer or his or her duly designated representative.

1. Services and Statement of Work. Consultant agrees to provide to Customer consulting services as are described in the attached Statement of Work attached hereto as Schedule A. Such services shall be provided in accordance with the provisions of this Agreement.

2. Consultant Personnel. Consultant will appoint qualified members of its staff, to perform the tasks outlined in the Statement of Work and to act as liaison between Customer and Consultant.

3. Independent Contractor. Consultant is an independent contractor. Neither Consultant nor Consultant's employees are, or shall be deemed for any purpose to be, employees of Customer. Customer shall not be responsible to Consultant, Consultant's employees or any governing body for any payroll-related taxes related to the performance of the services.

4. Fees. Consultant will perform the services described in the Statement of Work for the fee outlined on Schedule A. Payment will be due within 90 days of each invoice submitted by Consultant. Consultant will submit an invoice to Customer for services on a monthly basis during the term of this Agreement. Unless this is a fixed fee engagement, all invoices submitted shall specify in detail the time spent and the tasks performed during the period for which the invoice has been submitted. Customer will neither accept nor honor any term of Consultant imposing an interest charge with respect to any invoice submitted by Consultant.

All services rendered and or products delivered must be pursuant to a Customer issued purchase order and fully executed Agreement. Consultant agrees that it will not begin rendering services or billing Customer until both a fully executed, mutually agreed upon contract, as well as a purchase order is issued by Customer to Consultant. All invoices must reference the applicable Customer issued purchase order number in order for payment to be honored and processed. Any references in a Consultant agreement, sales order, quote, document or invoice to interest charges, late

fees, restocking fees, cancellation charges, minimum order fees, fuel surcharges, freight or any other fees not clearly delineated herein, are hereby excluded by this Agreement and shall not be honored for payment.

5. **Expenses.** Consultant shall be responsible for its own expenses in connection with the services to be performed under this Agreement that can be characterized as office overhead. The term "office overhead" shall include but not be limited to expenses related to telephone, telecopier, regular mail, in-house photocopying, and secretarial, clerical or administrative personnel. Consultant shall only invoice Customer for expenses incurred as a direct result of performing services in accordance with the Statement of Work. Such expenses shall be limited to reasonable out-of-pocket expenses necessarily and actually incurred by Consultant in the performance of its services hereunder, provided, that: (i) Customer has given its prior written consent for any such expenses; (ii) the expenses have been detailed on a form acceptable to Customer and submitted to the appropriate Customer project manager for review and approval, (iii)Consultant submits supporting documentation in addition to the approved expense form; (iv) no markup will be allowed for those approved expenses; and (v) are in compliance with Customer's Consultant Travel Policy. With respect to reimbursable costs permitted hereunder no mark-up, surcharge or premium above the actual cost is authorized by this Agreement.

6. **Records.** Consultant shall maintain complete and accurate accounting records, in a form in accordance with generally accepted accounting principles, to substantiate Consultant's charges and expenses hereunder and Consultant shall retain such records as required by law but in no event less than a period of two (2) years from the date of final payment.

7. **Indemnity**. Consultant agrees to defend at its own cost and expense any claim or action against Customer, its subsidiaries and/or affiliated companies, for actual or alleged infringement of any patent, copyright or other intellectual property right (including, but not limited to, misappropriation of trade secrets) based on any software, program, service and/or other materials furnished to Customer by Consultant pursuant to the terms of this Agreement or the use thereof by Customer. Consultant further agrees to indemnify and hold Customer, its subsidiaries and/or affiliated companies, harmless from and against any and all liabilities, losses, and expenses associated with any such claim or action. Consultant shall be liable for and shall indemnify and hold Customer, its subsidiaries and/or affiliated companies harmless against any third party loss or damage in connection with or arising out of the gross negligence of Consultant. Consultant agrees to indemnify Customer, its subsidiaries and/ or affiliated companies for any liability or expense due to claims for personal injury or property damages arising out of the furnishing, performance or use of the services or materials provided hereunder as well as any claim for payment of compensation or salary asserted by an employee of Consultant or any claim for employment related taxes asserted by any governing body.

8. **Insurance.** Consultant shall procure and maintain for itself and its employees all insurance coverage required by Federal or State law, including workers' compensation insurance. Consultant also agrees to maintain insurance covering professional liability, employees liability, bodily injury or property damage and automobile liability coverage. Consultant shall furnish to Customer a certificate of insurance evidencing such coverage and naming Customer as additional insured on all coverage other than professional liability. Coverage shall be in accordance with the following limits:

1. Commercial General Liability:
(including contractual liability and products- completed operations liability)
not less than $1,000,000 combined single limit per occurrence, and
not less than $5,000,000 aggregate limit.
2. Workers' Compensation - Statutory Limits
3. Employer's Liability - $500,000
4. Professional Liability - $1,000,000
5. Automotive Liability - $1,000,000 per occurrence or accident

9. **Confidentiality.**

(a) In performing the obligations under this Agreement, Consultant and Customer may come into contact with, be given access to, and, in some instances, contribute to each other's Confidential Information. In consideration of permitting Consultant and Customer to have access to each other's Confidential Information, during the term of this

Agreement, Consultant and Customer agree that they will not disclose to any third party or use any Confidential Information of the other Party other than as necessary to perform the services described in Schedule A without the other Party's prior written consent. Consultant and Customer shall only make the Confidential Information of the other Party available to its employees, auditors, attorneys or other professionals or consultants hired by such party in the ordinary course, on a need-to-know basis (that is, their duties, requirements or contract for services require such disclosure), and agree to take appropriate action by instruction or agreement with such individuals permitted access to the Confidential Information to satisfy the obligations under this Section. Consultant agrees to safeguard Customer Confidential information and to use not less than commercially reasonable means to protect and safeguard such information, which means shall be no less than Consultant shall use to protect its own confidential information of a similar nature. In addition, Consultant agrees to comply with any applicable security protocols, guidelines or standards as promulgated from time to time during the term under HIPAA, HITECH or other similar government regulation.

(b) For purposes of this Section, "Confidential Information" shall mean any and all proprietary information, Customer lists, employee or patient information, Customer purchasing requirements, prices, trade secrets, know-how, processes, documentation and all other information without limitation which is not generally known to, or readily ascertainable by proper means, by the public or which might reasonably be considered confidential, secret, sensitive, proprietary or private to either Consultant or Customer.

(c) The provisions of this Section will not apply to information (i) developed by the receiving party without the use of or access to the disclosing party's proprietary information; (ii) that is or becomes publicly known without a breach of this Agreement; (iii) disclosed to the receiving party by a third party not required to maintain its confidentiality; or (iv) that is already known to the receiving party at the time of disclosure. The provisions of this sub-section (c) shall not apply to Protected Health Information (as that term is defined in the Health Insurance Portability and Accountability Act of 1996 and its related regulations, 45 CFR Parts 160 and 164.

(d) If any law, governmental authority or legal process requires the disclosure of proprietary information, the subject party may disclose the proprietary information, provided, that, if legally permissible the other party is promptly notified of such disclosure. Notwithstanding the foregoing, Consultant agrees, if legally permissible, to promptly notify Customer of any actual or potential breach, or of any unapproved or potentially unapproved disclosure, of Customer data within 24 hours of Consultant becoming aware of such breach or disclosure. Consultant shall use all commercially reasonable efforts to mitigate the impact of such breach and shall keep Customer continuously apprised of the status of the breach, potential impact and breadth of breach, and the status and impact of the remediation efforts being used to mitigate the exposure event.

10. Non-Disclosure. Consultant agrees that, except as directed by Customer, Consultant will not at any time during or after the term of this Agreement disclose any Confidential Information to any person, or permit any person to examine and/or make copies of any reports or any documents prepared by Consultant or that come into Consultant's possession or under Consultant's control by reason of Consultant's services, and that upon termination of this Agreement, Consultant will turn over to Customer all documents, papers and other matter in Consultant's possession or under Consultant's control that contain or relate to such Confidential Information. Notwithstanding the above, the Consultant may maintain one copy of any such information in order to comply with applicable work product documentation standards.

11. Injunctive Relief. Consultant acknowledges that disclosure of any Confidential Information by Consultant may give rise to irreparable injury to Customer, its subsidiaries and/or affiliated companies or the owner of such information, and may be inadequately compensable in damages. Accordingly, Customer or such other party may seek injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Consultant acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Customer, its subsidiaries and/or affiliated companies and are reasonable in scope and content.

12. Proprietary Rights. Except as otherwise provided herein, all deliverables provided to Customer by Consultant under the terms of this Agreement are the property of Customer and all title and interest therein shall vest in Customer and shall be deemed to be a work made for hire and made in the course of the services rendered hereunder. To the extent that title to any such works may not, by operation of law, vest in Customer or such works may not be considered works made for hire, Consultant hereby grants a license to Customer to use such works for its internal business

purposes. Except as otherwise provided herein, all such deliverables shall belong exclusively to Customer, with Customer having the right to obtain and to hold in its own name, copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. Consultant agrees to give Customer and any person designated by Customer, reasonable assistance, at Customer's expense, required to perfect the rights defined in this Paragraph. Unless otherwise requested by Customer and except as noted in Section 10, upon the completion of the services to be performed under this Agreement, Consultant shall promptly turn over to Customer all materials and services developed pursuant to this Agreement.

Consultant shall retain all rights, title and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret and other intellectual property rights) in and to all technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents and templates that have been previously developed by Consultant or developed during the course of the provision of the Services provided such generic documents or templates do not contain any Customer Confidential Information or proprietary data. Rights and ownership by Consultant of original technical designs, methods, ideas, concepts, know-how, and techniques shall not extend to or include all or any part of Customer's proprietary data or Customer Confidential Information. To the extent that Consultant may include in the materials any pre-existing Consultant proprietary information or other protected Consultant materials, Consultant agrees that Customer shall be deemed to have a fully paid up license to make copies of the Consultant owned materials as part of this engagement for its internal business purposes and provided that such materials cannot be modified or distributed outside the Customer without the written permission of Consultant except as otherwise provided herein and as necessary for Customer's internal business purposes.

13. Consultant Warranties. Consultant warrants that: (a) each of its employees assigned to perform the services shall have the proper skill, training and background so as to be able to perform in a competent and professional manner and that all work will be performed in accordance with the Statement of Work; (b) each and every service contemplated by the Statement of Work shall be performed in accordance with applicable professional standards; (c) for 120 days from the date Customer notifies Consultant of Customer acceptance of a service, Consultant will, at no charge to Customer, furnish such materials and services as shall be necessary to correct any defects in the work product, service or other deliverable in Customer's possession.

14. General

14.1. Timeliness of Performance. Consultant understands that prompt performance of all services hereunder is required by Customer in order to meet its schedules and commitments. In the event that any anticipated or actual delays in meeting Customer's deadlines or scheduled completion dates are caused by the unacceptable performance of any Consultant employee or any other cause within the reasonable control of Consultant, Consultant shall provide additional temporary personnel, as requested by Customer and at no charge to Customer, in order to complete the assignment involved in a timely manner. Neither party, however, shall be responsible for any delays that are not due to such party's fault or negligence or that could not have reasonably been foreseen or provided against.

14.2. Term and Termination. This Agreement shall commence on the date as indicated above and shall continue in full force and effect thereafter as outlined in the applicable Customer issued purchase order, unless and until terminated in accordance with the provisions of this Agreement or until satisfactory completion of the services provided for herein. In the event of any material breach of this Agreement by either party, the other party may cancel this Agreement, by giving thirty (30) days' prior written notice thereof, provided, however, that this Agreement shall not terminate at the end of said thirty (30) days' notice period if the party in breach has cured the breach of which it has been notified prior to the expiration of said thirty (30) days. In the absence of a material breach of this Agreement by Consultant, Customer may terminate this Agreement by giving Consultant five (5) days prior written notice of its election to terminate. In such case, Customer agrees to pay Consultant for all costs incurred by the Consultant with Customer's approval up to the effective date of termination. Consultant agrees to refund a prorated amount of any monies paid in advance by Customer for services provided by Consultant as outlined herein within thirty (30) days of the effective date of termination. Notwithstanding the foregoing, in the event that any Consultant employee assigned to perform services hereunder is found to be not acceptable to Customer for any reason, Customer shall cooperate with Consultant to resolve the situation to the mutual satisfaction of both parties.

Recall. In the event any product or service is recalled, whether voluntarily or as required by a governmental entity, or any of its components are subject to recall, or subject to an FDA-initiated court action for removing or

correcting violative, distributed products or components (collectively, hereinafter referred to as a "Recall"), Consultant shall promptly notify Customer in writing. Promptly following receipt of such notice, the parties will meet to discuss the Recall, the corrective action plan applicable to such Recall, and the cooperation required of Customer in implementing such plan. As part of such meeting, the parties will also discuss the anticipated Recall Costs to be incurred by Customer. "Recall Costs" shall be paid by Consultant and shall mean the reasonable and direct costs and expenses associated with the recall and required to carry-out the corrective action plan, including direct labor costs and training costs. Additionally, Consultant shall provide Customer with temporary replacement product/service (either directly or through a third party, as mutually agreed upon per the corrective action plan) if required due to Consultant's inability to provide the replacement product/service, product or service. The corrective action plan shall be approved and agreed upon by the FDA and Consultant. If Consultant replaces a recalled product/service, it shall do so with a mutually agreed upon replacement product/service that conforms to the requirements of this Agreement and has the same or better features and functionality as the recalled product/services' published specifications. Consultant shall manage the Recall in accordance with applicable laws, regulations and government directives, and assume responsibility for communicating necessary details on the Recall to Customer. Notwithstanding the foregoing, in the event that the product/services are recalled, Customer shall have the right to immediately terminate this Agreement in its entirety without further liability, if Consultant fails to provide Customer with a comparable replacement unit and corresponding products within a time frame specified and approved by Customer of said recall.

14.3. Work Rules. Unless otherwise agreed to by the parties, Consultant's personnel and Consultant's subcontractors, shall observe the working hours, working rules, and policies of Customer while working on Customer's premises.

14.4. Assignment. This Agreement shall be binding upon the parties' respective successors and permitted assigns. Neither party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party, and any such attempted assignment shall be void, except that Customer may assign this Agreement, or any of its rights or obligations hereunder, upon written notice to Consultant, to any of its subsidiaries or affiliated companies, without the consent of Consultant. Furthermore, no work to be performed by Consultant hereunder shall be subcontracted to or performed on behalf of Consultant by any third party, except upon written permission by Customer.

14.5. Notices. Any notices or communication under this Agreement shall be in writing and shall be hand delivered or sent by registered mail return receipt requested to the party receiving such communication at the address specified above.

14.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

14.7. Force Majeure. Neither party shall be deemed to be in default of or to have breached any provision of the Agreement as a result of any delay or failure in performance due to reasons beyond such party's reasonable control. If such a delay occurs, the affected party may extend the time for performance by a period of time equal to the delay. Notwithstanding the foregoing, if a force majeure event is claimed by Consultant and such event continues for more than five (5) business days, Health System shall have the right and option to terminate this Agreement

14.8. Modifications. No modification, amendment, supplement to or waiver of this Agreement, or any of their provisions shall be binding upon the parties hereto unless made in writing and duly signed by both parties.

14.9. Waiver. A failure of either party to exercise any right provided for herein, shall not be deemed to be a waiver of any right hereunder.

14.10. Complete Agreement. This Agreement sets forth the entire understanding of the parties as to the subject matter therein and may not be modified except in a writing executed by both parties.

14.11. Severability. In the event any one or more of the provisions of this Agreement is invalid or otherwise unenforceable, that provision will be deemed to be restated to reflect as nearly as possible the original intent of the parties in accordance with applicable law and the enforceability of remaining provisions shall be unimpaired.

14.12. Publicity. Each party agrees that it will not, without prior written consent of the other party use in advertising, publicity or otherwise the name of the other party, or any affiliate of that party, or refer to the existence of this Agreement in press releases, advertising or materials distributed to prospective customers.

14.13. Compliance with Laws, Licenses and Regulations. Consultant shall comply with all applicable laws including but not limited to, the standards of the Joint Commission on the Accreditation of Healthcare Organizations, codes, regulations, ordinances and rules with respect to the work to be performed and the equipment or materials to be furnished hereunder promulgated by any and all Federal, state, municipal or other legislative bodies, courts or agencies having jurisdiction over the business of Consultant, over services of the nature of the Services provided hereunder or over the procurement, storage or use of any of the equipment, materials or supplies utilized by Consultant in connection therewith. Consultant shall, at its expense, procure and maintain all permits or licenses which may be required at any time in connection with the performance of work hereunder, or the procurement, storage or use of related equipment, materials or supplies, and shall upon request furnish to Customer copies of each such permit or license, and shall obtain and pay for all inspections and give all notices required in connection herewith.

14.13.1. Performance Monitoring: Consultant will provide information as reasonably required for monitoring of performance/contract requirements.

14.14. Dispute Resolution. At the option of either party, any dispute as to the performance of a party's obligations under this Agreement or any related matter shall be referred to non-binding mediation by a neutral third party, the costs of which shall be paid jointly by Consultant and the Customer. Each party shall cooperate in such mediation, but may terminate mediation at any time after the expiration of sixty (60) days from commencement thereof. Nothing in this paragraph shall preclude either party from exercising any and all legal rights available pursuant to this agreement, and nothing contained in this paragraph shall prevent or preclude resort to mediation or other dispute resolution while litigation is pending. No offer, finding, action, inaction or recommendation made or taken in or as a result of mediation shall be considered for any purpose as admission of a party, nor shall it be offered or entered into evidence in any legal proceeding. *If such mediation fails after a good-faith effort has occurred, only then may a party institute litigation. If a party files a lawsuit, and both a state and a federal court have subject matter jurisdiction over all of the claims to be filed, then the party shall file such suit in federal district court.* ***Both parties agree to waive the right to a trial by jury.*** *The execution of this agreement shall impose no personal liability on the directors, officers or employees of Consultant or Customer and in the event of breach, non-performance or other default, the parties agree not to seek personal judgment against the officers, directors or employees of the other but to look to the assets of Consultant or Customer respectively, for satisfaction of any claim hereunder.*

14.15. Debarment. Consultant represents that (i) it has not been convicted of a criminal offense related to health care, (ii) it is not currently listed by a federal or state agency as debarred, excluded or otherwise ineligible for participation in federally or state funded health care programs, and (iii) is not currently proposed for disbarment, exclusion, or other ineligibility for participation in federally or state funded health care programs. Consultant shall notify the Customer promptly, in writing, of any change in this representation during the term of this Agreement. Such change in circumstances shall constitute cause by the Customer to immediately terminate this Agreement. For purposes of this paragraph, Consultant is defined as the entity entering into this contract, and/or its principals, employees, directors and officers and shareholders (provided that if Consultant is publicly traded, the term "Consultant" shall not include shareholders owning less than five (5%) percent of the outstanding share of the publicly traded entity).

14.16. Governmental Requirements. To the extent required by law the following provision applies: Customer and Consultant agree to comply with the Omnibus Reconciliation Act of 1980 (P.L. 96-499) and its implementing regulations (42 CFR, Part 420). Consultant further specifically agrees that until the expiration of four (4) years after furnishing services and/or products pursuant to this Agreement, Consultant shall make available, upon written request of the Secretary of the Department of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, this Agreement and the books, documents and records of Consultant that are necessary to verify the nature and extent of the costs charged to Customer hereunder. Consultant further agrees that if Consultant carries out any of the duties of this Agreement through a subcontract with a value or cost of ten thousand dollars ($10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary, or upon request to the

Comptroller General, or any of their duly authorized representatives the subcontract, and books and documents and records of such organization that are necessary to verify the nature and extent of such costs.

14.17. Personal Inducements. Consultant represents and warrants that no cash, equity interest, merchandise, equipment, services or other forms of remuneration have been offered, shall be offered or will be paid or distributed by or on behalf of Consultant to Customer and/or the employees, officers, or directors of Customer or its member hospitals, or, to any other person, party or entity affiliated with Customer or its member hospitals, as an inducement to purchase or to influence the purchase of Services by Customer from Consultant.

14.18. Conflicts of Interest. Consultant represents that it has disclosed to Customer all relationships or financial interests that may represent or could be construed as a conflict of interest with respect to Consultant's transaction of business with Customer. Except as may be disclosed in writing by Consultant, Consultant further represents that no employee, director or officer of Customer or any member hospital of Customer is a partner, member or shareholder of, or, has a financial interest in Consultant. For purposes of this Section, the term "financial interest" shall include, but not be limited to, the following transactions or relationships between an employee, director or officer of Customer or any member hospital of Customer and Consultant: (a) consulting fees, honoraria, gifts or other emoluments, or "in kind" compensation; (b) equity interests, including stock options, of any amount in a publicly or non-publicly-traded company (or entitlement to the same); (c) royalty income (or other income) or the right to receive future royalties (or other income); (d) any non-royalty payments or entitlements to payments; or (e) service as an officer, director, or in any other role, whether or not remuneration is received for such service. A breach of any representation under this Section shall be grounds for immediate termination of this Agreement.

14.19. Conflicting Provisions. To the extent there is any conflict between this Agreement and the Statement of Work, the terms and conditions of this Agreement shall govern.

14.20. Taxes. Customer and its member hospitals are exempt from local, State and Federal taxes (including local and State sales or use taxes). Upon request, Customer will furnish a copy of the tax-exempt certificate for itself or any applicable Customer facility.

14.20.1 Taxable Medical Devices. Customer shall not pay any taxes or additional fees related to the excise tax imposed on the sale of certain medical devices under section 4191 of the Internal Revenue Code (Code), enacted by section 1405 of the Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (124 Stat. 1029 (2010)), in conjunction with the Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)) (jointly, the ACA). Consultant acknowledges that the medical device tax is an excise tax which applies only to Consultant and is not to be paid by Customer.

14.21. Safe Harbor Discount. Consultant agrees to comply at all times with the regulations issued by the Department of Health and Human Services published at 42 CFR 1001, and which relate to Consultant's obligation to report and disclose discounts, rebates and other reductions to Customer for products and/or services purchased under this Agreement. Where a discount or other reduction in price of the Products is applicable, Consultant intends to comply with the requirements of 42 U.S.C. §1320a-7b(b)(3)(a) and the "safe harbor" regulations regarding discounts or other reductions in price set forth at 42 C.F.R. §1001.952(h). In this regard, Consultant will satisfy any and all requirements imposed on sellers by the safe harbor and Customer will satisfy any and all requirements imposed on buyers by the safe harbor. Thus, in cases where the Consultant forwards to Customer an invoice that does not reflect the net cost of Products and/or Services to the Purchaser, the Consultant shall include the following language on such invoice:

> "This invoice does not reflect the net cost of supplies to Customer. Any additional discounts or other reductions in price may be reportable under federal regulations at 42 C.F.R. §1001.952(h)."

In cases where the Consultant forwards to Customer an invoice that does reflect a net cost of Products and/or Services after a discount to the Customer, the Consultant shall include the following language on such invoice:

> "This invoice reflects the net cost of supplies to Customer. This price constitutes a 'discount or other reduction in price' and may be reportable under federal regulations at 42 C.F.R. §1001.952(h)."

In cases where Consultant sends Customer an invoice charge that includes a capital cost component and a supply cost component, Consultant shall issue separate invoices to Customer for each component.

14.22. **Disclosure of Protected Health Information (PHI).** If this transaction involves any disclosure of PHI to Consultant, and Consultant is determined to be a Business Associate (as that term is defined in the Health Insurance Portability and Accountability Act of 1996 and its related regulations, 45 CFR Part 160 and 164), Consultant will execute the Customer's Business Associate Addendum incorporated herein.

14.23. **Third Party Distribution.** Consultant's work is prepared solely for the internal business use of Customer. Consultant's work may not be provided to third parties without Consultant's prior written consent. Consultant does not intend to benefit any third party recipient of its work product, even if Consultant consents to the release of its work product to such third party.

14.24 ***Limitation of Liability.*** *The parties agree that Consultant, its officers, directors, agents and employees, shall not be liable to Customer, under any theory of law including negligence, tort, breach of contract or otherwise, for any damages in excess of 3 times the professional fees paid to Consultant with respect to the work in question. In no event shall Consultant be liable for lost profits of Customer or any other type of incidental or consequential damages. The foregoing limitations shall not apply in the event of the intentional fraud or willful misconduct of Consultant. Notwithstanding the above, such limitation shall not apply to Consultant's breach of confidentiality or any claims against Consultant covered by the indemnification clause.*

14.25 **Surviving Sections.** The following sections shall survive the termination of this Agreement: 6, 7, 9, 10, 11, 12, 13, and 14.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority, have executed this Agreement as of the date written above.

North Shore-Long Island Jewish Health System, Inc.

By: PMC

Name: Phyllis McCready

Title: VP/CPO

Date: 4/5/13

Milliman, Inc.

By: Catherine Murphy-Barron

Name: CATHERINE MURPHY-BARRON

Title: PRINCIPAL + CONSULTING ACTUARY

Date: 3/11/2013

BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum dated as of March 8, 2013, ("Addendum") supplements and is made a part of the Services Agreement (as hereinafter defined) by and between North Shore-Long Island Jewish Health System, Inc. ("Covered Entity") and Milliman, Inc. ("Business Associate").

WHEREAS, Covered Entity and Business Associate have entered into a Consulting Services Agreement effective March 8, 2013 (the "Services Agreement") under which Business Associate will be providing certain services to Covered Entity;

WHEREAS, in connection with providing services under the Services Agreement, Business Associate will receive, use, disclose, create, maintain and/or transmit Protected Health Information on behalf of Covered Entity; and

WHEREAS, Covered Entity and Business Associate wish to enter into this Addendum governing Business Associate's use and disclosure of Protected Health Information for the purpose of complying with the privacy and security regulations set forth at 45 C.F.R. Parts 160 through 164, as amended (the "Regulations") issued by the United States Department of Health and Human Services ("HHS") under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as well as the Health Information Technology for Economic and Clinical Health Act and the regulations promulgated by HHS thereunder ("HITECH").

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises herein made, the parties agree as follows:

1. Definitions. Any capitalized terms used in this Addendum not otherwise defined herein shall have the meanings ascribed to them in the Regulations or in HITECH. For purposes of this Addendum, the definition of Protected Health Information is limited to that information created or received by Business Associate from or on behalf of Covered Entity.

2. Permitted Uses and Disclosures by Business Associate. Business Associate may use or disclose Protected Health Information only for the following purposes:

2.1 Business Associate may use or disclose Protected Health Information to carry out its obligations under the Services Agreement.

2.2 Business Associate may use or disclose Protected Health Information, if necessary, for Business Associate's proper management and administration or to fulfill any present or future legal responsibilities of Business Associate; provided, however, that if Business Associate discloses Protected Health Information to a third party for such purpose, Business Associate shall (i) obtain reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to such person and (ii) obligate such person to notify Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

2.3 Business Associate may use or disclose Protected Health Information as Required By Law.

2.4 Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by the Regulations.

2.5 Business Associate may Deidentify Protected Health Information in accordance with the requirements of the Privacy Rule and maintain such deidentified health information indefinitely; provided that all identifiers are destroyed or returned in accordance with this Agreement.

2.6 Business Associate may create a Limited Data Set for the purpose of performing its obligations and services for Covered Entity, provided that Business Associate complies with the provisions of this Addendum.

3. Limitations on Use and Disclosure. Business Associate shall not use or disclose Protected Health Information, except as permitted by Section 2 hereof. Business Associate shall not use or disclose Protected Health Information received from or created on behalf of Covered Entity in a manner that would violate the Regulations (including the minimum necessary requirements thereof) if done by Covered Entity, except as expressly permitted in Section 2 hereof. Business Associate acknowledges and agrees that the requirements of HITECH that relate to privacy or security are applicable to Business Associate in the same manner that such requirements are applicable to Covered Entity. All such requirements are incorporated by reference into this Addendum.

4. Safeguards. Business Associate shall employ administrative, physical and technical safeguards, consistent with the size and complexity of Business Associate's operations, to ensure that Protected Health Information is used and disclosed in accordance with the terms of this Addendum. Without limiting the generality of the foregoing, Business Associate shall comply with the security standards set forth in 45 C.F.R. Sections 164.308, 164.310, 164.312 and 164.316.

5. Disclosure to Agents. In the event Business Associate discloses to any agent, including a subcontractor, Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity, Business Associate shall obtain from each such agent an Addendum in writing to be bound by the same or substantially similar restrictions and conditions regarding the use and disclosure of Protected Health Information as are applicable to Business Associate under this Addendum. Business Associate shall provide Covered Entity with copies of such written Addendums.

6. Reporting and Mitigation of Improper Disclosures. Business Associate shall promptly report to Covered Entity any use or disclosure of Protected Health Information not provided for by, or in violation of, this Addendum of which Business Associate becomes aware. Business Associate shall fully cooperate with Covered Entity and make best efforts to mitigate, to the extent practicable, any harmful effects of any improper use or disclosure of Protected Health Information of which it becomes aware.

7. Notification of Breach. Business Associate shall notify Covered Entity of any Breach involving Covered Entity's Unsecured Protected Health Information as soon as reasonably possible after Business Associate's discovery of the Breach, but in no event more than ten (10) days following discovery thereof. Business Associate shall provide Covered Entity with all information necessary for Covered Entity to comply with Covered Entity's obligations under HITECH and shall provide full cooperation to Covered Entity in connection with the investigation of the Breach and notification of affected individuals. Without limiting Covered Entity's remedies under Section 13 or any other provision of this Addendum, in the event of a Breach involving Unsecured Protected Health Information maintained, used or disclosed by Business Associate, Business Associate shall reimburse Covered Entity for the out-of-pocket cost of providing any legally required notice to affected Individuals and the cost of credit monitoring for such Individuals to extent deemed necessary by Covered Entity in its reasonable discretion.

8. Individual Rights.

8.1 Upon request, and in the time and manner designated by Covered Entity, Business Associate shall provide to Covered Entity all Protected Health Information maintained in a Designated Record Set in Business Associate's possession necessary for Covered Entity to provide Individuals or their representatives with access to or copies thereof in accordance with the Regulations and HITECH.

8.2 Upon request, and in the time and manner designated by Covered Entity, Business Associate shall provide to Covered Entity all information and records in Business Associate's possession necessary for Covered Entity to provide Individuals or their representatives with an accounting of disclosures thereof in accordance with the Regulations and HITECH. Business Associate shall track and record all such disclosures made by Business Associate and not excepted from disclosure accounting requirements to ensure compliance with this section.

8.3 Upon request, and in the time and manner designated by Covered Entity, Business Associate shall provide to Covered Entity all Protected Health Information maintained in a Designated Record Set in Business Associate's possession necessary for Covered Entity to respond to a request by an Individual to amend such Protected Health Information in accordance with the Regulations. In the event that Covered Entity amends any Protected Health Information in its possession, a copy of which is also retained by Business Associate, Covered Entity shall promptly notify Business Associate of such amendment. At Covered Entity's direction, Business Associate shall promptly incorporate any amendments to Protected Health Information made by Covered Entity into the information maintained by Business Associate.

8.4 Business Associate shall promptly comply with any restrictions on the uses of Protected Health Information agreed to by Covered Entity in accordance with the Regulations upon written notification by Covered Entity.

9. Access by HHS and Covered Entity. Business Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, available, without charge, to HHS or Covered Entity to enable HHS or Covered Entity to evaluate Business Associate's compliance with the Regulations and HITECH.

10. Return of Protected Health Information. Upon termination of this Addendum, Business Associate shall, if feasible, return or destroy (as directed by Covered Entity) all Protected Health Information received from, or created or received by Business Associate or any of its agents or subcontractors on behalf of, Covered Entity that Business Associate or any of its agents and subcontractors still maintains in any form, and Business Associate and its agents and subcontractors shall retain no copies of such information. If such return or destruction is not feasible, Business Associate shall provide notice to Covered Entity of the conditions that make such return or destruction infeasible. Upon mutual Addendum by the parties that such return or destruction is infeasible, Business Associate shall extend the protections of this Addendum to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible. The parties agree that return or destruction of Protected Health Information is infeasible to the extent retention of such information by Business Associate is necessary for Business Associate to comply with its internal work product documentation standards or Addendums with health care providers and other Consultants. This provision shall apply to Protected Health Information that is in the possession of agents or subcontractors of Business Associate.

11. Electronic Protected Health Information.

11.1 With respect to Protected Health Information maintained or transmitted by Business Associate in an electronic form, in addition to complying with the other terms of this Addendum, Business Associate shall (i) implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of such information, (ii) ensure that any agent, including a subcontractor to whom Business Associate provides such information, agrees to implement reasonable and appropriate safeguards to protect such information and (iii) report to Covered Entity any successful security incident of which Business Associate becomes aware. The parties acknowledge and agree that this section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but unsuccessful Security Incidents of which no additional notice to Covered Entity shall be required. Unsuccessful Security Incidents shall include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service, and any combination of the above, so long as such incidents do not result in unauthorized access, use or disclosure of Covered Entity's Protected Health Information.

11.2 Both parties represent that in exchanging electronic data, they will comply with applicable HIPAA regulations concerning security and standard transactions, and specifically, neither party will (a) change the definition, data condition, or use of a data element or segment in a standard transaction; (b) add any data elements or segments to the maximum defined data set; (c) use any code or data elements that are either marked "not used" in the standard's implementation specification(s) or are not in the standard's implementation specification(s); or (d) change the meaning or intent of the standard's implementation specifications.

12. Obligations of Covered Entity.

12.1 Covered Entity shall notify Business Associate in writing of any limitation(s) in its notice of privacy practices issued by Covered Entity pursuant to 45 C.F.R. § 164.520 to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.

12.2 Covered Entity shall notify Business Associate in writing of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

12.3 Covered Entity shall notify Business Associate in writing of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information to the extent that such changes may affect Business Associate's use or disclosure of such information.

12.4 Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Regulations if done by Covered Entity.

12.5 Covered Entity shall not provide Business Associate with more Protected Health Information than that which is minimally necessary for Business Associate to provide the Services and, where possible, Covered Entity shall provide any Protected Health Information needed by Business Associate to perform the Services in the form of a Limited Data Set, in accordance with the HIPAA Regulations.

13. Indemnification.

Each party shall indemnify, defend and hold harmless the other party and its affiliates from and against any claims, losses, expenses or other costs (including, but not limited to, reasonable attorneys' fees, compliance with applicable notice provisions and credit monitoring services) arising from or relating to the breach of this Addendum.

14. Term and Termination.

14.1 The term of this Addendum shall be from the date hereof until termination of the Services Agreement.

14.2 Covered Entity is authorized to terminate this Addendum if Covered Entity determines that Business Associate has violated a material term of this Addendum. Upon termination of this Addendum, the Services Agreement shall automatically terminate simultaneously therewith.

14.3 In the event either party becomes aware that the other party has engaged in a pattern of activity or practice that constitutes a material breach or violation of the terms of this Addendum, the non-breaching party may request in writing that the breaching party cure the breach or violation. If the breach or violation is not cured within a reasonable time period specified by the non-breaching party, the non-breaching party may terminate this Addendum and the Services Agreement; provided, however, if termination is not feasible, the non-breaching party may report the breach or violation to the Secretary of HHS.

15. Miscellaneous.

15.1 Amendment. If HIPAA, the Regulations or HITECH are amended or interpreted in any manner that renders this Addendum inconsistent therewith, the parties agree to amend this Addendum to the extent necessary to comply with such amendments or interpretations.

15.2 Survival. Obligations under Sections 6, 8, 9, 12 and 13 shall survive the termination of this Addendum for any reason.

15.3 Full Authority. Each party hereto represents and warrants to the other party that it has the legal power and authority to enter into and perform its obligations under this Addendum without violating the rights or obtaining the consent of any third party.

15.4 Interpretation. Any ambiguity in this Addendum shall be resolved to permit the parties to comply with HIPAA.

15.5 Miscellaneous. The terms of this Addendum are hereby incorporated into the Services Agreement. Except as otherwise set forth in Section 15.5 of this Addendum, in the event of a conflict between the terms of this Addendum and the terms of the Services Agreement, the terms of this Addendum shall prevail. The terms of the Services Agreement which are not modified by this Addendum shall remain in full force and effect in accordance with the terms thereof. The Services Agreement together with this Addendum constitutes the entire agreement between the parties with respect to the subject matter contained herein. This Addendum may be executed in counterparts, each of which when taken together shall constitute one original.

15.6 Regulatory References. A reference in this Addendum to a section in the Regulations means the section as in effect or as amended, and for which compliance is required.