



HAYFLICH & STEINBERG

— Certified Public Accountants —

An Independent Member of BDO Seidman Alliance

#8 Stonecrest Drive
Huntington, WV 25701
Tel (304) 697-5700
Fax (304) 697-5704
www.Hayflich.net

September 1, 2011

Roberta Wagner
West Virginia Purchasing Division
2019 Washington Street, East
P.O. Box 50130
Charleston, WV 25305-0130

Re: RFQ No. BHS12026
Bid Opening: September 1, 2011, 1:30 PM

Dear Ms. Wagner:

Enclosed are two copies of our proposal for providing accounting and financial management services to Mildred Mitchell-Bateman Hospital, William R. Sharpe, Jr. Hospital, and Welch Community Hospital within the West Virginia Department of Health and Human Resources, Bureau for Behavioral Health and Health Facilities. Our proposal illustrates our qualifications, highlights our continued desire to work with the Bureau for Behavioral Health and Health Facilities, and allows for the professional time required to assist the Bureau for Behavioral Health and Health Facilities in achieving its goals.

Thank you for the opportunity to propose our services to the State of West Virginia. Should you have any questions regarding our proposal or need additional information, please contact me.

Sincerely yours,

HAYFLICH & STEINBERG, CPA's, PLLC

Robert C. Fuller, CPA

Enclosures

RECEIVED

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WV PURCHASING
DIVISION

HAYFLICH

TO EXCEL IN HELPING YOU ACHIEVE SUCCESS

“To Excel in Helping You Achieve Success”

**A PROPOSAL TO PROVIDE PROFESSIONAL
SERVICES TO**



**BUREAU FOR BEHAVIORAL HEALTH AND
HEALTH FACILITIES**

**Proposal in Response to RFQ Number BHS12026
Bid Opening Date: September 1, 2011
Bid Opening Time: 1:30 pm**

Date Submitted: September 1, 2011

**HAYFLICH & STEINBERG, CPA'S, PLLC
#8 Stonecrest Drive
Huntington, WV 25701
(304) 697-5700**

**ROBERT C. FULLER, CPA, PARTNER
fuller@hayflich.net**

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Our Understanding of the Services Requested

As we successfully complete the current contract with the West Virginia Bureau for Behavioral Health and Health Facilities (Bureau) we again thank you for considering HAYFLICH & STEINBERG, CPA'S, PLLC as your provider of professional accounting and financial management services. The following information will set forth our understanding of the services requested and our commitment to performing the work in a timely fashion.

Services Requested:

Accounting and financial management services to Mildred Mitchell-Bateman Hospital, William R. Sharpe, Jr. Hospital, and Welch Community Hospital in accordance with the Request for Proposal Quotation (RFQ) #BHS12026, as follows:

- A. Provide ongoing consulting to the Hospitals related to their accounting functions involving monthly, quarterly, and yearly analysis of financial statements, general ledger, and supporting subsidiary ledgers as requested by the Bureau and/or Facility's Chief Financial Officer (CFO). This will also include a review of the Keane General Ledger System.
- B. Assist hospital business office and accounting personnel to develop the data necessary for the vendor to complete Federal and State regulatory reports.
- C. Provide technical support in the billing and collection process as requested by the CFO and recommend improvements as applicable.
- D. Provide a financial records review to the CFO as requested, which will be at least on a quarterly basis.
- E. Provide reimbursement regulation research and respond to the CFO as requested.
- F. Prepare all Medicare (CMS-2552) Cost Reports, Provider Cost Report Reimbursement Questionnaires (CMS-339) and supporting documentation, which are due during the contract period. These reports are to be submitted prior to the deadline established by the CMS.
- G. Prepare all Health Care Authority (HCA) Reports which are due during the contract period. These reports to be submitted prior to the deadline established by the HCA.
- H. Review and update fee schedules throughout the contract period as requested by the CFO, which will be at least quarterly.

- I. Prepare all disproportionate share calculations as requested by the CFO, which shall be at least once a year. Also assist in the filing of DSH audit information as to the cost, times, financial and trial balances.
- J. Recommend improvements in cost reimbursement to gain consistency among the facilities; review revenue opportunities with more focus on revenue cycle process.
- K. Provide technical support in the billing and collection process (and training) as necessary if requested by the CFO and make recommended improvements as applicable.
- L. Review and recommend a method for recovering Medicare deductibles and coinsurance amounts annually through the cost report.
- M. Prepare an observation and recommendation letter to the management of each facility for the purpose of improving reimbursement, collections and agency funding. A letter must be completed only upon the request of the individual hospital or with bureau approval.

Timeliness:

HAYFLICH & STEINBERG is committed to performing our work efficiently, meeting the reporting and filing deadlines of the Bureau.

Firm Qualifications and Experience

Founded in 1952, HAYFLICH & STEINBERG, CPA's, PLLC, is a full-service regional accounting firm located in Huntington, West Virginia. Our clients conduct business nationwide and internationally. They range in size from small business to multi-billion dollar enterprises and are located in West Virginia, Ohio, Kentucky, Maryland, Virginia, North Carolina, Tennessee, Pennsylvania, Indiana, Arizona, Texas, Florida, and Washington D.C.

We are organized departmentally in a manner conducive to making the highly specialized abilities of the firm's members available to all clientele. Considering the complexity of business today, a blend of several specialists is often required to handle an engagement properly. The professionals we commit to an engagement not only have the necessary training and experience, but also a results-oriented attitude. Accordingly, the members and staff of HAYFLICH & STEINBERG have had the requisite experience levels as stated in the RFQ:

- At least 5 years healthcare consulting experience.
- At least 3 years experience in 339 reporting.
- At least 5 years experience in Health Care Authority (HCA) reporting, including quarterly CBM-9 reports.
- At least 5 years experience in reimbursement regulation research.
- At least 5 years experience related to rate regulation.

Healthcare Assurance, Compliance, and Consulting:

Healthcare has been a substantial portion of our practice since the founding of the firm. We have worked with the Medicare and Medicaid programs since their inceptions, developing a tradition of reimbursement expertise that continues today. We have a broad understanding of the auditing, consulting, and compliance requirements of the healthcare industry. We keep current on the Medicare, Medicaid, and other federal and state legislative issues affecting the healthcare industry. Due to our concentration in the healthcare industry, we maintain a professional staff that specializes in healthcare and governmental issues. Following is a list of the types of services we offer our healthcare clients.

Audit and Accounting

- Audits, reviews, and compilations
- Audits under *Government Auditing Standards*
- Single audits (OMB Circular A-133)
- Financial and operational analysis
- Accounting estimates (bad debts, contractual allowances, third-party payor settlements)
- Medicare fiscal intermediary subcontracting

Reimbursement Consulting

- Medicare and Medicaid cost report preparation, including Provider Cost Report Reimbursement Questionnaires (CMS-339)
- West Virginia Health Care Authority reporting, including quarterly CBM-9 reports
- Medical education issues

- Interim rate analysis
- Coordinate and review fiscal intermediary audits
- Appeals to the Provider Reimbursement Review Board
- Cost exceptions
- Wage index reviews
- Geographic reclassification applications
- Regulatory advice
- Analysis and impact studies of new legislation
- Analysis and impact studies of new services and acquisitions
- Compliance support
- Expert testimony

Specialized Consulting Services

- Utilization review (CPT codes)
- Fee schedule development or review
- Physician productivity analysis
- Revenue sharing agreements
- Procedure cost analysis
- Physician bonus methodologies
- Medicare issues (law and regulation research)
- Information Technology advisory services
- Practice valuation services

Medical Practice Structure and Governance

- Accounting systems
- Entity selection
- Employment contracts
- Buy/sell agreements
- Practice sale, merger, acquisition, and liquidation advisory services
- Excess benefit agreements
- Physician/hospital contractual relationships
- Employment related issues and benefit plans

Strategic Planning and Management Support

- Forecasts and projections
- Feasibility studies
- Budget assistance
- Long-term financing advice
- Employee benefit plan structure
- Board education
- Litigation support
- Trend analysis

Tax Services

- Tax returns
- Informational returns
- Tax exemption issues
- Unrelated business income issues
- Community benefit issues

Size of Firm:

Our size is important to our clients for two reasons. The firm is small enough so that our partners can maintain an intimate knowledge of our client's businesses and needs; second, the firm is large enough to have specialists available in the various disciplines of the profession.

As the needs arise, we can draw on the expertise available from BDO Seidman, LLP and our Alliance members to assist with new or unusual issues. This strategic alliance increases the depth and breadth of services and expertise HAYFLICH & STEINBERG offers to our clients.

Our staffing is as follows:

Partners	5
Managers	5
Professional staff	11
Para-professional	2
Office support	3
Total	26

Additional Technical Resources:



HAYFLICH & STEINBERG is an independent member of the BDO Seidman Alliance of accounting firms. The BDO Seidman Alliance is a nationwide association of independently owned local and regional accounting, consulting, and service firms with similar service goals. The Alliance presents an opportunity for member firms to access the resources found at the sixth-largest accounting firm in the nation, and to expand services to their clients without jeopardizing their existing relationship or autonomy.

With over 2,000 clients in the nonprofit sector within BDO Seidman, LLP and its Alliance firms, our team of professionals offers the hands-on experience and technical skill you can rely upon to serve the distinctive needs of your organization. Whether from the over 200 other independent

CPA firm Alliance members or directly from BDO Seidman, LLP, we have capabilities equal to any CPA firm in our tri-state area. As needs arise, we can draw on the expertise available from BDO Seidman LLP and our Alliance members to assist with new or unusual issues. This strategic alliance increases the depth and breadth of services and expertise HAYFLICH & STEINBERG is able to offer the Bureau.

We also regularly provide our clients with specific memoranda and other pertinent information to help inform clients of noteworthy issues. At our website, www.hayflich.net, there are many financial tools, as well as tax and audit information available to our clients.

Quality Control:

HAYFLICH & STEINBERG is a member of the Private Companies Practice Section of the Division of CPA Firms, an organization that upholds exceptionally high standards for membership and ongoing review requirements. Every three years we undergo a peer review following guidelines issued by the American Institute of Certified Public Accountants Review Team, which study and evaluate our firm's policies and procedures for maintaining quality in accounting and auditing work. We are proud to be one of the firms in this area to have undergone this review since program inception and to have received an unqualified opinion for each review-the highest level possible.



HAYFLICH & STEINBERG is a member firm of the Governmental Audit Quality Center (GAQC). The GAQC provides firm members with a set of best practices and tools in the specialized area of governmental auditing, including Government Auditing Standards and Circular A-133 audits.

Maintaining Our Expertise:

All professional personnel are periodically evaluated for technical competence and are tested as to their potential leadership qualities and aptitude. Training is accomplished through outside professional development programs and internal training programs. The active participation of our partners in the planning, review, and problem solving phases of our work enhances on-the-job training. Recruiting and retention of topflight staff personnel is made easier by knowledge that our staff will be working on a direct inter-relationship basis with our partners.

Our Recent Healthcare Experience

- Welch Community Hospital, Welch, WV - consulting
- Mildred Mitchell-Bateman Hospital, Huntington, WV - consulting
- William R. Sharpe, Jr. Hospital, Weston, WV - consulting
- A&L Home Care & Training Center, LLC, Proctorville, OH - consulting
- Barboursville Internal Medicine, Inc., Barboursville, WV – consulting & tax
- Bluefield Regional Medical Center, Bluefield, WV – audit, consulting & tax
- Bluefield Health Systems, Inc., Bluefield, WV – audit, consulting & tax
- Bluefield Regional Medical Center Foundation, Bluefield, WV – audit, consulting & tax
- Cabell Huntington Hospital, Huntington, WV – consulting & tax
- Community Care, Inc., Bluefield, WV – audit, consulting & tax
- Health Management Nursing Service, Inc., South Point, OH – consulting
- Holzer Clinic, Inc., Gallipolis, OH – audit & consulting
- Huntington Cardiothoracic Surgery, Inc., Huntington, WV – consulting & tax
- Huntington Medical Associates, Inc., Huntington, WV – consulting & tax
- Huntington Urological Associates, Inc., Huntington, WV – consulting & tax
- Monroe County Health Center, Union, WV – audit
- Mountain Regional Services, Inc., Huntington, WV – consulting & tax
- Mountaineer Regional Resources, Inc., Bluefield, WV – audit, consulting & tax
- Prestera Center for Mental Health Services, Inc., Huntington, WV – audit & consulting
- Quality Care Nursing Service, Inc., South Point, OH - consulting
- Regional Physician Services, Inc., Bluefield, WV – audit, consulting & tax
- Regional Surgical Services, LLC, Bluefield, VA – audit, consulting & tax
- Sistersville General Hospital, Sistersville, WV – audit & consulting
- St. Mary's Hospital, Huntington, WV – consulting & tax
- Thomas Memorial Hospital, South Charleston, WV – consulting
- Tri-State Cyberknife, LLC, Huntington, WV – review, consulting & tax
- Tri-State Neuroscience Center, Inc., Huntington, WV – consulting & tax
- Valley Health Systems, Inc. & Subsidiaries, Huntington, WV – audit, consulting & tax
 - Fort Gay Primary Health Care, Inc., Fort Gay, WV
 - Grant Medical Center, Inc., Milton, WV
 - Harts Health Clinic, Inc., Harts, WV
 - Upper Kanawha Health Association, Inc., Cedar Grove, WV
 - Wayne Health Services, Inc., Wayne, WV
- Washington Hospital Center, Washington, D.C. – reimbursement consulting

Our Recent Work Under Government Auditing Standards & Consulting

- Monroe County Health Center, Union, WV
- Prestera Center for Mental Health Services, Inc., Huntington, WV
- Sistersville General Hospital, Sistersville, WV
- Valley Health Systems, Inc. & Subsidiaries, Huntington, WV
 - Fort Gay Primary Health Care, Inc., Fort Gay, WV
 - Grant Medical Center, Inc., Milton, WV

- Harts Health Clinic, Inc., Harts, WV
- Upper Kanawha Health Association, Inc., Cedar Grove, WV
- Wayne Health Services, Inc., Wayne, WV
- Glenville State College, Glenville, WV
- Marshall University (under contract to Deloitte & Touche), Huntington, WV
- Marshall University Research Corporation (under contract to Deloitte & Touche), Huntington, WV
- West Virginia Aeronautics Commission, Charleston, WV
- West Virginia Department of Transportation, Charleston, WV
- West Virginia Division of Highways, Charleston, WV
- West Virginia Division of Motor Vehicles, Charleston, WV
- West Virginia Division of Public Transit, Charleston, WV
- West Virginia Public Port Authority, Charleston, WV
- West Virginia State Rail Authority, Charleston, WV
- West Virginia State University Research & Development Corp., Institute, WV

Healthcare References

James E. Spencer, CFO
Mildred Mitchell-Bateman Hospital
1530 Norway Avenue
Huntington, WV 25709
(304) 525-7801

Johnny R. Brant, CFO
Welch Community Hospital
415 McDowell Street
Welch, WV 24801
(304) 436-8683

Richard G. Weinberger, CPA, CFO
Valley Health Systems, Inc.
2585 Third Avenue
Huntington, WV 25703
(304) 525-3334

Mr. David M. Ward, CPA, Senior Vice President
Cabell Huntington Hospital, Inc.
1340 Hal Greer Boulevard
Huntington, WV 25701-0195
(304) 526-2052

Patricia A. Burdette, CFO
Sistersville General Hospital
314 South Wells Street
Sistersville, WV 26175
(304) 447-2502

Sallie A. Lazaro, Director of Finance
Pretera Center for Mental Health Services
3375 US Route 60, East
Huntington, WV 25705
(304) 399-1114

Tom Denbow, CMPE, CFO
Holzer Clinic, Inc.
90 Jackson Pike
Gallipolis, OH 45631
(740) 446-5712

Your Client Service Team

Choosing the right professionals to serve you is a critical element of success. In selecting your service team, we carefully review our understanding of your needs, as well as your plans, and identify the people whose credentials are ideal for you.

We strive to maintain continuity on all engagements so that we maximize our experience with your entity. Our goal is to dedicate the same partners and engagement team to serve you each year. The team members we select have a demonstrated track record with clients in your industry, strong technical backgrounds, and outstanding leadership and communication skills.

Significant Partner and Manager Involvement:

Our partners and managers are a responsive sounding board to our clients. They will serve as advisors to your management team and will be dedicated to learn the necessary information regarding you and your business.

Your Service Leadership Team Will Include:

- John R. LaFear, CPA/PFS, Managing Partner
- Robert C. (Rob) Fuller, CPA, Partner
- Richard A. Eskins, CPA, CVA, FHFMA, CGFM, Manager
- Beverly A. Miller, CPA, CAPP, Manager
- Cynthia D. Bowen, MBA, CPA, Supervisor
- Stacy L. DeRossett, Senior Accountant
- J. Michael (Mike) Hager, CPA, CFA, Supervisor

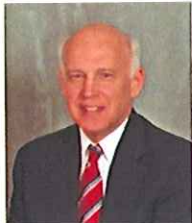
Your Information Technology Team Will Include:

- Dennis F. Ashworth, Jr., CPA, CITP, Partner, Hayflich & Steinberg, CPA's, PLLC
- Robert B. Brenis, CGEIT, CISA, CRISC, MCP, PMP. Information Technology Principal, Skoda Minotti CPA's (a BDO Seidman Alliance Firm)

Dennis and Robert will orchestrate the review of the Keane General Ledger System. Our inherent knowledge of the workings of this system will greatly enhance this process.

Service Leadership Team Resumes:

The following resumes introduce your service team. Visit our web site at www.hayflich.net for an expanded introduction to the capabilities of the other professionals at HAYFLICH & STEINBERG.



John R. LaFear, CPA/PFS
Managing Partner

Mr. LaFear is the Managing Partner of HAYFLICH & STEINBERG. He consults with Senior Firm Members and clients on complex tax, financial planning, and employee benefit issues. He holds a Bachelor of Science degree with emphasis in Industrial Management, Mathematics and Accounting from Lawrence University, Southfield, Michigan. His 40+ years of professional experience has encompassed all aspects of public accounting - corporate, estate, trust, individual taxation, assurance, accounting, financial planning, and employee benefits. For the past 10+ years, he has been actively providing investment consulting and wealth management advisory services. He has served in numerous positions incidental to the profession: Boards and committees of professional associations, instructor, and speaker at professional seminars, and as a special consultant to the profession on investment consulting matters. He has extensive experience in income, estate, and trust taxation; corporate and personal financial planning, including investments, insurance, gifts, income splitting, succession planning, corporate reorganizations, cash and risk management. He has provided expert witness testimony relating to investments and valuation issues as well. He is experienced in qualified and non-qualified employee benefit plans, business valuations, employee stock plans and various compensation strategies. Mr. LaFear has broad industry experience, having advised individuals as well as profit and not-for-profit enterprises.



Robert C. (Rob) Fuller, CPA
Partner

Mr. Fuller has been associated with HAYFLICH & STEINBERG, since 1996. A 1990 graduate of Marshall University, he has been engaged in public accounting since 1996. He also performed postgraduate accounting work at the University of Kentucky and is licensed to practice accounting in West Virginia. Rob has extensive experience in the performance, management, and review of audited financial statements for healthcare, wholesale, manufacturing, retail, governmental, not-for-profit, private foundations and college and university clients. He also has experience in audits of employee benefit plans and audits requiring compliance with OMB Circular A-133. Rob's experience also includes the performance of traditional accounting engagements, such as reviews and compilations, as well as the preparation and review of federal, state, and local income tax returns for business entities and individuals. Rob has been extensively involved in providing services under the previous contract with the West Virginia Bureau for Behavioral Health and Health Facilities.



Richard A. (Rick) Eskins, CPA, CVA, FHFMA, CGFM
Manager

Mr. Eskins is a *cum laude* graduate of Marshall University and has been associated with HAYFLICH & STEINBERG since 1978. Rick practices extensively in services to healthcare industry clientele. His clients have included large teaching hospitals, governmental-owned health facilities, rural and urban proprietary hospitals, proprietary hospital chains, hospital-based and freestanding long-term care facilities, hospital-based and freestanding home health agencies, durable medical equipment suppliers, rural health clinics, and federally qualified health centers. The firm's healthcare reimbursement-related engagements are also Rick's responsibility. These services include the preparation of cost reports and other compliance filings as well as consultation on technical matters such as appeals and other regulatory issues. Rick has participated extensively in the cost report audit engagements subcontracted to the firm by several Medicare fiscal intermediaries and state Medicaid agencies. He also has varied experience in auditing, cost accounting, tax issues, related-party matters, and financial projections and forecasts. As an active member of various professional organizations, Rick complies with the continuing professional education requirements of the AICPA, the WV Board of Accountancy, the National Association of Certified Valuation Analysts, the Healthcare Financial Management Association, and Government Auditing Standards. Rick has been extensively involved in providing services under the previous contract with the West Virginia Bureau for Behavioral Health and Health Facilities.



Beverly A. Miller, CPA, CAPP
Manager

Mrs. Miller specializes in small business accounting and computer consulting with a special emphasis on physician practices. A graduate of Glenville State College, she has been associated with HAYFLICH & STEINBERG since 1987. In her work with physicians, Beverly has set up new practices and reviewed internal controls and efficiency for existing practices. She has extensive experience in contract negotiations, compliance activities, and computation of physician compensation and bonus payments under terms of employment and guarantee agreements. She also manages the preparation of accounting records, financial statements, and various business, income, and payroll-related tax returns. She has experience in the design and implementation of accounting software applications and serves as the firm's technical advisor and training coordinator for small business accounting software, including QuickBooks. Beverly has been a guest lecturer and speaker for the Marshall University Accounting Department, the Marshall University Medical School, The Medical Office Managers Association, and the West Virginia Healthcare Financial Management Association. Beverly has been extensively involved in providing services under the previous contract with the West Virginia Bureau for Behavioral Health and Health Facilities.



Cynthia (Cindy) Bowen, MBA, CPA
Supervisor

Ms. Bowen has been associated with Hayflich & Steinberg since February 2008. Cindy earned her Bachelor of Business Administration in 1989 from Marshall University, and earned a Master of Business Administration from Marshall University in 1993. She has over 12 years experience in public accounting and the banking/financial services and coal industries. Cindy has extensive experience in the performance, management, and review of audited financial statements for housing authorities, governmental agencies, other not-for-profit, and for-profit clients. She also has extensive experience in audits of employee benefit plans and audits requiring compliance with OMB Circular A-133. Cindy's experience also includes the performance of traditional accounting engagements, such as reviews and compilations, as well as the preparation and review of federal, state, and local income tax returns for business entities and individuals. Cindy has been extensively involved in providing services under the previous contract with the West Virginia Bureau for Behavioral Health and Health Facilities.



Stacy L. DeRossett
Senior Accountant

Mrs. DeRossett a 1998 honors graduate of Morehead State University. She has over 10 years' experience in public accounting and the banking industries. She has been associated with Hayflich & Steinberg since February 2009 and has worked extensively on the previous contract with the West Virginia Bureau for Behavioral Health and Health Facilities. Stacy's experience includes the performance of traditional accounting and auditing engagements for governmental and nonprofit organizations and audits requiring compliance with OMB Circular A-133. She also has extensive experience in planning and conducting county and local independent school board audits.



J. Michael (Mike) Hager, CPA, CFE
Supervisor

Mr. Hager earned his Bachelor of Sciences in Business Administration in 2003 from Marshall University. Michael joined HAYFLICH & STEINBERG in August of 2004 and has prior experience in bookkeeping and personal income tax preparation. Michael serves clients in wholesale, manufacturing, retail, healthcare, governmental and other business organizations.

Information Technology Team Resumes:



Dennis F. Ashworth, Jr., CPA, CITP
Partner

Mr. Ashworth joined HAYFLICH & STEINBERG in 1977 upon his graduation from Marshall University. His 30+ years of public accounting experience covers all facets of auditing, accounting, business consulting, business taxation, and information technology consulting. He has licenses to practice in West Virginia and Virginia. Dennis has extensive experience in performing, managing, and reviewing - audit, review, and compiled financial statements. He has prepared, supervised, or reviewed federal, state, and local corporate, partnership, pension and other income tax, property tax, and information returns. Dennis serves clients in wholesale, manufacturing, retail, healthcare, governmental, and other business organizations. He has a wide range of experience in selection and installation of computer systems. As a member of the AICPA Information Technology Section, he has a keen awareness of advances in information technology and the impact information technology has on the business environment of firm clients.

Robert B. Brenis CGEIT, CISA, CRISC, MCP, PMP Information Technology Principal, Skoda Minotti, CPA's

- *Project Management Institute and the Information Systems Audit and Control Association*
- *Treasurer for Young Israel of Greater Cleveland*
- *Member of both the American Red Cross Finance and Hospital Partnerships sub-committees*

Mr. Brenis has been associated as a Principal with Skoda Minotti (a Cleveland, OH-based BDO Alliance CPA firm) since 2005. He is Certified in the Governance of Enterprise Information Technology (CGEIT), a Certified Information Systems Auditor (CISA), a Microsoft Certified Professional (MCP) and a Project Management Professional (PMP). Mr. Brenis has a BBA in Accounting from Kent State University and a MBA from John Carroll University. He has substantial industry and consulting hands-on experience in the strategic planning, risk management, and implementation of Enterprise Resource Planning systems including financial, distribution, manufacturing, and reporting applications. He has managed application development teams performing requirements definition, application development, and deployment of custom product applications and has developed comprehensive policies and procedures for IT Operations. He also has experience leading cross-cultural project teams in Australia, France, Germany, and Japan.

Mr. Brenis' additional experience includes:

- 1) Systems work for University Hospital in Cleveland, Ohio.
- 2) SAS 70 audits for Managed Care Organizations, Medical Billing Companies, Technology Companies, and Credit Card Merchants.

Additional Technical Resources:



BDO Seidman, LLP and BDO Seidman Alliance Firms

While not a party to this proposal, we supplement our exceptional staff with expertise for special issues from BDO Seidman, LLP and/or the 200+ other independent CPA firm Alliance members. Our team of professionals offers the hands-on experience and technical skills required to serve the distinctive needs of the Bureau.

Our Fee Proposal

We understand the nature of your Organization and the importance of trying to control costs. This would include minimizing the fees paid to outside professionals. Fees that appear to be a bargain often are so low that they do not allow for the professional time required to assist you in reaching your goals.

Fee Philosophy:

HAYFLICH & STEINBERG's philosophy on professional fees is to provide our clients with quality services that provide value equal to or in excess of the costs incurred. We develop our fees using detailed budgets containing realistic estimates of the time required to complete each area of the engagement. The fees quoted to you below are a product of the total budgeted hours and our standard billing rates, less discounts.

Professional Fees:

Our fees are based on an anticipated 3,350 hours required and will be billed at the all-inclusive fixed rate of \$85.00 per hour for the contract period of one year from the date of the contract. Expenses for travel, meals, lodging, printing and report production will be charged as part of the all-inclusive rate above. Because of the specialized knowledge required when dealing with third party payment issues, we arrived at our fee by carefully considering the mix of qualified professionals necessary to perform the requested services and anticipate approximately 45% of our hours to be member and manager level with the remaining 55% derived from supervisor, senior and staff levels. Our estimated fees will be \$284,750 for the estimated 3,350 hours at \$85.00 per hour.

Thank you for the opportunity to provide professional services for State of West Virginia Bureau for Behavioral Health and Health Facilities.

We will continue to dedicate a staff of professionals to your engagement that will allow us to both meet and exceed your expectations related to the quality and timely delivery of your requested reports. Our proposal illustrates our qualifications, highlights our desire to work with the Bureau, and allows for the professional time required to assist the Bureau in achieving its goals.

Should you have any questions or need additional information, please contact Robert C. (Rob) Fuller (304) 697-5700. We would be happy to meet with you should you desire.

Very truly yours,



HAYFLICH & STEINBERG, CPA'S, PLLC

September 1, 2011

ATTACHMENTS



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 BHS12026

PAGE
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
 ROBERTA WAGNER
 304-558-0067

PROPERTY

RFQ COPY
 TYPE NAME/ADDRESS HERE
 HAYFLICH & STEINBERG, CPA'S, PLLC
 8 STONECREST DRIVE
 HUNTINGTON, WV 25701

SHIP TO

VARIOUS AGENCY LOCALES
 AS INDICATED BELOW

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
08/03/2011				

BID OPENING DATE: 09/01/2011 BID OPENING TIME: 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	JB		961-20	\$85 per hour	\$284,750
PROFESSIONAL ACCOUNTING & FINANCIAL MGMT. SERVICES REQUEST FOR QUOTATION FOR AN OPEN END CONTRACT TO PROVIDE ACCOUNTING AND FINANCIAL MANAGEMENT SERVICES TO MILDRED MITCHELL-BATEMAN HOSPITAL, WILLIAM R. SHARPE, JR. HOSPITAL, AND WELCH COMMUNITY HOSPITAL WITHIN THE WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES, BUREAU FOR BEHAVIORAL HEALTH AND HEALTH FACILITIES. SEE ATTACHED SPECIFICATIONS. EXHIBIT 3 LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON OCTOBER 1, 2011, AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE. UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE <i>[Signature]</i>	TELEPHONE 304-697-5700	DATE 9/1/2011
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.htm and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualification; Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W. Va. C.S.R. §148-1-6.6).



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 BHS12026

PAGE
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF
 ROBERTA WAGNER
 304-558-0067

RFQ COPY
 TYPE NAME/ADDRESS HERE

HAYFLICH & STEINBERG, CPA'S, PLLC
 8 STONECREST DRIVE
 HUNTINGTON, WV 25701

VARIOUS AGENCY LOCALES
 AS INDICATED BELOW

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
08/03/2011				
BID OPENING DATE: 09/01/2011		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	QAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICE SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>[Signature]</i>	304-697-5700	9/1/2011
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
PARTNER	37-1496963	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 BHS12026

PAGE
 3

ADDRESS CORRESPONDENCE TO ATTENTION OF
 ROBERTA WAGNER
 304-558-0067

RFQ COPY
 TYPE NAME/ADDRESS HERE

HAYFLICH & STEINBERG, CPA'S, PLLC
 8 STONECREST DRIVE
 HUNTINGTON, WV 25701

VARIOUS AGENCY LOCALES
 AS INDICATED BELOW

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
08/03/2011				

BID OPENING DATE: 09/01/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY; IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p>INQUIRIES: WRITTEN QUESTIONS SHALL BE ACCEPTED THROUGH CLOSE OF BUSINESS ON 8/16/2011. QUESTIONS MAY BE SENT VIA USPS, FAX, COURIER OR E-MAIL. IN ORDER TO ASSURE NO VENDOR RECEIVES AN UNFAIR ADVANTAGE, NO SUBSTANTIVE QUESTIONS WILL BE ANSWERED ORALLY. IF POSSIBLE, E-MAIL QUESTIONS ARE PREFERRED. ADDRESS INQUIRIES TO</p> <p>ROBERTA WAGNER DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION 2019 WASHINGTON STREET EAST CHARLESTON, WV 25311</p> <p>FAX: 304-558-4115 E-MAIL: ROBERTA.A.WAGNER@WV.GOV</p> <p>EXHIBIT 4</p> <p>LOCAL GOVERNMENT BODIES: UNLESS THE VENDOR INDICATES IN THE BID HIS REFUSAL TO EXTEND THE PRICES, TERMS, AND CONDITIONS OF THE BID TO COUNTY, SCHOOL, MUNICIPAL</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE 	TELEPHONE 304-697-5700	DATE 9/1/2011
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
BHS12026

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4

ADDRESS CORRESPONDENCE TO ATTENTION OF:
ROBERTA WAGNER
304-558-0067

RFQ COPY
 TYPE NAME/ADDRESS HERE
HAYFLICH & STEINBERG, CPA'S, PLLC
8 STONECREST DRIVE
HUNTINGTON, WV 25701

VARIOUS AGENCY LOCALES
 AS INDICATED BELOW

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DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
08/03/2011				

BID OPENING DATE: **09/01/2011** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>AND OTHER LOCAL GOVERNMENT BODIES, THE BID SHALL EXTEND TO POLITICAL SUBDIVISIONS OF THE STATE OF WEST VIRGINIA. IF THE VENDOR DOES NOT WISH TO EXTEND THE PRICES, TERMS, AND CONDITIONS OF THE BID TO ALL POLITICAL SUBDIVISIONS OF THE STATE, THE VENDOR MUST CLEARLY INDICATE SUCH REFUSAL IN HIS BID. SUCH REFUSAL SHALL NOT PREJUDICE THE AWARD OF THIS CONTRACT IN ANY MANNER.</p> <p>REV. 3/88</p> <p>PURCHASING CARD ACCEPTANCE: THE STATE OF WEST VIRGINIA CURRENTLY UTILIZES A VISA PURCHASING CARD PROGRAM WHICH IS ISSUED THROUGH A BANK. THE SUCCESSFUL VENDOR MUST ACCEPT THE STATE OF WEST VIRGINIA VISA PURCHASING CARD FOR PAYMENT OF ALL ORDERS PLACED BY ANY STATE AGENCY AS A CONDITION OF AWARD.</p> <p>REV 07/16/2007</p> <p>VENDOR PREFERENCE CERTIFICATE</p> <p>THIS TEAM EXHIBIT HAS BEEN REPLACED BY THE ONLINE VERSION WHICH IS AVAILABLE HERE: HTTP://WWW.STATE.WV.US/ADMIN/PURCHASE/VRC/VENPREF.PDF</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>PLEASE NOTE: A CONVENIENCE COPY WOULD BE APPRECIATED.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE 	TELEPHONE 304-697-5700	DATE 9/1/2011
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
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Request for Quotation

RFQ NUMBER
 BHS12026

PAGE
 5

ADDRESS CORRESPONDENCE TO ATTENTION OF:
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 304-558-0067

RFQ COPY
 TYPE NAME/ADDRESS HERE

HAYFLICH & STEINBERG, CPA'S, PLLC
 8 STONECREST DRIVE
 HUNTINGTON, WV 25701

VARIOUS AGENCY LOCALES
 AS INDICATED BELOW

VENDOR

SHIP TO

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
08/03/2011				

BID OPENING DATE: 09/01/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER:-----RW/FILE 22-----</p> <p>RFQ. NO.:-----BHS12026-----</p> <p>BID OPENING DATE:-----09/01/2011-----</p> <p>BID OPENING TIME:-----1:30 PM-----</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: 304-697-5704</p> <p>CONTACT PERSON (PLEASE PRINT CLEARLY): ROBERT (ROB) C. FULLER, CPA</p> <p>***** THIS IS THE END OF RFQ BHS12026 ***** TOTAL: <u>\$284,750</u></p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS			
SIGNATURE 	TELEPHONE 304-697-5700	DATE 9/1/2011	
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

WV-38A (Rev. 01/01/07)

**STATE OF WEST VIRGINIA
PURCHASE CONTINUATION SHEET**

Vendor: HAYFLICH & STEINBERG, CPA'S, PLLC

Buyer: RW22	Page:	Requisition or P.O. No.: BHS12026
Spending Unit: VARIOUS LOCATIONS		

1.1 PURPOSE:

To obtain the services of an experienced Certified Public Accounting firm to provide professional accounting and financial management services for Mildred Mitchell-Bateman Hospital, Welch Community Hospital, and William R. Sharpe, Jr. Hospital.

1.2 LOCATION OF HOSPITALS AND BACKGROUND INFORMATION:

MILDRED MITCHELL-BATEMAN HOSPITAL is located at 1530 Norway Avenue, in Huntington, WV 25709-0448. Facility is a 110-bed, state-supported acute psychiatric hospital with acute, forensic and long-term patients. The hospital is accredited by the Joint Commission (JOINT) and certified by the Center for Medicare & Medicaid Services (CMS). The Fiscal Services Department oversees the financial operations.

WELCH COMMUNITY HOSPITAL is located at 454 McDowell Street, in Welch, WV 24801. Facility has 124 licensed beds with 108 staffed (59 of which are long term care beds and 49 acute care, including 7 intensive care beds; 2 pediatric beds; 7 obstetrical beds and 33 medical/surgical beds. The Hospital serves the counties of McDowell, Wyoming, and Mingo with a total market population of about 80,000. Welch Community Hospital has one (1) off-campus site which is connected to the Hospital's information system. This site houses Human Resources, Accounts Payable, Purchasing and Patient Accounts Department. The Fiscal Services Department oversees the financial operations.

WILLIAM R. SHARPE JR. HOSPITAL is located at Route 33 West, in Weston, West Virginia 26452. Facility is a 150-bed, state supported acute psychiatric hospital with acute, forensic and long-term patients. The hospital is accredited by the Joint Commission (JOINT) and certified by the Center for Medicare & Medicaid Services (CMS). The Fiscal Services Department oversees the financial operations.

2.0 GENERAL REQUIREMENTS

A certified public accounting firm is to provide professional accounting and financial management services performed by a staff of qualified and experience personnel. Staff assignments must be acceptable to facility CFO/CEO.

2.1 VENDOR EXPERIENCE: MANDATORY

Vendor must provide documentation to demonstrate the following requirements are met:

- | | |
|---|------------|
| | Yes/No |
| • be an established Certified Public Accounting Firm with ten (10) years experience and registered with the State of West Virginia. | <u>YES</u> |
| • have at least five (5) years healthcare consulting experience. | <u>YES</u> |
| • have at least three (3) years experience in 339 reporting. | <u>YES</u> |
| • have at least five (5) years experience Health Care Authority (HCA) reporting, including quarterly CBM-9 reports. | <u>YES</u> |
| • have at least five (5) years experience in reimbursement regulation research. | <u>YES</u> |
| • have at least five (5) years experience related to rate regulation. | <u>YES</u> |

WV-36A (Rev. 01/01/07)

**STATE OF WEST VIRGINIA
PURCHASE CONTINUATION SHEET**

Buyer: RW22	Page:	Requisition or P.O. No.: BHS12020
Spending Unit:		VARIOUS LOCATIONS

Vendor: HAYFLICH & STEINBERG, CPA'S, PLLC

2.2 SERVICES TO BE PROVIDED: MANDATORY

The vendor will be responsible for providing professional accounting and financial management services to include, but not be limited to the following services:

- A. Vendor will provide ongoing consultation to the Hospitals related to their accounting functions involving monthly, quarterly and yearly analysis of financial statements, general ledger and supporting subsidiary ledgers as requested by the Bureau and/or Facilities Chief Financial Officer (CFO). This includes a review of their Keane General Ledger System.
- B. Vendor will assist the hospital's business office and accounting personnel to develop the data necessary for the vendor to complete Federal and State regulatory reports.
- C. Vendor must provide technical support in the billing and collection process as requested by the CFO; recommend improvements as applicable.
- D. Vendor must provide a financial records review to the CFO as requested, which will be at least on a quarterly basis.
- E. Vendor will provide reimbursement regulation research and respond to the CFO as requested.
- F. Vendor must prepare all Medicare (HCFA 2552) Cost Reports, Provider Cost Report Reimbursement Questionnaires (HCFA 339) and supporting documentation, which are due during the contract period. These reports are to be submitted prior to the deadline established by HCFA.
- G. Vendor must prepare all Health Care Authority (HCA) Reports which are due during the contract period. All reports are to be submitted prior to the deadline established by HCA.
- H. Vendor shall review and update fee schedules throughout the contract period as requested by the CFO, which will be at least quarterly.
- I. Vendor will prepare all disproportionate share calculations as requested by the CFO, which shall be at least once a year. Vendor will assist with the filing of DSH audit information as to the cost times, financial and trial balances.
- J. Vendor will recommend improvements in cost reimbursement to gain consistency among facilities; the vendor will review revenue opportunities with more focus on revenue cycle process.
- K. Vendor must provide technical support in the billing and collection process (and training) as necessary if requested by the CFO and make recommended improvements as applicable.
- L. Vendor will review and recommend a method for recovering Medicare deductibles and coinsurance amounts annually through the cost report.
- M. Vendor must prepare an observation and recommendation letter to the management of each facility for the purpose of improving reimbursement, collections and agency funding. A letter must be completed only upon the request of the individual hospital or with bureau approval.

WV-36A (Rev. 01/01/07)

STATE OF WEST VIRGINIA
PURCHASE CONTINUATION SHEET

Vendor: HAYFLICH & STEINBERG, CPA'S, PLLC

Buyer: RWZ	Page:	Requisition or P.O. No.: BHS12028
Spending Unit:		VARIOUS LOCATIONS

3.0 SPECIAL TERMS AND CONDITIONS**3.1 INSURANCE REQUIREMENTS:**

The vendor, as an independent contractor, is solely liable for the acts and omissions of its employees and agents. Proof of insurance shall be provided by the vendor at the time the contract is awarded. The vendor shall maintain and furnish proof of coverage of liability insurance for loss, damage, or injury (including death) of third parties arising from acts and omissions on the part of the vendor, its agents and employees in the following amounts:

- For bodily injury (including death): Minimum of \$500,000.00 per person, and \$1,000,000.00 per occurrence.
- For property damage and professional liability: Minimum of \$1,000,000.00 per occurrence.

3.2 LICENSE REQUIREMENTS:

The successful Vendor must present evidence of certification or licensure with the West Virginia Workers Compensation and Unemployment Funds, a copy of its WV Business Certificate and any other licenses it may be required to hold by the nature of its operation.

3.3 LIQUIDATED DAMAGES FOR FAILURE TO MEET PERFORMANCE:

According to West Virginia State Code §5A-3-1(8), the Vendor agrees that liquidated damages shall be imposed at the rate identified in this section. The additional remedies described in this part shall be cumulative and shall be assessed upon each separate period of accountability. This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other additional remedy to which the State or Agency may have legal cause for action including further damages against the Vendor.

Oral or written notification to the successful Vendor of the failure to meet performance by its due date as set forth in the then-current mutually agreed upon Engagement document may be given by the Bureau/Facility CFO and/or CEO to the Vendor. The Vendor shall immediately cure the failure set forth in the notification. If the failure is not resolved, liquidated damages may be imposed at the State's option and shall be imposed retroactively to the date of failure to perform.

Amounts so determined shall constitute deductions from the amount of the Vendor's request for payment. The Vendor is responsible for the preparation and submittal of an accurate payment request. Failure to reflect such deductions from the amount of the Vendor's request for payment shall constitute grounds for the Department to end or deny that request for payment. Any additional costs incurred by the State solely as a result of the failure by the Vendor to perform or provide services as outlined in the Engagement, including, by not limited to, additional costs for obtaining services to meet established reporting requirements by the Bureau, shall also be the responsibility of the Vendor.

Daily penalty for failure to meet deadlines as agreed upon in Engagement: \$500 per calendar day. Vendor performance complaints will also be filed indicating non-compliance.

4.0 GENERAL TERMS AND CONDITIONS**4.1 INVOICES AND PROGRESS PAYMENTS:**

The Vendor shall submit invoices, in arrears, to the Facility at the address on the face of the purchase order labeled "Invoice To" pursuant to the terms of the contract. Invoices may not be submitted more than once monthly and State law forbids payment of invoices prior to receipt of services.

WV-38A (Rev. 01/01/07)

STATE OF WEST VIRGINIA

PURCHASE CONTINUATION SHEET

Vendor: HAYFLICH & STEINBERG, CPA'S, PLLC

Buyer: RW22	Page:	Requisition or P.O. No.: BHS12026
Spending Unit: VARIOUS LOCATIONS		

BASIS OF AWARD:

The Vendor, who meets all of the mandatory requirements for experience, and submits the lowest hourly rate, will be awarded the contract.

For bid evaluation purposes only, here are the estimated hours per facility to consider, but it is in no way to be construed as the total hours to be performed or committed to by the vendor or Bureau. Each facility will determine what their needs are with each engagement.

Bateman, estimated yearly usage:	900 hours
Sharpe, estimated yearly usage:	950 hours
Welch, estimated yearly usage:	1500 hours
Estimated Total:	3350 hours

All travel and administrative fees/costs are to be included in your hourly rate as no separate reimbursement of expenses will occur.

WV-36A (Rev. 01/01/07)

STATE OF WEST VIRGINIA

PURCHASE CONTINUATION SHEET

Vendor: HAYFLICH & STEINBERG, CPA'S, PLLC

Buyer: RW22	Page:	Requisition or P.O. No.: BHS12026
Spending Unit: VARIOUS LOCATIONS		

BID COST SHEET

ALL INCLUSIVE HOURLY RATE: \$ 85 X 3350 (estimated number of hours for all facilities requiring services listed herein).

GRAND TOTAL: \$ 284,750 (based on estimated hours for evaluation purposes)

HAYFLICH & STEINBERG, CPA'S, PLLC
COMPANY NAME

Paul M. Haylich & Steinberg, CPA's, PLLC
SIGNATURE

9/1/11
DATE

RFQ No. BHS 12026

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: HAYFLICH & STEINBERG, CPA'S, PLLC

Authorized Signature: [Signature] Date: 9/1/2011

State of West Virginia

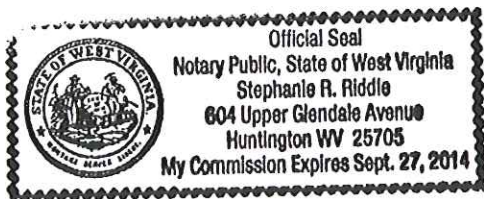
County of Cabell, to-wit:

Taken, subscribed, and sworn to before me this 1st day of SEPTEMBER, 2011.

My Commission expires September 27, 2014.

AFFIX SEAL HERE

NOTARY PUBLIC Stephanie R. Riddle



State of West Virginia VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.


1. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
3. Application is made for 2.5% resident vendor preference for the reason checked:
 Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
4. Application is made for 5% resident vendor preference for the reason checked:
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: HAYFLICH & STEINBERG, CPA'S, PLLC

Signed: 

Date: 9/1/2011

Title: PARTNER

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

VENDOR PREFERENCE # B20125655



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 BHS12026

PAGE
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF
 ROBERTA WAGNER
 304-558-0067

RFQ COPY
 TYPE NAME/ADDRESS HERE
 HAYFLICH & STEINBERG, CPA'S, PLLC
 8 STONECREST DRIVE
 HUNTINGTON, WV 25701

VARIOUS AGENCY LOCALES
 AS INDICATED BELOW

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
08/17/2011				

BID OPENING DATE: 09/01/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
ADDENDUM NO. 1						
1. QUESTIONS AND ANSWERS ARE ATTACHED. 2. ADDENDUM ACKNOWLEDGEMENT IS ATTACHED. THIS DOCUMENT SHOULD BE SIGNED AND RETURNED WITH YOUR BID. FAILURE TO SIGN AND RETURN MAY RESULT IN DISQUALIFICATION OF YOUR BID.						
EXHIBIT 10						
REQUISITION NO.: BHS12026						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO. S:						
NO. 1 <input checked="" type="checkbox"/>						
NO. 2						
NO. 3						
NO. 4						
NO. 5						
I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE 304-697-5700	DATE 9/1/2011
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
 2. The State may accept or reject in part, or in whole, any bid.
 3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
 4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
 5. Payment may only be made after the delivery and acceptance of goods or services.
 6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
 7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
 8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
 9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
 10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
 11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
 12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
 13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.htm and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
 14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
 15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
 16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.
- I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as EQUAL to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 BHS12026

PAGE
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF
 ROBERTA WAGNER
 304-558-0067

VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE

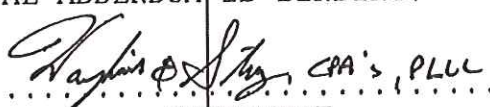
HAYFLICH & STEINBERG, CPA'S, PLLC
 8 STONECREST DRIVE
 HUNTINGTON, WV 25701


SHIP TO

VARIOUS AGENCY LOCALES
 AS INDICATED BELOW

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
08/17/2011				

BID OPENING DATE: 09/01/2011 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.</p> <p style="text-align: center;">  SIGNATURE HAYFLICH & STEINBERG, CPA'S, PLLC COMPANY SEPTEMBER 1, 2011 DATE </p> <p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>REV. 09/21/2009</p> <p style="text-align: center;">END OF ADDENDUM NO. 1</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE 	TELEPHONE 304-697-5700	DATE 9/1/2011
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

ADDENDUM**BHS12026**

1. Question: Is there an anticipated start date for the new contract?

Answer: Yes, October 1, 2011

2. Question: Want to confirm that there is no pre bid conference.

Answer: Correct, there is no pre bid conference.

WV STATE GOVERNMENT

HIPAA BUSINESS ASSOCIATE ADDENDUM

This Health Insurance Portability and Accountability Act of 1996 (hereafter, HIPAA) Business Associate Addendum ("Addendum") is made a part of the Agreement ("Agreement") by and between the State of West Virginia ("Agency"), and Business Associate ("Associate"), and is effective on the date of execution of a binding Agreement with the Agency.

The Associate performs certain services on behalf of or for the Agency pursuant to the underlying Agreement that requires the exchange of information including protected health information protected by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (the "HITECH Act"), any associated regulations and the federal regulations published at 45 CFR parts 160 and 164 (sometimes collectively referred to as "HIPAA"). The Agency is a "Covered Entity" as that term is defined in HIPAA, and the parties to the underlying Agreement are entering into this Addendum to establish the responsibilities of both parties regarding HIPAA-covered information and to bring the underlying Agreement into compliance with HIPAA.

Whereas it is desirable, in order to further the continued efficient operations of Agency to disclose to its Associate certain information which may contain confidential individually identifiable health information (hereafter, Protected Health Information or PHI); and

Whereas, it is the desire of both parties that the confidentiality of the PHI disclosed hereunder be maintained and treated in accordance with all applicable laws relating to confidentiality, including the Privacy and Security Rules, the HITECH Act and its associated regulations, and the parties do agree to at all times treat the PHI and interpret this Addendum consistent with that desire.

NOW THEREFORE: the parties agree that in consideration of the mutual promises herein, in the Agreement, and of the exchange of PHI hereunder that:

1. Definitions. Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the Privacy and Security Rules, including the HITECH Act.

a. Breach shall mean the acquisition, access, use or disclosure of protected health information which compromises the security or privacy of such information, except as excluded in the definition of Breach in 45 CFR § 164.402.

b. Business Associate shall have the meaning given to such term in 45 CFR § 160.103.

c. Electronic Health Record shall mean an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.

d. Electronic Protected Health Information means Protected Health Information that is transmitted by Electronic Media (as defined in the Security and Privacy Rule) or maintained in Electronic Media.

e. Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Parts 160 and Part 164, Subparts A and E, as amended.

f. **Personal Health Record** shall mean an electronic record of identifiable health information on an individual that can be drawn from multiple sources and that is managed, shared and controlled by or primarily for the individual.

g. **Protected Health Information or PHI** shall have the meaning given to such term in 45 CFR § 164.501, limited to the information created or received by Associate from or on behalf of Agency.

h. **Security Incident** means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information.

i. **Security Rule** means the Standards for the security of Electronic Protected Health Information found at 45 CFR Parts 160 and 162, and Part 164, Subparts A and C. The application of Security provisions Sections 164.308; 164.310, 164.312, and 164.316 of title 45, Code of Federal Regulations shall apply to Associate of Agency in the same manner that such sections apply to the Agency.

j. **Unsecured PHR Identifiable Health Information** is information that is not protected through the use of a technology or methodology specified by the Secretary in the guidance issued under Section 13402(h)(2) of the HITECH Act.

k. **Vendor of Personal Health Records** shall mean an entity, other than a covered entity, that offers or maintains a personal health record.

2. PHI Disclosures; Permitted Uses.

a. **PHI Described.** PHI disclosed by the Agency to the Associate, PHI created by the Associate on behalf of the Agency, and PHI received by the Associate from a third party on behalf of the Agency are disclosable under this Addendum. The disclosable PHI is limited to the minimum necessary to complete the tasks, or to provide the services, associated with the terms of the original Agreement.

b. **Purposes.** Except as otherwise limited in this Addendum, Associate may use or disclose the PHI on behalf of, or to provide services to, Agency for the purposes necessary to complete the tasks, or provide the services, associated with, and required by the terms of the original Agreement, if such use or disclosure of the PHI would not violate the Privacy or Security Rules or applicable state law if done by Agency or violate the minimum necessary and related Privacy and Security policies and procedures of the Agency.

3. Obligations of Associate.

a. **Stated Purposes Only.** The PHI may not be used by the Associate for any purpose other than stated in this Addendum or as required or permitted by law.

b. **Limited Disclosure.** The PHI is confidential and will not be disclosed by the Associate other than as stated in this Addendum or as required or permitted by law. Associate will refrain from receiving any remuneration in exchange for any individual's PHI, unless Agency gives written approval, and the exchange is pursuant to a valid authorization (that includes a specification of whether the PHI can be further exchanged for remuneration by the entity receiving PHI of that Individual), or satisfies one of the exceptions enumerated in Section 13405(e)(2) of the HITECH Act. Associate will refrain from marketing activities that would violate HIPAA, specifically Section 13406 of the HITECH Act. Associate will report to Agency

any use or disclosure of the PHI, including any Security Incident not provided for by this Agreement of which it becomes aware.

c. Safeguards. The Associate will use appropriate safeguards to prevent use or disclosure of the PHI, except as provided for in this Addendum. This shall include, but not be limited to:

(i) Limitation of the groups of its employees or agents, otherwise known as workforce members, to whom the PHI is disclosed to those reasonably required to accomplish the purposes stated in this Addendum, and the use and disclosure of the minimum PHI necessary;

(ii) Appropriate notification and training of its employees or agents to whom the PHI will be disclosed in order to protect the PHI from unauthorized disclosure;

(iii) Maintenance of a comprehensive written PHI privacy and security program that includes administrative, technical and physical safeguards appropriate to the size, nature, scope and complexity of the Associate's operations.

d. Compliance With Law. The Associate will not use or disclose the PHI in a manner in violation of existing law and specifically not in violation of laws relating to confidentiality of PHI, including but not limited to, the Privacy and Security Rules.

e. Mitigation. Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Associate of a use or disclosure of the PHI by Associate in violation of the requirements of this Addendum, and report its mitigation activity back to the Agency.

f. Support of Individual Rights.

(i) **Access to PHI.** Associate shall make the PHI maintained by Associate or its agents or subcontractors in Designated Record Sets available to Agency for inspection and copying within ten (10) days of a request by Agency to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524 and consistent with Section 13405 of the HITECH Act.

(ii) **Amendment of PHI.** Within ten (10) days of receipt of a request from Agency for an amendment of the PHI or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors shall make such PHI available to Agency for amendment and incorporate any such amendment to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.526.

(iii) **Accounting Rights.** Within ten (10) days of notice of a request for an accounting of disclosures of the PHI, Associate and its agents or subcontractors shall make available to Agency the documentation required to provide an accounting of disclosures to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR §164.528 and consistent with Section 13405 of the HITECH Act. Associate agrees to document disclosures of the PHI and information related to such disclosures as would be required for Agency to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §§ 164.528 and 164.316. This should include a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six (6) years from the date of disclosure, or longer if required by state law. At a minimum, such documentation shall include:

- the date of disclosure;
- the name of the entity or person who received the PHI, and if known, the address of the entity or person;

- a brief description of the PHI disclosed; and
- a brief statement of purposes of the disclosure that reasonably informs the Individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

(iv) Request for Restriction. Under the direction of the Agency, abide by any Individual's request to restrict the disclosure of PHI consistent with the requirements of Section 13405 of the HITECH Act and 45 CFR § 164.522.

g. Retention of PHI. Notwithstanding section 4.a. of this Addendum, Associate and its subcontractors or agents shall retain all PHI pursuant to state and federal law and shall continue to maintain the PHI required under Section 3.f. of this Addendum for a period of six (6) years after termination of the Agreement, or longer if required under state law.

h. Agents, Subcontractors Compliance. The Associate will ensure that any of its agents, including any subcontractors, to whom it provides any of the PHI it receives hereunder, or to whom it provides any PHI which the Associate creates or receives on behalf of the Agency, agree to the restrictions and conditions which apply to the Associate hereunder.

i. Amendments. The Associate shall make available to the specific Individual to whom it applies any PHI; make such PHI available for amendment; and make available the PHI required to provide an accounting of disclosures, all to the extent required by 45 CFR §§ 164.524, 164.526, and 164.528 respectively.

j. Federal Access. The Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by the Associate on behalf of the Agency available to the U.S. Secretary of Health and Human Services consistent with 45 CFR § 164.504.

k. Security. The Associate shall take all steps necessary to ensure the continuous security of all PHI and data systems containing PHI. In addition, compliance with 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII is required. Except with respect to Associate owned devices or equipment, if Associate chooses not to adopt such methodologies as defined in 74 FR 19006 based on its Security Risk Analysis, Associate shall document such rationale and submit it to the Agency.

l. Notification of Breach. During the term of this Agreement, the Associate shall notify the Agency and, unless otherwise directed by the Agency in writing, the Office of Technology immediately by telephone call plus e-mail, web form or fax upon the discovery of Breach of security of PHI, where the use or disclosure is not provided for by this Addendum of which it becomes aware, if the PHI was, or is reasonably believed to have been, acquired by an unauthorized person; or within 24 hours by e-mail or fax of any suspected Security Incident, intrusion or unauthorized use or disclosure of PHI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. Notification shall be provided to the Agency contract manager at www.state.wv.us/admin/purchase/vrc/agencyli.htm and, unless otherwise directed by the Agency in writing, the Office of Technology at <mailto:incident@wv.gov>.

The Associate shall immediately investigate such Security Incident, Breach, or unauthorized use or disclosure of PHI or confidential data. Within 72 hours of the discovery, the Associate shall notify the Agency contract manager, and, unless otherwise directed by the Agency in writing, the Office of Technology of: (a) What data elements were involved and the extent of the data

involved in the Breach; (b) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data; (c) A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized; (d) A description of the probable causes of the improper use or disclosure; and (e) Whether any federal or state laws requiring individual notifications of Breaches are triggered.

Agency will coordinate with Associate to determine additional specific actions that will be required of the Associate for mitigation of the Breach, which may include notification to the individual or other authorities.

All associated costs shall be borne by the Associate. This may include, but not be limited to costs associated with notifying affected individuals.

m. Assistance in Litigation or Administrative Proceedings. The Associate shall make itself and any subcontractors, employees or agents assisting Associate in the performance of its obligations under this Agreement, available to the Agency at no cost to the Agency to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the Agency, its officers or employees based upon claimed violations of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inaction or actions by the Associate, except where Associate or its subcontractor, employee or agent is a named as an adverse party.

4. Addendum Administration.

a. Duties at Termination. Upon any termination of the underlying Agreement, if feasible, the Associate shall return or destroy all PHI received from, or created or received by the Associate on behalf of the Agency that the Associate still maintains in any form and retain no copies of such PHI or, if such return or destruction is not feasible, the Associate shall extend the protections of this Addendum to the PHI and limit further uses and disclosures to the purposes that make the return or destruction of the PHI infeasible. This shall also apply to all agents and subcontractors of Associate. The duty of the Associate and its agents and subcontractors to assist the Agency with any HIPAA required accounting of disclosures survives the termination of the underlying Agreement.

b. Termination for Cause. Agency may terminate the underlying Agreement if at any time it determines that the Associate has violated a material term of the Agreement or this Addendum. Agency may, at its sole discretion, allow Associate a reasonable period of time to cure the material Breach before termination.

c. Judicial or Administrative Proceedings. The Agency may terminate this Agreement if the Associate is found guilty of a criminal violation of HIPAA. The Agency may terminate this Agreement if a finding or stipulation that the Associate has violated any standard or requirement of HIPAA/HITECH, or other security or privacy laws is made in any administrative or civil proceeding in which the Associate is a party or has been joined. Associate shall be subject to prosecution by the Department of Justice for violations of HIPAA/HITECH and shall be responsible for any and all costs associated with prosecution.

d. Survival. The respective rights and obligations of Associate under this Addendum shall survive the termination of the underlying Agreement.

5. General Provisions/Ownership of PHI.

a. Retention of Ownership. Ownership of the PHI resides with the Agency and is to be returned on demand or destroyed at the Agency's option.

b. Secondary PHI. Any data or PHI generated from the PHI disclosed hereunder which would permit identification of an Individual must be held confidential and is also the property of Agency.

c. Electronic Transmission. Except as permitted by law or this Addendum, the PHI or any data generated from the PHI which would permit identification of an Individual must not be transmitted to another party by electronic or other means for additional uses not authorized by this Addendum or to another contractor, or allied agency, or affiliate without prior written approval of Agency.

d. No Sales. Reports or data containing the PHI may not be sold without Agency's or the affected Individual's written consent.

e. No Third-Party Beneficiaries. Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than Agency, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

f. Interpretation. The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provisions in this Addendum. The interpretation of this Addendum shall be made under the laws of the state of West Virginia.

g. Amendment. The parties agree that to the extent necessary to comply with applicable law they will agree to further amend this Addendum.

h. Additional Terms and Conditions. Additional discretionary terms may be included in the release order or change order process.

Form - WVBAA-012004
Amended 07-2010

APPROVED AS TO FORM THIS 2nd
DAY OF August, 2010
DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

By: Dawn Wayfield
DEPUTY ATTORNEY GENERAL

**WEST VIRGINIA
STATE TAX DEPARTMENT
BUSINESS REGISTRATION
CERTIFICATE**

ISSUED TO:
**HAYFLICH & STEINBERG CPAS PLLC
8 STONECREST DR
HUNTINGTON, WV 25701-9391**

BUSINESS REGISTRATION ACCOUNT NUMBER: 1028-7482

This certificate is issued on: 06/25/2010

*This certificate is issued by
the West Virginia State Tax Commissioner
in accordance with W.Va. Code § 11-12.*

*The person or organization identified on this certificate is registered
to conduct business in the State of West Virginia at the location above.*

This certificate is not transferrable and must be displayed at the location for which issued.

This certificate shall be permanent until cessation of the business for which the certificate of registration was granted or until it is suspended, revoked or cancelled by the Tax Commissioner.

Change in name or change of location shall be considered a cessation of the business and a new certificate shall be required.

**TRAVELING/STREET VENDORS: Must carry a copy of this certificate in every vehicle operated by them.
CONTRACTORS, DRILLING OPERATORS, TIMBER/LOGGING OPERATIONS: Must have a copy of
this certificate displayed at every job site within West Virginia.**



State of West Virginia
 West Virginia Board of Accountancy
 106 Capitol Street, Suite 100
 Charleston, WV 25301
 (304) 558-3557

The entity listed below was issued a
FIRM PERMIT
 for the period beginning
 July 1, 2011 through June 30, 2012

F0299A
 HAYFLIGH & STEINBERG CPAS PLLC
 8 STONECREST DR
 HUNTINGTON WV 25701-9391

Harold B. Davis
 Board President

J. A. Mendenhall
 Executive Director



State of West Virginia
 West Virginia Board of Accountancy
 106 Capitol Street, Suite 100
 Charleston, WV 25301
 (304) 558-3557

The entity listed below was issued an
Authorization to Perform
Attest and/or Compilation Services
 for the period beginning
 July 1, 2011 through June 30, 2012

F0299A
 HAYFLIGH & STEINBERG CPAS PLLC
 8 STONECREST DR
 HUNTINGTON WV 25701-9391

Harold B. Davis
 Board President

J. A. Mendenhall
 Executive Director

West Virginia Board of Accountancy
 106 Capitol Street, Suite 100
 Charleston, WV 25301
 (304) 558-3557

Your fee has been received for renewal of your firm permit. This registration may be detached from the perforation at left and used until the date indicated.

Any errors in the attached information should be reported to the Board office at 304/558-3557

Harold B. Davis
 Board President

J. A. Mendenhall
 Executive Director

West Virginia Board of Accountancy
 106 Capitol Street, Suite 100
 Charleston, WV 25301
 (304) 558-3557

Your fee has been received for your firm's Authorization to Perform Attest or Compilation Services in West Virginia. This Authorization may be detached and used until the date indicated.

Any errors in the attached information should be reported to the Board office at 304/558-3557

Harold B. Davis
 Board President

J. A. Mendenhall
 Executive Director



400 Quarrier Street Charleston, WV 25301-2010

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

INFORMATION PAGE WC 00 00 01 (A)

RENEWAL OF POLICY NUMBER: WC10025945-07
POLICY NUMBER: WC10025945-08

INSURER: BRICKSTREET MUTUAL INSURANCE COMPANY

- 1. INSURED: HAYFLICH & STEINBERG CPAS PLLC
8 STONECREST DRIVE
HUNTINGTON, WV 25701-0000
PRODUCER: INSURANCE SYSTEMS INC
P.O. BOX 10
ONA, WV 25545

Insured is a(n) LLC

Other work places and identification numbers are shown in the schedule(s) attached.

2. The policy period is from 04/01/2011 to 04/01/2012 12:01 A.M. at the insured's mailing address.

3. A. WORKERS COMPENSATION INSURANCE: Part One of the policy applies to the Workers Compensation Law of the state(s) listed here:

WEST VIRGINIA

B. EMPLOYERS LIABILITY INSURANCE: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Table with 2 columns: Description and Limit. Rows include Bodily Injury by Accident (\$1,000,000 Each Accident), Bodily Injury by Disease (\$1,000,000 Policy Limit), and Bodily Injury by Disease (\$1,000,000 Each Employee).

C. OTHER STATES INSURANCE: Part Three of the policy applies to the states, if any, listed here:

"Part Three of the policy applies to the states, if any, listed here: All states and U.S. territories except, North Dakota, Ohio, Washington, Wyoming, Puerto Rico, and the U.S. Virgin Islands, and states designated in Item 3.A. of the Information Page. "

D. This policy includes these endorsements and schedules:

SEE LIST OF ENDORSEMENTS - EXTENSION OF INFORMATION PAGE

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made in accordance with Part Five of the Policy.

DATE OF ISSUE: 04/01/2011
ISSUING OFFICE: Charleston, WV
PRODUCER: INSURANCE SYSTEMS INC



400 Quarrier Street

Charleston, WV 25301-2010

**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

**EXTENSION OF INFORMATION PAGE - LIST OF
NAMED LOCATIONS(S) WC 00 00 01 (A)**

**RENEWAL OF POLICY NUMBER: WC10025945-07
POLICY NUMBER: WC10025945-08**

LIST OF NAMED INSURED LOCATIONS:

LOCATION ADDRESS:

1
8 STONECREST DRIVE
HUNTINGTON, WV 25701-0000

MAILING ADDRESS:

8 STONECREST DR
HUNTINGTON, WV 25701

DATE OF ISSUE: 04/01/2011
ISSUING OFFICE: Charleston, WV
PRODUCER: INSURANCE SYSTEMS INC



400 Quarrier Street Charleston, WV 25301-2010

**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

**EXTENSION OF INFORMATION PAGE -
SCHEDULE OF PREMIUM WC 00 00 01 (A)**

INSURED: HAYFLICH & STEINBERG CPAS PLLC

RENEWAL OF POLICY NUMBER: WC10025945-07
POLICY NUMBER: WC10025945-08

PERIOD OF OPERATION: 04/01/2011- 04/01/2012

SCHEDULE OF PREMIUM:

Code	Classification	Premium Basis Total Estimated Remuneration	Rate Per \$100 of Remuneration	Estimated Premium
8803	Auditor, Accountant or Factory Cost or Office Systematizer--Traveling	\$1,467,000.00	0.100	\$1,467.00
8810	Clerical Office Employees NOC	\$211,897.00	0.260	\$550.93
9015	Buildings--Operation by Owner, Lessee or Real Estate Management Firm: All Other Employees	\$14,400.00	3.000	\$432.00
	TOTAL MANUAL PREMIUM			\$2,450.00
9812	EMPLOYERS LIABILITY \$1,000,000/\$1,000,000/\$1,000,000		2.800	\$69.00
9848	EMPLOYERS LIABILITY MIN PREMIUM			\$31.00
	TOTAL SUBJECT PREMIUM			\$2,550.00
	TOTAL STANDARD PREMIUM			\$2,550.00
0900	EXPENSE CONSTANT			\$175.00
9740	TERRORISM		0.013	\$220.00
9741	CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM)		0.013	\$220.00
	TOTAL WC PREMIUM			\$3,165.00
9614	BROAD FORM EMPLOYERS LIABILITY		7.920	\$194.00
9614	BALANCE TO BROAD FORM EMPLOYERS LIABILITY MINIMUM PREMIUM			\$81.00
	TOTAL WV BROAD FORM EMPLOYERS LIABILITY PREMIUM			\$275.00
	ESTIMATED ANNUAL PREMIUM			\$3,440.00
	WV REGULATORY BUDGET SURCHARGE			\$169.00
	WV DEFICIT REDUCTION SURCHARGE			\$276.00
	WV FIRE AND CASUALTY SURCHARGE			\$2.00
	TOTAL AMOUNT DUE			\$3,887.00

DATE OF ISSUE: 04/01/2011 **THIS IS NOT AN INVOICE - YOU WILL BE BILLED SEPARATELY**
ISSUING OFFICE: Charleston, WV
PRODUCER: INSURANCE SYSTEMS INC



New York Marine & General
Insurance Company
919 Third Avenue
New York, NY 10022

Accountants & Consultants Professional Liability Insurance Policy Declarations

(herein referred to as "us", "we" or "our")

THIS IS A CLAIMS MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

NOTICE: EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR COVERED ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE, IF APPLICABLE, FOR WHICH CLAIMS ARE FIRST MADE AGAINST YOU WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO US NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THIS POLICY. THE COVERAGE OF THIS POLICY DOES NOT APPLY TO CLAIMS FIRST MADE AGAINST YOU AFTER THE TERMINATION OF THIS POLICY UNLESS, AND IN SUCH EVENT ONLY TO THE EXTENT, AN EXTENDED REPORTING PERIOD OPTION APPLIES.

POLICY NUMBER: CG108328

Replacing: N/A
Producer Code: NAPCPAG

1. Named Insured and Mailing Address: Hayflich & Steinberg, CPA's, PLLC
8 Stonecrest Drive
Huntington, WV 25701
2. Policy Period: from 01/10/11 to 01/10/12
At 12:01 A.M. Standard Time at the address of the Named Insured as stated above.
3. Limits of Liability: \$2,000,000.00 each Claim, but in no event exceeding
\$2,000,000.00 in the aggregate for all Claims

Defense Expenses Coverage Option: B
A. Reduce the available Limits of Liability
B. Are separate, and do not reduce the Limits of Liability
4. Deductible: \$ 25,000.00 each Claim, but in no event exceeding
\$ 0.00 in the aggregate for all Claims


Deductible Option: A
A. The Deductible amount specified above applies to both Damages and Defense Expenses
B. The Deductible amount specified above applies only to Damages
5. Retroactive Date: 03/05/80
6. Annual Premium: \$21,403.00
7. Notice to insurer: New York Marine & General Insurance Company,
919 Third Avenue, 10th floor, New York, NY 10022
8. Forms and endorsements attached at inception of coverage. Refer to schedule of forms.

NYAPOL 01
NYAEN 40
NYAEN 23
NYAEN 110B

NYAEN 00
NYAEN 02
NYAEN 97

NYAEN 01
NYAEN 03
NYAEN 107a

Issued on: January 26, 2011 at Ridgewood, New Jersey


for Jorgensen & Company
Authorized Representative and Managers for The Professional
Advisers Purchasing Group, Inc.

Countersigned at _____ by: _____

on: _____



OLSEN THIELEN & Co., LTD.

Certified Public Accountants & Consultants

SYSTEM REVIEW REPORT

September 15, 2010

To the Members

Hayflich & Steinberg, CPAs, PLLC

and the Peer Review Committee of the American Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Hayflich & Steinberg, CPAs, PLLC (the firm) in effect for the year ended May 31, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Hayflich & Steinberg, CPAs, PLLC in effect for the year ended May 31, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Hayflich & Steinberg, CPAs, PLLC has received a peer review rating of *pass*.

Olsen Thielen & Co., Ltd.

Olsen Thielen & Co., Ltd.