

## B.2. Corporate Information

- a. Provide required 42 CFR 1.04 disclosures:
  - 1)(i) The name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agent, or managed care entity. The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address.
  - (ii) Date of birth and Social Security Number (in the case of an individual).
  - (iii) Other tax identification number (in the case of a corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) or in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest.
- (2) Whether the person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling.
- (3) The name of any other disclosing entity (or fiscal agent or managed care entity) in which an owner of the disclosing entity (or fiscal agent or managed care entity) has an ownership or control interest.
- (4) The name, address, date of birth, and Social Security Number of any managing employee of the disclosing entity (or fiscal agent or managed care entity)."
- b. Indicate the Vendor's form of business (e.g., corporation, nonprofit corporation, partnership, etc.) and provide the following information:
  - i. Names and contact information for all officers, directors, and partners.
  - ii. Relationship to parent, affiliated and/or related business entities and copies of management agreements with parent organizations.
  - iii. Provide copies of the Vendor's articles of incorporation, bylaws, partnership agreements, or similar business entity documents, including any legal entity having an ownership interest of five percent (5%) or more.
  - iv. Provide the Vendor's Uniform Certificate of Authority or application for the Uniform Certificate of Authority, as well as copies of reports filed with the Kentucky Department of Insurance during the prior twelve (12) months, if applicable.

- c. Demonstrate financial viability for the Vendor and each Subcontractor, as evidenced by sustained bottom line profitability and no current areas of significant financial risk for the past three (3) calendar years or the Vendor or Subcontractor's fiscal years. For the Vendor and each Subcontractor, provide copies of financial statements from the most recently completed and audited year.
- d. Provide a statement of whether there is any past (within the last ten (10) years or pending litigation against the Vendor or sanctions, including but not limited to the following:
  - i. Litigation involving the Vendor's failure to provide timely, adequate, or quality Covered Services. If any litigation listed, include damages sought or awarded or the extent to which adverse judgment is/would be covered by insurance or reserves set aside for this purpose. Include an opinion of counsel as to the degree of risk presented by any pending litigation and whether the pending or recent litigation will impair your organization's performance in a Kentucky Medicaid Managed Care Contract.
  - ii. Sanctions for deficiencies in performance of contractual requirements related to an agreement with any federal or state regulatory entity. Include monetary sanctions the Vendor has incurred pursuant to contract enforcement from any state, federal, or private entity, including the date, amount of sanction, and a brief description of such enforcement, corrective action, and resolution.
  - iii. Any Securities Exchange Commission (SEC) filings discussing any pending or recent litigation. Include information for Parent Company, affiliates, and subsidiaries. The Vendor may exclude workers' compensation cases.
- e. For the Vendor, Parent Company, subsidiaries and all Subcontractors list and describe any Protected Health Information (PHI) breaches (within the past five years) that have occurred and the response. Do not include items excluded per 45 CFR 164.402.
- f. Has the Vendor ever had its accreditation status (e.g., National Committee on Quality Assurance (NCQA), Utilization Review Accreditation Commission (URAC), or Accreditation Association for Ambulatory Health Care (AAAHC)) in any state for any product line adjusted down, suspended, or revoked (within the past five years)? If so, identify the state and product line and provide an explanation. Include information for the Vendor's Parent Company and subsidiaries.
- g. Provide a listing of Medicaid managed care contracts held in the past ten (10) years for which the Vendor has:
  - i. Voluntarily terminated all or part of the contract under which it provided health care services as the licensed entity.
  - ii. Had such a contract partially or fully terminated before the contract end date (with or without cause).
  - iii. Had a contract not renewed.
  - iv. Withdrawn from a contracted service are.
  - v. Had a reduction of enrollment levels imposed?

## Passport Highlights: Corporate Information

How We're Different	Why it Matters	Proof
<p>Passport's population health model is augmented by the nation's first NCQA-accredited Population Health Program as a result of our partnership with Evolent Health.</p>	<ul style="list-style-type: none"> <li>Kentucky Medicaid members experience better health outcomes as a result of Passport's clinical models, which implement and integrate best practices, such as NCQA-accredited case management, utilization management, and population health management programs</li> </ul>	<ul style="list-style-type: none"> <li>For the Passport member population, "Medication Management for People with Asthma" Medication Compliance was 75% (Total), demonstrating a positive trend since 2016. 2018 vs. 2019 shows an improvement of 10 percentage points, which indicates a NCQA 4-star rating on this measure. There are other similar and significant data points.</li> </ul>
<p>Passport is positioned to leverage increased financial stability through our partnership with Evolent</p>	<ul style="list-style-type: none"> <li>The Kentucky Department for Medicaid Services can be confident in Passport's financial stability, as we have implemented several successful initiatives to increase our level of capital and surplus and to grow our financial resources and liquidity to achieve and maintain a statutory Risk Based Capital (RBC) ratio of at least 150 percent of the NAIC RBC Authorized Control Levels (ACL).</li> </ul>	<ul style="list-style-type: none"> <li>Passport is above the 150% risk-based capital requirements and has access to an extensive line of credit.</li> </ul>
<p>Passport's provider-owned legacy continues to steer and govern Passport's mission and values.</p>	<ul style="list-style-type: none"> <li>Kentucky Medicaid providers produce better health outcomes with Passport members, because we draw on our provider-driven, deep Kentucky roots to collaborate directly with providers, empowering and supporting them in meeting the challenges we collectively face.</li> </ul>	<ul style="list-style-type: none"> <li>Because of our unique provider-driven governance, Passport engages clinical experts, particularly within our provider owner organizations, to assist with critical emerging health issues such as hepatitis, AIDS, Substance Use Disorders, child psychology issues, and others.</li> <li>The historical provider sponsors retain 30% ownership of the health plan with meaningful placement on the Board of Directors.</li> </ul>

## Introduction

In 2019, Passport Health Plan and its provider owners (University of Louisville Physicians, Inc., University Medical Center, Inc. Norton Healthcare, Inc., Louisville/Jefferson County Primary Care



Association, Inc., and Jewish Heritage Fund for Excellence, Inc.) commenced a competitive process to select a strategic affiliate, assessing multiple national and regional potential partners. Passport and its provider owners selected Evolent Health, Inc. (Evolent) to enter a strategic asset acquisition transaction - as partner - because Evolent’s mission best reflects Passport’s core beliefs around provider engagement, community connectedness, and proactive care management. The closer alignment of Evolent’s national Medicaid health care experience and innovative approaches coupled with Passport’s local knowledge, engaged provider community, and 22 years of experience in the Commonwealth will lead to stability and reduce risk for the Kentucky Medicaid program. It will also infuse clinical and population health innovation to benefit Kentucky’s most vulnerable populations. While Evolent has a 70% ownership stake in Passport, the remaining 30% continues to be held by University of Louisville, Norton Healthcare and other Kentucky-based provider organizations, thus keeping Passport closely tied to its provider-owned, Kentucky roots. The University of Louisville is the largest percentage owner, and with the other provider owners, has an equal say in key issues related to health plan strategy, operations and financial management.



### Closing the Loop on Social Determinants

Evolent’s focus on population health, specialty care management, and supporting infrastructure that simplifies administration throughout the healthcare system makes it a natural partner for a provider-oriented health plan like Passport. Passport’s relationship with Evolent further

improves our ability to ensure our members receive high-quality care that is cost-effective, evidence-based, and highly-integrated. Our partnership provides access to leading-edge analytics and technology that leverages machine learning and artificial intelligence to assess risk-levels, including social risks, across the member population and enables us to intervene quickly to prevent adverse events. Advanced tools, such as Identifi, Healthify, and Unite Us, also enable our integrated teams to locate resources for members with social risk factors and create a closed loop by tracking referrals all the way through fulfillment of services and member satisfaction. The extensive clinical knowledge base now available to Passport was initially developed at UPMC Health Plan, one of the largest provider-owned Medicaid health plans in the country, and enhanced through a national network of providers and over 3.7 million lives in value-based care arrangements.

Sharing health plan ownership with providers is the most advanced form of true engagement and value-based care alignment. The top-performing health plans in the country (e.g., Kaiser Permanente, UPMC Health Plan, Intermountain, Geisinger) have provider ownership as a



### Providers are in Our DNA

fundamental tenet of creating an Integrated Financing and Delivery System. As a provider-driven health plan, Passport is uniquely differentiated from other national plans and intimately understands the challenges that providers face, which in turn impact providers’ ability to care for members. Passport

provides consultation and advisory services to providers that often goes far beyond the participating provider contract.

B.2.a. Provide required 42 CFR 455.100-107 disclosures:

Passport complies with the disclosure requirements of 42 CFR 455.100-107 in its current contract with DMS and will continue to do so as required by applicable law and DMS requirements.

B.2.a.i.(1) The name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agent, or managed care entity. The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address.

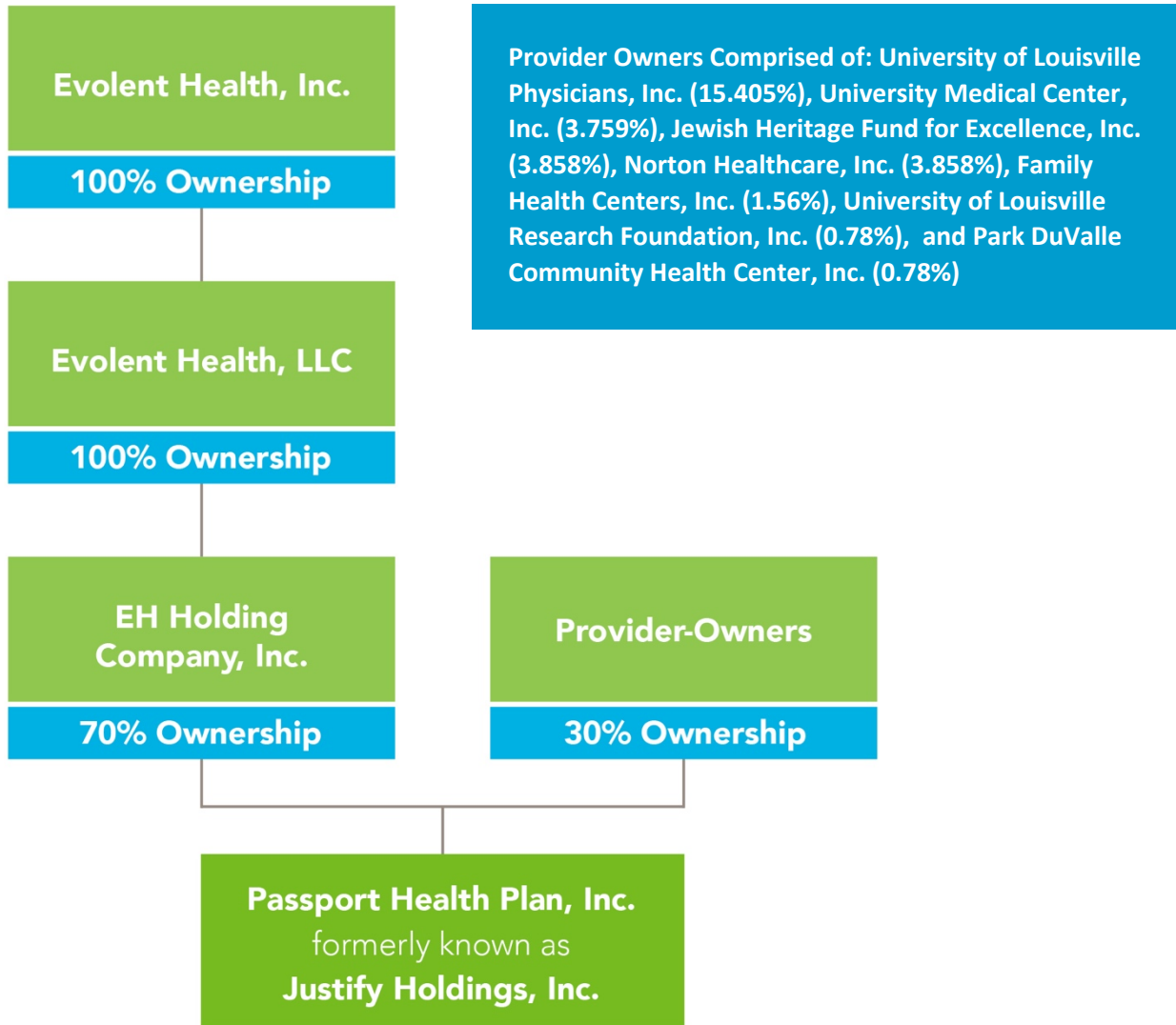
Please refer to **Exhibit B.2-1: Entity Ownership Allocation**.

**Exhibit B.2-1: Entity Ownership Allocation**

Entity Ownership Allocation of Passport Health Plan, Inc. with Ownership/Control Interest and Address	Equity Percentage
EH Holding Company (Evolent Health, Inc., a publicly traded company) 800 N. Glebe Rd., Suite 500, Arlington, VA 22203	70%
University of Louisville Physicians, Inc. Abell Admin Center # 404, 323 E. Chestnut Street, Louisville, KY 40202	15.405%
Norton Healthcare, Inc. 4967 US Highway 42, Suite 100, Louisville, KY 40222	3.858%
Jewish Heritage Fund for Excellence, Inc. 101 S. 5 <sup>th</sup> Street, Suite 1600, Louisville, KY 40202	3.858%
University Medical Center, Inc. 11001 Park Road, Anchorage, KY 40223	3.759%
Family Health Centers, Inc. 2215 Portland Ave., Louisville, KY 40212	1.56%
University of Louisville Research Foundation, Inc. 300 E Market St #300, Louisville, KY 40202	0.78%
Park DuValle Community Health Center, Inc. 3015 Wilson Ave. Louisville, KY 40211	0.78%

The following **Exhibit B.2-2** is an organizational chart showing the owners of Passport Health Plan, Inc. (formerly known as Justify Holdings, Inc.).

**Exhibit B.2-2 Parent Organizational Chart**



The EH Holding Company, Inc. entity is merely a holding company that has no operational assets. The EH Holding Company is wholly owned by Evolent Health LLC which, in turn, is wholly owned by the ultimate parent, Evolent Health, Inc. Evolent Health, Inc.’s publicly-traded status (EVH) gives it access to capital markets for growth and investment in Kentucky to benefit this program. By way of background, as explained in the Executive Summary of this proposal, when Evolent acquired a 70% ownership interest in Passport, the transaction needed to be structured as an asset acquisition, not a stock or membership acquisition. As a result, Evolent created Justify Holdings, Inc. which obtained a Kentucky HMO license and upon closing of the Evolent-Passport transaction, all assets of the former Passport company were transferred into Justify Holdings, Inc., which was then renamed Passport Health Plan, Inc., and is the bidder under this RFP.

The individuals shown in **Exhibit B.2-3** are Officers or Directors of the disclosing entity, and therefore, are considered persons with a control interest in Passport Health Plan, Inc.:

**Exhibit B.2-3: Officers and Directors**

Officers	Board of Directors
<p><b>Scott A. Bowers, Chief Executive Officer and President</b>                      5100 Commerce Crossings Drive                      Louisville, KY 40229                      502-585-8352</p>	<p><b>Kimberly A. Boland, MD</b>                      571 S. Floyd St., Suite 432                      Louisville, KY 40202                      502-852-8600</p>
<p><b>Jonathan Weinberg, Secretary</b>                      800 N. Glebe Road, Suite 500                      Arlington, VA 22203                      571-389-6000</p>	<p><b>Jenni Landrum Davis</b>                      University of Louisville Physicians                      University of Louisville Health Sciences Center                      Abell Admin Center # 404                      323 E. Chestnut Street                      Louisville, KY 40202                      502-852-6986</p>
<p><b>Scott Worthington, Chief Financial Officer and Treasurer</b>                      5100 Commerce Crossings Drive                      Louisville, KY 40229                      502-585-7324</p>	<p><b>Kenneth Marshall</b>                      University Medical Center                      11001 Park Road                      Anchorage, KY 40223                      502-562-3901</p>
	<p><b>Seth Blackley</b>                      800 N. Glebe Road, Suite 500                      Arlington, VA 22203                      571-389-6000</p>
	<p><b>Thomas Peterson</b>                      800 N. Glebe Road, Suite 500                      Arlington, VA 22203                      571-389-6000</p>
	<p><b>Jonathan Weinberg</b>                      800 N. Glebe Road, Suite 500                      Arlington, VA 22203                      571-389-6000</p>
	<p><b>Frank Williams</b>                      800 N. Glebe Road, Suite 500                      Arlington, VA 22203                      571-389-6000</p>

B.2.a.i.(2) Date of birth and Social Security Number (in the case of an individual).

The dates of birth and Social Security Numbers for those individuals listed in response to subpart (i) above are confidential and sensitive and are submitted as proprietary in **Attachment B.2-1\_DOB and SSN\_Proprietary**.

B.2.a.i.(3) Other tax identification number (in the case of a corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) or in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest.

The Tax Identification Numbers for those corporations that hold a 5% or more interest in Passport Health Plan, Inc. are provided in **Exhibit B.2-4** (please also refer to the explanation of corporate structure in B.2.a(i)(1) above):

**Exhibit B.2-4: Corporations with 5 Percent or More Interest in Passport**

Entity	Tax Identification Number
Evolut Health, Inc.	32-0454912
Evolut Health LLC	45-3084136
EH Holding Company, Inc.	82-2870041
University of Louisville Physicians, Inc.	27-3645560

B.2.a.ii. Whether the person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling.

No person (individual or corporation) with an ownership or control interest in Passport is related to another person with ownership or control interest in Passport as a spouse, parent, child, or sibling. Passport does not have a 5% or more interest in any subcontractor.

B.2.a.iii. The name of any other disclosing entity (or fiscal agent or managed care entity) in which an owner of the disclosing entity (or fiscal agent or managed care entity) has an ownership or control interest.

Evolut also has an ownership or control interest in the following other active managed care entities, including:

- True Health New Mexico, Inc. (a New Mexico HMO)
- GlobalHealth, Inc. (an Oklahoma HMO)



- Two (2) provider-sponsored networks that hold Medicaid managed care contracts with the State of Florida –
  - Lighthouse Health Plan, LLC
  - Miami Children’s Health Plan, LLC

Except for True Health New Mexico, Inc., Evolent owns a minority interest in the aforementioned entities.

B.2.a.iv. The name, address, date of birth, and Social Security Number of any managing employee of the disclosing entity (or fiscal agent or managed care entity)."

Passport’s managing employees include the individuals shown in **Exhibit B.2-5**, all of whom are located at 5100 Commerce Crossings Drive, Louisville, KY 40229. In addition, the dates of birth and Social Security Numbers for those individuals listed in response to subpart (i) above are confidential and sensitive and are submitted as Proprietary in **Attachment B.2-1\_DOB and SSN\_Proprietary**.

**Exhibit B.2-5: Passport Managing Employees**

Managing Employee’s Name	Passport Title
Scott A. Bowers	Chief Executive Officer
Scott Worthington	Chief Financial Officer
Shawn Elman	Chief Operating Officer
Steve Houghland, MD	Chief Medical Officer
David Henley	Chief Compliance Officer

B.2.b. Indicate the Vendor’s form of business (e.g., corporation, nonprofit corporation, partnership, etc.) and provide the following information:

Passport Health Plan, Inc. (Passport) is a Kentucky corporation.

B.2.b.i. Names and contact information for all officers, directors, and partners.

Passport Health Plan’s Officers and Directors are listed in **Exhibit B.2-6**; there are no partners:

**Exhibit B.2-6: Officers and Directors**

Officers	Board of Directors
<p><b>Scott A. Bowers, Chief Executive Officer and President</b>                      5100 Commerce Crossings Drive</p>	<p><b>Kimberly A. Boland, MD</b>                      571 S. Floyd St., Suite 432                      Louisville, KY 40202                      502-852-8600</p>

Officers	Board of Directors
Louisville, KY 40229 502-585-8352	
<b>Jonathan Weinberg, Secretary</b> 800 N. Glebe Road, Suite 500 Arlington, VA 22203 571-389-6000	<b>Jenni Landrum Davis</b> University of Louisville Physicians University of Louisville Health Sciences Center Abell Admin Center # 404 323 E. Chestnut Street Louisville, KY 40202 502-852-6986
<b>Scott Worthington, Chief Financial Officer and Treasurer</b> 5100 Commerce Crossings Drive Louisville, KY 40229 502-585-7324	<b>Kenneth Marshall</b> University Medical Center 11001 Park Road Anchorage, KY 40223 502-562-3901
	<b>Seth Blackley</b> 800 N. Glebe Road, Suite 500 Arlington, VA 22203 571-389-6000
	<b>Thomas Peterson</b> 800 N. Glebe Road, Suite 500 Arlington, VA 22203 571-389-6000
	<b>Jonathan Weinberg</b> 800 N. Glebe Road, Suite 500 Arlington, VA 22203 571-389-6000
	<b>Frank Williams</b> 800 N. Glebe Road, Suite 500 Arlington, VA 22203 571-389-6000

B.2.b.ii. Relationship to parent, affiliated and/or related business entities and copies of management agreements with parent organizations.

Please see the following attachment for the Master Services Agreement between Passport Health Plan and Evolent : **Attachment B.2-2\_ Passport Health Plan and Evolent Health Services Agreement**

In 2019, Passport Health Plan and its provider owners (University of Louisville Physicians, Inc., University

Medical Center, Inc. Norton Healthcare, Inc., Louisville/Jefferson County Primary Care Association, Inc., and Jewish Heritage Fund for Excellence, Inc.) commenced a competitive process to select a strategic affiliate, assessing multiple national and regional potential partners. Passport and its provider owners selected Evolent to enter a strategic asset acquisition transaction as partner because Evolent’s mission best reflects Passport’s core beliefs around provider engagement, community connectedness, and proactive care management. Evolent’s national Medicaid experience and innovative approaches combined with Passport’s local knowledge, engaged provider community, and 22 years of experience in the Commonwealth will result in increased financial stability and clinical and population health innovation for Passport. While Evolent maintains a 70% ownership stake in Passport, the remaining 30% continues to be owned by University of Louisville, Norton Healthcare and other Kentucky-based provider organizations, thus keeping Passport closely tied to its provider-owned, Kentucky roots. Evolent also provides certain subcontracted services to Passport as further described throughout this proposal. Please also see **Exhibit B.2-1** for reference.

B.2.b.iii. Provide copies of the Vendor’s articles of incorporation, bylaws, partnership agreements, or similar business entity documents, including any legal entity having an ownership interest of five percent (5%) or more.

Please see the following attachments for the Articles of Incorporation and Bylaws of Passport Health that are in the name Justify Holdings, Inc., which is the former name of Passport Health Plan, Inc. as explained in B.2.a.i.(1) above. Documentation filed with the Secretary of State and the Kentucky Department of Insurance evidencing the name change from Justify Holdings, Inc. to Passport Health Plan, Inc. is also included. In addition, we include the Articles of Incorporation and Bylaws for the University of Louisville Physicians, Inc., the only other entity with an ownership interest of five percent (5%) or more.

- **Attachment B.2-3\_Justify Holdings Articles of Amendment**
- **Attachment B.2-4\_Justify Holdings Bylaws**
- **Attachment B.2-5\_Uniform Certificate of Authority Name Change**
- **Attachment B.2-6\_University of Louisville Physicians, Inc. Articles of Incorporation and Bylaws**

B.2.b.iv. Provide the Vendor’s Uniform Certificate of Authority or application for the Uniform Certificate of Authority, as well as copies of reports filed with the Kentucky Department of Insurance during the prior twelve (12) months, if applicable.

Please see **Attachment B.2\_7\_Certificate of Authority\_Passport Health Plan, Inc.** Justify Holdings, Inc. was the former name of Passport. Documentation filed with and approved by the Kentucky Secretary of State evidences the name change to Passport Health Plan, Inc. and is included in **Attachment B.2-8\_Name Change Documentation.**

Passport Health Plan, Inc. (formerly known as Justify Holdings) has filed no reports with the Kentucky Department of Insurance (DOI) for the previous twelve (12) months. However, we provide the following report attachments in **Exhibit B.2-7**, which includes copies of the reports filed by Passport Health with the Kentucky Department of Insurance during 2019.

**Exhibit B.2-7: 2019 Passport Health Reports Filed with DOI**

Name of Report	Report Period	Attachment Reference
MAR Report	April of each year	Attachment B.2-9_Management Report of Internal Controls to DOI
ORSA Report	August of each year	Attachment B.2-10_2019 ORSA Report
PP_Reports_181228_Report53Revised	Covers 2Q18, which corrected inconsistencies identified and requested by DOI	Attachment B.2-11_PP_Reports_181228_Report 53 Revised
PP_Reports_190329_Report53 covers 3Q18	Covers 3Q18	Attachment B.2-12_PP_Reports_190329_Report 53
PP_Reports_190628_Report53	Covers 4Q18	Attachment B.2-13_PP_Reports_190628_Report 53
PP_Reports_190926_Report53	Covered reporting period 1Q19, but was reported as 1Q18 in error	Attachment B.2-14_PP_Reports_190926_Report 53
PP_Reports_190926_Report53Revised	The “Reporting Time Frame” on Sheet 1 to the correct reporting period, 1Q19	Attachment B.2-15_PP_Reports_190926_Report 53 Revised
PP_Reports_191218_Report53	covers report period 2Q19	Attachment B.2-16_PP_Reports_191218_Report 53

B.2.c. Demonstrate financial viability for the Vendor and each Subcontractor, as evidenced by sustained bottom line profitability and no current areas of significant financial risk for the past three (3) calendar years or the Vendor or Subcontractor’s fiscal years. For the Vendor and each Subcontractor, provide copies of financial statements from the most recently completed and audited year.

Passport has been a financially strong organization over its 22-year history of serving the Kentucky Medicaid and foster care populations. Passport reported a financial bottom line profit in 2017. In 2018, Passport realized losses due to an unexpected rate reduction imposed on Region A in that year; that rate change did not reflect the actual underlying medical expense trend; that year is an anomaly in the context of our 22+

years of operating in the Commonwealth. As we describe below, the combination of actions taken by Passport and new rates implemented in 2019 resulted in a return to profitability by the third quarter of that year. Secondly, the losses incurred in 2018 were by far the most significant we have incurred in our 22+ years of operations in the Commonwealth and do not in any way reflect on either our historical performance or future outlook. It is important to review 2018 results in context of Passport's long history of solid fiscal performance. If one were to exclude 2018, Passport's gains over 10 years and 23 years is \$95M and \$183M, respectively. These funds were used to both reinvest into the community, and build reserves on the balance sheet. The average annual Net Income, excluding 2018, for 10 and 23 years is \$10.5M and \$8.3M, respectively.

As we entered 2019, Passport instituted widespread transformational changes to drive a financial turnaround from the 2018 results. Passport projects a bottom-line breakeven for 2019 - a significant improvement over 2018. The positive turnaround was done in partnership with our long-term business partner, Evolent, which also infused \$40 million of capital into Passport in 2019 and ultimately acquired 70% ownership in the assets of Passport on December 30, 2019.

The financial turnaround of 2019 was augmented by new DMS capitation rates, coupled with a very focused and lengthy effort in the following areas of medical spend:

- Renegotiated contracts with all our third-party partners (pharmacy, behavioral health, dental, and vision). All of these subcontractors remain financially strong partners of Passport and continue to provide effective solutions.
- Adopted a new solution to improve Oncology and Cardiology Management through evidence-based practice.
- Invested in and expanded care management programs, which has increased member engagement and decreased medical costs.
- Renegotiated numerous network (provider) contracts to ensure Passport is a good steward of the Commonwealth's money, aligning contracts with Medicaid rate expectations.
- Implemented numerous initiatives to assure appropriate medical utilization and spending, while launching administrative cost savings initiatives that:
  - Reduced administrative costs as a percentage of revenue (while increasing the number of care managers) by focusing on staffing levels, automating processes through technology, and further refining our processes and procedures.
  - Reduced Evolent's fee for administrative services provided.
  - Reduced pharmacy administrative fees while transitioning to a model aligned with the Commonwealth's direction.

These efforts have produced six consecutive months of operating income from July 2019 – December 2019. Importantly, Passport has significant cash and investments funds readily available to meet operational needs and maintains a statutory net worth in excess of 150% of the risk-based capital requirements, as outlined in the Financial Security Obligation Section of this proposal (See Section 60.7.C.4). Passports overall

administrative loss ratio has been dramatically reduced, going from 9.5% of revenues in 2017 to 9.1% of revenues for the last six months of 2019, an improvement of 0.4% - or about \$8 million.

Passport will maintain its statutory surplus at or above the regulatory action level. There are no known impending changes to Passport’s financial structure, nor has Passport had debt called prior to expiration within the past ten (10) years. Passport has not filed for protection under any Commonwealth or federal bankruptcy laws, and none of Passport’s property, plant, or equipment has been subject to foreclosure or repossession within the preceding ten (10) year period. Passport’s current financial position, staff expertise and experience, access to liquid assets, and Evolent ownership and commitment to providing access to additional credit, if necessary, will ensure that Passport is financially strong now and into the future.

**Exhibit B.2-8** identifies the financial statements we have provided for Passport Health Plan and each of our Subcontractors. These demonstrate our financial viability to undertake the responsibilities of the Kentucky Medicaid program. The statements cover the last 3 years (2017, 2018, 2019). If a subcontractor was not yet able to provide 2019 financial statements, we included their 2016 to provide three years of information. Per your request, we have also included the most recently competed and audited financial statements for Passport and each of our Subcontractors within the attachments.

**Exhibit B.2-8: Passport and Subcontractor Financial Statements**

Vendor/ Subcontractor	2016	2017	2018	2019
<b>Passport Health Plan, Inc. including predecessor University Health Care, Inc.</b> <sup>1</sup>	Information can be provided at a future date if needed.	Attachment B.2-17_Passport Health Plan Financial Statements_2018_2017_Audited_proprietary	Attachment B.2-17_Passport Health Plan Financial Statements_2018_2017_Audited_proprietary	Attachment B.2-18_Passport Health Plan Preliminary Financial Statements_CY2019_proprietary
<b>Evolent Health LLC</b> <sup>2</sup>	Attachment B.2-19_Evolent Health Financial Statements_2018_2017_2016_Audited	Attachment B.2-19_Evolent Health Financial Statements_2018_2017_2016_Audited	Attachment B.2-19_Evolent Health Financial Statements_2018_2017_2016_Audited	Attachment B.2-20_Evolent Health Financial Statements_Quarterly Report Ending March 31 2019
<b>Avēsis Third Party Administrators</b>	Attachment B.2-21_Avesis Financial Statements_2016 to 2017_Audited	B.2-21_Avesis Financial Statements_2016 to 2017_Audited	Attachment B.2-22_Avesis Financial Statements_2017_2018_Audited	Information forthcoming and can be provided at a later date.
<b>Conduent Payment Integrity Solutions</b>	Attachment B.2-23_Conduent Annual Report_Financial Statements_2016_Audited	Attachment B.2-24_Conduent Annual Report_Financial Statements_2017_Audited	Attachment B.2-25_Conduent Annual Report_Financial Statements_2018_Audited	Information forthcoming and can be provided at a later date.

Vendor/ Subcontractor	2016	2017	2018	2019
<b>CVS/Caremark</b>	Attachment B.2-26_CVS Financial Statements_2018_2017_2016_Audited	Attachment B.2-26_CVS Financial Statements_2018_2017_2016_Audited	Attachment B.2-26_CVS Financial Statements_2018_2017_2016_Audited	Information forthcoming and can be provided at a later date.
<b>Beacon Health Options</b>  (Beacon Health Options was formed by the merger of Beacon Health Strategies and Value Options. The contract that Passport has for Beacon's services is with Beacon Health Strategies, but throughout this RFP references are made to the successor company, Beacon Health Options)	Attachment B.2-27_Beacon Financial Statements_2016_Audited_Proprietary	Attachment B.2-28_Beacon Financial Statements_2018_2017_Audited	Attachment B.2-28_Beacon Financial Statements_2018_2017_Audited	Information forthcoming and can be provided at a later date.
<b>Infomedia Group, Inc. d/b/a Carenet Healthcare Services<sup>3</sup></b>	Attachment B.2-29_Infomedia Group dba Carenet Healthcare Services Financial Statements_2018_2017_2016_Audited*  *Audited 2016 and 2017	Attachment B.2-29_Infomedia Group dba Carenet Healthcare Services Financial Statements_2018_2017_2016_Audited*  *Audited 2016 and 2017	Attachment B.2-29_Infomedia Group dba Carenet Healthcare Services Financial Statements_2018_2017_2016	Information forthcoming and can be provided at a later date.

**Footnote 1:**

**Passport Health Plan, Inc. (f.k.a. Justify Holdings, Inc.)**

Given the not-for-profit status of University Health Care, Inc., Evolent's purchase of a 70% ownership interest in Passport was structured as an asset acquisition. To complete the transaction, Evolent created Justify Holdings, Inc. which obtained a Kentucky HMO license. Upon closing of the Evolent-Passport transaction on 12/30/2019, the assets and contracts of the former Passport company were acquired by Justify Holdings, Inc.,

Vendor/ Subcontractor	2016	2017	2018	2019
<p>which was then renamed Passport Health Plan, Inc. (“PHP, Inc.”), and is the bidder under this RFP. Given the timing of the Evolent transaction, Passport met with the current Commissioner of the Department of Insurance during January, 2020 to align on a financial reporting methodology for 2019.</p> <ul style="list-style-type: none"> <li>• Under that plan, the 2019 Income Statement is being reported on the NAIC statutory filing of University Health Care, Inc., rather than Passport Health Plan, Inc. The 2019 Income Statement illustrates significant Net Income improvements.</li> <li>• The Passport Health Plan, Inc. Balance Sheet is provided which calculates to greater than a 150% RBC level, with equity of around \$87.5 million.</li> <li>• There is also a pro forma statement that combines both Passport Health Plan, Inc. and University Health Care together for 2019.</li> </ul> <p>Full financial statements for 2017 and 2018 are provided for University Health Care, Inc.</p>				
<p><b>Footnote 2:</b></p> <p><b>Evolent Health LLC</b> – Is the subsidiary through which Evolent Health, Inc. conducts its operations. Evolent Health LLC’s financials are consolidated with those of its parent, Evolent Health, Inc. Evolent Health, Inc. is a publicly traded company who is the sole owner of Evolent Health, LLC. Three years of the financial statements are provided.</p> <p>EH Holding Company, Inc. Is merely a holding company that has no operational assets or transactions outside of its ownership of Passport Health Plan, Inc., and therefore no financial statements have been provided. It is wholly owned by Evolent Health LLC.</p>				
<p><b>Footnote 3:</b></p> <p><b>Infomedia Group, Inc. d/b/a Carenet Healthcare Services</b> is a privately held organization and considers its financial information to be confidential. Please see <b>Attachment B.2-30_Infomedia Group dba Carenet Healthcare Services Financial Statements_2018_2017_2016</b>, which can be found in the Proprietary Binder that is included with this RFP response submission. Any additional information will be provided upon request upon contract award.</p>				

B.2.d. Provide a statement of whether there is any past (within the last ten (10) years) pending litigation against the Vendor, its Parent Company, its subsidiaries or Subcontractors, or sanctions, including but not limited to the following :

From time to time, Passport has been sued for various causes of action, none of which have been material from a financial standpoint. Such litigation has not impaired Passport from meeting contractual or performance requirements of the Kentucky Medicaid Managed Care contract. Passport will continue to disclose all additional material threatened or pending litigation against it or its Affiliates that arise after the submission of this RFP prior to Execution, in writing to the Finance and Administration Cabinet (“FAC”). In addition, Passport will disclose any new material litigation filed against it or its Affiliates in writing to FAC



within ten (10) Business Days of receipt of notice of new pending litigation. The following information addresses litigation against Passport and its parent company, Evolent Health.

### Litigation Filed Against Passport

Within the past ten (10) years, Passport has been a defendant in the following litigation matters. More specific information related to litigation and sanctions is listed below. Per counsel, Passport does not have any pending or recent litigation that will impair it from meeting contractual or performance requirements of the Kentucky Medicaid Managed Care Contract. Please see opinions of outside counsel in **Attachment B.2-30\_Schoenbaechler Law Firm Letter** and **Attachment B.2-31\_Frost Brown Todd Law Firm Letter**.

The following suits have been filed against Passport.

- Plaintiff: First Stop Urgent Care Center, PSC, First You Medical Center, PLLC  
Defendant: University Health Care, Inc. d/b/a Passport Health Plan and d/b/a Passport Advantage.
- Plaintiff: Cesarz, Dr. Hans  
Defendant: Passport Health Plans
- Plaintiff: Kentuckiana Perinatology, PSC, et al  
Defendant: University Health Care, Inc.
- Plaintiff: PHI Air Medical, LLC  
Defendant: University Health Care, Inc.
- Plaintiff: PHI Air Medical, LLC  
Defendant: University Health Care, Inc.

### Litigation Filed Against Evolent Health, Inc. and its subsidiaries (Evolent)

Within the past ten (10) years, Evolent has been a defendant in several litigation matters. More specific information related to litigation and sanctions is listed below. Per counsel, Evolent does not have any pending or recent litigation that will impair Evolent or Passport from meeting contractual or performance requirements of the Kentucky Medicaid Managed Care Contract. Please see opinions of outside counsel in **Attachment B.2-32\_King and Spalding Law Firm Letter** and **Attachment B.2-33\_McguireWoods Law Firm Letter**.

The following suits have been filed against Evolent Health, Inc. and its subsidiaries.

Evolent has been named in three (3) litigation matters that have settled in the past ten (10) years. In each case, the lawsuit was dismissed, and the parties entered into a Settlement Agreement. None of the settlements had a material economic impact on Evolent.

- Weil v. Evolent Health LLC - employment matter
- Burns v. Valence Health - employment matter
- Sendero Health Plans, Inc. v. Valence Health - Texas claims dispute.

(Evolent Health acquired Valence Health and assumed the two matters listed above filed against Valence Health.)

**Evolent Health also has the following pending litigation**

- *Kelly, Sakinah v. Evolent Health* – employment matter, U.S. District Court for N.D. of Illinois (the parties have reached settlement and are awaiting court approval of the settlement. Upon court approval, the case will be dismissed.)
- *Sendero Health Plans, Inc. vs. Evolent Health LLC* – claims dispute in arbitration regarding Texas Department of Insurance claims processing fines.
- *Torres, Martin v. Evolent Health LLC* - employment matter, U.S. District Court for N.D. of Illinois
- *DeLeon, Hugo v. NCH Management Systems, Inc.* - employment matter, Superior Court for the State of California for the County of Orange (NCH Management Systems, Inc. is a subsidiary of Evolent Health)
- *Plymouth County Retirement System v. Evolent Health, Inc., Frank Williams, and Nicholas McGrane* - class action investor lawsuit, U.S. District Court, E.D. of Virginia

B.2.d.i. Litigation involving the Vendor’s failure to provide timely, adequate, or quality Covered Services. If any litigation listed, include damages sought or awarded or the extent to which adverse judgment is/would be covered by insurance or reserves set aside for this purpose. Include an opinion of counsel as to the degree of risk presented by any pending litigation and whether the pending or recent litigation will impair your organization’s performance in a Kentucky Medicaid Managed Care Contract.

Per counsel, Passport Health Plan does not have any pending or recent litigation that will impair Passport Health Plan from meeting contractual or performance requirements of the Kentucky Medicaid Managed Care Contract. Please see opinions of outside counsel in in **Attachment B.2-30\_Schoenbaechler Law Firm Letter** and **Attachment B.2-31\_Frost Brown Todd Law Firm Letter**. The following lawsuit involve Passport’s alleged failure to provide timely, adequate, or quality Covered Services.

- *Brenda Turner, by and through her authorized representative, Appalachian Regional Healthcare, Inc. v. Commonwealth of Kentucky, Cabinet for Health and Family Services and Vickie Yates Brown Glisson and Passport Health Plan. Filed December 18, 2015. Litigation was handled by Ozair Shariff of Stites & Harbison.* The plaintiff sought judicial review of a Final Order by the former Secretary of the Cabinet for Health and Family Services dismissing an administrative appeal for a denial of medical services. The plaintiff sought reversal of the dismissal of the appeal and remand to the Cabinet for an administrative hearing on the denial of the services. The plaintiff also sought attorneys' fees and costs and other relief to which she is entitled. The case was dismissed for lack of prosecution.

Per counsel, Evolent Health, Inc. the parent company of Passport Health Plan, does not have any pending or recent litigation that will impair Evolent or Passport Health Plan from meeting contractual or performance requirements of the Kentucky Medicaid Managed Care Contract. Please see opinions of outside counsel in **Attachment B.2-32\_King and Spalding Law Firm Letter** and **Attachment B.2-33\_McguireWoods Law Firm Letter**. Further, there are no suits that involve Evolent’s alleged failure to provide timely, adequate, or quality Covered Services. Please also refer to **Exhibit B.2-2** for a summary of items pertaining to this section.

B.2.d.ii. Sanctions for deficiencies in performance of contractual requirements related to an agreement with any federal or state regulatory entity. Include monetary sanctions the Vendor has incurred pursuant to contract enforcement from any state, federal, or private entity, including the date, amount of sanction, and a brief description of such enforcement, corrective action, and resolution.

Please see **Attachment B.2-34\_Sanctions and Adverse Actions Summary** for Passport Health Plan’s list of sanctions, adverse actions, and corresponding details requested.

There are no sanctions, adverse actions, or corresponding details for Evolent Health, Inc. (Passport Health Plan’s parent company). Please also refer to **Exhibit B.2-2** for a summary of items pertaining to this section.

B.2.d.iii. Any Securities Exchange Commission (SEC) filings discussing any pending or recent litigation. Include information for Parent Company, affiliates, and subsidiaries. The Vendor may exclude workers’ compensation cases.

Passport Health Plan does not have any Securities Exchange Commission (SEC) filings. Please see **Attachment B.2-20\_Evolent Health Financial Statements\_09302019** which includes pages 26 through 28 of the SEC filing Form 10-Q for the quarter ended September 30, 2019 for Passport Health Plan’s parent company, Evolent Health, Inc., which discusses pending/recent litigation matters. University of Louisville Physicians, Inc. does not have any SEC filings. Please also refer to **Exhibit B.2-2** for a summary of items pertaining to this section.

**Exhibit B.2-9** provides information responsive to B.2.d.i through B.2.d.iii for Passport’s other Subcontractors:

**Exhibit B.2-9. Table Summary for Sections B.2.d.i-iii.**

Subcontractor	B.2.d.i.	B.2.d.ii.	B.2.d.iii.
Avēsis Third Party Administrators, Inc.	There was one lawsuit filed against Avēsis alleging Avēsis's failure to provide timely, adequate, or quality Covered Services, but this case does not affect Avēsis's ability to administer ancillary benefits for Medicaid enrollees in Kentucky. The suit was filed against treating physicians and Avēsis alleging substandard dental care and the plaintiff seeks damages on a variety of legal theories including vicarious liability and fraud. The case was filed in 2018 in the Court of Common Pleas,	Between 2014 and today, there have been a total of four regulatory actions, sanctions, or fines imposed by regulatory entities related to Avēsis: <ul style="list-style-type: none"> <li>(2015) Avēsis Third Party Administrators, Inc.: Oklahoma Department of Insurance fined Avēsis for failure to submit its Third Party Administrator Renewal Application to the Department by the required due date. <b>This penalty was not related to the provision of</b></li> </ul>	There are no SEC filings discussing any pending or recent litigation against Avēsis.

Subcontractor	B.2.d.i.	B.2.d.ii.	B.2.d.iii.
	<p>Philadelphia County, PA and was dismissed.</p>	<p><b>Medicaid or Medicare services.</b></p> <p>Between 2016 and 2019, Avēsis paid just under \$500,000 in penalties to four health plan clients due to an encounter file error affecting only our Kentucky market. No fines, sanctions, or regulatory actions were imposed by any regulatory body for this error.</p> <p>To its knowledge, Avēsis is not currently under investigation by any regulatory body.</p>	
<p>Beacon Health Options</p>	<p>There are 3 active lawsuits filed against Beacon Health Options currently.</p> <p>New York City Health and Hospitals Corporation v. Beacon Health Strategies, LLC, D/B/A Beacon Health Options, and Affinity Health Plan, Inc. is a claims dispute filed in the U.S. District Court for the S.D. of New York.</p> <p>Pettenato v. Beacon Health Options, Inc. is a misclassification suit filed in the U.S. District Court for the S.D. of New York.</p> <p>ABC Services Group v. Beacon Health Options, Inc., Beacon Health Strategies LLC, ValueOptions Federal Services, Inc and Beacon Health Options of California, Inc. is a claims dispute filed in the C.D. of California.</p> <p>Beacon also had several cases brought against it and either</p>	<p>To its knowledge, Beacon is not currently under investigation by any regulatory body.</p>	<p>There are no SEC filings discussing any pending or recent litigation against Beacon Health Options.</p>

Subcontractor	B.2.d.i.	B.2.d.ii.	B.2.d.iii.
	settled, withdrawn, or dismissed. These cases involved claims disputes or various employment matters.		
Infomedia Group, Inc. d/b/a Carenet Healthcare Services	There is no pending or recent litigation.	Carenet has not been subject to sanctions for performance deliveries with any federal or state regulators.	Carenet is a privately held S-corporation, incorporated in the state of Texas and owned by a group of private investors. There is no pending or recent litigation to disclose in SEC filings.
Conduent Payment Integrity Solutions	Conduent is party to no litigation which will materially affect its ability to perform the services required by this RFP. However, in the normal course of operations, Conduent becomes involved, from time to time, in general, commercial, or business litigation, as either a plaintiff or a defendant. The number of cases varies and involves disputes on matters of payment, breach of contract, negligence, employment, and similar matters common to employers doing business in the United States. No pending cases are, in Conduent judgment, material or likely to have an adverse impact on Conduent ability to perform services under this RFP. There has been no such litigation in the past three years.	To its knowledge, Conduent is not currently under investigation by any regulatory body.	There are no SEC filings discussing any pending or recent litigation against Conduent.

Subcontractor	B.2.d.i.	B.2.d.ii.	B.2.d.iii.
CVS/Caremark	As a participant in the health care industry, our business operations are subject to complex federal and state laws and regulations and oversight by federal and state governmental agencies as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 28, 2019. We are subject from time to time to various claims, lawsuits and/or governmental investigations relating to our PBM operations which may include, without limitation, business matters, contract matters, employment issues and professional liability claims.	To its knowledge, CVS/Caremark is not currently under investigation by any regulatory body.	SEC filings describing certain legal proceedings affecting CVS/CAREMARK Health Corporation can be found here: <b>2018:</b> <a href="https://investors.cvshealth.com/investors/sec-filings/default.aspx">https://investors.cvshealth.com/investors/sec-filings/default.aspx</a> <b>2017:</b> <a href="https://d18rn0p25nwr6d.cloudfront.net/CIK-0000064803/a44339a7-8b7b-4257-b86c-11b5ac6cc86c.pdf">https://d18rn0p25nwr6d.cloudfront.net/CIK-0000064803/a44339a7-8b7b-4257-b86c-11b5ac6cc86c.pdf</a> <b>2016:</b> <a href="https://d18rn0p25nwr6d.cloudfront.net/CIK-0000064803/2f0e714f-09d8-4347-b692-c7b2d6c74272.pdf">https://d18rn0p25nwr6d.cloudfront.net/CIK-0000064803/2f0e714f-09d8-4347-b692-c7b2d6c74272.pdf</a> <b>2015:</b> <a href="https://d18rn0p25nwr6d.cloudfront.net/CIK-0000064803/335b4151-fe93-4430-99e1-f933d8db3848.pdf">https://d18rn0p25nwr6d.cloudfront.net/CIK-0000064803/335b4151-fe93-4430-99e1-f933d8db3848.pdf</a>

B.2.e. For the Vendor, Parent Company, subsidiaries and all Subcontractors list and describe any Protected Health Information (PHI) breaches (within the past five years) that have occurred and the response. Do not include items excluded per 45 CFR 164.402.

Please refer to **Exhibit B.2-10**.

**Exhibit B.2-10. PHI Breaches**

Subcontractor	PHI Breaches
<b>Passport Health Plan, Inc.</b>	Passport itself has never had a breach. The below Breach described by Passport's subcontractor Avesis involved some Passport members, however.

Subcontractor	PHI Breaches
<p><b>Evolut Health LLC/Evolut Health, Inc. (collectively, Evolut)</b></p>	<p>Evolut has had one (1) reportable Breach in the last 5 years. The Breach affected 4 individuals. To address the incident, Evolut conducted corrective action and retraining of its staff and offered credit monitoring services to the affected individuals. Additionally, Evolut has had various security incidents in the form of misdirected faxes, which are usually sent to an unintended Covered Entity. We investigate each one that we are aware of and engage in mitigation and corrective action, and as far as we know, none have resulted in improper use or redisclosure of PHI.</p>
<p><b>Avēsis Third Party Administrators, Inc.</b></p>	<p>Over the last five years, Avēsis had one privacy breach affecting 500 or more members, 11 of which were Passport members. In January 2019, they became aware of a privacy breach related to eligibility file errors that resulted in utilization review decision letters being sent to the wrong member. They used their standard breach protocol to conduct a root cause analysis to identify that a code change associated with the 834-file created waterfall logic resulting in member mailing addresses being cascaded to other member records. To mitigate the issue: (1) Bad code was replaced with the correct code and logic; and (2) Eligibility files were reloaded and tested to ensure records were loaded correctly. As the Business Associate, they reported the breach to their impacted health plan clients, the Covered Entities. Existing protocols were implemented, which require beneficiaries to be informed within 60 days of the breach discovery in compliance with U.S. Department of Health and Human Services guidelines. The breach affected one health plan client located in Kentucky. The breach consisted of 908 utilization review letters mailed to 634 members. Jointly, the Covered Entity and their government healthcare team were able to mitigate all but 31 members but obtaining assurances that the misdirected letters were unopened and/or destroyed by the recipient. To further rectify the problem, Avēsis made systemic changes to the eligibility/EDI file change process including:</p> <ul style="list-style-type: none"> <li>• Implementing software development lifecycle change processes for eligibility/EDI file changes.</li> <li>• Mandating segregation of duties for eligibility/EDI file changes.</li> <li>• Introducing a requirement that someone with the title of manager or higher must complete testing review of eligibility/EDI file changes before they are moved to production</li> <li>• Introducing an annual review of client eligibility/EDI changes to ensure compliance with requirements and the integrity of the files and the change process.</li> </ul>

Subcontractor	PHI Breaches
<p><b>Beacon Health Options</b></p>	<p>Over the past 5 years, Beacon has had 100 separate Breaches. The Breaches were resolved in accordance with Beacon Policy Number: CO 30.7 (HIPAA Intake and Investigation).</p> <p>The most common reasons for the Breaches are as follows:</p> <ul style="list-style-type: none"> <li>• 61% – Letter was mailed to the wrong person</li> <li>• 14% – Email was sent to the wrong person</li> <li>• 13% – Fax was sent to the wrong person</li> </ul> <p>Two Breaches during this timeframe included Passport members:</p> <ul style="list-style-type: none"> <li>• 2016 – A letter was mailed to the last address on file; however, the member had moved</li> <li>• 2017 – A pharmacy letter was mailed to the last address on file; however, the member had moved.</li> </ul>
<p><b>Infomedia Group, Inc. d/b/a Carenet Healthcare Services</b></p>	<p>No PHI Breaches</p>
<p><b>Conduent Payment Integrity Solutions</b></p>	<p>No PHI Breaches by this division</p>
<p><b>CVS/Caremark</b></p>	<p>CVS/CAREMARK has experienced a small number of breaches/data security incidents in the past. There are occasional, inadvertent HIPAA disclosures as a result of an employee who fails to follow an established process or receives incorrect information. Occurrences of violations represent less than 1% of the total volume. With each case, CVS/CAREMARK remained consistent with its privacy and security policies and procedures, and investigated the incidents immediately, following the federal and state notification requirements. CVS/CAREMARK then took the necessary steps to mitigate any harm and implemented corrective action, including sanctioning employees or subcontractors. CVS/CAREMARK follows a documented Incident Response Procedure with specified roles, responsibilities and contact information. We notify clients within the agreed upon response time in the established business associate agreement. CVS/CAREMARK provides its list of PHI breaches affecting more than 500 individuals in <b>Attachment B.2-35_CVS HIPAA Breaches</b>. In the list, CVS/CAREMARK includes only breaches affecting 500 or more individuals in alignment with U.S. Department of Health and Human Services Office for Civil Rights requirements. CVS/CAREMARK asserts that it cannot provide details about incidents impacting fewer than 500 individuals due to the confidentiality provisions of its customer and vendor contracts. Occurrences of HIPAA violations represent less than 1% of CVS/CAREMARK Health’s total volume, and CVS/CAREMARK implements corrective action plans to mitigate any harm when incidents do occur,</p>



Subcontractor	PHI Breaches
	ensuring violations are handled in accordance with federal and state notification requirements.

B.2.f. Has the Vendor ever had its accreditation status (e.g., National Committee on Quality Assurance (NCQA), Utilization Review Accreditation Commission (URAC), or Accreditation Association for Ambulatory Health Care (AAAHC)) in any state for any product line adjusted down, suspended, or revoked (within the past five years)? If so, identify the state and product line and provide an explanation. Include information for the Vendor’s Parent Company and subsidiaries.

Passport Health Plan has been NCQA Health Plan Accredited since 2002. In 2002, Passport was awarded NCQA Accreditation of “Excellent” the highest NCQA Health Plan Accreditation. Passport continued to maintain the NCQA highest designations year after year. In 2005, Passport in was named the 18th ranked Medicaid Health Plan in the country and continued its stellar performance in 2007 ranked 11th and 2008 ranked 9th respectively. In 2012, Passport was ranked the top Medicaid Health Plan in Kentucky with 4 Stars. However, the Passport NCQA Health Plan Accreditation designation decreased in 2017 to “Commendable” and subsequently in 2018 to “Accredited”. The decreases can be attributed to the following sequence of events: Passport’s statewide Medicaid program expansion, and its transition to a new TPA, which led to administrative data issues. These issues have been resolved as evidenced by the year over year (2016-2018) improvement in the Medication Management for People with Asthma performance. Passport has been diligent during this time, adhering to the rigorous NCQA Accredited Population Health Accredited programs and working closely with the providers and the community to ensure a strong relationship. Passport is now well-positioned to regain a high NCQA Health Plan Accreditation rating.

Passport Health Plan is fortunate to use the clinical program structure from the nation’s first NCQA-accredited Population Health Program from its operating partner, Evolent. Evolent is the first organization in the country to receive NCQA Accreditation of its Population Health Program for three (3) years. Evolent is a recognized leader in improving population health, and its programs are integrated into Passport's day to day clinical management. Evolent also holds NCQA Case Management Accreditation and Utilization Management Accreditation, each for three (3) years. There are no other accreditations held by Passport, its parent company Evolent, or any subsidiaries.

- B.2.g. Provide a listing of Medicaid managed care contracts held in the past ten (10) years for which the Vendor, or Vendor's Parent Company or subsidiaries has:
- i. Voluntarily terminated all or part of the contract under which it provided health care services as the licensed entity.
  - ii. Had such a contract partially or fully terminated before the contract end date (with or without cause).
  - iii. Had a contract not renewed.
  - iv. Withdrawn from a contracted service area.
  - v. Had a reduction of enrollment levels imposed?

Passport Health Plan has been a long-standing partner of the Commonwealth's Medicaid managed care program, under continuous contract(s) with the Cabinet for over 22 years. None of the specified circumstances apply to Passport's tenure in the Commonwealth or elsewhere. Further, none of the above circumstances apply to Evolent as Passport's Parent Company. Passport does not have any subsidiaries.

***Passport has been honored to serve the Kentucky Medicaid and foster care populations for 22 years and will continue to comply with all provisions of the Medicaid Managed Care Contract and Appendices (including Kentucky SKY) as we continue to serve them in the future.***