City Clerk Document No. _____

City Council Meeting Date: October 27, 2022

CITY OF CHANDLER SERVICES AGREEMENT
GROUP MEDICAL AND PHARMACY PROGRAM ADMINISTRATION
CITY OF CHANDLER AGREEMENT NO. HR2-948-4453

THIS AGREEMENT (Agreement) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Blue Cross Blue Shield of Arizona, an Arizona non-profit corporation and an independent licensee of the Blue Cross Blue Shield Association (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made _____ , 2022 (Effective Date).

RECITALS

A. City proposes to enter an agreement for group medical and pharmacy program administration services as more fully described in Exhibit A, which is attached to and made a part of this Agreement by this reference.

B. Contractor is ready, willing, and able to provide the services described in Exhibit A for the compensation and fees set forth and as described in Exhibit B, which is attached to and made a part of this Agreement by this reference.

C. City desires to contract with the Contractor to provide these services under the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this Agreement, City and Contractor agree as follows:

SECTION I: DEFINITIONS

For purposes of this Agreement, the following definitions apply:
Agreement means the legal agreement executed between the City and the Contractor
City means the City of Chandler, Arizona
Contractor means the individual, partnership, or corporation named in the Agreement
Days means calendar days
May, Should means something that is not mandatory but permissible
Shall, Will, Must means a mandatory requirement

SECTION II: CONTRACTOR'S SERVICES

Contractor must perform the services described in Exhibit A to the City's satisfaction within the

terms and conditions of this Agreement and within the care and skill that a person who provides similar services in Chandler, Arizona exercises under similar conditions. All work or services furnished by Contractor under this Agreement must be performed in a skilled and workmanlike manner. Unless authorized by the City in writing, all fixtures, furnishings, and equipment furnished by Contractor as part of the work or services under this Agreement must be new, or the latest model, and of the most suitable grade and quality for the intended purpose of the work or service.

SECTION III: PERIOD OF SERVICE

Contractor must perform the services described in Exhibit A for the term of this Agreement.

The term of the Agreement is two years, and begins on January 1, 2023, and ends on December 31, 2024, unless sooner terminated in accordance with the provisions of this Agreement. The City and the Contractor may mutually agree to extend the Agreement for up to three additional terms of two years each, or portions thereof. The City reserves the right, at its sole discretion, to extend the Agreement for up to 60 days beyond the expiration of any extension term.

This Period of Service is controlling and shall prevail over any differing term related to the term of the Agreement in any other Exhibit or Attachment incorporated into the Agreement.

SECTION lV: PAYMENT OF COMPENSATION AND FEES

Unless amended in writing by the Parties, Contractor's compensation and fees as more fully described in Exhibit B for performance of the services approved and accepted by the City under this Agreement must not exceed $2,190,000 per year for the fixed costs of administrative and stop loss fees for the first term. Contractor must submit requests for payment for services approved and accepted during the previous billing period and must include, as applicable, detailed invoices and receipts, a narrative description of the tasks accomplished during the billing period, a list of any deliverables submitted, and any subcontractor's or supplier's actual requests for payment plus similar narrative and listing of their work. Payment for those services negotiated as a lump sum will be made in accordance with the percentage of the work completed during the preceding billing period. Services negotiated as a not-to-exceed fee will be paid in accordance with the work completed on the service during the preceding month. All requests for payment must be submitted to the City for review and approval. The City will make payment for approved and accepted services within 30 days of the City's receipt of the request for payment. Contractor bears all responsibility and liability for any and all tax obligations that result from Contractor's performance under this Agreement.

All prices offered herein shall be firm against any increase for the initial term of the Agreement. Prior to commencement of subsequent renewal terms, the City may approve a fully documented request for a price adjustment. The City shall determine whether any requested price increases for extension terms is acceptable to the City. If the City approves the price increase, the price shall remain firm for the renewal term for which it was requested. If a price increase is agreed upon by the Parties a written Agreement Amendment shall be approved and executed by the Parties. For each renewal period, the renewal administrative fee increases will not exceed 3% of the current administrative fees.

SECTION V: GENERAL CONDITIONS

5.1 Records/Audits.

a. Audit. Upon reasonable prior written notice to Contractor and as mutually agreed upon during Contractor's normal working hours, the City may conduct the following audits at its own cost:

- An audit of up to 50 claims as may be necessary to validate financial statements and which occurs no more than one time per calendar year; and

- An audit of the records of payments made to Providers and other data specifically related to Contractor's performance under this Agreement which occurs no more than once every two calendar years.

The City agrees that any third-party auditor used to conduct the above audits shall not be compensated on a percent of savings basis. For the number of type of audits specified above, Contractor agrees to provide reasonable assistance and information to the City's auditors without charge. There is an additional charge for Contractor's assistance with any audits approved by Contractor beyond those specified. Any audit for any plan year must be both commenced and finalized within twelve (12) months of the last day of the plan year being audited; and (b) the termination of this Agreement. Contractor shall have no liability to pay the City any amounts as a result of any audit unless demand for payment based on such audit is received by Contractor within twelve (12) months of the end of the plan year in which the claim was paid or denied.

b. Records. Contractor will retain electronic or paper copies of its claims for Participant's for a minimum of seven (7) years after such records' creation or receipt by BCBSAZ. The obligation to retain records as stated in this Section shall not apply to any records that Contractor returns to the City, nor with respect to any records for which the City has duplicate copies. The City acknowledges and agrees that at the end of seven (7) years' retention of records as stated herein, Contractor may destroy any such records without any obligation to provide prior notice of such destruction to the City.

5.2 Alteration in Character of Work. Whenever an alteration in the character of work results in a substantial change in this Agreement, thereby materially increasing or decreasing the scope of services, cost of performance, or Project schedule, the work will be performed as directed by the City. However, before any modified work is started, a written amendment must be approved and executed by the City and the Contractor. Such amendment must not be effective until approved by the City. Additions to, modifications, or deletions from this Agreement as provided herein may be made, and the compensation to be paid to the Contractor may accordingly be adjusted by mutual agreement of the Parties. It is distinctly understood and agreed that no claim for extra work done or materials furnished by the Contractor will be allowed by the City except as provided herein, nor must the Contractor do any work or furnish any materials not covered by this Agreement unless such work is first authorized in writing. Any such work or materials furnished by the Contractor without prior written authorization will be at Contractor's own risk, cost, and expense, and Contractor hereby agrees that without written authorization Contractor will make no claim for compensation for such work or materials furnished.

5.3 Termination for Convenience. The City and the Contractor hereby agree to the full performance of the covenants contained herein, except that the City reserves the right, at its

discretion and without cause, to terminate or abandon any service provided for in this Agreement, or abandon any portion of the Project for which services have been performed by the Contractor. In the event the City abandons or suspends the services, or any part of the services as provided in this Agreement, the City will notify the Contractor in writing and immediately after receiving such notice, the Contractor must discontinue advancing the work specified under this Agreement. Upon such termination, abandonment, or suspension, the Contractor must deliver to the City all drawings, plans, specifications, special provisions, estimates and other work entirely or partially completed, together with all unused materials supplied by the City. The Contractor must appraise the work Contractor has completed and submit Contractor's appraisal to the City for evaluation. The City may inspect the Contractor's work to appraise the work completed. The Contractor will receive compensation in full for services performed to the date of such termination. The fee shall be paid in accordance with Section IV of this Agreement, and as mutually agreed upon by the Contractor and the City. If there is no mutual agreement on payment, the final determination will be made in accordance with the Disputes provision in this Agreement. However, in no event may the payment exceed the payment set forth in this Agreement nor as amended in accordance with Alteration in Character of Work. The City will make the final payment within 60 days after the Contractor has delivered the last of the partially completed items and the Parties agree on the final payment. If the City is found to have improperly terminated the Agreement for cause or default, the termination will be converted to a termination for convenience in accordance with the provisions of this Agreement.

5.4 Termination for Cause. The City may terminate this Agreement for Cause upon the occurrence of any one or more of the following events: in the event that (a) the Contractor fails to perform pursuant to the terms of this Agreement, (b) the Contractor is adjudged a bankrupt or insolvent, (c) the Contractor makes a general assignment for the benefit of creditors, (d) a trustee or receiver is appointed for Contractor or for any of Contractor’s property (e) the Contractor files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws, (f) the Contractor disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction, or (g) the Contractor fails to cure default within the time requested. Where Agreement has been so terminated by City, the termination will not affect any rights of City against Contractor then existing or which may thereafter accrue.

5.5 Indemnification by Contractor. Contractor shall indemnify, defend, save and hold harmless the City and its officers, officials, agents, and employees (hereinafter referred to as “Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claims processing, investigation and litigation) (hereinafter referred to as “Claims”) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Worker’s Compensation Law or arising out of the failure of such Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the “Indemnitee” shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the “Indemnitee”, be indemnified by the Contractor from and against any and all claims. It is agreed that the Contractor will be responsible for primary loss investigation, defense, and judgement costs where this indemnification is applicable. In consideration of the award of this Agreement, the Contractor agrees to waive all rights of subrogation against the City, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor

for the City. The obligations of the Contractor under this provision survive the termination or expiration of this Agreement and shall remain in full force and effect after the date of termination or expiration.

Indemnification by the City. The City shall indemnify, hold harmless, and defend the Contractor, its directors, officers, employees, or agents from and against any and all actions, causes of action, suits, claims, judgements, settlements, liabilities, damages, penalties, losses and/or expenses, and costs, including, without limitation, attorneys' fees, punitive and exemplary damages, resulting directly from or arising solely out of negligent or willful acts or omissions of the City, its directors, officers, employees, or agents. This indemnification obligation shall survive the termination or expiration of this Agreement and shall remain in full force and effect after the date of termination or expiration.

The indemnification provisions in this section apply to the entire Agreement between the Parties and shall prevail over any differing terms related to indemnification by the Contractor or the City in any other Exhibit or Attachment incorporated into the Agreement.

5.6 Insurance Requirements. Contractor must procure insurance under the terms and conditions and for the amounts of coverage set forth in Exhibit C against claims that may arise from or relate to performance of the work under this Agreement by Contractor and its agents, representatives, employees, and subcontractors. Contractor and any subcontractors must maintain this insurance until all of their obligations have been discharged, including any warranty periods under this Agreement. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits stated in Exhibit C are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this Agreement by the Contractor, the Contractor's agents, representatives, employees, or subcontractors. Contractor is free to purchase such additional insurance as may be determined necessary.

5.7 Cooperation and Further Documentation. The Contractor agrees to provide the City such other duly executed documents as may be reasonably requested by the City to implement the intent of this Agreement.

5.8 Notices. Unless otherwise provided, notice under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the date notice is sent if by electronic mail, or (c) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:

For the City

Name: Christina Pryor
Title: Purchasing Manager
Address: 175 S. Arizona Ave., 3rd Floor
Chandler, AZ 85225
Phone: 480-782-2403
Email: christina.pryor@chandleraz.gov

For the Contractor

Name: Christie Thomas
Title: Strategic Relationship Executive
Address: 2444 W. Palmaritas Drive
Phoenix, AZ 85021
Phone: 602-864-5234
Email: christie.thomas@azblue.com

5.9 Successors and Assigns. City and Contractor each bind itself, its partners, successors, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Agreement. Neither the City nor the Contractor may assign, sublet, or transfer its interest in this Agreement without the written consent of the other party. In no event may any contractual relation be created between any third party and the City.

5.10 Disputes. In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between the Contractor and the City, the final determination at the administrative level will be made in accordance with standard rules of contract construction and interpretation and applicable statutes, regulations, and codes.

5.11 Completeness and Accuracy of Contractor's Work. The Contractor must be responsible for the completeness and accuracy of Contractor's services, data, and other work prepared or compiled under Contractor's obligation under this Agreement and must correct, at Contractor's expense, all willful or negligent errors, omissions, or acts that may be discovered. The fact that the City has accepted or approved the Contractor's work will in no way relieve the Contractor of any of Contractor's responsibilities.

5.12 Withholding Payment. The City reserves the right to withhold funds from the Contractor's payments up to the amount equal to the claims the City may have against the Contractor until such time that a settlement on those claims has been reached.

5.13 City's Right of Cancellation. The Parties acknowledge that this Agreement is subject to cancellation by the City under the provisions of Section 38-511, Arizona Revised Statutes (A.R.S.).

5.14 Independent Contractor. For this Agreement the Contractor constitutes an independent contractor. Any provisions in this Agreement that may appear to give the City the right to direct the Contractor as to the details of accomplishing the work or to exercise a measure of control over the work means that the Contractor must follow the wishes of the City as to the results of the work only. These results must comply with all applicable laws and ordinances.

5.15 Project Staffing. Prior to the start of any work under this Agreement, the Contractor must assign to the City the key personnel that will be involved in performing services prescribed in the Agreement. The City may acknowledge its acceptance of such personnel to perform services under this Agreement. At any time hereafter that the Contractor desires to change key personnel while performing under the Agreement, the Contractor must submit the qualifications of the new personnel to the City for prior approval. The Contractor will maintain an adequate and competent staff of qualified persons, as may be determined by the City, throughout the performance of this Agreement to ensure acceptable and timely completion of the Scope of Services. If the City objects, with reasonable cause, to any of the Contractor's staff, the Contractor must take prompt corrective action acceptable to the City and, if required, remove such personnel from the Project and replace with new personnel agreed to by the City.

5.16 Subcontractors. Prior to beginning the work, the Contractor must furnish the City the names of subcontractors to be used under this Agreement. The Contractor agrees to obtain City’s written consent prior to entering into any subcontract for services to be performed for

the City. For purposes of this provision, the following are not considered subcontracts: contracts between Contractor and any health care provider or any third party administrator reimbursement entity, or any specially contracted health care provider arrangement.

5.17 Force Majeure. If either party is delayed or prevented from the performance of any act required under this Agreement by reason of acts of God or other cause beyond the control and without fault of the Party (financial inability excepted), performance of that act may be excused, but only for the period of the delay, if the Party provides written notice to the other Party within ten days of such act. The time for performance of the act may be extended for a period equivalent to the period of delay from the date written notice is received by the other Party.

5.18 Compliance with Laws. Contractor understands, acknowledges, and agrees to comply with the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. All services performed by Contractor must also comply with all applicable City of Chandler codes, ordinances, and requirements. Contractor agrees to permit the City to verify Contractor's compliance.

5.19 No Israel Boycott. By entering into this Agreement, Contractor certifies that Contractor is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

5.20 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with§ 23-214, subsection A. A breach of this warranty will be deemed a material breach of the Agreement and may be subject to penalties up to and including termination of the Agreement. City retains the legal right to inspect the papers of any Contractor's or subcontractor's employee who provides services under this Agreement to ensure that the Contractor and subcontractors comply with the warranty under this provision.

5.21 Forced Labor of Ethnic Uyghurs Prohibited. By entering into this Agreement, Contractor certifies under A.R.S. sec. 35-394 that Contractor does not currently and agrees for the duration of the contract that Contractor will not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

5.22 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

5.23 Covenant Against Contingent Fees. Contractor warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding

for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Contractor's firm. For breach or violation of this warrant, the City may annul this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

5.24 Non-Waiver Provision. The failure of either Party to enforce any of the provisions of this Agreement or to require performance of the other Party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.

5.25 Data Confidentiality and Data Security. As used in the Agreement, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to the Contractor or its subcontractors in the performance of this Agreement. The Parties agree that all data, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the Contractor or its subcontractors in connection with the Contractor's or its subcontractor's performance of this Agreement is confidential and proprietary information belonging to the City. Except as specifically provided in this Agreement, Contractor or its subcontractors must not divulge data to any third party without the City's prior written consent. Contractor or its subcontractors must not use the data for any purposes except to perform the services required under this Agreement. These prohibitions do not apply to the following data provided to the Contractor or its subcontractors have first given the required notice to the City: (a) data which was known to the Contractor or its subcontractors prior to its performance under this Agreement unless such data was acquired in connection with work performed for the City; or (b) data which was acquired by the Contractor or its subcontractors in its performance under this Agreement and which was disclosed to the Contractor or its subcontractors by a third party, who to the best of the Contractor's or its subcontractors knowledge and belief, had the legal right to make such disclosure and the Contractor or its subcontractors are not otherwise required to hold such data in confidence; or (c) data which is required to be disclosed by virtue of law, regulation, or court order, to which the Contractor or its subcontractors are subject. In the event the Contractor or its subcontractors are required or requested to disclose data to a third party, or any other information to which the Contractor or its subcontractors became privy as a result of any other contract with the City, the Contractor must first notify the City as set forth in this Section of the request or demand for the data. The Contractor or its subcontractors must give the City sufficient facts so that the City can be given an opportunity to first give its consent or take such action that the City may deem appropriate to protect such data or other information from disclosure. Unless prohibited by law, within ten calendar days after completion or termination of services under this Agreement, the Contractor or its subcontractors must promptly deliver, as set forth in this Section, a copy of all data to the City. All data must continue to be subject to the confidentiality agreements of this Agreement. Contractor or its subcontractors assume all liability to maintain the confidentiality of the data in its possession and agrees to compensate the City if any of the provisions of this Section are violated by the Contractor, its employees, agents or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered

into by Contractor. A violation of this Section may result in immediate termination of this Agreement without notice.

5.26 Personal Identifying Information-Data Security. Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times by Contractor and any of its subcontractors. At a minimum, Contractor must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Contractor or its subcontractors in connection with this Agreement is believed to have been compromised, Contractor or its subcontractors must immediately notify the City contact. Contractor agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice. The obligations of Contractor or its subcontractors under this Section must survive the termination of this Agreement.

5.27 Jurisdiction and Venue. This Agreement is made under and must be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each Party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

5.28 Survival. All warranties, representations, and indemnifications by the Contractor must survive the completion or termination of this Agreement.

5.29 Modification. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term of this Agreement will be deemed binding or effective unless in writing and signed by the Parties.

5.30 Severability. If any provision of this Agreement or the application to any person or circumstance may be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application will not be affected and will be enforceable to the fullest extent permitted by law.

5.31 Integration. This Agreement contains the full agreement of the Parties. Any prior or contemporaneous written or oral agreement between the Parties regarding the subject matter is merged and superseded.

5.32 Time is of the Essence. Time of each of the terms, covenants, and conditions of this Agreement is hereby expressly made of the essence.

5.33 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for should fall on a Saturday, Sunday, or holiday for the City, the obligation will be due and owing, and the time period will expire, on the first day after which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth in this Agreement, any performance provided for herein will be timely made if completed no later than 5:00 p.m. (Chandler time) on the day of performance.

5.34 Delivery. All prices are F.O.B. Destination and include all delivery and unloading at the specified destinations. The Contractor will retain title and control of all goods until they are delivered and accepted by the City. All risk of transportation and all related charges will be the responsibility of the Contractor. All claims for visible or concealed damage will be filed by the Contractor. The City will notify the Contractor promptly of any damaged goods and will assist the Contractor in arranging for inspection.

5.35 Third Party Beneficiary. Nothing under this Agreement will be construed to give any rights or benefits in the Agreement to anyone other than the City and the Contractor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and the Contractor and not for the benefit of any other party.

5.36 Conflict in Language. All work performed must conform to all applicable City of Chandler codes, ordinances, and requirements as outlined in this Agreement. If there is a conflict in interpretation between provisions in this Agreement and those in the Exhibits, the provisions in this Agreement prevail.

5.37 Document/Information Release. Documents and materials released to the Contractor, which are identified by the City as sensitive and confidential, are the City's property. The document/material must be issued by and returned to the City upon completion of the services under this Agreement. Contractor's secondary distribution, disclosure, copying, or duplication in any manner is prohibited without the City's prior written approval. The document/material must be kept secure at all times. This directive applies to all City documents, whether in photographic, printed, or electronic data format.

5.38 Exhibits and Order of Precedence. The below-listed exhibits are made a part of this Agreement and are incorporated by reference as if fully set forth herein.

1. This Services Agreement
2. Exhibit A - Project Description/Scope of Services, including:
   a. Exhibit A 1 – BCBSAZ City of Chandler Best and Final Offer
   b. Exhibit A 2 – BCBSAZ Response to RFP Exhibit A and Questionnaire Parts A and B
   c. Exhibit A 3 – BCBSAZ Services Included in Administrative Fees
   d. Exhibit A 4 – BCBSAZ Subcontractor List
   e. Exhibit A 5 – BCBSAZ Proposed Implementation Timeline
   f. Exhibit A 6 – BCBSAZ Specialty Drug List
   g. Exhibit A 7 – BCBSAZ Audit Requirements
   h. Exhibit A 8 – BCBSAZ Pharmacy Claims Excluded from Guarantees
3. Exhibit B - Compensation and Fees
   a. Exhibit B 1 Medical Worksheet City of Chandler BAFO

b. Exhibit B 2 RX Worksheet City of Chandler BAFO
c. Exhibit B 3 – City of Chandler Renewal Rates and Assumptions
d. Exhibit B 4 – Pharmacy Pricing Grid Pass Through 2023
e. Exhibit B 5 – HSA Employer and Account Holder Fees

4. Exhibit C - Insurance Requirements
5. Exhibit D - Special Conditions
6. Exhibit E – BCBSAZ Stop Loss Agreement
7. Exhibit F – BCBSAZ Administrative Services Agreement
8. Exhibit G - Supplemental Terms and Conditions to Administrative Services Agreement
   a. Exhibit G 1 – Exhibit A to ASA Terms: Blue Card (HMO Plans)/(PPO Plans)
   b. Exhibit G 2 - Attachment A to Administrative Services Agreement Terms

Precedence. Any conflict between and among the terms and conditions of this Agreement and its Exhibits, or any ambiguity created thereby, shall be resolved in accordance with the following descending order of precedence:

1. The Services Agreement including Exhibits A through D (including subparts)
2. Exhibit E – Stop Loss Agreement
3. Exhibit F and G (including subparts) – ASA with Supplemental Terms and Conditions, including Exhibit A and Attachment A

5.39 Special Conditions. As part of the services Contractor provides under this Agreement, Contractor agrees to comply with and fully perform the special terms and conditions set forth in Exhibit D, which is attached to and made a part of this Agreement.

5.40 Cooperative Use of Agreement. In addition to the City of Chandler and with approval of the Contractor, this Agreement may be extended for use by other municipalities, school districts and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

If required to provide services on a school district property at least five times during a month, the Contractor will submit a full set of fingerprints to the school of each person or employee who may provide such service. The District will conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all Contractors, subcontractors or vendors and their employees for which fingerprints are submitted to the District. Additionally, the Contractor will comply with the governing body fingerprinting policies of each individual school district/public entity. The Contractor, sub-contractors, vendors and their employees will not provide services on school district properties until authorized by the District.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City will not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

5.41 Non-Discrimination and Anti-Harassment Laws. Contractor must comply with all applicable City, state, and federal non-discrimination and anti-harassment laws, rules, and regulations.

5.42 Licenses and Permits. Beginning with the Effective Date and for the full term of this

Agreement, Contractor must maintain all applicable City, state, and federal licenses and permits required to fully perform Contractor's services under this Agreement.

5.43 Warranty of Performance. Contractor warrants that it will perform the work and services set forth in the Scope of Services in a professional and workmanlike manner, in conformity with the specification and requirements of this Agreement, in accordance with generally accepted professional standards, and in compliance with all applicable laws, rules, and regulations. Such warranty of performance shall extend for twelve (12) months from the date of the performance of the work.

5.44 Emergency Purchases. City reserves the rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the Contractor.

5.45 Non-Exclusive Agreement. This agreement is for the sole convenience of the City of Chandler. The City reserves the right to obtain like goods or services from another source when necessary.

5.46 Budget Approval Into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The Parties recognize that the continuation of this Agreement after the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council at the time Council adopts the budget.

This Agreement shall be in full force and effect only when it has been approved and executed by the duly authorized City officials.

FOR THE CITY	**FOR THE CONTRACTOR**
By: _____	By: Michael Groeger
Its: Mayor	Its: Vice President, Commercial Sales

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

By: _____
City Clerk

Exhibit A
Scope of Services

The Contractor shall provide the following services consistent with the Contractor's response to RFP No. HR2-948-4453, as confirmed and clarified by the Contractor's Best and Final Offer dated June 9, 2022.

The Contractor will provide medical plan administration services including:

Account Management
- Provide a designated Account Manager and Account Management Team

Secure Internet Access
- Access to Claims Administration Portal for Employees to view claim status, EOB's, etc.
- Employer and/or Designated Consultant access to Claims Data Reporting Portal to view and download online reports.

Customer Service
- Provide concierge customer service to answer inquiries on claims, eligibility, provider network, services, coverage, or other inquiries Monday through Friday from 8:00 AM to 6:00 PM (AZ time).

Open Enrollment Support
- Prepare and provide Benefit Presentations in collaboration with the City
- Attend Open Enrollment Meetings

Meeting Attendance
- Attend meetings as required and requested by the City

Telehealth
- Provide 24/7 telehealth services for medical, counseling, or psychiatry services.

Telemedicine
- Provide virtual office visits in lieu of physical office visit with a member's doctor.

Communication/Education Materials
- Provide bilingual communication/educational materials
- Provide Booklets/Certificates and Identification Card generation

Claims Administration
- Provide claims forms
- Receive claims and process payments of benefits in accordance with the plan designs
- Correspond with participants and providers if additional information is necessary to complete the processing of claims
- Determine, based on the City's medical necessity guidelines, benefits payable under the Plan, pursuant to the terms and conditions of the City's Benefit Plan
- Coordinate benefits payable under the Plan and with other benefit plans, if applicable

- Provide notice to the Participants regarding the reason(s) for denial of benefits (which are denied) and provide for the review of such denied claims
- Provide an explanation of benefits resulting from claims transactions to plan participants
- Provide SBCs
- Perform Recovery of Payments of $25 or more
- Administer a Fraud and Abuse Detection Program
- Provide Full Claims Fiduciary Services (all levels of appeals – no litigation)

Eligibility/Enrollment Administration
- Administer eligibility based on the City's eligibility criteria
- Accept electronic eligibility files from the City's Benefits Administration system.

Reporting
- Provide reporting of all benefits being administered as detailed in the Reporting section of the Questionnaire.

The Contractor will provide Medical Case Management, Utilization Review, and Disease Management services including:

Utilization Management (UM) including Precertification Services
- Provide precertification and utilization management services in accordance with the City's plan document.

Concurrent Review
- Determine the appropriateness and level of care for ongoing stays. Since most of the ongoing stays for the current network is contracted with a DRG reimbursement, concurrent review is established if a member moves to a lower level of care that is reimbursed on a per diem basis such as long-term acute care, skilled nursing, or inpatient rehabilitation.

Comprehensive Case Management (CM) Program
- Assist participants to learn more about their illness and risk factors and understand treatment options and expected outcomes.
- Understand and wisely use their health benefits and case management services
- Access other resources outside their insurance plan
- Avoid more expensive care or duplication of services
- Coordinate services among many different providers

Disease Management Programs
- Asthma
- Chronic Obstructive Pulmonary Disease (COPD)
- Diabetes (Type 1 and 2)
- Coronary Artery Disease (CAD)
- Congestive Heart Failure

Claim and UM Appeals
- Handle all levels of the Appeal Process for services provided. (no litigation)

Preferred Provider Organization (PPO) Network Access

- Provide a comprehensive PPO provider network with competitive discounts for Arizona participants as well as any out-of-state participants.
- Provide a network that includes a sufficient number of providers for acute hospitals, health care professionals, ancillary providers such as durable medical equipment, skilled nursing facility, home health, rehabilitation, hospice, transplant centers of excellence, and behavioral health providers.

Pharmacy Benefit Manager

Provide comprehensive PBM services including, but not limited to, the following:

- Claims adjudication
- Ability to Integrate PBM services with other vendors (e.g. Disease Management, Care Management, Medical), if applicable
- Eligibility Maintenance
- Patient and Provider Education
- Systematic Prospective, Concurrent, and Retrospective Drug Utilization Review
- Network Pharmacy Management
- Formulary Management and Rebate Sharing
- Data Reporting (standard and ad-hoc reporting)
- Distribution of ID Cards and Pharmacy Directories
- Mail Service Pharmacy
- Specialty Pharmacy Program
- Complete Availability of IT services, including Online/Real Time Availability to the District and/or its designee(s)
- Pricing Administration
- Member Services, including quality and functionality of member website and mobile app
- Ad Hoc Reporting
- Clinical Programs

Wellness Benefits Administration

- Online Health Risk Assessment
- 24/7 Nurseline
- 24/7 and Online Lifestyle Management Program (including challenges, coaching, and wellness programs)
- Maternity/Healthy Baby Program
- Onsite Health and Wellness Fair Support
- Flu Shots – Onsite Discounted Services

Discount Services

Provide discounted programs for participants that include:

- Wireless-Enabled Wearable Technology Device
- Weight Loss Programs
- Vitamins
- Gym Memberships
- Apparel

Stop Loss

Stop-Loss includes:

- Incurred in 12 months and Paid in 24 months (12/24)

- Lifetime maximum benefit is unlimited
- Coverage is for Medical and Prescription Drug only
- $350,000 annual specific deductible per individual
- Aggregating Stop Loss of 125%
- Retirees are covered

Interface and Coordination with City's Vendors and Service Providers
As-needed, when needed.

Contractor shall provide the above services as described, confirmed, clarified, or limited in the following exhibits incorporated hereby into the Scope of Services:

Exhibit A 1 – BCBSAZ City of Chandler Best and Final Offer
Exhibit A 2 – BCBSAZ Response to RFP Exhibit A and Questionnaire Parts A and B
Exhibit A 3 – BCBSAZ Services Included in Administrative Fees
Exhibit A 4 – BCBSAZ Subcontractor List
Exhibit A 5 – BCBSAZ Proposed Implementation Timeline
Exhibit A 6 – BCBSAZ Specialty Drug List
Exhibit A 7 – BCBSAZ Audit Requirements
Exhibit A 8 – BCBSAZ Pharmacy Claims Excluded from Guarantees

Exhibit A 1
BCBSAZ City of Chandler Best and Final Offer

M E M O R A N D U M

V I A E - M A I L

To: Christie Thomas, Strategic Relationship Executive, Large & National Sales
Blue Cross Blue Shield of Arizona

From: Jeanna Carlton
Sr. Health Benefits Analyst, Client Manager

Date: June 9, 2022

Re: Best and Final Offer for Request for the City of Chandler
RFP #HR2-948-4453

Segal, on behalf of the City of Chandler, hereby requests a "Best and Final" offer for Medical/Rx from your firm. The offer is an opportunity for your firm to make revisions to your cost proposal that you feel would make your offer more attractive. If you do not submit a revised offer by the due date and time, your previous offer will be considered your final offer.
Please note your "Best and Final" offer should include the following items:

1. Answer the attached questionnaire.

2. Completion of the attached Best and Final Financial Exhibit Spreadsheets.

Your "Best and Final" offer must be submitted via e-mail to jcarlton@segalco.com no later than **12:00 p.m. Arizona time on Wednesday, June 15, 2022.**

Should you have any questions regarding the content of this request, please contact Jeanna Carlton at jcarlton@segalco.com for assistance.

1. Confirm that you will maintain the current contract provision that you firms reserves the right to adjust rates if enrollment varies by +/-15%?

BCBSAZ confirms.

2. Confirm that your firm will notify the City of any major operational changes, as per current practices.

BCBSAZ confirms.

3. Confirm that your firm will notify the City of any services outlined in the scope of work be subcontracted, as per current practices.

BCBSAZ confirms.

4. Confirm that your firm will notify the City of any communications that will be released to the employees, as per current practices.

BCBSAZ confirms.

5. Confirm that your firm may not subcontract all or substantially all of the scope of work, without the express written permission of the City. A subcontract does not include any contract between BCBSAZ and any health care provider or any contract between BCBSAZ and any third party administrator reimbursement entity or any specially contracted health care provider arrangement.

BCBSAZ confirms.

6. Confirm that your firm will maintain the termination provisions as outlined in the current contract with the City.

BCBSAZ confirms.

7. Your firm only holds online historical claims data for 2 years, however you store claims data offline for 7-10 years. How soon will data not stored online be available if requested by the City of the City's broker of record?

Once data has been moved to the data archives, it may be up to approximately three weeks to obtain the historical data from MetaVance medical claims. This is an estimated timeframe because we often need to work with requestors to translate their requests into the names of the data fields that are archived.

8. The PBM agrees to notify the City or its designee in advance of 90 days when a formulary drug is targeted to be moved to or from the preferred drug list. The PBM must provide a detailed disruption and financial impact analysis at the same time. Please confirm.

BCBSAZ is offering our multi-tiered benefit program which applies to all our at-risk business in addition to self-funded groups. Because a single program is used for all business, BCBSAZ is able to negotiate better rebate arrangements with pharmaceutical manufacturers while keeping our goal of lowest net cost. Changes requiring member notification must be made in compliance with Department of Labor requirements, which BCBSAZ adheres to.

BCBSAZ's Pharmacy and Therapeutics (P&T) Committee meets on a quarterly basis to review recommended changes and make determinations for our book of business.

Any negative changes are communicated in adherence with Department of Labor (DOL) requirements to utilizing members. Impacted members are provided a 60-day notice prior to changes becoming effective.

A detailed reporting of impacted members could be provided to the group upon request.

9. Confirm that your firm is compliant with the No Surprises Act and the Transparency in Coverage regulations as it relates to the following pieces of the regulations: Public Disclosure of Medical In and Out-of-Network Machine-Readable Files, Independent Dispute Resolution, Qualifying Payment Amount, ID Card Requirements, External Review, and Adjudication of Claims (emergency services covered at non-participating facilities, services /items provided by non-participating provider at a participating facility, and non-participating air ambulance services at same participant cost-sharing as participating provider/facility, providers and facilities are banned from balance billing).

BCBSAZ confirms.

10. Confirm that your firm will provide an allowance for a dependent audit.

BCBSAZ confirms. Our proposal includes a General Fund allowance of $25,000 for the policy period of 1/1/2023 through 12/31/2023, to be used at the City's discretion. In addition, we have included a $5,000 Dependent Audit allowance for the policy period 1/1/2023 through 12/31/2023.

11. Confirm that your firm has completed in its entirety the attached Excel Pharmacy Benefit Manager workbook.

BCBSAZ confirms.

12. Confirm that your firm has completed the attached Excel workbook for Medical Plan Administration Fees. Complete the worksheets in their entirely accurately. Be sure to pay special attention to the worksheet labeled Other Fees.

BCBSAZ confirms.

Exhibit A 2
BCBSAZ Response to RFP Exhibit A and Questionnaire Parts A and B

MINIMUM CONTRACTUAL REQUIREMENTS QUESTIONNAIRE

Indicate "Yes" or "No" as to the Proposer's ability to meet the minimum requirements. **Failure to complete this form and include it with the response may result in elimination from consideration**.

A "Yes" response shall result in the provision being adopted in the final contract. No deviations will be accepted for "Yes" answers in this section.

MINIMUM CONTRACTUAL REQUIREMENTS	YES	NO
1. Have you proposed a single bundled package including, medical and pharmacy claims administration, medical and pharmacy preferred provider network, HSA administration, disease management, and utilization review/case management for medical and pharmacy, wellness services and stop-loss insurance?	Yes	
2. **Proposal, Interview, and Best and Final Responses Become Part of Contract:** Do you agree that your written response to this RFP, written information provided as part of an interview and written responses provided during a Best and Final negotiation become part of the contract between your organization and City of Chandler?	Yes	
3. **Effective Date of Offer:** Bid terms are guaranteed for at least 180 days from the proposal due date.	Yes	
4. Your contract has a length of two (2) years with the option to renew three (3) additional two-year periods.	Yes	
5. Rates/Fees are guaranteed for a minimum of 12 months.	Yes	
6. **Renewal Notification:** The vendor must provide any rate changes in writing with full justification, and detailed underwriting calculations, **by June 1 of the prior plan year for a January 1 effective date**. Additionally, the vendor must provide the following with each renewal package: a. Any contract language changes requested b. Specific justification of rate/fee changes c. Current enrollment by rate class d. Additional options for consideration e. All underwriting caveats a. Any proposed plan design or benefit changes	Yes	

MINIMUM CONTRACTUAL REQUIREMENTS	YES	NO
7. **Variance Provision:** Any provisions, references, or guidelines relating to reevaluation of proposed fees due to variation in enrollment in the plan must not be less than 15% of the enrollment at the beginning of each plan year.	Yes (see below)	
8. Do you agree that your proposal is not contingent on acceptance of other coverages or services outside the Scope of this RFP?	Yes	
9. **Claims and Appeals Regulations:** Do you agree that your systems, internal operations, correspondence, and services will be compliant with ERISA Claims and Appeals Regulations (as applicable) and the City of Chandler's plan document?	Yes	
10. **Right to Audit**: The City reserves the right to an independent audit by an auditor of their choice. Bidder agrees to not charge for any expense incurred by the bidder for time necessary to prepare claim files. The cost of the third party to audit will be the responsibility of the City.		No (see below)
11. **Prior Notice of Major Operational Changes:** Do you agree to provide no less than 30-day notice to the City of Chandler for any changes involving the sale, merger, data breaches, layoffs, participating provider facility terminations, consolidation or outsourcing of services to foreign workers that will impact the City?		No (see below)
12. Do you agree to maintain proper licensure as required by any state law where it relates to the services that you will be performing for the City?	Yes	
13. Do you agree the contract will contain an indemnification provision pursuant to which the contractor must indemnify, defend, and hold harmless the City and its officials, agents, and employees?	Yes	
14. **HIPAA Compliance:** Offeror attests to meeting all **applicable** HIPAA EDI, Privacy, Security, and HITECH requirements and agrees to hold the City of Chandler harmless for breaches that are the result of Offeror actions. As relates to the service specified in this proposal, Offeror will become a HIPAA Business Associate of the City of Chandler.	Yes	
15. Are you willing to sign a contract with the City that indicates your firm will pay fines the City may be assessed as a result of your firm's noncompliance with HIPAA EDI, Privacy and Security regulations and pay costs associated with remedy of any breach your firm initiates?	Yes	

MINIMUM CONTRACTUAL REQUIREMENTS	YES	NO
16. **Subcontracting:** Unless otherwise explained in this RFP, do you agree that you will disclose all subcontractor arrangements, and any additional fees associated with the subcontractor arrangements, that involve the services provided to the City of Chandler?		No (see below)
a. List any services related to the Scope of Work of this RFP that you currently subcontract (or plan to subcontract for this contract) and the name of the vendor(s) to whom you subcontract.	Yes (see below)	
b. Do you agree to provide advanced written notice to the City if you decide to subcontract for any services related to the Scope of Work?		No (see below)
c. Do you understand that if you use subcontractors in the delivery of your services under this proposal your firm is responsible for the timeliness, accuracy, privacy, comprehensiveness, and reporting components of the subcontractor's services?	Yes	
d. Explain any of your current contractual relationships with a third-party firm in which the third-party firm will be paid by the City either directly or indirectly during the course of the contract with the City (e.g. % of savings).	Yes (see below)	
17. **Rights to Claims Data:** All member claim records are the sole property of the City of Chandler. Selling of the City's data to outside entities must be disclosed and approved in writing in advance by the City of Chandler. All claims data obtained during the contract period and for up to seven years after the contract termination is the property of the City of Chandler and must be available upon request.	Yes	
18. **Pended Claims:** Make available, upon request, reports regarding the number and nature of claims pended, if your organization is processing the claims.		No
19. **On-Line Historical Data:** Maintain at least seven years of City of Chandler's claims data (all fields indicated on the billing) and eligibility information at all times.	Yes (see below)	
20. **Recoveries:** 100% of all validated recoveries made through the vendor, its subcontractors, or City audits will be credited to City of Chandler's experience.		No (see below)

MINIMUM CONTRACTUAL REQUIREMENTS	YES	NO
21. **Maintenance, Ownership, and Transfer of Records:** a) The vendor will be required to maintain all pertinent records for seven years. This is in conjunction with prudent business practice and (as applicable); and b) The vendor will be charged with the safekeeping of plan experience information; and c) In the event of contract termination, and related to contract termination, the vendor will be required to cooperate with The City of Chandler, or their representative, in the prompt, accurate, and orderly transfer of the City's plan experience, claims and utilization information to the City or its designated succeeding carrier at **no added fee**.	Yes (see below)	
22. Confirm you will handle all levels of claim appeals, including (as applicable) External Reviews.	Yes	
23. **Eligibility Rules and Uncertain Claimant Eligibility Situations:** The Offeror agrees to the specified eligibility rules established by the City of Chandler. The vendor(s) must communicate directly with the City regarding any uncertain claimant eligibility situations before notifying the claimant of ineligibility.	Yes	
24. **Eligibility Rules and Procedures for Retroactive Termination and Reconciliation:** The vendor agrees to the specified eligibility rules established by the City of Chandler. Upon receipt of a retroactive termination, the vendor must review the applicable patient histories and initiate recovery efforts for any overpayments resulting from the late termination notice.	Yes (see below)	
25. If requested by the City, Contractors must conduct a full dependent audit at no additional charge to the City. Will you agree to this request?		No (see below)
26. **No Member Communication Without the City's Consent:** The Offeror will not automatically enroll the City of Chandler in any programs that involve any type of communication with members, without express written consent from the City?		No (see below)
27. **Termination Provisions:** The City of Chandler may terminate the contract at any time after the first complete plan year without cause, by giving 30 days written notice. The City can terminate with cause with 30-day notice unless proper remedy is provided by the Offeror.		No (see below)

MINIMUM CONTRACTUAL REQUIREMENTS	YES	NO
28. **Claim Run Out:** Do you agree to process run out claims for 12 months after the termination date for claims incurred during the policy period at no additional cost to the City?	Yes	
29. **Assignment or Transfer of Rights:** Do you agree that you will not assign or transfer the rights or obligations of the contract or any portion thereof, without the prior written approval of the City of Chandler?		No (see below)
30. The successful vendor's proposal must contain provisions reserving these rights to The City of Chandler: **No-Loss, No-Gain & Waiver of Actively-at-Work:** Current participants in any of the City's sponsored health care plans will be provided coverage on a "no-loss, no-gain" basis. Any "actively-at-work" or non-confinement requirements will be waived on the effective date for all members or dependents participating in the plan immediately prior to the effective date of your contract with the City.	Yes	
31. Implementation and Communications Allowances: Confirm you agree to provide the following allowances to the City upon execution of a contract to offset the Plan costs:		
a. $25,000 Implementation and Communications Allowance	See comment below	
32. Audit Allowance: Confirm you agree to provide an audit allowance of at least $25,000 for the City to use at their discretion anytime during the contract period.	See comment below	
33. Wellness and Misc. Trust Allowances: Confirm you agree to provide the following annual allowances to the City upon execution of a contract to offset the Plan costs (any unused funds at the end of the year could be rolled over to the next year):		
a. $80,000 miscellaneous Trust and Wellness allowance	Yes	
b. $100,000 Wellness Coordinator allowance	Yes	
34. **Commissions:** a) Is your proposal submitted net of commissions?	Yes	
b) If commissions are built into your rates, and cannot be stripped out, will you pay them to the City's consultant, Segal?	N/A	

If you answered "No" to any of the questions above, please provide an explanation below:	
Requirement No.	**Explanation**
7. Variance Provision	Blue Cross® Blue Shield® of Arizona (BCBSAZ) reserves the right to adjust these premium rates retroactive to the first day of any billing month in which enrollment varies by more than 10 percent from that listed in the BCBSAZ Rates and Assumptions in **Section 2B**. Additionally, the following assumptions are included in our proposal: • Rates assume BCBSAZ is the sole medical and pharmacy (if applicable) carrier. • Where the employer contributes 100 percent of the employee cost, BCBSAZ requires 100 percent participation. • Where the employer does not contribute 100 percent, BCBSAZ requires 70 percent of all eligible employees to participate. • BCBSAZ requires a minimum of 50 percent of all full-time eligible employees in the group to be enrolled in the employer's group plan. • Employer must contribute a minimum of 50 percent of the employee's health premium. • Payroll deduction for employee contribution is required. • BCBSAZ reserves the right to re-evaluate and change the rates if the client adds or deletes a benefit-eligible class that will have BCBSAZ medical coverage. • Healthcare reform proposals include provisions for increases on fees and taxes paid by insurance companies which may result in an increase in your rate. If the government imposes a new tax or fee on insurers, the rate set forth in this rate proposal may be adjusted.
10. Right to Audit	Audits are subject to the BCBSAZ audit requirements noted in **Section 5S**. If either BCBSAZ or the City desires to utilize an outside auditing firm to perform the audit, both BCBSAZ and the City must agree on the selection of the outside auditing firm. BCBSAZ will only approve auditors that are independent and objective and will not approve auditors paid on a contingency fee or other similar basis. The party requesting the audit will be responsible for the audit fees charged by the auditing firm. BCBSAZ agrees to support audit activity without charging the client for the time supporting the audit activity.

11. Prior Notice of Major Operational Changes	No. As the Covered Entity, BCBSAZ agrees to provide breach notifications to impacted members as required by the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), and any other applicable regulations. Such notifications shall follow deadline and content requirements as stated under these regulations. Additionally, employer groups generally are not notified when providers terminate, but on an exception basis, when a large provider group or hospital terminates, BCBSAZ may send notification. Our provider directory is updated every weekday, with the exception of holidays, to reflect changes in the network. Contractor cannot agree to obtain the City of Chandler (the City) prior approval for all subcontracting but does agree not to subcontract all, or substantially all, of the scope of work under this Agreement without the City's express written consent.
16. Subcontracting	BCBSAZ is unable to agree to the City's request because as a hospital medical service corporation we have significant contracts with a wide range of providers, including healthcare providers, third party administrator reimbursement entities and specialty contracted healthcare provider arrangements. In addition, BCBSAZ has normal service arrangements with information systems providers such as Microsoft. "Subcontractor" does not include any contract between BCBSAZ and any healthcare or specialty contracted healthcare provider arrangement and shall not include any normal service arrangements with information systems providers (e.g., Microsoft).

16a	BCBSAZ subcontracts with the following for services for the City: • **OptumRx®,** provides certain pharmacy services, including claims processing, customer service, network audit, network management (mail order and the exclusive specialty pharmacy benefit management). • **HealthEquity, Inc.** provides flexible spending account (FSA), health reimbursement account (HRA) and health savings account (HSA) administration and banking services. • **Sharecare** provides certain disease management, wellness, and online health services. • **HealthSparq** provides access to provider directory by network, along with cost estimates for procedures and ability to rate providers' services. • **American Specialty Health (ASH) Incorporated** provides the chiropractor network. • **Amwell** provides telehealth services for urgent care, counseling, and psychiatry. A full list of BCBSAZ subcontractors is provided in **Section 5T**.
16b	BCBSAZ is unable to agree to the City's request because as a hospital medical service corporation we have significant contracts with a wide range of providers, including healthcare providers, third party administrator reimbursement entities and specialty contracted healthcare provider arrangements. In addition, BCBSAZ has normal service arrangements with information systems providers such as Microsoft. "Subcontractor" does not include any contract between BCBSAZ and any healthcare or specialty contracted healthcare provider arrangement and shall not include any normal service arrangements with information systems providers (e.g., Microsoft).
16d	BCBSAZ pays service fees to all of the vendors noted as subcontractors in the included subcontractor list. The fees are included in our proposed offer.
18	This may be discussed during implementation. BCBSAZ would need further clarification regarding the City's definition of pended claims and the expected frequency of the pended claims report. Once this detail is determined, we can provide a mutually agreed upon report based on the City's needs.

19	BCBSAZ uses imaging for maintaining claims documents. For security and disaster recovery purposes, records are maintained at our headquarters building and two additional locations. BCBSAZ maintains a minimum of two years (24 months) claims history online. Claims history is stored offline for seven to 10 years (84 to 120 months), depending on the applicable retention requirement.
20	Overpayment recovery charges are passed on to the group; BCBSAZ will return recovered amounts to the group, net of amounts retained by the subcontracted vendor(s). BCBSAZ does not retain any compensation for overpayment recoveries; all monies recovered are returned to the group, less the fee retained by the subcontracted vendor. BCBSAZ or our outside vendor may not be able to recover the overpayment due to the following situations: • BCBSAZ does not pursue collection of amounts less than $35 • Some of our provider contracts limit the amount of time we have to collect claims paid after termination • Arizona Revised Statutes (ARS) prevent us from recovering erroneously paid claims more than one year from the date paid • Bankruptcy regulations prevent us from recovering erroneously paid claims from someone who has filed bankruptcy • Similar provisions may apply to claims administered via the national BlueCard® program As noted above, when permissible, BCBSAZ or our outside vendors attempt to recover overpayments.

21	BCBSAZ uses imaging for maintaining claims documents. For security and disaster recovery purposes, records are maintained at our headquarters building and two additional locations. BCBSAZ maintains a minimum of two years (24 months) claims history online. Claims history is stored offline for seven to 10 years (84 to 120 months), depending on the applicable retention requirement. BCBSAZ shall establish and maintain a record-keeping system relating to the services performed under this Agreement. Upon reasonable prior notice, such records shall be available for inspection by the employer at any time during BCBSAZ's normal business hours at BCBSAZ's principal place of business or other address(es) designated by BCBSAZ. Upon reimbursement by the employer for expenses of copies and labor, any copies requested shall be delivered to the employer within six months of termination of this Agreement. BCBSAZ reserves the right to retain copies of all or any of such records as it deems appropriate.

24	BCBSAZ will return any overpayments collected from successful recovery attempts to the City. Please note that not all recovery attempts are successful. If the overpayment amount is $35 or more, BCBSAZ will: 1. Send a series of letters to the recipient requesting return of the overpayment 2. If possible, offset the amount against future payments 3. Refer uncollected debts to an outside collection agency 4. Involve our special investigations unit if it appears that potential fraudulent activity occurred 5. Credit the account with the funds collected net of any collection agency fees **Diagnosis-Related Group (DRG) and Hospital Bill Audit** BCBSAZ subcontracts with Change Healthcare to perform DRG and hospital bill audits. Change Healthcare identifies which claims to audit and requests medical records from the provider. Discrepancies in billing are validated with the provider and recoveries are initiated by Change Healthcare on any overpayments identified. Change Healthcare's recovery fee is 21.5 percent of the savings identified and collected. **Collection Agency Efforts** BCBSAZ subcontracts with Vengroff, Williams & Associates, Inc. to perform elevated overpayment recovery. Elevated overpayment recovery occurs when BCBSAZ and/or Change Healthcare are unable to collect the debt. The recovery fees are 25 percent on the first $2,000 or less, and 20 percent on amounts in excess of $2,000 collected per claim. **Monies Returned to the Group** Overpayment recovery charges are passed on to the group; BCBSAZ will return recovered amounts to the group, net of amounts retained by the subcontracted vendor(s). BCBSAZ does not retain any compensation for overpayment recoveries; all monies recovered are returned to the group, less the fee retained by the subcontracted vendor. BCBSAZ or our outside vendor may not be able to recover the overpayment due to the following situations: • BCBSAZ does not pursue collection of amounts less than $35 • Some of our provider contracts limit the amount of time we have to collect claims paid after termination • Arizona Revised Statutes (ARS) prevent us from recovering erroneously paid claims more than one year from the date paid

	• Bankruptcy regulations prevent us from recovering erroneously paid claims from someone who has filed bankruptcy • Similar provisions may apply to claims administered via the national BlueCard® program As noted above, when permissible, BCBSAZ or our outside vendors attempt to recover overpayments.
25	If either BCBSAZ or the City desires to utilize an outside auditing firm to perform the audit, both BCBSAZ and the City must agree on the selection of the outside auditing firm. BCBSAZ will only approve auditors that are independent and objective and will not approve auditors paid on a contingency fee or other similar basis. The party requesting the audit will be responsible for the audit fees charged by the auditing firm. BCBSAZ agrees to support audit activity without charging the client for the time supporting the audit activity. Audits are subject to the BCBSAZ audit requirements noted in **Section 5T**.
26	Some BCBSAZ programs and events will trigger an immediate member phone call. This includes: • Certain enrollment needs • Health coaching outreach Disease management (DM) outreach (conducted based on triggers, including results of the health risk assessment, medical and pharmacy claims data, etc.).
27	**Termination Provisions:** The City of Chandler may terminate the contract at any time after the first complete plan year without cause, by giving 90 days written notice. The City can terminate with cause with 30 day notice unless proper remedy is provided by the vendor. ~~The vendor may only terminate for cause with proper legal minimum notice requirements~~. Vendor may terminate the Contract effective immediately in the event of a material breach of the Agreement by the City, but only if the breach is not cured within thirty (30) days after written notice of the breach is given to the City. Additionally, Vendor may terminate the Contract in the event of a material breach by the City under any other agreement with Contract which remains uncured for the applicable cure period reflected in such other Agreement. Notwithstanding Paragraph above, Vendor may terminate the Contract upon five (5) days' prior written notice to the City if the City fails to provide funds necessary to satisfy its liability for payments for Covered Services.

29	BCBSAZ cannot agree to obtain the City's prior approval for all subcontracting, but does agree not to subcontract all, or substantially all, of the scope of work under this Agreement without the City's express written consent.
31 and 32	BCBSAZ is offering **one** $25,000 **general fund** to be used at the discretion of the City for audits/implementation/communication.

1. GENERAL INFORMATION (ALL PROPOSERS)	VENDOR RESPONSE
1. Identify those individuals who would be responsible for the day-to-day service contact for the City.	BCBSAZ will continue to provide a framework of employer support to meet and exceed our clients' implementation, pre-open enrollment, open enrollment, and ongoing needs. The City of Chandler's (the City's) team will include: **Christie Thomas, Strategic Relationship Executive (SRE)**—Christie maintains overall responsibility for the BCBSAZ account management team, acting in a consultative and collaborative role. Additionally, she assists with the creation and execution of multi-year strategic plans to help you achieve your long-term goals. **Rita Reyes, Client Service Manager (CSM)**—Your CSM, Rita, manages all service aspects of your account by working with your staff to facilitate plan activities and address detailed service needs. This includes support for group enrollment and ongoing employee benefit meetings and elevated claim inquiries. **Eric Johnson, Client Implementation Manager (CIM)**—Your CIM, Eric, serves as your main contact during implementation and manages the internal BCBSAZ implementation team to ensure a seamless transition. **Jessica Dunn, Health Promotion Executive (HPE)**—Jessica, provides wellness consultation and acts as the subject matter expert in the development, implementation, and evaluation of worksite wellness programming. Her primary role is to create an individualized, comprehensive strategy designed to engage employees and meet the City's wellness goals and objectives.
2. If your company is awarded this business, how soon after notification of the award would you be able to have a draft of the:	

1. GENERAL INFORMATION (ALL PROPOSERS)	VENDOR RESPONSE
a. Benefits Summaries/SBCs?	For incumbent groups, BCBSAZ provides SBCs in approximately seven business days, once benefits have been finalized. Upon award your dedicated implementation team will hold an initial meeting with the City to review enrollment, obtain any necessary information.
b. Plan booklets?	The certificate (benefit) book can be drafted 60 days after benefit finalization.
3. All sample forms and communication materials should be provided for approval to the City in advance of distribution (ID cards, claim forms, enrollment forms, booklets, brochures, flyers, mailers, etc.). Do you agree to this requirement?	Yes. BCBSAZ will provide sample materials in advance of distribution.

<table>
<tr><th>1. GENERAL INFORMATION (ALL PROPOSERS)</th><th colspan="2">VENDOR RESPONSE</th></tr>
<tr><td>4. Does your firm have the capability to provide communication pieces in Spanish and other languages? Please specify.</td><td colspan="2">Yes. BCBSAZ will provide summaries of benefits coverage (SBCs) and benefit booklets to the City in Spanish in accordance with applicable state and federal laws and healthcare requirements. In addition, many health and wellness materials are available in Spanish.

Yes, when members call BCBSAZ's customer service number there is an option to listen to choices in Spanish and speak with a representative in Spanish.

In addition, we work with LanguageLine Solutions℠ to communicate with members in more than 200 languages, including the most prevalent languages spoken in the United States. Our telecommunications translator service currently accommodates 50 specific language requests.

The languages supported are: Albanian, Amharic, Arabic, Armenian, Bengali, Bosnian, Bulgarian, Cambodian, Cantonese, Creole, Croatian, Czech, Egyptian (Arabic), Ethiopian (dialect), French, German, Greek, Gujarati, Haitian Creole, Hebrew, Hindi, Hmong, Hungarian, Indic, Indonesian, Italian, Japanese, Korean, Laotian, Malayalam, Mandarin, Persian (Farsi/Dari), Polish, Portuguese, Punjabi, Romanian, Russian, Serbian, Serbo-Croatian, Slovenian, Somali, Spanish, Tagalog, Taiwanese, Tamil, Thai, Turkish, Urdu, Vietnamese, and Yugoslavian.</td></tr>
<tr><td rowspan="2">5. What are the most recent ratings for your company by the following:

Standard and Poor's

Duff and Phelps

A.M. Best</td><td>Rating</td><td>Date</td></tr>
<tr><td colspan="2">BCBSAZ is not publicly rated. We do, however, comply with the significant liquidity and capital requirements of the</td></tr>
</table>

1. GENERAL INFORMATION (ALL PROPOSERS)	VENDOR RESPONSE
Moody's	BCBSA and meet the Arizona Department of Insurance and Financial Institutions (DIFI) risk-based capital standards. In addition, Weiss Ratings (formerly TheStreet.com Ratings, Inc.) reviews our annual health statement as filed with the Arizona DIFI and the National Association of Insurance Commissioners (NAIC). BCBSAZ has consistently received an A+ rating every year since 2003.
6. Is your company "affiliated" with another company? If so, describe the "affiliate relationship." "Affiliated" means owned by another company, owned by a common controlling shareholder or interest, or inter-tied by contract so as to be under the dominion or influence of another.	No. BCBSAZ is an independent licensee of the BCBSA and not affiliated with another organization.
7. If your firm is not a corporation, please advise who each of the partners, proprietors or other owners are and whether they have interest in any Employee Benefits services provider firms.	Not applicable. BCBSAZ is a not-for-profit corporation.
8. Is your firm involved in any current litigation against or from the City? If yes, please describe.	No.
9. Have you been involved in litigation within the last five years arising out of your performance in the administration of a benefit plan? Exclude routine matters involving participants that do not reflect on your performance under the contract with your Client. If the answer is yes, explain fully.	Yes. BCBSAZ is involved in certain litigation regarding benefits. While it is not possible to predict the outcomes of litigation based on the status of the existing lawsuits, we do not believe the current lawsuits will have a material adverse effect on the company.
10. Do you anticipate any restructuring or reorganizing in the next two years? (Include any major staff relocations or office closings.)	No. Our employees reside in the state of Arizona with the majority of our employees living in the Phoenix Metropolitan area. BCBSAZ has no plans to reorganize or restructure in a manner that would cause staff relocations or office closures. We are currently reorganizing the way we work by aligning dedicated business segments and support operations to the customers we serve. The structure will get us closer to our customer and provide enhanced member services and offerings.

1. GENERAL INFORMATION (ALL PROPOSERS)	VENDOR RESPONSE
11. Do you understand that you are prohibited from using the IIHI for any purpose other than as required by law and further agree to promptly destroy such data if you are NOT the successful bidder?	Yes. BCBSAZ agrees to secure or destroy such data in a secure and compliant manner as directed by both HIPAA and HITECH Federal Legislation.
12. What is the minimum amount of implementation lead-time needed to initiate the proposed services?	BCBSAZ would prefer at least 90 days' lead time for installation and 30 days for set up (total of 120 days). We have developed a proposed implementation plan for your consideration and input. If selected as your new benefits provider, we will meet with you to customize this implementation plan. Please see **Section 5U** for the proposed implementation timeline.

13. List any transition issues the City should consider.	BCBSAZ is the City's incumbent carrier and as such, transition issues will be minimal. Your BCBSAZ CIM, Eric Johnson, will work to ensure a smooth transition for your group benefits administrator (GBA), your employees and their families. BCBSAZ is committed to providing the City with a seamless implementation transition. Your dedicated team is experienced in successfully implementing large groups quickly and effectively without compromising continuity of care and service to our members. BCBSAZ has an extensive provider network; therefore, transition from another health plan to BCBSAZ for services such as ongoing chemotherapy treatments or scheduled surgeries is not usually an issue. The BCBSAZ Sales and Utilization Management (UM) Departments will work closely with the GBA and member as transition of care needs are identified. Prior authorization can be arranged in advance of the contract effective date so that care is not disrupted. In the event a member's current provider is not contracted with BCBSAZ, every effort will be made to ease the transition to BCBSAZ. Depending on the individual situation, a special contract may be negotiated with the non-contracted provider for BCBSAZ to continue to provide access to care for the affected member. Assistance locating an in-network provider qualified to handle their specific needs is also provided. Members who are in the last trimester of pregnancy can choose to have their obstetricians notify our UM Department to arrange necessary pre-certifications for claims to process at in-network benefit levels. The BCBSAZ network contract specialist contacts the obstetrician regarding a letter of agreement to accept BCBSAZ rates. Our registered nurse (RN) case managers are also available to assist in any transition of care needs.

1. GENERAL INFORMATION (ALL PROPOSERS)	VENDOR RESPONSE
	New members who may require additional coordination of care as they transition to the BCBSAZ plan and network can be referred to our care management program.
14. List any specific administrative procedures or information your firm will need from the City in order to implement your services?	When BCBSAZ is selected, our dedicated implementation team will hold an initial meeting with the City to review enrollment, obtain any necessary information, provide materials, and discuss how to best engage the City's employees and their families. BCBSAZ has listed all segments of the implementation in the timeline. Please refer to the implementation timeline in **Section 5U** for specific details.
15. Do you agree to provide the City a clear path (representative phone number or email, etc.) for employees to register complaints?	Yes, BCBSAZ agrees. Your CSM, Eric Johnson, will serve as the day-to- day contact and provide support for issue resolution.
16. Identify any services under any subsequent contract that may be awarded as part of this RFP that are currently or planned to be performed outside the borders of the United States.	BCBSAZ does not anticipate outsourcing of our member-facing services offshore to foreign workers. Member-facing processes (i.e., customer service, sales support, and broker services) are performed locally at our offices in Arizona. BCBSAZ support may include technological and back-office operations and other limited claims work with overseas vendors. Some initial claims reviews and precertification services for providers are performed outside the U.S. Offshore support does have access to PHI. PHI is not stored offshore for these functions. All data is stored onshore in BCBSAZ's systems. Access is through a virtual desktop interface application.

1. GENERAL INFORMATION (ALL PROPOSERS)	VENDOR RESPONSE
17. What additional services or enhancements to the current service offerings is your firm willing to provide?	BCBSAZ is offering our Alliance network, to assist the City in lowering costs and improving care. Alliance is an accountable care organization (ACO)-based exclusive network serving the metro Phoenix area. It is anchored by two well-established ACOs: Banner Health Network ACO and HonorHealth Innovation Care Partners ACO. The network includes all hospitals, facilities, and providers affiliated with these ACOs in Maricopa County and in some parts of Pinal County. This network is based on lowering costs and improving care for the members/employer groups who choose this network offering. As part of the collaboration, there is a shared savings component that incentivizes for the efficient delivery of care. For self-funded clients, there is a $2 per member per month care coordination fee that applies. Please see **Section 4R** for our Alliance Exclusive Network flyer.

1. GENERAL INFORMATION (ALL PROPOSERS) FEDERAL NO SURPRISES ACT AND FINAL TRANSPARENCY RULE	VENDOR RESPONSE
1. Describe how your company will assure that the Plan will be in compliance with federal law and regulations concerning surprise billing and transparency with respect to the services provided by your company.	BCBSAZ currently has multiple efforts underway to drive compliance with the new surprise billing and transparency legislation. We expect to be fully compliant with all elements of the legislation by the associated compliance or enforcement dates (as appropriate for each initiative.)
2. List any subcontractors or third-parties who are providing assistance to you in complying with the law and regulations, or who will be involved in work you may perform on behalf of the Plan.	We are leveraging services from HealthSparq® in the generation and distribution of our machine-readable files under the transparency act.
3. List any technical specifications that the Plan will need to meet in order to use any solution you intend to offer to comply with the law and regulations, including software, hardware, or other information technology.	Technical specifications required are still under development. We will communicate any technical specifications in the second quarter of 2022, as our MRFs are available.
4. Do you expect to be fully compliant with the law and regulations by the statutory and regulatory due dates? If not please explain.	Yes
5. Are the fees you propose inclusive of all services related to the law and regulations? If not, please explain what additional costs the Plan may incur.	Yes
TRANSPARENCY RULES	**VENDOR RESPONSE**
1. Describe your general process for complying with the Transparency in Coverage Final Rule.	We are working with HealthSparq® to make our machine-readable files available via web access, as mandated by the legislation. Our processes include provisions for monthly updates to maintain currency of the information.
2. Will you prepare an internet-based self-service tool that makes available to plan participants real time cost-sharing information in accordance with the rule?	Yes
a. Do you currently offer an internet-based self-service tool? If so, please describe how it differs from the regulations and how you will revise it.	We currently use a tool developed by our partner HealthSparq to provide cost information. It currently does not contain information on all services required under the legislation, and we are working with

	HealthSparq to expand the services included.
b. Please provide screenshots of the web portal to be used for the participant cost-sharing disclosure.	Please see **Section 5V** Transparency Rules - Participant Portal Screenshots.
c. How will you make the tool available to plan participants, through your website, by providing information to plans, or through another option?	Access will be through the secure member portal.
d. How will the required participant notice of disclosure be provided?	This service is still being finalized.
e. How will you respond to individuals who request the information on paper instead of through the website?	This capability is still in development.
3. Will you provide the City with any of the three machine readable files on a monthly basis including in-network rates, out-of-network allowed amounts, and prescription drug negotiated rates? If so, describe which files will be provided.	Yes, all three machine-readable files will be available via the web for access by plans. The information will be updated monthly.
a. Describe the information technology requirements necessary for transmitting files and/or posting them.	This capability is still being finalized.
b. If the City uses multiple service providers for in-network or out-of-network pricing, will you provide assistance in consolidating the information into one file?	This is not applicable with our scope of services. BCBSAZ will provide MRFs for those providers that are under claims administered by BCBSAZ.
c. Will you send information to the City or provide another service to the City that allows the City to link you and another website?	Details are still being finalized, but BCBSAZ anticipates directing plans to the preferred vendor website for obtaining the MRFs.
GAG CLAUSE	**VENDOR RESPONSE**
1. Do any contracts you are a party to contain a claim prohibiting disclosure of pricing terms ("gag clause") which will be prohibited under the No Surprises Act?	BCBSAZ believes that current contracts do not have any language that would prohibit disclosures protected under federal law. In an abundance of caution, we will amend all provider contracts before year-end to mirror requirements in the federal law.

a. If yes, please describe and state how you will assure they are removed. Indicate your timeline for removing gag clauses from contracts.	BCBSAZ anticipates this project will be completed on or before January 1, 2022.
NO SURPRISES ACT	**VENDOR RESPONSE**
1. Describe your process for paying for Emergency Services, Non-Emergency Services provided at an In-Network Facility, and Air Ambulance Services ("Covered Services") under the No Surprises Act.	For claims in scope for the NSA, BCBSAZ will send the initial payment to the provider and will include contact information.
a. Are there any subcontractors used in determining the amount to pay for Covered Services? If so, please name them and describe the services being provided.	No. BCBSAZ, or the Blue Plan in whose area the service is provided, will determine the recognized amount or qualifying payment amount and BCBSAZ will calculate the participant cost sharing.
b. Will you establish the Qualifying Payment Amount, Recognized Amount, and Out-of-Network Rates for the Covered Services? Please describe your process for setting these rates and assuring participant cost-sharing is based on them.	Yes. BCBSAZ, or the Blue Plan in whose area the service is provided, will establish these rates. To the extent that a provider challenges the initial payment amount, BCBSAZ will negotiate that amount with the provider up to and including arbitration, to reach the OON rate. BCBSAZ will calculate participant cost-sharing in accordance with the requirements of the NSA.

NO SURPRISES ACT	VENDOR RESPONSE
2. If you are providing any preferred Network providers, describe how PPO contracts will be revised and what communications you will make to those providers concerning the Act.	BCBSAZ is sending a participation agreement amendment to all its network providers to add the NSA language relating to no gag clauses. In compliance with URAC accreditation standards, we currently have similar language in our provider contracts, but we will be updating it with all the NSA details. The amendment will be sent to providers in October and the process will be completed by early December. In addition to the contract amendment, we are updating our Provider Operating Guide, an extension of the provider participation agreement, with policies and procedures related to the NSA. These include revised requirements for provider demographic updates and continuity-of-care benefits. We are in the process of updating our ID card templates in compliance with NSA requirements and samples of these will be added to the 2022 Provider Operating Guide. We also are implementing procedures to create online functionality for receipt of provider billing estimates and advance EOBs. We cannot finalize those operational changes until we receive further federal guidance and rules, which federal regulators have indicated will not occur until 2022. We will communicate this to providers in advance of our go-live date.
a. Describe any provider or facility billing processes and how they will be affected by the No Surprises Act.	BCBSAZ is updating our Provider Operating Guide, an extension of the provider participation agreement, with information about the NSA and the process for determining and disputing the amount of reimbursement for out-of-network (OON) services that are in-scope for NSA balance billing protections. For plan and policy years starting on and after January 1, 2022 (and on 2022 renewal dates for existing clients), we will follow the requirements of the NSA in reimbursing OON providers for emergency, air ambulance, and other professional services that are in scope for the NSA. In most cases, the initial payment to the provider will also be based on the lesser of billed charges or the qualifying payment amount (QPA), minus the member cost-share amount. Providers have the right to dispute the

	initial payment amount. If the provider disputes the amount, the parties attempt to negotiate resolution. If the parties cannot agree, the dispute is referred to an independent federal arbitrator.
3. Are there any State laws that affect your determination of the Recognized Amount for this Plan? If so, please describe.	The Arizona State law will not affect the determination of the recognized amount or the initial payment to the provider. In Arizona, the recognized amount will be equal to the lesser of billed charges or the qualifying payment amount. The Blue Plans, in whose service area any out of state services are provided, will determine the recognized amount, taking into consideration state laws that apply to their service areas.
4. How will you determine whether the patient consented to services from an out-of-network provider at an In-Network facility, and is therefore not reimbursed under the No Surprises Act?	The provider is required to provide a copy of the signed Notice and Consent to BCBSAZ. In the absence of a signed Notice and Consent form, claims in scope for the NSA will be processed in accordance with the Act.
5. What support will you provide to the City if a health care provider or facility elects to negotiate an out-of-network payment amount or elects to conduct Independent Dispute Resolution (IDR)?	The provider is required to provide a copy of the signed Notice and Consent to BCBSAZ. In the absence of a signed Notice and Consent form, claims in scope for the NSA will be processed in accordance with the Act.
a. Will you prepare the IDR submission on behalf of the City at no additional cost?	BCBSAZ will support and coordinate negotiations and IDR on behalf of our self-insured plans.
b. Will you pay IDR fees on behalf of the City, including general assessments and fees if the City is unsuccessful?	Yes.
c. Will the IDR submission be approved by the City or will the process be delegated to your company?	Yes. The self-insured plan will be responsible for the additional payment to the provider if a new reimbursement is determined for the service. Please refer to the answer above.
6. How will you assist the City to pay for IDR, including the general assessment and specific charges for individual IDRs?	It is the expectation that BCBSAZ will handle the payment and charge it back to the group.
7. Will you assist the City in providing a complaint process for plan participants who have a complaint about bills under the No Surprises Act?	Yes. There is a federal complaint process and BCBSAZ will assist the member as needed.

8. Describe how the No Surprises Act will affect payment of Air Ambulance services under the Plan, and whether you will propose plan changes to this benefit?	Under the NSA, BCBSAZ will make payments directly to a non-contracted air ambulance provider, taking into consideration the qualifying payment amount and the participant's cost share. The participant's cost share will be calculated at INN level of benefit utilizing the qualifying payment amount. BCBSAZ does not propose changes to this benefit.
9. The Act requires ID cards to contain information about deductibles and out-of-pocket maximums. Confirm that your provided ID cards will be in compliance with the new regulations.	BCBSAZ has already developed compliant ID cards. New ID cards, reflecting these changes, will be issued upon renewal starting January 1, 2022.
10. The City's plans are non-grandfathered. Describe how you will support the additional External Appeals requirements for Covered Services. Do you provide a contract with an Independent Review Organization for external review?	BCBSAZ's appeals process complies with state and federal laws and accreditation standards. Members can file appeals, or their treating providers can file appeals on their behalf. The appeals process applies to adverse benefits determinations for services not yet provided and adverse benefit determinations of claims for services already provided. Members have either one or two internal levels of appeal depending on the product, and one external level of appeal. The external level of appeal is performed by an IRO for self-funded clients, or by the Arizona Department of Insurance and Financial Institutions (DIFI) for fully insured clients. The time frames and process may vary with pre-service and post-service appeals, depending on the type of plan. Turnaround times may be altered to meet the needs of self-funded groups. Enrollees and practitioners are notified of appeal rights and the appeals process in writing through various channels (e.g., benefit booklet, Internet, BCBSAZ's Provider Operations Guide and healthcare appeals packet), and with each claim or prior authorization of an adverse determination. BCBSAZ's EOB statement also contains specific information on our appeal process. BCBSAZ conducts the first one or two levels of appeals in-house; however, members may request an IRO review for any level. BCBSAZ

	contracts with four (4) URAC-accredited IROs, and coordination may include level one same specialty peer review. BCBSAZ sends the appeal to an IRO for the external review process, using either the grandfathered or non-grandfathered Affordable Care Act-compliant process or if the case is governed under the Arizona DIFI, the case is sent to the Arizona DIFI for external review. **NOTE:** BCBSAZ includes IRO fees in our administrative fees.
11. Describe how you will provide plan participants with an Advanced Explanation of Benefits as required under ERISA Section 716(f); PHSA Section 2799A-1(f).	The details on the advanced EOBs are still being evaluated as final rulemaking is still in development.
a. What process will be used to accept provider notification of expected charges and services?	Please refer to our response above.
b. Describe how you will provide the Advanced EOB to participants, i.e., via electronic means or mail as requested by the participant.	Please refer to our response above.
c. Describe how you will provide reports assuring that the Advanced EOB process is performing as required by law.	Please refer to our response above.
12. If you provide a preferred provider network, describe how you will implement the required to allow continuation of care for individuals when their health care provider is terminated from the Network, under ERISA Section 718 and PHSA Section 2799A-3.	BCBSAZ will notify its members that a provider from whom they have had services is terminated from the network. The notification also will include information that they may have continuing care rights and to contact BCBSAZ. If the individual does have continuing care rights, BCBSAZ will continue to process in-scope claims at INN level of benefits, and the provider will continue to accept the BCBSAZ contracted rate, for up to ninety days.
a. What process will be used to accept provider notification of expected charges and services?	BCBSAZ will provide the required notice of the law's protections on azblue.com and on the member health statements.
13. Will you provide a price comparison tool via internet websites and via telephone that allow a participant to compare the amount of cost	Yes. The cost comparison tool previously discussed will provide this functionality.

sharing that they will be responsible for by participating provider and geographic region?	
a. Describe the price comparison tool in detail, and whether any subcontractors are used to produce it.	This capability is still being finalized.
b. Describe who will provide the telephone tool and at what location?	This service is still being finalized.
c. Is there a dedicated team for the City's participants to provide the tool and assist with its use?	This service is still being finalized.
d. What internet website will be used for the price comparison tool, and will the Plan need to provide its own website to link to the tool or will your company provide that site?	This capability is still being finalized.
NO SURPRISES ACT	**VENDOR RESPONSE**
14. Describe your process for addressing participant or provider complaints that may be made against the plan under the Act.	BCBSAZ anticipates utilizing our standard appeals and grievance policy and procedures.
15. Do you provide the plan's external review services? If so, how will you incorporate emergency services and air ambulance services into the external review process?	BCBSAZ does provide the full appeals process including, the external review level of appeal. BCBSAZ does use four URAC-accredited independent review organizations (IROs) for self-funded external reviews. The services identified will be treated like other services. If BCBSAZ denies the claim within the initial 30-day payment period, the member will have the right to dispute the adverse benefit determination.
16. Do you provide prescription drug benefits? If so, how will you assist the plan in reporting prescription drug costs and other information to the federal government effective December 27, 2021?	BCBSAZ will assist plans in meeting their reporting requirement when our integrated PBM is used. Final rules on the prescription reporting are still being determined.
a. Describe your process for reporting prescription drug cost information to the federal government.	Details are still being finalized pending final rulemaking.
b. Describe whether you will accept responsibility for fulfilling all cost reporting	Details are still being finalized pending final rulemaking.

obligations and if not which ones you will not fulfill.	
c. State any additional costs for this reporting service.	Not available at this time.

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)
1. Will there be a designated team of customer service representatives for the Client?	Yes
2. Will you provide a toll-free customer service number for claim and benefit inquiries?	Yes
3. Will you provide concierge customer service support to the City?	Yes, BCBSAZ will continue to provide the City with a both a claims and clinical concierge service model. This program offers a designated BCBSAZ employee that the City may refer to for help in complex situations. These individuals are trained to the City's benefits and are familiar with the multifaceted areas these situations typically require.
4. Are questions regarding provider billing, benefits, or member grievances covered by the same phone number? If not, please explain.	Yes
5. What hours and days are live customer service representatives available (indicate using AZ time)?	BCBSAZ will continue to provide the City with customer service hours from 7 a.m. to 6 p.m. (Arizona time) Monday through Friday excluding BCBSAZ holidays. Members and providers can also use self-service channels, which include our IVR system and azblue.com, to obtain claims status, eligibility, and benefits information 24/7.
6. Are your customer service representatives located in the continental US?	Yes

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)
7. What alternative services do you provide? (i.e., Assistance for the hearing impaired, 24-hour toll-free automated benefits and eligibility, bilingual option, customer service accessible via the internet, etc.).	Members may call after normal business hours and reach our Interactive Voice Response (IVR) system. The IVR system allows providers and members quick and easy access to claims status, eligibility, and benefits. Members also can go online via azblue.com to access eligibility, benefits, provider status and claim status. The IVR and web access are available 24/7. Additionally, we are committed to providing excellent service to all our diverse members and offer specialized services to meet their specific needs as follows: • Spanish Speakers—There are Spanish Speakers throughout our customer service teams that are ready and able to assist members. • Hearing Impaired— We provide service through the 711 Telecommunications Relay Service (TRS). TTY users may ask the relay service to connect to our customer service number, referencing the number on the back of their card, or our Toll-Free 1-800-232-2345 number. • Visually Impaired—We assist our visually-impaired members by working with LanguageLine Solutions to have correspondence translated into braille.
8. Please provide the following statistics for 2020 and 2021 (YTD):	
Average speed to answer: ___% within 30 seconds	Calendar Year (CY) 2020—97.47 percent within 45 seconds Year-to-Date (YTD) 2021 - 31.04 seconds
Busy rate: ___ seconds	This is not applicable as BCBSAZ does not busy out or block calls.
Abandonment Rate : ___%	CY 2020—0.54 percent YTD 2021 - 1.33 percent

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)
9. Are plan participants able to access a web portal for:	
a. Status of claims	Yes
b. Benefit brochure	Yes
c. ID cards	Yes
d. Cost estimator of common services	Yes
e. Cost of services by a specific provider	No
f. Network Provider Quality	Yes
10. Can the City and their designated Consultant access eligibility and reporting through a secure website?	Yes
11. What kind of reports can the City retrieve online?	Reports will be available to the City using whYzen/BlueInsightSM, our online reporting tool, which is updated on the 20th of each month. BlueInsight is designed to provide comprehensive and flexible healthcare reporting and data management capabilities. This tool removes guesswork from managing the City's healthcare plan, offering hundreds of online reports and data elements to the client's authorized users. whYzen/BlueInsight offers the ability to track medical, dental and pharmacy claims-utilization data and to perform aggregate or detailed-level data analysis. Its features allow quick identification of issues, trends, and variations from benchmarks. By identifying cost and utilization trends, groups are empowered to make informed decisions to meet their unique and specific needs. Please see to Section 5W for the BlueInsightSM flyer and Frequently Asked Questions.

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)	
12. Please provide a temporary login/password so the City can evaluate your tools.	A temporary login and password to the member portal is provided below. Should the City wish to review the employer portal or reporting available, BCBSAZ would be happy to provide temporary login information or a demo. The temporary login for the MyBlue member and employer portals are below. • Member URL: azblue.com Login: mtrails1 Password: Password1 • Employer URL: azblue.com Login: adamrice Password: password1 Additionally, the City will have access to standard and customizable reports using BlueInsight, our online reporting tool. BlueInsight is designed to provide comprehensive and flexible healthcare reporting and data management capabilities.	
13. What methods does your organization use to measure customer satisfaction?	BCBSAZ conducts satisfaction studies with a statistically valid sample of employer group customers on an ongoing basis. This survey is currently conducted via telephone and web through an independent research vendor. Annually, 1,200 group members (those who get their insurance through their employer) participate in these studies.	
14. How do your providers recognize a patient as a participant in your program – voucher, ID card, electronic connection to your eligibility database, etc.? Please explain.	Members are enrolled in a network based on the assignment of their benefit plan, which is identified on their ID cards. Members and providers also may verify enrollment by accessing the BCBSAZ website at azblue.com or calling BCBSAZ customer service.	
	YES	**NO**

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)	
1. When a participant calls your customer service number, is there an option to:		
a. Listen to choices in Spanish?	Yes	
b. Speak with a representative who converses in Spanish?	Yes	
c. How do you accommodate a caller who needs translation in a language other than Spanish and English?	BCBSAZ also offer translation services via LanguageLine Solutions®, a company that offers interpreters for over 200 other languages. These services are accessed through a prompt when calling customer service.	
2. MEDICAL NETWORK COMPOSITION	**VENDOR RESPONSE**	
1. What is the marketing name of your network?	BCBSAZ Statewide PPO Network	
2. a. If you indirectly contract with another network inside Arizona, what is the network name and fee you pay?	BCBSAZ subcontracts with American Specialty Health (ASH) Incorporated for our chiropractic network, covered services, claims processing, appeals and grievances, etc.	
b. If you indirectly contract with another network outside Arizona, what is the network name and the fee you pay?	BCBSAZ enrollees have access to the BlueCard® provider network, which covers members residing or traveling outside of Arizona. The BlueCard program links participating healthcare providers in all Blue plans throughout the United States and in more than 170 countries and territories worldwide through a single electronic network for claims processing and reimbursement. For additional details, see the BlueCard and BCBS Global Core flyer in **Section 5X.**	

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)
c. If there is a fee, please confirm it is included in your administration fee.	BlueCard program fees are not included in BCBSAZ's administration fees; however, we have noted them on our rates and assumptions in **Section 2B** and are also noted here: Access Fees: • 2.11% in 2023 for 1,000–9,999 Blue PPO, EPO (Self-Funded Group Health Plans Only) or traditional enrolled contracts Reduced Administrative Expense Allowances (AEAs): To be considered for reduced fees, the Employer must exceed 1,000 PPO, EPO (Self-Funded Group Health Plans Only) or traditional enrolled Blue contracts: • Professional - $4.00 per claim • Institutional - $9.75 per claim • Non-Participating Provider $3.00 per claim • Medicare related claims $1.00 per claim • Non-standard negotiated fees can range from either $5.48 to $15.44 per claim or $8.50 to $21.10 per contract per month depending on the negotiated arrangement and/or the health plan product.
3. Confirm that your proposed network is a national network with coverage for out-of-state members (i.e. retirees, students) and those that are traveling.	BCBSAZ confirms.

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)
4. How is coverage for out-of-state members handled?	BCBSAZ enrollees have access to the BlueCard® provider network, which covers members residing or traveling outside of Arizona. The BlueCard program links participating healthcare providers in all Blue plans throughout the United States and in more than 170 countries and territories worldwide through a single electronic network for claims processing and reimbursement. For additional details, see the BlueCard and BCBS Global Core flyer in **Section 5X.**

5. Provide a list of the Centers of Excellence for organ and tissue transplants included in your network in Arizona?	BCBSAZ has a comprehensive Transplant Care Management program that supports members with customized arrangements for covered transplant services. BCBSAZ participates in the Blue Distinction® Centers (BDC) for Transplants program through the Blue Cross Blue Shield Association. This program currently recognizes over 400 different centers of excellence for transplants across the United States. The BDC Transplants Program includes the following types of transplants and centers of excellence in Arizona: • Adult Heart – 67 centers (in Arizona: Mayo Clinic Hospital) • Adult Kidney-Deceased Donor – 30 centers • Adult Kidney-Living Donor – 28 centers • Adult Lung – 39 centers (in Arizona: Banner University Medical Center-Tucson Campus) • Adult Liver-Deceased Donor – 71 centers (in Arizona: Mayo Clinic Hospital and Banner University Medical Center-Tucson Campus) • Adult Liver-Living Donor – 17 centers (in Arizona: Mayo Clinic Hospital) • Adult Pancreas – 28 centers • Pediatric Heart – 33 centers (in Arizona: Phoenix Children's Hospital) • Pediatric Kidney – 16 centers • Pediatric Liver – 25 centers • Adult Bone Marrow/Stem centers (in Arizona: Mayo Clinic Hospital) • Pediatric Bone Marrow/Stem Cell – 46 centers (in Arizona: Phoenix Children's Hospital) Providers recognized by BDC for Transplants meet stringent clinical criteria that have been established in collaboration with expert physicians and medical organizations. They also demonstrate better overall patient outcomes. Please see **Section 5Y** for a list of BCBSAZ Centers of Excellence.

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)
6. Outline any anticipated network changes for:	
i. Physicians	No substantial changes.
ii. Hospitals	No substantial changes.
7. Indicate major hospital contracts scheduled for renewal in the next 12 months for:	In the next 12 months, the following major hospital contracts are scheduled for renewal:
a. Maricopa County	• Phoenix Children's Hospital • Dignity Health • Banner Health
b. Arizona (other than Maricopa County)	• Banner Health (facilities in Pima and Pinal counties and some rural counties near Payson and Page) • Community Health Systems facilities in Pima County
8. List any provider-types in your network that are compensated on a capitation basis.	BCBSAZ does not reimburse physicians on a capitated basis.
9. How many urgent care facilities do you have in your network that have after hours (nights and weekends) care within the zip code of 850 and 852?	92 of the contracted 98 PPO urgent care facilities in zip code 850 and 852 are open after hours or provide weekend care. Counts are based on weekday hours after 5 p.m. and/or are open on the weekends.
10. Indicate which "walk up" clinics are in your network.	Yes. MinuteClinic and The Little Clinic of Arizona are walk-in clinics in the PPO network.
11. Do you provide Telehealth services (24/7 access to medical, counseling, and psychiatry services)?	Yes, BCBSAZ provides telehealth services through BlueCare Anywhere[SM].
12. Do you provide Telemedicine services (virtual visits in lieu of physical office visits with a member's doctor)?	
13. Have you provided electronic copies of your proposed PPO Maricopa County network providers in Microsoft **Excel** format? Fields should include the following:	BCBSAZ confirms. See **Section 4Q**.
• Provider last name (**Please do not put generation indicator i.e. Jr. III…or designation such as MD or DO in this field**)	See **Section 4Q** for BCBSAZ's PPO network providers in Maricopa County in Excel.

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)
• Provider first name (**Please do not combine first and last names in the same field**)	
• TIN	
• Street address (Only include physical locations not billing addresses such as P.O. Box)	
• City	
• State	
• 5-digit zip code (Some zips start with 0. Please don't use number format which deletes the 0)	
• Type of provider (MD, DO, etc.)	
14. Please provide Geo Access reports using the following access standards: **Your results must be based on those employees on the census that would be eligible to elect medical benefits (1,865 employees).** Reports should reflect city, state, zip code, and number of **unique** vision providers by zip, number of employees with desired access (as defined below) for each category AND **locations (Zip Code and County) where access standards are not met** including the number of employees without desired access.	Yes. Please see **Section 4N** for the Statewide PPO GeoAccess analysis report.
a. 2 PCPs within 10 miles. Include family practice, general practice, internal medicine, pediatricians and OB/GYN. Provider to be based on MD, DO, or DPM designations only.	Employees with desired access: 1,843 (99.7 percent) Employees without desired access: 6 (0.3 percent)
b. 2 Specialists within 10 miles	Employees with desired access: 1,841 (99.6 percent) Employees without desired access: 8 (0.4 percent)
c. 1 Hospital within 20 miles	Employees with desired access: 1,816 (98.2 percent) Employees without desired access: 33 (1.8 percent)

CUSTOMER SERVICE OPERATIONS ALL PROPOSERS	VENDOR RESPONSE (If your response differs by type of coverage you are proposing, provide your response for each line)
15. a. How is your online provider directory maintained?	BCBSAZ routinely outreaches to our providers to validate their information as part of our directory monitoring. Providers are responsible for responding to our inquiries in a timely manner or they are removed from the directory until their response is received. Any changes identified by the provider are generally updated within two business days.
b. How often is it updated?	Our provider directory is updated every weekday, with the exception of holidays, to reflect changes in the network.
c. What is your process for confirming that the providers listed are still in your network?	BCBSAZ routinely outreaches to our providers to validate their information as part of our directory monitoring. Providers are responsible for responding to our inquiries in a timely manner or they are removed from the directory until their response is received. Any changes identified by the provider are generally updated within two business days.
d. What is your process for confirming the providers listed are taking new patients?	BCBSAZ routinely outreaches to our providers to validate their information as part of our directory monitoring. Providers are responsible for responding to our inquiries in a timely manner or they are removed from the directory until their response is received. Any changes identified by the provider are generally updated within two business days.

NETWORK – ACO	VENDOR RESPONSE
1. What is the marketing name of your ACO network?	Alliance Network
2. Indicate the name of the ACO(s) that you partner with?	The BCBSAZ ACO network is anchored by two well-established ACOs: Banner Health Network ACO and HonorHealth Innovation Care Partners ACO. The network includes all hospitals, facilities, and providers affiliated with these ACOs in Maricopa County and in some parts of Pinal County. This network is based on lowering costs and improving care for the members/employer groups who choose this network offering. As part of the collaboration, there is a shared savings component that incentivizes for the efficient delivery of care. For self-funded clients, there is a $2 per member per month care coordination fee that applies.
3. What types of providers are part of the ACO?	The network includes all hospitals, facilities, and providers affiliated with Banner Health Network ACO and HonorHealth Innovation Care Partners ACO in Maricopa County and in some parts of Pinal County.
4. Provide examples of how members are aware, or made aware, that they are active participants in an ACO.	Members are enrolled in a network based on the assignment of their benefit plan, which is identified on their ID cards. Members and providers also may verify enrollment by accessing the BCBSAZ website at azblue.com or calling BCBSAZ customer service.
5. How does a member find an ACO provider?	BCBSAZ's secure online member resources include: • Find a provider, healthcare professional or facility • Find a pharmacy • Check prescription drug costs with our copay calculator • Use the hospital comparison tool • Order ID cards and download forms
6. Does a member need to select a PCP?	No
7. Does a member need a referral from a PCP in order to visit a network specialist?	No

NETWORK – ACO	VENDOR RESPONSE
8. Are there any urgent care facilities in the ACO network?	Yes
9. How are emergency services outside the ACO network handled?	If a member receives emergency services from a non-contracted facility or professional provider, it will be covered at the INN level of benefits. BCBSAZ will base the allowed amount used to calculate member cost share on the provider's billed charges. For all non-emergency services following the emergency treatment and stabilization, the member will pay applicable cost share. The cost share amount will depend on the provider's network status and the facility where services are received. If the member receives non-emergency services from a non-contracted provider, the member will also pay the balance bill, which may be substantial.

NETWORK – ACO	VENDOR RESPONSE
10. What happens if services for a certain type of provider are not part of the ACO network?	Precertification is required regardless of the provider's network status. Precertification must be obtained before receiving the following services or medications: • Behavioral and mental health outpatient services. • Inpatient admissions, including hospital, long-term acute care, detoxification, skilled nursing facility, behavioral health and extended active rehabilitation (emergency and maternity admissions do not require precertification). • Inpatient dental services or procedures. • Lifestyle education and management services, biofeedback and hypnotherapy. • Medications covered under the "Specialty Self-Injectable Medication" benefit, certain medications covered under the "Retail and Mail Order Pharmacy" benefit (if these medications are available under your benefit plan) and certain medications covered under the "Home Health/Home Infusion" benefit. The current list of specific medications that require precertification is available at azblue.com and is subject to change at any time without prior notice. • Organ, tissue or bone marrow transplants and stem cell procedures. • Requests for services by an out-of-network (OON) provider for the in-network cost share. • Services directly associated with a cancer clinical trial.

NETWORK – ACO	VENDOR RESPONSE
11. What happens if a child attends college outside the ACO service area?	As a member of the Blue Cross and Blue Shield Association (BCBSA), BCBSAZ preferred provider organization (PPO) members have access to nationwide coverage through BlueCard®. The BlueCard program gives members access to doctors and hospitals across the country, giving them peace of mind knowing that they will find the care they need. Students and dependents can get coverage if the contract holder is based in Arizona.
12. What are the anticipated savings using your ACO?	The BCBSAZ Alliance exclusive network is anchored by two well-established ACOs: Banner Health Network ACO and HonorHealth Innovation Care Partners ACO. Savings are dependent upon member participation.

NETWORK – ACO	VENDOR RESPONSE
13. Is the saving from deeper discounts or tighter, integrated medical management?	Tighter, integrated medical management. BCBSAZ predictive modeling tools are used to evaluate future and relative risk of incurring high costs in the subsequent 12 months. An innovative mental and physical assessment determines functional risk using the industry-leading SF-8TM DynHA® survey instrument. Variables that feed into the predictive modeling tools are primarily derived from medical and pharmacy claims data, as well as eligibility data. Some variables include, but are not limited to, medical claims amount, pharmacy claims amount, age, gender, medical utilization, and diagnosis. BCBSAZ uses Impact Pro™ predictive modeling tools as part of the stratification process. After participants are initially identified from claims, the tool determines an initial acuity level, as well as current and future costs and clinical status. Regular transmission of data feeds is established, which enables BCBSAZ to update the predictive models. Through the acuity movement process, claims data is reviewed monthly and participants can move up or down in acuity based on the claims and referral information received. This ensures that our vendor's predictive modeling maximizes the efficiency and effectiveness of disease management programs by enabling them to reach out to the members at highest risk first.

NETWORK – ACO	VENDOR RESPONSE
14. What quality metrics and efficiency measures are being tracked?	BCBSAZ uses different models with the accountable care organization (ACO) groups. Each contract is customized for both reimbursement and quality metrics. At least one of the arrangements includes a risk-sharing contract reimbursement model, with lower unit cost and shared savings. Others include pay for performance and quality metrics. Participation and utilization; program-level outcomes. whYzen-BlueInsight℠, our self-serve online reporting tool, is available online. Monthly standard reports are updated on the 20th of each month. Program-level outcomes reports are available annually.
15. Do you guarantee savings and if so indicate the amount?	No
16. How are ACO providers compensated?	BCBSAZ may compensate providers based on value-based arrangements for the achievement of quality performance measures. Such programs are available to professionals and facilities. The specific measures can be related to operational process, access, clinical outcomes, patient satisfaction, cost, or other types of measures, or a combination of these. Our incentives are customized and leveraged for continuous improvement over time.
17. How is the City billed for the ACO?	ACO fees ($2.00 PMPM – apply to Alliance enrolled members only) are included in the Attachment Point rate and are charged on the monthly invoice as a claim expense.
18. Indicate all additional fees associated with using your ACO?	There are no additional fees outside of the BCBSAZ administration fee.
19. Is there a true-up or year-end reconciliation if the ACO doesn't deliver targeted savings or meet established metrics?	Yes

NETWORK – ACO	VENDOR RESPONSE
20. Are there any loss corridors or limits if the ACO doesn't meet targets?	Yes. Banner and the client will enter into a risk share agreement. BCBSAZ will calculate the risk sharing dollars for the group's employee enrollment in the Acclaim network for each risk sharing period in accordance with the following formula: • If actual claims are within +/- 5 percent of expected claims, no risk sharing occurs. • If actual claims are greater than 105 percent of expected claims, the group is responsible for 50 percent of the actual claims amount that exceeds 105 percent to 120 percent of expected claims. Claims exceeding 120 percent are not part of the risk sharing agreement. • If actual claims are less than 80 percent of expected claims, the group retains 50 percent of the difference between the 95 percent of expected claims and 80 percent of the expected claims. • If actual claims are greater than 80 percent but less than 95 percent of expected claims, the group retains 50 percent of the difference between 95 percent of expected claims and the actual claims. Expected claims will be set by BCBSAZ based on projected enrollment numbers for the risk sharing period.
21. Is the City liable to share any savings that may result from using your ACO?	No

NETWORK – ACO	VENDOR RESPONSE
22. How are large claims treated in evaluating ACO performance? What pooling level would be used (if any)?	All claims are included in the yearly settlement calculation when stop loss is carved out. Please note, BCBSAZ does not remove any large claims above the assumed pooling level when BCBSAZ is not the stop loss contract holder. BCBSAZ will determine, based on the information provided in the bid proposal, to elect to use either manuals (i.e., claims based on the group's demographics only) or experience, or a combination of blending manuals with experience in developing the new business rates. The pooling point that will be quoted will be reviewed based on BCBSAZ actuarial recommended levels.
23. Is your ACO an attribution model or product model for plan sponsors and members?	BCBSAZ uses a product model for our Alliance exclusive network.
24. How do you determine if the patient falls within the defined population of the ACO?	BCBSAZ is providing responses for our Alliance network, which is based on an ACO. To fall within the exclusive network, members must select a benefit plan associated with the Alliance network.

NETWORK – ACO	VENDOR RESPONSE
25. What types of reports and frequency are made available to the City? Provide samples.	Reports will be available to the City using whYzen/BlueInsight, our online reporting tool, which is updated on the 20th of each month. BlueInsight is designed to provide comprehensive and flexible healthcare reporting and data management capabilities. This tool removes guesswork from managing the City's healthcare plan, offering hundreds of online reports and data elements to the client's authorized users. whYzen/BlueInsight offers the ability to track medical, dental and pharmacy claims-utilization data and to perform aggregate or detailed-level data analysis. Its features allow quick identification of issues, trends, and variations from benchmarks. By identifying cost and utilization trends, groups are empowered to make informed decisions to meet their unique and specific needs.
26. How to do you take corrective steps to insure quality metrics are achieved?	Quality metrics are monitored through mutually agreed-upon dashboards, monthly reports on established quality metrics, and regular meetings focused on improving quality and process of member care.
27. Indicate major hospital contracts scheduled for renewal in the next 12 months for:	
a. Maricopa County	Phoenix Children's Hospital, Dignity Health, and Banner Health
b. Arizona (other than Maricopa County)	Banner Health includes facilities in Maricopa, Pima, and Pinal counties, and some of the rural areas (near Payson and Page); Community Health Systems includes facilities in Pima County.
28. List any provider-types in your network that are compensated on a capitation basis.	BCBSAZ does not reimburse physicians on a capitated basis.
29. Have you provided electronic copies of your proposed ACO Maricopa County network providers in Microsoft **Excel** format? Fields should include the following:	Yes. Please refer to document **Section 4Q** - Alliance Network Providers Report.

NETWORK – ACO	VENDOR RESPONSE
• Provider last name (**Please do not put generation indicator i.e. Jr. III…or designation such as MD or DO in this field**)	
• Provider first name (**Please do not combine first and last names in the same field**)	
• NPI	
• Street address (Only include physical locations not billing addresses such as P.O. Box)	
• City	
• State	
• 5-digit zip code (Some zips start with 0. Please don't use number format which deletes the 0)	
• Type of provider (MD, DO, etc.)	
30. Please provide Geo Access reports using the following access standards: **Your results must be based on those employees that would be eligible to elect medical benefits (1,865) employees.** Reports should reflect city, state, zip code, and number of **unique** vision providers by zip, number of employees with desired access (as defined below) for each category AND **locations (Zip Code and County) where access standards are not met** including the number of employees without desired access.	Yes. Please refer to document **Section 4O** - Alliance GeoAccess Report.
a. 2 PCPs within 10 miles. Include family practice, general practice, internal medicine, pediatricians and OB/GYN. Provider to be based on MD, DO, or DPM designations only.	
b. 2 Specialists within 10 miles	Employees with desired access: 1,841 (99.6%) Employees without desired access: 8 (0.4%)
c. 1 Hospital within 20 miles	Employees with desired access: 1,797 (97.2%) Employees without desired access: 52 (2.8%)

2. MEDICAL NETWORK CLAIMS PAYMENT	VENDOR RESPONSE
1. How is continuity of care maintained if the City were to change to your organization?	As the City's incumbent, BCBSAZ will ensure continuity of care issues are minimal. Our extensive provider network typically offers clients seamless transitions for members currently receiving treatment. Our Sales and UM Departments will work closely with your GBA to identify potential transition-of-care issues. If necessary, prior authorization can be arranged in advance of the contract effective date so that care is not disrupted. In the event that a member's current provider is not contracted with BCBSAZ, every effort will be made to ease the transition. Depending on the individual situation, a special contract may be negotiated with the non-contracted provider to continue to provide care for the affected member. Assistance locating an in-network provider qualified to handle specific needs is also provided. New members who require additional coordination of care as they transition to the BCBSAZ plan and network can be referred to our care management program for one-on-one support.
2. What penalties should the City be aware are included in your contracts related to untimely claim payment?	Not applicable.

2. MEDICAL NETWORK CLAIMS PAYMENT	VENDOR RESPONSE
3. List all of the scenarios in which your discounts cannot be applied to bills submitted by network facilities or physicians (e.g., workers comp, third party liability, etc.).	BCBSAZ's provider discounts are applicable for all covered services and all lines of business and are always considered when processing claims. Provider contractual rates do not apply to non-covered services. If a provider has a member sign a waiver for services that could be deemed as experimental or investigational, then the provider is allowed to collect billed charges. When services to which a member is entitled under a benefit plan also are covered under another group health plan, BCBSAZ and the provider will cooperate to coordinate benefits. In rare instances where the provider's billed charge or the Workers Comp the Industrial Commission of Arizona (ICA) fee is less than our allowed fee, which includes our discounts, we would pay the lower amount. The total of all payments will not exceed the provider's billed charges.

2. MEDICAL NETWORK CLAIMS PAYMENT	VENDOR RESPONSE
4. Do you actively negotiate out-of-network claims on behalf of the plan or do you only apply your out-of-network reimbursement level?	Yes, BCBSAZ actively negotiates with non-participating providers with the goal that they accept our out-of-network claims reimbursement or something lower and not balance bill the member. This applies to claims that are not in scope for the "No Surprises Act" (NSA). The NSA is part of the federal Consolidated Appropriations Act (CAA) signed into law in 2020. The NSA includes patient billing protections effective January 1, 2022. For plan and policy years starting on and after January 1, 2022 (and on 2022 renewal dates for existing clients), BCBSAZ will follow the requirements of the NSA in reimbursing out-of-network providers for emergency, air ambulance, and other professional services that are in-scope for the NSA. • For in-scope claims, we will calculate member cost share using the in-network level of benefits and based on the qualifying payment amount (QPA), which is determined according to a formula specified in federal rules. • In most cases, the initial payment to the out-of-network provider will also be based on the QPA, less the member cost-share amount. Providers have the right to dispute the initial payment amount.
5. Do you agree to pay claims as processed and bill the City on a monthly basis for reimbursement?	BCBSAZ agrees.

2. NETWORK	YES	NO
1. Do you offer reciprocity arrangements for members who travel outside the service area and need: a. **Emergency** treatment?	Yes	
b. **Non- Emergency** treatment?	Yes	
2. In the State of Arizona, can your network providers deliver services for the following specialized treatment conditions: a. Major burns?	Yes	
b. Organ transplants?	Yes	
c. Bone marrow transplants?	Yes	
d. Specialized cancer treatments such as Proton Beam Radiation?	Yes	
e. Neonatal care?	Yes	
f. Fertility treatments?	Yes	
3. Are the following providers in your network: a. Arizona Mayo Clinic?	Yes	
b. Arizona Mayo Hospital?	Yes	
c. Mayo Clinic's Outside Arizona?	Yes	
d. Mayo Hospital outside Arizona?	Yes	
e. Cancer Treatment Centers of America?	Yes	
f. Phoenix Children's Hospital?	Yes	
4. Does your network contract with Centers of Excellence for organ transplants?	Yes	
5. Do you anticipate a change in the size or location of your network in the next year that would affect the City's population?		No
6. Are there any penalties incurred by the City when claims payments do not occur within a certain number of days (i.e., the discount is not valid if claims are not paid within 30 days of being submitted)?		No

3. ADMINISTRATIVE SERVICES	OFFEROR RESPONSE
1. a. Do you have the ability to administer claims based on the City's current plan designs and will not ask the City to alter any of their plan of benefits in order to accommodate your computer systems? **Please answer yes or no only after you have carefully reviewed the benefit designs**	Yes, as the City's incumbent medical carrier, BCBSAZ is able to administer claims based on the City's current plan designs and will not ask the City to alter any of their benefit plans.
b. If no, list all the benefits that will **NOT** be able to be adjudicated by your claims system without some modification in **Offer Section – Deviations** and indicate your proposed alternative. Do not simply indicate your standard benefit provisions will apply.	
2. The plan currently covers Homeopaths, Naturopaths, Acupuncturists and acupuncture services provided by a M.D., D.O. and Chiropractor. Please confirm that you will be able to support the continuation of this benefit.	BCBSAZ does not credential Homeopath and Naturopath providers. We do credential acupuncture providers for benefit plans that cover these services.
3. Indicate how you manage Coordination of Benefits (COB): a. Pre-payment or post-payment?	Post-payment
b. What procedures do you perform to determine the presence of other coverage (e.g., use claim detail, open enrollment query, annual query, etc.)?	To determine the presence of other coverage, BCBSAZ uses the enrollment application, claim detail and information the provider submits. New members complete an application that requests information about other coverage in order to perform coordination of benefits (COB) at the time of enrollment. Thereafter, a letter is sent annually to each subscriber as claims are received, requesting updated COB information. The claim is then pended until BCBSAZ receives COB information from the member. In addition, if other coverage information is submitted on a claim by a provider and we do not have COB information on file, the claim is held while we obtain other coverage information necessary for COB.

3. ADMINISTRATIVE SERVICES	OFFEROR RESPONSE
4. a. How is your staff informed of new State or Federal legislation affecting a health plan or benefit (e.g., medical, pharmacy, etc.)?	BCBSAZ actively monitors state and federal legislation and regulations relating to coverage requirements and update our systems and coverage documents as needed. Any required changes are included on a group's annual change sheet. BCBSAZ does not this type of reporting. BCBSAZ has individuals, along with members of our Legal Department, who review new regulations to determine whether policy or procedural changes are required. Additionally, these and other individuals from BCBSAZ attend national conferences and participate in national committees focused on compliance issues.
b. How will you inform the City of new State or Federal legislation affecting a health plan or benefit (e.g., medical, pharmacy, etc.)?	When legislative developments need to be communicated, BCBSAZ will post these temporarily on the employer portal, and your designated Strategic Relationship Executive (SRE) will communicate them to the City.
5. Please provide a sample of the monthly claims billing and administrative fees invoice.	Please see **Section 5Z** for sample monthly claims billing and administrative fees invoice.
6. Please provide a sample of the monthly accounting report for all fees paid.	Please see **Section 5Z** for a sample accounting report for all fees paid.
7. Confirm you have a secure web-based system that can be set up to accept automatic weekly eligibility feeds from the City's current benefits/HRIS system, Oracle.	BCBSAZ confirms.
8. Does your system allow the City to add and delete employees from eligibility?	Yes, the City's Group Benefit Administrator (GBA) can perform additions, changes, and terminations online through the employer portal at azblue.com. In addition, the GBA can assign roles to others so they may perform these transactions as well or enable employees to make the changes themselves. Changes made by employees must be approved by the GBA before submission to BCBSAZ. The GBA can access a roster of all eligible members covered under the group's plan as well as a listing of historical transactions submitted online. They also may access a particular individual's eligibility information using our eligibility and benefits search feature.

3. ADMINISTRATIVE SERVICES	OFFEROR RESPONSE
9. Please describe your banking requirements.	BCBSAZ offers a unique banking arrangement, using our own funds to pay your claims and then requesting reimbursement for claims paid. This arrangement eliminates the need for the City to have a separate bank account to pay claims. BCBSAZ also offers two different ways for the City to pay administration fees and claims costs: via wire transfer or through our employer portal. Our clients find this saves administrative time, reduces banking fees, and provides assurance that payments are made based upon actual claims incurred.
10. Indicate which reinsurance/stop loss carriers with whom you are approved to work.	BCBSAZ is willing to work with any stop-loss carrier, with the exception of vendors owned by health insurance companies.
11. Are all of your additional fees and charges not covered under your basic fees detailed on the Excel Financial Workbook?	Yes
12. The City's plan includes subrogation. Please explain who provides these services and the cost for subrogation services you are proposing.	BCBSAZ subcontracts with EXL Health, a third-party vendor, to provide optional subrogation services for BCBSAZ's self-funded and governmental groups, where permitted by applicable state and federal laws. This contracted subrogation vendor's fee is 25 percent of all subrogation recoveries. BCBSAZ does not receive any compensation for subrogation services. Because every group is unique, BCBSAZ cannot provide estimates of subrogation savings.
13. If a provider makes a mistake with handling a transition/continuity of care case what will you do to assist the plan participant in seeking the appropriate care?	A prior authorization would be set up to review medical necessity of the care and in-network level of benefits for the provider, if applicable. A case management referral would be made to assist the plan participant in ensuring all needs are met.

3. ADMINISTRATIVE SERVICES - MEDICAL	YES	NO
1. When participants call your customer service number and ask questions about the PPO network, do the representatives:		
a. Provide direct answers to all issues?	Yes	
b. Provide a separate number to call for further assistance with network questions?		No
c. Provide a warm direct transfer, without interruption, to experts who then provide answers to network questions?	N/A	
2. Are bilingual versions of the following communication materials available:		
a. Written?	Yes	
b. Electronic?	Yes	
3. Can you accept eligibility files in electronic format from the current benefit enrollment system?	Yes	
4. Does your system support on line real time eligibility inquiries by the City?	Yes	
5. Do you require the City to maintain a minimum checking account balance to pay claims?		No
6. Do you agree to financially reimburse the City for the lack of stop-loss reimbursement the City will have incurred if you fail to take appropriate action to pay and send claims to the stop-loss carrier within the required timeframe?		No. BCBSAZ requests further discussion.
7. Have you noted on the Deviations Form any provisions of the current benefit plan that you are not able to administer?	Yes	

4.	BEHAVIORAL HEALTH	OFFEROR RESPONSE
1.	Do you have the ability to maintain an eligibility database for pre-certification of services?	Yes
2.	Can you provide 24-hour telephonic access, seven days a week, to crisis mental health and substance abuse triage and counseling by trained, licensed professionals, with all calls logged?	BCBSAZ has **Nurse On Call**—A registered nurse available 24/7/365. These professionals are able to assist members in any health need 24/7. In addition to this service, our internal clinical staff have trained behavioral health specialists that field crisis calls during regular business hours. Clinical staff can also use the State of Arizona crisis line for an Arizona resident to receive crisis services for behavioral health needs, using the following link: Crisis Hotlines (azahcccs.gov).
3.	Please confirm your providers are skilled in the management of the array of mental health and substance abuse diagnoses, including but not limited to child abuse, rape, sexual harassment, culturally diverse issues, conduct disorder, psychoses, sex/marital issues, ADD, etc.	BCBSAZ confirms.
4.	Do you have the ability to adequately service ethnic/culture/native language diversity?	key behavioral health clinical specialties (such as depression, anxiety, substance abuse disorder, detoxification, eating disorders, etc.) are well represented in our network. Our behavioral health network includes providers who speak many languages other than English. We educate providers to become more aware of cultural diversity and to respect patients' unique preferences, beliefs, and values.
5.	It is important that continuity of care be maintained. Please describe how you will handle transition issues with respect to moving Behavioral Health and Substance Abuse services from the current vendor to your firm.	At BCBSAZ, we have a continuity of care policy and procedure that we follow for care that needs to be transitioned from one vendor to another. We understand that for complex treatment needs, changing vendors can cause concern about disruption in care. Typically, we would ask for information about those members in current treatment during the transition and work with our internal teams to seamlessly transition care that may include care management, utilization management, temporarily contracting with out of network

4. BEHAVIORAL HEALTH	OFFEROR RESPONSE
	(OON) providers and working to get OON providers contracted in our network permanently.
6. Indicate the type(s) of providers that currently have contracts with your network:	
a. Physicians, counselors, all mental health and substance abuse specialties except.	Yes. BCBSAZ contracts with the following types of credentialed behavioral health professionals: • Psychiatrist (MD and DO) • Psychologist (PhD and EdD) • Licensed Clinical Social Worker (LCSW) • Licensed Professional Counselor (LPC) • Licensed Marriage and Family Therapist (LMFT) • Licensed Independent Substance Abuse Counselor (LISAC) • Board Certified Behavior Analyst (BCBA) (autism) • Addiction Medicine • Behavioral Health Nurse Practitioners (NP) • Pediatric Developmental / Behavioral Providers These providers are licensed by the Arizona Board of Behavioral Health Examiners and can practice independently.
b. Mental health/substance abuse hospital(s).	Yes. BCBSAZ's provider network includes institutional providers offering behavioral health services: • Behavioral health hospitals treating mental health conditions • Behavioral subacute facilities • Detox and substance use facilities • Residential treatment centers treating behavioral health conditions • Eating disorder facilities In addition, our network is enhanced through telemedicine for mental health disorders and substance use. We also offer our BlueCare Anywhere℠ service for on-demand conversations with behavioral health

4. BEHAVIORAL HEALTH	OFFEROR RESPONSE
	professionals.
c. Other ancillary providers (describe).	See responses above in a. and b.

4. BEHAVIORAL HEALTH	OFFEROR RESPONSE
7. What type of cases or specialized treatment conditions cannot be provided by the hospitals in your network (i.e., anorexia, bulimia, severe psychosis, commitment)?	All key behavioral health clinical specialties (such as depression, anxiety, substance use disorder, detoxification, eating disorders, etc.) are well represented in our network.
8. Where can these services be provided?	In addition to individual provider offices, BCBSAZ's provider network includes institutional providers offering behavioral health services: • Behavioral health hospitals treating mental health condition • Behavioral subacute facilities • Detox and substance use facilities • Residential treatment centers treating behavioral health conditions • Eating disorder facilities
9. Describe where assessment and therapy sessions will take place (in a central location, at individual office locations, etc.).	Assessments will take place in a variety of locations, depending on where the provider is located. This includes acute and subacute facilities as well as private practice offices. BCBSAZ has providers that offer telehealth services through BlueCare Anywhere.
10. Do you currently have an adequate number of staff to provide counseling services to the City? If not, do you propose expanding your staff to adequately cover?	Yes, as the City's incumbent, BCBSAZ is prepared to provide counseling services and will evaluate staffing on an ongoing basis to ensure adequate coverage.
11. In what situations will a counselor or provider provide onsite assistance to patients at the emergency department or other locations?	BCBSAZ contracts with a robust network of providers at all levels of care including emergency rooms, inpatient and outpatient facilities. Many emergency room staff include access to behavioral health professionals including Social Workers and Psychiatrists. Also, in Arizona, there is a statewide crisis network that all Arizona residents are entitled to use. BCBSAZ's care management program and other staff refer to the statewide crisis services when the situation calls for this type of intervention. Crisis Hotlines (azahcccs.gov).
a. Is this service included in your basic fees?	Yes
b. If not, please outline any fees.	

4. BEHAVIORAL HEALTH	OFFEROR RESPONSE
12. Exhibit D to this RFP is a Census of the City's employee and retirees. Are there any areas where your providers are not available using the criteria of 2 providers within 10 miles and 1 hospital within 10 miles?	**Providers:** Employees with desired access: 1,841 (99.6%) Employees without desired access: 8 (0.4%) **Hospitals:** Employees with desired access: 1,797 (97.2%) Employees without desired access: 52 (2.8%) Please see **Section 5P** for the mental health/substance use GeoAccess report.
13. Indicate how many behavioral/mental health care facilities you have in your network within the zip codes of 850 and 852.	
a. Inpatient	850 – Behavioral Health Facilities = 66 852 – Behavioral Health Facilities = 94
b. Outpatient	850 – Professional Providers = 1,943 852 – Professional Providers = 1,838

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
GENERAL INFORMATION	
1. Regarding your client base in the office proposed to service the City:	
a. Number of claims administration **clients you currently serve at this location.**	7,843
b. **Number of total lives** that these clients represent.	728,251
c. On average, **how long** have these clients been under contract with you?	4.91 years
2. Claim Appeals	
a. What is your process for coordinating with independent external appeal organizations?	BCBSAZ's appeals process complies with state and federal laws and accreditation standards. Members can file appeals, or their treating providers can file appeals on their behalf. The appeals process applies to adverse benefits determinations for services not yet provided and adverse benefit determinations of claims for services already provided. Members have either one or two internal levels of appeal depending on the product, and one external level of appeal. The external level of appeal is performed by an Independent Review Organization (IRO) for self-funded clients.
b. Indicate the name and address of the Independent Review Organizations (IRO) used by your firm.	• Advanced Medical Reviews, Inc. 600 Corporate Pointe, Ste. 300 Culver City, CA 90230 • AllMed Health Care Management, Inc. 111 SW 5th Ave Ste. 1400 Portland, OR 97204 • Managing Care Managing Cost LLC (MCMC) 300 Crown Colony Dr Ste 203 **Quincy, MA** 02169 • Mitchell International, Inc. dba MCN 1301 5th Ave., Ste. 2900 Seattle, WA 98101

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
c. What is the amount of the fee for each Independent Review that is billed to the City, if any?	BCBSAZ conducts the first one or two levels of appeals in-house; however, members may request an IRO review for any level. BCBSAZ contracts with four (4) URAC-accredited IROs, and coordination may include level one same specialty peer review. BCBSAZ sends the appeal to an IRO for the external review process, using either the grandfathered or non-grandfathered Affordable Care Act-compliant process or if the case is governed under the Arizona DIFI, the case is sent to the Arizona DIFI for external review. IRO fees are included in BCBSAZ's administrative fee.
SYSTEM CAPABILITIES	
3. For claims that need additional information in order to adjudicate (such as needing an operative report, ER visits notes, ambulance records, student status, etc.):	
a. Do you **pend those claims, or deny/close the claims**?	Yes, if we require additional information to process a claim, we will pend the claim.
b. How long can a claim be listed as pended before you bring resolution to that claim?	A pended claim will remain pending in our system for a maximum of 45 days. If no information is received at that time, the claim is denied with a reason of "no records received."
PROCESSING TIME	
4. Based on the most recent 6 months and including the time the claim is with the clearinghouse), indicate:	
a. **Average number of calendar days to process a clean claim** from date received to date a check is issued to the provider/patient.	January through June 2021, our average local, clean claim processes in 5.79 days. Turnaround time is calculated from receipt of the claim by BCBSAZ and the final process date of the claim. BlueCard® claims are not included.

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
b. **Average number of calendar days to process a claim** from date received to date EOB is sent to patient.	January through June 2021, our average local, clean claim processes in 5.79 days. Turnaround time is calculated from receipt of the claim by BCBSAZ and the final process date of the claim. BlueCard claims are not included. Explanation of benefits (EOB) statements are available online on a daily basis for claims paid on that business day; for members who choose to have their EOBs mailed, they are sent every 28 days.
c. What percent of all claims submitted (regardless of information provided on claim) have been processed (from date received to date EOB is issued) **within 14 calendar days**?	January through June 2021, 96.49 percent of local claims are processed within 14 days. Turnaround time is calculated from receipt of the claim by BCBSAZ and the final process date of the claim. This includes claims requiring medical records. BlueCard claims are not included.
d. What percent of all claims submitted (regardless of information provided on claim) have been processed (from date received to date EOB is issued) **within 30 calendar days**?	January through June 2021, 98.39 percent of local claims are processed within 30 days. Turnaround time is calculated from receipt of the claim by BCBSAZ and the final process date of the claim. This includes claims requiring medical records. BlueCard claims are not included.
REIMBURSEMENT PROCEDURE	
5. If the City has specific guidelines for multiple surgical procedures that differs from your standard, can your system accommodate?	BCBSAZ is unable to revise our multiple surgical procedure pricing guidelines for specific employer groups.

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
6. Describe what, if any, hospital bill audit procedures are in place to detect mischarges and inappropriate charges on hospital bills and/or the miscoding of DRGs.	BCBSAZ is the medical claims administrator; therefore, all claims, including stop loss claims, are adjudicated by our company. BCBSAZ subcontracts with Change Healthcare to perform diagnosis-related group (DRG) and hospital bill audits. Change Healthcare identifies which claims to audit and requests medical records from the provider. Discrepancies in billing are validated with the provider and recoveries are initiated by Change Healthcare on any overpayments identified. Change Healthcare's recovery fee is 21.5 percent of the savings identified and collected. Each month, a random sample of 5 claims per claims examiner/processor is selected and reviewed. New processors are audited at 100 percent until they achieve 98 percent accuracy per edit audited. Our Internal Audit team also performs post-payment audits, consisting of a random selection from all claims processed, to ensure the accuracy of claims payments. BCBSAZ has a prepayment review process in place for subscriber pay claims set to pay more than $7,000, and for provider pay claims set to pay $70,000 or more. Internal Audit reviews these claims for accuracy before payment is released. Claims are extensively reviewed through system edits, utilization review staff and post payment audits. If a provider has unusual claims, they may be reviewed with a special audit.

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
7. Is your interface with UM vendors (for decisions on precertification, length of stay, case management, and UR-negotiated fee discounts) electronic or paper?	Not applicable, as BCBSAZ is not offering a carve-out option UM services. BCBSAZ is proposing both claims administration and UM; therefore, all information is entered directly into the BCBSAZ system and interface is not applicable.
8. How do you administer subrogation (pay and pursue or pursue and pay)?	BCBSAZ pays and pursues for subrogation claims.

9. Explain what system you use and how you track and document inquiries from claimants.	BCBSAZ's claims processing system is MetaVance® version 2.9i. MetaVance is a fully integrated enterprise system that allows BCBSAZ to administer benefit programs across lines of business and products. The MetaVance Contact Tracking function is a new system addition. BCBSAZ uses the following procedures to handle claims inquires for employees and employers: • Verify the identity of the caller • Determine the question • Explain contract benefits • Explain how the claim was processed, or conduct additional research as required • Determine if the caller is satisfied with the explanation or resolution • Arrange follow-up contact, if necessary Initially, all new Customer Service Representatives (CSRs) are audited at 100 percent for claims processing and/or phone calls. This audit continues until a CSR has met the goal of 98 percent accuracy. After that, our supervisors continue their monthly audits of five claims per CSR per month, along with two calls and three pieces of correspondence. In addition to the supervisors' audits, we have a Quality Service Coordinator who audits three additional calls per CSR per month. Calls regarding complaints are tracked in our customer service processing system. The customer's unique identification or the provider identification is used, depending on the situation. Tracking records include, but are not limited to, the date the call was received and the date the call was closed. Reporting can be made available upon request. Our Customer Service Representatives (CSRs) are trained on claims and benefits

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
	and have the ability to make real-time claims adjustments. As such, appeals may be handled via phone, and CSRs can provide a response or adjust a claim on the initial call when possible. Certain appeals may require review by BCBSAZ Medical Services.

1. MEDICAL PLAN CLAIMS PROCESSING AND CAPABILITIES	YES	NO
1. Do you agree to provide summary and claim level line items detailed accumulator data to the City's next firm at the termination of your contract:		
a. Within 30 days following termination?	Yes	
b. At no cost to the City?	Yes	
2. Do you agree to issue 1099's (and W-2 forms, if applicable), to the appropriate parties?	Yes	
3. Does your EOB include:	Yes	
a. Specific instructions on exactly how to appeal?		
b. Specific information on the timeframes for appealing?	Yes	
4. Regarding the use of Independent Review Organizations (IRO):		
a. Is there a cost?	Yes	
b. If yes, is it included in your Base Administration Fee?	Yes	
c. Is it billed to the City?		No
5. Do you have an automated method to identify and recover overpayments?	Yes	
6. Do you use a subcontracted vendor to identify and recover overpayments?	Yes	
If yes:		No
a. Is the cost borne by the City?		
b. Is the cost a part of your administration fee?	Yes	
7. Do you have the ability to administer claims based on the City's current plan design(s) and will not ask the City to alter any of their plan of benefits in order to accommodate your computer system?	Yes	
8. If no, have you listed any issue on the Deviations Exhibit contained in this RFP?	N/A	
9. Are you planning to implement a new claim system in the next 24 months?	Yes	
10. Do you anticipate any major enhancements to your claim system in the next 12 months?	Yes	
2. CLAIMS SYSTEM	**YES**	**NO**
1. Do you capture/store the following data in your claim system:		
a. Group policy number?	Yes	

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE	
b. City ID number?		No
c. Employee ID Number or other unique identifier?	Yes	
d. Claimant ID number or other unique identifier?	Yes	
e. Claimant relationship: employee, spouse, child?	Yes	
f. Claimant gender?	Yes	
g. Claimant data of birth?	Yes	
h. Separate claims data for COBRA (self-pay) participants?		No
i. Separate claims data for Retiree (self-pay) participants?		No
j. Separate claims data for Temp (self-pay) participants?		No
k. Provider name?	Yes	
l. Provider type code?	Yes	
m. Provider ID number (TIN and/or NPI)?	Yes	
n. Provider address, city, state and zip code?	Yes	
o. Type of service?	Yes	
p. Billed amount?	Yes	
q. Allowed amount?	Yes	
r. Deductible, coinsurance and copay amount?	Yes	
s. Discount amount?	Yes	
t. Ineligible amount?	Yes	
u. Paid amount?	Yes	
v. Claim processed/date paid?	Yes	

3. UTILIZATION MANAGEMENT PRE-SERVICE REVIEW	VENDOR RESPONSE
1. Indicate the toll-free number and **minimum** hours of operation of your switchboard:	
a. Weekdays	8:00 a.m. to 4:30 p.m. (Arizona time), Monday through Friday.
b. Weekends	During weekend and holiday hours calls are transferred, with instructions on how to page the on-call RN. The calls will be returned as soon as possible. Whenever possible, information is obtained by phone for review; otherwise, we request records to be sent by fax. If the requested services cannot be approved, a medical director review process is initiated with the on-call physician.

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
c. Holidays	Hours are extended to 8 p.m. on Friday evening before holiday weekends; on Saturday, Sunday and holidays, hours are 8 a.m. to 4:30 p.m.
2. What type of system is available for receipt of pre-service calls **before/after** your normal working hours?	
a. Answering machine with recorded message given	Not applicable.
b. Answering machine will accept receipt of messages	Calls received after hours, on weekends, or on holidays via the dedicated care management (for chronic/catastrophic health management) line are connected to an answering machine. The caller is instructed to leave a message, and the call is returned the next business day.
c. Answering service to receive messages	Not applicable.
d. Open 24 hours a day	Not applicable.
e. No provisions, except during normal business hours	Not applicable.
3. Describe the **method and frequency** of notification from your firm to the claims administrator about the cases that have received your pre-service review and concurrent review services.	N/A. BCBSAZ is the claims administrator.
4. Do you agree to provide prior authorization/precertification services to the services benefits/services which are outlined in the plan summary?	Yes, BCBSAZ agrees.
5. How long does your pre-certification process take from request submission to approval?	For standard requests, BCBSAZ has 10 calendar days to complete a standard request. We typically average turnaround in 4-5 days. For urgent requests, we have 72 hours to complete the request and typically complete them same day if we have the appropriate records available. In addition, BCBSAZ completes skilled nursing facility, extended active rehabilitation, and long-term acute care facility pre-certifications the same day if we have records.

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE	
6. Does your precertification program include an analysis and determination of:	**YES**	**NO**
a. Appropriate level of care?	Yes	
b. Reasonable length of stay?	Yes	
c. Actual medical necessity?	Yes	
d. Appropriateness of the surgery of service being requested?	Yes	
e. Necessity for a proposed pre-operative hospital day?	Yes	
f. Necessity for proposed 23-hour observation stays following outpatient surgery?		No
7. Do you agree to attempt to redirect pre-service callers to an appropriate in-network provider?	Yes	
8. If unable to redirect to an appropriate in-network provider, do you agree to document why?	Yes	
9. Responsibility for obtaining a pre-service certification lies with the:		
a. Member?	Yes	
b. Provider?		No
c. City?	Yes	
10. If the service provider fails to obtain approval, is the member responsible for any precertification penalty?	Yes	
11. Do you agree to perform telephonic concurrent review on applicable inpatient admissions, redirect to in-network providers (when possible), and refer to case management for additional follow-up?	Yes	
12. Do you agree to notify the claims administrator PROMPTLY, of potentially large claims that you identify through your pre-service and case management activity?	Yes. BCBSAZ is the claims administrator.	
13. During case management, do you agree to direct the patient and/or their health care providers to use in-network services?	Yes	

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE	
14. Do you agree to provide the stop loss carrier: case manager notes, course of treatment, pre-certification of hospital stays, surgeries or transplants when requested during the contract period?	No	
4. CASE MANAGEMENT	**VENDOR RESPONSE**	
1. Does your firm perform case management?	Yes. BCBSAZ practices an integrated, holistic approach to care management that we have been expanding over the past couple of years. We consider the whole person's needs including social determinants of health to eliminate barriers to good health outcomes. We have expanded our interdisciplinary staff to include licensed professionals with various specialties including behavioral health, transplant, oncology, etc. We have a robust, comprehensive assessment in care management that considers all the needs a member may have and conduct care planning based on that assessment. Our disease management programs focus on defined member populations with the top five conditions: asthma, diabetes, COPD, CAD, and CHF. Disease management programs consist of a system of coordinated health care interventions, interdisciplinary healthcare professionals, and personalized communication efforts designed to help members manage their chronic conditions through awareness, education, and intervention for appropriate treatment and lifestyle changes.	

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
2. How do you find cases to case manage?	Participants are identified by one or more of the following methods: • Our sophisticated enterprise triage system is updated nightly with claims, pharmacy, and precertification data. The system performs predictive modeling and stratification to identify candidates utilizing such data as age, gender, diagnosis, cost, and social determinants of health • Identification by the utilization review or disease management staff • Referral from the member's physician or other providers, or employer group • Member self-referral Members may qualify for more than one care management program, either Transition of Care or Complex Case Management. If so, they are assigned to the program that will meet their greatest need first. The care manager then refers them to other programs as appropriate.

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE

3. What **types of cases** do you identify for case management?	BCBSAZ identifies a number of conditions for early intervention, needing to be screened for care coordination activities. This list includes those diagnoses that are considered high volume and high utilizers of multiple resources or high-risk areas, and which can be impacted by individual collaboration with a case manager.
	
	The trigger list includes:
	• High-risk maternity
	• High-risk newborns
	• Spinal cord injury
	• Cerebrovascular accident
	• Heart failure (HF)
	• Chronic obstructive pulmonary disease (COPD)
	• Coronary artery disease (CAD)
	• Back pain
	• Arthritis
	• Catastrophic injury
	• Multiple traumas
	• Head injury
	• Diabetes
	• Asthma
	• Behavioral health conditions such as:
	  ○ Depression
	  ○ Anxiety
	  ○ Eating disorders
	  ○ Substance use
	  ○ Attention Deficit Disorder (ADD)

4. Do you agree to notify the stop loss carrier of potentially large claims as they arise in the course of these services?	Yes

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE

5. MEDICAL DISEASE MANAGEMENT	VENDOR RESPONSE	
1. Please check the chronic diseases included in your disease management program?	**Proposed Programs**	**Available Programs**
Asthma		Yes
Arthritis		Our Integrated Care Management (ICM) program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.
Cancer		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.
CAD		Yes
CHF		Yes
COPD		Yes

1. MEDICAL CLAIMS PROCESSING		VENDOR RESPONSE
Depression		Yes. Each disease management (DM) program identifies and manages multiple comorbidities to include depression. The DM team uses PHQ2 surveys on routine calls and refers members to the plan's behavioral health specialist with the member's consent. The ICM team uses the 4 P's, Edinburg Postpartum depression, and GAD7 surveys. Assessments are evaluated, and participants are referred to behavioral health services as appropriate. Additionally, within our case management department, we have care managers who specialize in Behavioral Health and many other conditions.

1. MEDICAL CLAIMS PROCESSING		VENDOR RESPONSE
Diabetes		Yes. Additionally, Onduo is an innovative virtual care program available that is dedicated to bringing the most up-to-date care to people everywhere who are living with type 2 diabetes. Onduo functions as the day-to-day support between office visits and combines diabetes tools, coaching, and clinical support to help members take control of their type 2 diabetes. Participants are supported by the Onduo clinical team, which consists of live conferences with board-certified endocrinologists as needed as well as ongoing coaching from Certified Diabetes Educators and health coaches. Participants will also receive personalized recommendations, resources, and information needed to manage their diabetes and answer their questions. The unique content is designed to be action-oriented, practical, and sensitive to the daily decisions that people living with diabetes are constantly forced to make. Onduo is available at an additional cost.
Eating Disorders		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.

1. MEDICAL CLAIMS PROCESSING		VENDOR RESPONSE
Epilepsy		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.
End-stage Renal Disease		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.
General Maternity		Yes
High-risk Maternity		Yes. High risk pregnancy case management is performed by our Integrated Care Management (ICM) team. Additionally, BCBSAZ has partnered with Sharecare® and Ovia Health® to bring a suite of programs that support women and families throughout the entire parenthood journey including fertility, pregnancy, and parenting. With the easy-to-use Sharecare app, members have access to Ovia Health's expert content, health insights tailored to their unique needs, and unlimited one-on-one health coaching with their dedicated well-being team of experts.
Hypertension		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.

1. MEDICAL CLAIMS PROCESSING		VENDOR RESPONSE
Hypocholesteremia		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.
HIV/AIDS		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.
Low Back Pain		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.
Lupus		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.

1. MEDICAL CLAIMS PROCESSING		VENDOR RESPONSE
Musculoskeletal		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program. BCBSAZ is additionally implementing Hinge Health as a pilot for another large self-funded customer. Hinge Health provides a patient-centered Digital Clinic for back and joint pain combining a wearable-sensor guided exercise therapy with one-on-one physical therapists (PTs), health coaching, and patient education. Hinge Health has clinically validated outcomes across four peer-reviewed studies showing reductions in: chronic pain, opioid use, anxiety, depression, absenteeism, and costly surgeries. BCBSAZ would be willing to support City of Chandler to be added to this pilot and can provide buy-up pricing if this is a program that customer is interested in exploring.
Multiple sclerosis		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.

1. MEDICAL CLAIMS PROCESSING		VENDOR RESPONSE
Obesity		Our Integrated Care Management (ICM) program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program. Scale Back is a 12-month interactive, telehealth-based weight loss and lifestyle change program as well as a Centers for Disease Control (CDC) -recognized diabetes prevention program available at an additional cost. The year-long program helps participants lose 5–7 percent of their body weight, increase their physical activity level, and can significantly reduce the risk of developing Type 2 diabetes. This innovative program uses the diabetes prevention curriculum developed by the CDC to promote healthy lifestyle changes and lasting results. Scale Back is available at an additional cost.
Osteoporosis		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.
Weight Complications		Our ICM program is designed to assist members with any health care coordination including chronic conditions. See more information above regarding this program.

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
Other – specify	
2. What claims data do you utilize to identify potential candidates for the disease management program?	
Medical only	N/A
Prescription drugs only	N/A
Medical & prescription drugs	Yes
Other – Specify	
3. Will you have a dedicated clinical advocate for the City to support this program?	Yes. BCBSAZ currently provides a dedicated clinical advocate for the City and will continue to do so.
4. Do your proposed program fees represent an "Opt-in" or an "Opt-out" program (client prefers an Opt-In model)?	BCBSAZ utilizes a combination of both opt-in and opt-out participation options within the disease management (DM) and care management programs. Reaching out to members while also enabling referrals into the programs has yielded excellent results. In 2021, the care management member engagement rate was 95 percent.
5. a. What methods and measures will you use to determine the effectiveness of your Disease Management Program with the City?	Your Health Promotion Executive (HPE) provides wellness consultation and acts as the subject matter expert in the development, implementation, and evaluation of worksite wellness programming. The HPE's primary role is to create an individualized, comprehensive strategy designed to engage employees and meet the City's wellness and DM goals and objectives. BCBCSAZ will provide monthly and quarterly reporting. The PG chart provided below is reported quarterly.
b. What is the anticipated ROI for a group this size?	Please refer to the Annual DM Summary Report details below. We do have the ability to provide quarterly reports upon request. ROI report is provided annually.
6. Which of the following describes the customer service relationship the participants will have access to while enrolled in the program?	
One nurse care manager	No
Team approach	Yes

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
Other – Specify	N/A
7. Are reminders sent on a routine schedule to members and/or participants to motivate appropriate health actions (e.g., obtain certain tests, schedule follow-up exams, etc.)?	Yes
8. Do you provide tele-monitoring services?	BCBSAZ offers telemonitoring devices to qualified members in programs for CHF, Coronary Artery Disease, COPD and Diabetes. These devices are a targeted intervention for qualified members who are in need of items such as scales for CHF as well as other biometric devices. Real-time data is sent to the monitoring center, and outbound calls are initiated (if necessary) based on the data. Any significant findings are reported to the member's provider via our provider's report.
9. What accreditations does your disease management program hold?	BCBSAZ has provided case management since 1994 and achieved national accreditation from URAC in 2002. BCBSAZ was recently surveyed and was found to be 100 percent compliant with the URAC standards, resulting in full accreditation status through February 2024. We require our case managers to be licensed, registered nurses with a minimum of three years' clinical practice experience. Our nurses have a variety of specialty experience in specialties such as oncology, cardiology, neonatology, rehabilitation, etc., or have utilization/case management experience. Our case managers have an average of 16 years' experience, thus having the skills and expertise to combine industry standard goals with the patient's personal goals. BCBSAZ departments that have member/provider contact have procedures in place to address complaints and reconsideration requests and a vehicle to handle emergent or urgent situations in an expeditious manner. Policies and procedures are in compliance with the applicable state, federal and/or accreditation requirements. BCBSAZ offers a robust NCQA-accredited population health DM program. In addition to our traditional DM program, chronic care management is integrated through the BCBSAZ Patient Centered Medical Home (PCMH) program. This program is based on a care delivery model designed to improve patient care outcomes by incentivizing providers to practice high-quality, evidence-

1. MEDICAL CLAIMS PROCESSING	VENDOR RESPONSE
	based medicine. It focuses on increased accessibility, compliance with standards of care, delivering more coordinated care, and promoting relationship-based partnering with patients and their families. Provider participation is grounded in outcomes-based metrics that can be measured. Physicians who participate in the PCMH program are measured on chronic condition (disease) management metrics for asthma, diabetes, COPD, CAD, HF, and hypertension. They are measured on compliance with HEDIS metrics, managing high-risk members and closing risk gaps, and utilization measures, including admits per thousand and ER visits per thousand. They also are measured on access and availability, generic drug rates, and other measures as defined by the PCMH program.
10. Do you provide a performance guarantee for your disease management services? If so, please specify.	No. BCBSAZ does not provide a performance guarantee for your disease management services.
11. Do you provide a health guarantee to reduce the health risk of the client's population? What metrics are used? What form of advocacy is used?	No, BCBSAZ does not offer a health guarantee at this time.

5. DISEASE MANAGEMENT	YES	NO
1. Have you included information in your response regarding all of the Disease Management Programs that you are offering to the City?	Yes	
2. Are you willing to include performance guarantees based on the effectiveness of your Disease Management Program?	Yes	
3. Do you agree to provide reports of DM activity and gaps in care at least quarterly (within 30 days of the close of the month) and an annual ROI within 3 months of the close of the prior year?	Yes	

6. WELLNESS SERVICES	VENDOR RESPONSE
1. Provide a description of your proposed wellness program for the City.	In 2020 BCBSAZ launched our new Digital Wellness Platform Solution Sharecare. With this transition to Sharecare, health assessments are now managed through this digital platform via a participant's RealAge® Test. Members start by taking the RealAge® Test health assessment to get a measure of the true age of their body in terms of health and vitality, versus their calendar age. The program then delivers personalized insights, challenges, daily tracking, and one-of-a-kind tools to help member reduce their RealAge and live healthier, no matter where they are in their health journey. They can also learn what they need to be healthier with tips on how to eat better, exercise smarter, reduce stress, and more. The Sharecare app recommends simple things for them to do every day and reminds them to do them. In addition, Sharecare's RealAge Program encourages members to take small action – establishing tiny habits – to build your confidence and lead to achieving their goals. These self-paced digital coaching programs measure your progress in terms of improvement in the data recorded in the related tracker. Members can access personalized videos and articles related to the focus are you selected in your timeline on the homepage. This helpful health content is updated regularly, so check back often. Features of the RealAge Programs include setting goals, identifying barriers, taking action steps, trackers and health content.

2. Does your proposed wellness program include an online app? If so, please provide additional information on the app and what services are provided.	Yes. BCBSAZ is offering the City's medical plan enrolled members with our enhanced wellness platform and application (app) solution provided through our partnership with Sharecare. Sharecare is a digital health company providing a digital health solution with high touch coaching and partner programs that allows people to manage all their health in one place. The following components are included in the BCBSAZ wellness solution at no additional cost: • **The RealAge® Test**—A scientific based assessment that is simple and easy to take online or within the app, which shows a participant's true body age • **Onsite Biometric Screenings** • **RealAge Programs**—Digital coaching • **Nurse On Call**—A registered nurse available 24/7/365 • **Blue365® Discounts**—Discounts on exercise centers, weight-loss, LASIK eye surgery, and much more • **BlueCare Anywhere℠**—Telehealth services enabling virtual visits with physicians, counselors and psychiatrists using a smartphone, tablet, or computer • **Fertility, Pregnancy, and Parenting Programs**—We've partnered with Sharecare and Ovia Health™ to bring a suite of programs that support women and their partners throughout the parenthood journey including fertility, pregnancy, and parenting. With the easy-to-use Sharecare app, members will have access to Ovia Health's expert content and tips, personalized health insights,

6. WELLNESS SERVICES	VENDOR RESPONSE
	and unlimited health coaching with registered nurses For those needing more attention and care, we have several clinical programs that our medical directors directly oversee. Those programs include: • **Care Management**—Helps members navigate the healthcare system and health plan benefits for their catastrophic event or diagnosis • **Transition of Care—Helps members coordinate their care after a hospital stay, helping avoid complications and re-admittance.**
3. What methods and measures will you use to determine the effectiveness of your Wellness Services offered to the City?	BCBSAZ provides reporting to assist groups with monitoring claims cost and utilization. We also provide an annual benchmark report, summarizing the program performance, including participation, financial and clinical outcomes.
4. Did your firm develop its wellness services, merge with or acquire a company that was performing wellness, or do you currently work in conjunction with another firm that actually performs the wellness services?	BCBSAZ is offering the City's medical plan enrolled members with our enhanced wellness platform and application (app) solution provided through our partnership with Sharecare. Sharecare is a digital health company that helps people manage all their health in one place. It is a digital health solution with high touch coaching and partner programs that allows people to manage all their health in one place.

5. Describe the wellness program that you have in place for your own employees including any incentives.	BCBSAZ has provided a robust wellness program for our own employees for many years. We currently have a Customized Outcomes Rewards Points Tracking program that rewards employees for healthy outcomes and participation.
	
	To receive a $30 discount per paycheck on an employee's health insurance premiums, our employees do the following:
	
	• **Step 1** – Complete the RealAge® test (50 points)
	• **Step 2** – Fasting Health Screening (50 points)
	• **Step 3** – Achieve an additional 150 points from the Step 3 list of options
	  ○ 50 points for each health measure in HIP goal range (low risk ranges)
	  ▪ Systolic Blood Pressure: ≤ 119 − Diastolic Blood Pressure: ≤ 79
	  ▪ Cholesterol Ratio: ≤ 3.4 − BMI: 18.5 – 24.9
	  ▪ Waist Circumference: Women ≤ 34, Men M ≤ 39
	  ○ Physician Attestation (Doctor's note): 150 points
	  ○ Monthly challenges, Annual wellness exam & preventive screenings, Lifestyle Coaching, Employer Activity Programs. (25 – 100 pts/each)
	
	To summarize, if our employees get a biometric screening and complete the RealAge Test, and if all their biometrics are in the healthy range, then they have earned their 250 points and they achieved their premium discount. If some of their biometrics are not in range, then they can participate in

6. WELLNESS SERVICES	VENDOR RESPONSE
	some of the other programs, such as coaching, preventive exams, challenges, etc. to earn the rest of their 250 points.
6. Please provide a specific example of how your organization was able to successfully provide wellness services to a client with employees at multiple locations.	BCBSAZ has a number of employer groups with which we have successfully implemented wellness services with multiple locations, even in multiple states. We offer onsite biometric screening events and flu shot clinic (minimum participation required by the vendor) at multiple locations. Members can also get biometrics done at local labs, at their PCP's office, or BCBSAZ can send out home test kits. In addition, BCBSAZ can provide the option of educational webinars (the City chooses the topic from more than a dozen available) presented to multiple locations simultaneously (extra fee may be charged). We also have the Blue365® Discount program that included fitness center programs such as Tivity Fitness Your Way™ or GymPass, that allow the member to gain access to 10,000+ fitness centers nationwide for one low monthly membership fee. BCBSAZ can assist with marketing materials for all our wellness offerings that the City's wellness committee can send out to their employees.

6. WELLNESS SERVICES	VENDOR RESPONSE
7. Please describe any new or innovative programs or services that are in development and scheduled for release within the next 12 months.	Our BCBSAZ team has certified Mental Health First Aid instructors to teach the evidence-based class to employer groups. Mental health first aid teaches you how to identify, understand and respond to signs of mental illness and substance use disorders. This training gives you the skills you need to reach out and provide initial support to someone who may be developing a mental health or substance use problem and help connect them to the appropriate care. Additional fee required. In addition, our wellness partner, Sharecare, is constantly innovating and upgrading their offerings and will continue to improve our wellness programs.

8. Do you have ideas on other types of wellness support items the City should consider?	Our team provides strategic corporate wellness planning and programming including incentive design. Our health promotion executives can assist with guidance with incorporating lactation rooms, rest and relaxation room, onsite walking paths, nutrition in the workplace, onsite flu clinics, biometric screenings, walking competitions, and more. The City can consider encouraging their members to register for the Sharecare wellness app and promote the RealAge Test. The RealAge Test, Sharecare's dynamic and clinically validated health risk assessment, uniquely provides each individual with their RealAge, a single metric for health that is both intuitive and motivating. The RealAge shows individuals the true age of their body (based on health history, lifestyle choices,) compared to their calendar age. The City might offer Onduo™—Onduo is an innovative virtual care program dedicated to bringing the most up-to-date care to people everywhere who are living with Type 2 diabetes. Onduo functions as the day-to-day support between office visits and combines diabetes tools, coaching, and clinical support to help members take control of their Type 2 diabetes. Participants are supported by the Onduo clinical team, which consists of live conferences with board-certified endocrinologists as needed as well as ongoing coaching from Certified Diabetes Educators and health coaches. Participants will also receive personalized recommendations, resources, and information needed to manage their diabetes and answer their questions. The unique content is designed to be action-oriented, practical, and sensitive to the daily decisions that people living with

6. WELLNESS SERVICES	VENDOR RESPONSE
	diabetes are constantly forced to make. (An extra fee is required).
9. Are there any specific administrative procedures or information your firm would need from the client prior to the implementation of your program?	The access to our Sharecare wellness platform is handled automatically when BCBSAZ uploads the City's Eligibility File to Sharecare. Therefore, as long as the City has included the members (employees and covered dependents) on the Eligibility File, those members will have access to the Sharecare wellness tools, Lifestyle Coaching, Ovia™ Fertility, Pregnancy and Parenting programs, Blue365 Discounts, etc. If the City would like to have an onsite flu shot clinic or biometric screening event, we would need information such as location address, contact name, email and phone number, preferred dates/times for the events, as well as estimated number of participants at each location. BCBSAZ can provide marketing materials that the City can use to promote the event, but we would need the City to promote the events to their employees. In terms of developing a wellness program for the City, Jessica Dunn, your HPE, will be happy to meet with your Wellness Committee or HR Team to discuss goals and objectives and coordinate an engaging and effective wellness program.

6. WELLNESS SERVICES	VENDOR RESPONSE
10. List two (2) of your wellness program ideas about how you propose to help the City's employees change their behavior related to EACH of the following risk factors: a. excessive weight	BCBSAZ offers several online tailored behavioral change programs including weight loss assistance. In addition, members can engage in an online weight loss or healthier diet virtual coaching program (RealAge Program) or working one-on-one with a coach in our Lifestyle Coaching program. Coaches can work with a member to establish eating plan that fits the members lifestyle and condition. Depending on the group's medical benefit program, counseling with a Registered Dietician or Nutritionist may also be available for members with certain medical conditions or diagnosed with obesity. In addition, for an extra fee, the City can provide the Scale Back program, a 12-month weight loss and lifestyle change program designed for people who may be at risk for diabetes. Scale Back is an interactive, telehealth-based program that helps participants lose 5-7 percent of their body weight, increase their physical activity level, and significantly reduce the risk of developing Type 2 diabetes and associated chronic diseases. This innovative program uses the same diabetes prevention curriculum developed by the Centers for Disease Control (CDC). Members receive a free wireless scale upon enrollment and after attending two classes, receive a free Fitbit Inspire™ activity tracker. Members can attend 26 live video coaching sessions with a registered dietitian and interact with other members in the class for encouragement and support. One unique feature of the program is the ability for the member to upload a photo of their own meal and receive feedback from a registered dietitian on that meal.

6. WELLNESS SERVICES	VENDOR RESPONSE
b. smoking	Members who wish to quit smoking or other tobacco use may engage in our Lifestyle Coaching program, working one-on-one with highly trained and qualified experts with degrees in various fields such as nutrition, psychology, public health, etc. In addition, members can utilize a number of educational videos, articles and interactive tools on the Sharecare wellness platform. In addition, depending on the City's medical benefit program, certain tobacco cessation medications such as Chantix medication and nicotine patches and gum may be provided to members at no out-of-pocket cost. We encourage employers such as the City to promote these benefits to their members.
c. elevated blood pressure	BCBSAZ offers a Condition Management program for Coronary Artery Disease (CAD) that assist those members that may have elevated blood pressure and other CAD symptoms. In addition, members can work with a Lifestyle Coach to improve factors that may raise blood pressure, such as stress, nutrition, and tobacco use. Coaches have access to more than 200 personalized data attributes in the member's person health profile (as well as member's timeline) giving them a comprehensive view of behavioral, lifestyle and available claims information. The Sharecare platform has numerous articles, videos, and interactive tools that members may use to learn more about their condition and take educated action to improve their condition.

6. WELLNESS SERVICES	VENDOR RESPONSE
d. no regular exercise	Members can work with a Lifestyle Coach to improve their physical activity. Coaches are trained in motivational interviewing techniques and can work with a member to develop an exercise plan that fits the members lifestyle. Coaches check in on the member on a regular basis to measure progress and provide motivation and encouragement. Members can also participate in a RealAge Program, a digital coaching program. The best way to make real, lasting behavior change is to start small. The RealAge Program encourages members to take small action – establishing tiny habits – to build their confidence and lead them to achieving their goals.
e. elevated cholesterol/lipids	BCBSAZ offers a Condition Management program for Coronary Artery Disease that assist those members that may have elevated cholesterol/lipids and other CAD symptoms. In addition, members can work with a Lifestyle Coach to improve factors that may raise blood pressure, such as stress, nutrition, and tobacco use. Coaches have access to more than 200 personalized data attributes in the member's person health profile (as well as member's timeline) giving them a comprehensive view of behavioral, lifestyle and available claims information. The Sharecare platform has numerous articles, videos, and interactive tools that members may use to learn more about their condition and take educated action to improve their condition.

6. WELLNESS SERVICES	VENDOR RESPONSE
f. stressed, depressed, anxious	BCBSAZ has Care Managers who specialize in behavioral health who can assist members with issues such as stress management, depression, or anxiety. In addition, our Sharecare app has many resources to assist with these issues including articles, videos, and interactive tools. One of the tools available includes long-play videos with soothing music, such as an ocean scene or a walk through the forest.

7. STOP LOSS COVERAGE	OFFEROR RESPONSE
1. Indicate what legal entity is providing the stop loss coverage, and their relationship to the administrator.	BCBSAZ is providing integrated stop loss with our proposed administrative services contract for self-funded groups. BCBSAZ will serve as administrator.
2. a. Has your organization read and do you agree to administer stop loss insurance in accordance with the plans as described in the attachments?	Yes. Determination for eligibility, covered expenses, etc., will be consistent between BCBSAZ's plan document and the stop loss contract.
b. If no, please explain any deviations.	
3. Describe any underwriting contingencies.	BCBSAZ underwriting contingencies include: • Assumes enrollment of 1,728 • Reserves the right to adjust rates to the first day of any billing month in which enrollment varies by more than 15 percent of that figure • Assumes we are not carving out pharmacy and stop-loss

7. STOP LOSS COVERAGE	OFFEROR RESPONSE
4. Describe your renewal calculation.	The ICAP rates are calculated based on a blend of manuals (i.e., claims based on the group's demographics only), as well as the group's estimated incurred claims and the rating trend at the time of the renewal calculation. The amount of credibility (based on group size) applied to the group's experience will be determined at the time the renewal is calculated. As this group has 1,700 members, we apply 100 percent credibility to the experience and use only 12 months of claims data. Once the expected claims are determined, we add a 25 percent corridor for the total ICAP rates. BCBSAZ also includes fixed expenses, which is specific stop loss, aggregate stop loss, commission, and administrative charges. The stop-loss charge component is based on a combination of demographics, historical, and projected large claims experience, including pending large claims. Aggregate stop loss charge is based off projected claims. Performance of the aggregate claims is also taken into account. Commission, if applicable is added to the total fixed costs. Administrative expenses are also added to the total fixed costs. Expected liability is the expected claims plus fixed expenses. Maximum liability it the ICAP claims plus fixed expenses.
5. Do you agree to administer stop loss insurance in accordance with the plans' experimental and medically necessary definitions, as described in the plans?	The administration of the Stop Loss Contract is based on BCBSAZ medical benefits contract. The medical contracts will determine what eligible benefits will apply towards Stop Loss. Specifically regarding the plan's experimental and medical necessary definitions, BCBSAZ will use the wording within the contract to determine if that procedure is eligible for Stop Loss reimbursement.

7. STOP LOSS COVERAGE	OFFEROR RESPONSE
6. Are there any individuals being excluded from coverage, or provided different or limited coverage under your contract?	BCBSAZ does not typically laser individuals.
7. If awarded the stop loss contract, do you require completion of a disclosure document?	No
8. Does your contract allow you to limit or exclude coverage on covered persons at renewal?	Yes, we reserve the right to laser (limit) coverage on covered persons at renewal.
9. Do you require a disclosure statement be completed at renewal?	No
10. If a disclosure statement is required to be completed, what is the maximum number of days in advance of the effective date it can be completed?	N/A
11. Will you accept the data from the claims payor directly?	Yes, BCBSAZ would serve as the claims payor.
12. Define clearly the terms and conditions of your contract as they apply to termination.	BCBSAZ is quoting a 12/24 contract. We cover runout for 24 months following termination.
13. After termination, what is the maximum number of days allowed for submission of a valid claim that was incurred within the contract period?	For a period of 24 months following the termination of this agreement (the "run-out period"), BCBSAZ will continue to process and pay claims incurred prior to the termination of the agreement, in accordance with the terms and conditions, provided the City funds such claims and pays the fees related to claims processing and network access.

14. Does your program include access to transplant centers of excellence so the City can utilize any pre-negotiated discounts?	Yes. BCBSAZ has a transplant program with special arrangements for transplants at the following local facilities: • Banner University Medical Center (formerly known as Banner Good Samaritan Hospital), Phoenix • Mayo Clinic Hospital, Phoenix • Banner University Medical Center, Tucson • St. Joseph's Hospital (kidney, lung and liver), Phoenix • Phoenix Children's Hospital • Banner Gateway Medical Center, Gilbert • HonorHealth Scottsdale Shea Medical Center (formerly known as Scottsdale Healthcare Shea), bone marrow only, Scottsdale BCBSAZ also participates in the Blue Distinction® Centers for Transplants through the Blue Cross and Blue Shield Association (BCBSA), which offers more than 100 different centers across the United States. The Blue Distinction Centers for Transplants program includes the following transplant types: • Heart • Lung (deceased and living donor) • Combination heart-bilateral lung • Liver (deceased and living donor) • Simultaneous pancreas-kidney (SPK) • Kidney-only in conjunction with SPK • Pancreas after kidney (PAK)/pancreas alone (PTA) • Combination liver-kidney • Bone marrow/stem cell (i.e., autologous and allogeneic) Blue Distinction is a designation awarded by Blue Cross and Blue Shield companies to medical facilities that have demonstrated expertise in delivering specialty quality healthcare. Additional value-added services provided within our Blue Distinction network include: • Global pricing • Financial savings analysis and global claims administration support • Referral management

7. STOP LOSS COVERAGE	OFFEROR RESPONSE
	• Transplant-related continuing education programs for members BDSC currently includes eleven areas of specialty care: • Bariatric surgery • Cancer care • Cardiac care • Cellular immunotherapy (CAR-T) • Fertility care • Gene therapy • Knee and hip replacement • Maternity care • Spine surgery • Substance use treatment and recovery • Transplants Today, more than 4,900 Blue Distinction and Blue Distinction Center+ designations have been awarded to more than 2,100 facilities and providers spanning 50 states and District of Columbia (D.C.) and Puerto Rico.
15. What is your current leveraged trend for a $350,000 deductible?	BCBSAZ's current leveraged trend for a $350,000 deductible is 17.41 percent.

8. HEALTH SAVINGS ACCOUNT	VENDOR RESPONSE
1. a. What is the name of the HSA administrator (i.e. the Medical TPA, a contracted partner)?	BCBSAZ partners with HealthEquity® to provide HSA administration. HealthEquity is located in Draper (Salt Lake City), Utah.
b. Are you a qualified HSA trustee or custodian?	Yes, HealthEquity is an IRS-authorized nonbank custodian, serving as an independent and trusted partner to consumers seeking to manage, save, and spend their healthcare dollars. As a nonbank custodian, we are permitted to hold HSA dollars on behalf of accountholders by meeting requirements outlined by the U.S. Treasury. Nonbank custodians are required to affirm their status annually with the Employee Plans Compliance Unit of the IRS. Other than amounts that the participants direct us to move into investment funds, HealthEquity contracts with various FDIC-insured depositories.
c. Please explain the basis for your qualifications and the dates of qualification.	BCBSAZ contracted with HealthEquity® in 2009 to offer health savings account (HSA) administration services to employer groups. Based in Salt Lake City, Utah, HealthEquity was founded in 2002 and has been offering HSA administration services since 2004. In 2011, BCBSAZ expanded our relationship with HealthEquity the relationship to include flexible spending accounts (FSA) and health reimbursement accounts (HRA) HealthEquity is committed to serving as an independent and trusted partner to consumers who are seeking to manage, save, and spend their healthcare dollars. As an Internal Revenue Service (IRS) authorized nonbank custodian and the administrator of our products, HealthEquity is able to provide in-house oversight and management that is distinct to our industry, from enrollment to contribution to ongoing use. This is only possible because we work closely with a variety of well-capitalized financial institutions to ensure funds associated with HealthEquity accounts are securely held and eligible for both Federal Deposit Insurance

	Corporation (FDIC) and the National Credit Union Share Insurance Fund (NCUA) insurance.
2. How long have you provided HSA administration services?	HealthEquity was founded in 2002 and has been offering HSA administration services since 2004. BCBSAZ contracted with HealthEquity® in 2009 to offer HSA administration services to employer groups.
3. What information or administration services for HSA's are available on your website?	Employers and members benefit from HealthEquity's proprietary web capabilities featuring: **Member Portal** HealthEquity's member portal website is designed to help employees understand how their health plan and healthcare accounts work together as part of their overall health benefit. Our user-friendly website features present members with various resources that assist with determining how to best spend or save their healthcare dollars. Our website offers helpful tools; whether members simply need information or are interested in paying claims or reimbursing themselves from their accounts, they can do so from the member portal. Members can also modify contribution accounts to their HSAs at any time during the plan year: • Access account balance information • Monitor interest rate on cash account • Access investment desktop/manage investments • Access the HealthEquity online payment platform to request reimbursement or to submit payment to a provider • View account contributions • Make HSA contributions • Access various tools, links and forms. • Download 1099-SA and 5498-SA tax forms • View monthly on-line statements • Designate a beneficiary

	• Add an external bank account from/to which the member can make contributions and receive distributions • Opt-in/opt-out of various member emails For members who choose to invest their HSA funds, HealthEquity provides a completely integrated investment experience, members do not have to log out and log into a separate investment site. We offer a user-friendly investment desktop where employees can elect to either manage their investments on their own or subscribe to a web advisory tool called Advisor™ to receive advice and ongoing oversight. Employees who elect to manage their own HSA portfolio can analyze and choose funds, set target allocations, and track the performance metrics of their holdings. **Employer Portal** HealthEquity's employer portal provides full visibility and control for viewing reports, paying invoices, managing account setup, and determining funding and banking arrangements. Through the employer portal website, we offer service features that surpass many other HSA administrators, including the following: • Viewing various reports • Setting up employer contributions • Managing employee HSA contributions • Paying fees • Adding access for other authorized users
4. Do you have a call center available to answer questions telephonically?	Yes. HealthEquity delivers customer service from U.S. based employees dedicated to answering member inquiries. Customer service is available every hour of every day. HealthEquity Member Service Representatives are available 24/7/365 via our toll-free phone number. Additionally, members can access our expanded chat options and interactive voice response (IVR) system. This provides immediate support

	and convenient access to account information.
5. Name the qualified HSA custodians/trustees (e.g. banks and insurers) with which you have a relationship and describe that relationship.	HealthEquity is an IRS-authorized nonbank custodian, serving as an independent and trusted partner to consumers seeking to manage, save, and spend their healthcare dollars. As a nonbank custodian, we are permitted to hold HSA dollars on behalf of accountholders by meeting requirements outlined by the U.S. Treasury. Nonbank custodians are required to affirm their status annually with the Employee Plans Compliance Unit of the IRS. Other than amounts that the participants direct us to move into investment funds, HealthEquity contracts with various FDIC-insured depositories.
6. What services and reporting can the City and its employees expect from the HSA custodian/trustee?	HealthEquity offers employers an online employer portal to access self-service features and on-demand reporting. Standard reports include: • **Account Summary**—Displays account summary, including number of employees with a zero balance, average balance, maximum dollar amount within any employee account, employees with balances greater than $2,500 and the number of employees balances within various ranges. • **Card Status Report**—Provides card order status. Cards are typically received seven to 10 business days after mail date. • **Employee Listing**—Provides a quick overview of each employee's plan listing, with details pertaining to employee name, employee ID, current account type, election amount, available benefit plan balance, current coverage start/end date, insurance, and plan name. • **Invoices**—View past or current invoices by clicking on the invoice date to view invoice details. Items listed will include invoice date, amount paid, payment date, and description.

	• **Past/Pending Payments**—Provides a chronological listing of all prior payments to HealthEquity for contributions, deductions, and fees. Employers can click on a payment date to view the detailed invoice associated with the payment. Elements of this report include payment date, contribution amount, deduction amount, fees, total amount of payment, descriptions of payment and status. • **Contribution History**—View a listing of each employee's contribution history. The report displays total contributions made by the employer to employee's HSAs. It also shows the total contributions made by the employee, excluding contributions outside of payroll. With this report, employers can click on an employee name to see the date and amount of each contribution • **Held-up Contributions**—View all employer or employee contributions being held for causes related to customer identification process (CIP) required by the USA PATRIOT Act, contribution limits, etc. The report includes employee ID, employee name, amount contributed, reason for delay, days waiting, reason, employer contributions, and employee contributions. • **HSA Status**—Provides employers with information related to the date on which employees were enrolled in an HSA and whether they have taken action to activate their account at HealthEquity. Activation is defined as having activated their HSA debit card, logged into the account online and accepted the terms of the online agreement, or paid a claim. This report also shows whether an employee's HSA is closed. • **Potential Over Contributions**—Details employees who received HSA

	contributions that may be higher than allowed based on their coverage type and age for the tax year selected. Upon notification, employees may contact HealthEquity's member services team to distribute the excess amount and avoid IRS penalties. • **Incentives**—Tracks employees who have reached an incentive by employee and account type. This report captures the employee name, account, description of the earned incentive, date completed, amount posted and date the amount was posted.
7. Explain the payroll and transfer of funds process from the employer to the bank.	BCBSAZ shares eligibility data with HealthEquity on a nightly basis. The City, or its support vendor, will work directly with HealthEquity to determine the most convenient method to share contribution information, which is typically a data file specifying individual employee contribution accompanied by a single employer automated clearinghouse (ACH), wire, or check. Employers and members benefit from HealthEquity's proprietary web capabilities featuring online payments and real-time claims data, in addition to multiple account access from a single portal. Integration allows for a seamless experience for the member, which means no toggling between accounts to manage funds.
8. Is a debit card available to plan participants?	Yes. HealthEquity provides a HealthEquity® Visa® Health Account Card (debit card) for HSAs and FSAs. Participants can receive up to three debit cards at no additional charge. These cards are Merchant Category Code (MCC) restricted and limited to merchants providing healthcare related products and services, and can be used in a number of ways, including but not limited to the options listed below: • Swipe the card at a provider' s office just like a credit card • Link other personal bank accounts for contributions and payments

	• Give a provider their card number over the phone • Write the card number on a qualified bill and send back to the provider While the card can be used like a credit card without the requirement of a PIN, participants can set up a PIN on the account, if desired.
9. How many calendar days after receipt of enrollment information is the debit card sent to the participant?	Participants receive a welcome kit and debit cards within 10 business days from the date enrollment is complete.
10. Are you able to accept electronic enrollment information? If not, in what format do you accept enrollment information?	Yes. BCBSAZ automatically shares eligibility data with HealthEquity as part of our integrated partnership. The City will work with HealthEquity to provide contributions (both employer and employee dollars) as separate file feeds either directly from the City or through their payroll vendor. HealthEquity can offer contribution file integration for employers (groups with less than 500 benefit eligible employees would need to use a standardized format.). Additionally, HealthEquity offers a contribution tool available via the Employer Portal, which will enable the City to input contributions directly.
11. Are you able to open a participant's account using the City's authorization only, rather than requiring the participant to submit data?	No. Participants must complete the CIP (Customer Identification Program) requirements before an account can be established. This is a requirement of the U.S. Patriot Act and is required for all financial institutions including HSA custodians. HealthEquity uses LexisNexis Financial Services to cross-check points of identification for each participant. It will be necessary to request data from some individuals if they fail CIP. Less than 2 percent of individuals fail CIP and HealthEquity will manage the request for any required information and the City will have access to on-demand reporting to see the status of anyone pending completion of the CIP process.
12. Can you set up eligibility guidelines specific for temp employees and retirees (i.e. retirees pay	Yes, BCBSAZ can accommodate.

their own admin fees, retirees and temps do not receive debit cards)?	
13. Please provide a demo link to your online Website and/or Mobile App for the City to review.	HealthEquity's website is HealthEquity.com and their member portal can be accessed by visiting MyHealthEquity.com.

9. REPORTING						
Report Type	**Month**	**Quarter**	**Annual**	**Vendor Response (Y or N)**	**Online Access (Y or N)**	**Excel (Y or N)**
Enrollment (subscriber/member) by plan option, by coverage tier for each employer	X	X	X	Y	Y	Y
Paid Claims						
By Plan Option	X	X	X	Y	Y	Y
By Type (fee for service, capitated)	X*	X	X	Y	Y	Y
By Status (Active, COBRA, Retiree)	X	X	X	Y	Y	Y
By Member Cost-Sharing by Plan Option	X	X	X	Y	Y	Y
Overpayments		X		N**	Y	Y
Large Claim Report - $50,000 with diagnosis						
By Plan Option	X	X	X	Y	Y	Y
By Status (Active, Terminated, COBRA)	X	X	X	Y	Y	Y
Other Claims Reports						
Claims Lag	X	X	X	Y	Y	Y
Network Utilization						
In-Network	X	X	X	Y	Y	Y
Out-of-network	X	X	X	Y	Y	Y
Out-of-State	X	X	X	Y	Y	Y
Utilization Management						
Precertification				N	N	
Case Management			X	Y	Y	Y
Large Claims Report including Case Management Status	X			Y	Y	Y
Wellness Programs						
Utilization	X	X		Y	N	Y
ROI Savings			X	Y	N	

9. REPORTING

Report Type	Month	Quarter	Annual	Vendor Response (Y or N)	Online Access (Y or N)	Excel (Y or N)
Disease Management						
Utilization Risk Stratification (baseline and YTD)			X	X	N	Y
Clinical Goals Compliance			X	Y	N	Y
ROI Savings			X	Y	N	Y
Stop Loss Reports (for third party Stop Loss Vendor)						
Identify when participants have accumulated paid claims greater than or equal to 50% of the specific stop loss, including primary diagnostic code.	X			Y		
Provide Case Management Notes for any open cases.	X			N		
Provide pended claims.	X			N		
Medical Utilization Benchmarks (City Industry Specific and Book of Business)						
Client Industry Specific	X	X	X		Y	Y
Book of Business	X	X	X		Y	Y
Ad Hoc Reporting Capabilities						
Ability for the City to generate Ad Hoc Reports	Determined by the City***				Y	Y
Provide electronic eligibility and health claims data for use in the consultant's data analytics reporting system	X			Y		Y
Will the above information be provided in a format to allow the City or its Consultant to drill down on the data?	Yes. **Notes:** * The only capitated services are chiropractic through our partnership with ASH. ** BCBSAZ is willing to discuss. *** BCBSAZ agrees to run up to 15 ad hoc (additional) reports for the first contract year at no additional cost. Ad hoc reports, once					

9. REPORTING						
Report Type	**Month**	**Quarter**	**Annual**	**Vendor Response (Y or N)**	**Online Access (Y or N)**	**Excel (Y or N)**
	agreed upon, will be provided to the group in up to 10 business days.					

10. PERFORMANCE GUARANTEES (ALL PROPOSERS)	**VENDOR RESPONSE**	
For the following categories, provide the performance standard you are willing to offer, the financial penalty (maximum dollar amount or % of administrative fees) you will agree to pay if the standard is not met, and the method of measuring the penalty.	Measurement Frequency	Dollars at Risk (% or $)
1. **Vendor attendance at City meetings**	Quarterly	
➢ Attendance by vendor representatives when requested at meetings scheduled by the City of Chandler during the contract period and implementation phase. **BCBSAZ Alternative Recommendation:** BCBSAZ proposes the Account Management Performance Guarantee. **Standard:** Overall score of 3 (satisfied) or better on the BCBSAZ Account Management Score Card (annual Group Benefit Administrator survey) – see attached. **Desired Qualifiers:** Categories include: effective support for open enrollment events, timely client notification of issues impacting members, response to client issues and questions in timely, comprehensive manner, effective coordination to resolve open issues, accessibility, and delivery of agreed-upon reports on time. **Group specific**	Measured annually	2% of annual admin fee
2. **Vendor call (or e-mail) return timeliness**	Quarterly	
➢ The City of Chandler or designated consultant's calls (or e-mails) to vendor are returned within 48 business hours. **BCBSAZ Alternative Recommendation:** BCBSAZ proposes combining PGs 1 and 2 under the Account Management guarantee, which guarantees ongoing communication and support activities, including accessibility.	See #1 above.	See #1 above.

10. PERFORMANCE GUARANTEES (ALL PROPOSERS)	**VENDOR RESPONSE**	
3. **Processing weekly eligibility updates**	Weekly	
➢ All updates to eligibility or enrollment records will be made within three business days after the information is received by the vendor. **BCBSAZ Alternative Recommendation:** **Standard:** 99% of valid electronic eligibility files are processed within five business days of receipt of complete and accurate information during initial implementation. **Group Specific**	Measured annually	2% of annual admin fee
4. **Telephone call availability & answering speed**	Monthly	
➢ 90% of all calls are answered within 30 seconds, and telephone service is available between 8:00 am and 6:00 pm Arizona Time Zone on business days. **BCBSAZ Alternative Recommendation**: **Standard**: BCBSAZ Customer Service calls answered in an average of 45 seconds or less. **Desired Qualifier**: Average speed of answer begins once the caller exits the IVR.[1] **Non-Group specific** Customer Service hours are 6 a.m. to 6 p.m. (Arizona time), Monday through Friday.	Measured quarterly	2% of annual admin fee
5. **Telephone call on-hold (in-queue) time**	Monthly	
➢ An average of less than 2 minute(s) on hold before a **human being** answers. **BCBSAZ Alternative Recommendation**: This guarantee is combined with PG #4 (telephone call availability and answering speed).	See #4 above.	See #4 above.
6. **Telephone Abandonment Rate**	Monthly	

10. PERFORMANCE GUARANTEES (ALL PROPOSERS)	**VENDOR RESPONSE**	
➢ An abandonment rate of less than 3% is maintained during standard business hours. **BCBSAZ Alternative Recommendation**: Less than 5% of BCBSAZ Customer Service calls abandoned. Desired Qualifier: Call abandonment rate applies to calls abandoned once the caller enters the call queue.[1] **Non-Group specific**	Measured quarterly	2% of annual admin fee
7. **Claims Processing Accuracy**	Quarterly	
➢ 99% of claims dollars submitted for payment will be accurately processed and paid. Regardless of whether or not these standards of performance are satisfied, the vendor must reimburse the City of Chandler for all overpayments that are not recovered from the recipient within 60 days after the overpayment is discovered. The City of Chandler will assign its right to recover such overpayments to the vendor. **BCBSAZ Alternative Recommendation**: **Standard**: 98% of audited[1] claims dollars are paid in accordance with benefit plan designs and in-force provider contracts. **Desired Qualifier**: This penalty applies if BCBSAZ fails to perform in accordance with this standard two (2) consecutive reporting periods. A penalty pay out of half of the fees at-risk would occur for results at or below 97.5%.[1] **Non-Group specific**	Measured quarterly	2% of annual admin fee
8. **Turnaround Time on Claims Payments**	Quarterly	

10. PERFORMANCE GUARANTEES (ALL PROPOSERS)	**VENDOR RESPONSE**	
➢ 95% of all claims received will be completely processed (paid, denied or pended for additional information) within 14 calendar days after they are received. 100% of claims will be processed within 30 calendar days of receipt. **BCBSAZ Alternative Recommendation**: **Standard**: 90% of non-investigated clean claims processed (paid or rejected) within 14 calendar days after receipt of clean claim.[1] **Desired Qualifier**: A claim is defined as a request for a payment of a plan benefit by a plan participant or health care provider; a claim is deemed received when it has been time-stamped by BCBSAZ. Claims pended for missing information or benefit eligibility will be included as a documented claim. **Non-Group specific.** **Claims processing penalties are not applicable on claims incurred outside of Arizona.**	Measured quarterly	2% of annual admin fee
9. **Timeliness of Claim Reports**	Annually	
➢ Each report the vendor will supply the City of Chandler will be provided within a mutually agreed upon timeframe but no later than the 10th of the month following. **BCBSAZ Alternative Recommendation**: **Standard**: Monthly standard reports will be delivered on time. **Desired Qualifier**: Delivery of standard reports: whYzen-BlueInsight℠, our self-serve online reporting tool is available online, and updated the 20th of the month. **Group specific**	Measured annually	2% of annual admin fee
10. **Claims Coding**	Annually	

10. PERFORMANCE GUARANTEES (ALL PROPOSERS)	**VENDOR RESPONSE**	
➢ 98% of all claims will be coded with no errors. **BCBSAZ Alternative Recommendation:** **Standard:** 95% of audited claims are processed in accordance with benefit plan designs.[1] **Desired Qualifier:** Percentage of claims processed incorrectly vs. correctly, based on BCBSAZ standard auditing procedures. **Non-Group specific**	Measured quarterly	2% of annual admin fee
11. **Implementation (if appropriate)**	Annually	
➢ Successful implementation as defined by key milestones. Include measurable milestones in your proposal. **BCBSAZ Alternative Response: Standard:** BCBSAZ will complete a successful implementation as defined by key milestones. **Desired Qualifier**: BCBSAZ agrees to meet milestones as outlined on the proposed implementation timeline (See **Section 5U**). Note: the current proposed implementation timeline will be agreed upon and finalized during initial implementation meetings. **Group specific**	Measured 90 days after effective date and paid out 120 days after effective date.	2% of annual admin fee

10. PERFORMANCE GUARANTEES (ALL PROPOSERS)	**VENDOR RESPONSE**	
12. **Data Exchange**	Annually	
➢ Receive and transmit data with vendors based on a frequency defined by the business needs of the City of Chandler. **BCBSAZ Alternative Response: Standard:** BCBSAZ will receive and transmit data with vendors based on a frequency defined by the business needs of Client. **Desired Qualifier:** Should BCBSAZ interface with any independent vendors to service client, we agree to establish appropriate mutually agreeable performance standards for data transmission. **TBD**	TBD	2% of annual admin fee

Total of all risk measures cannot exceed 20% (based on administrative fee only).

[1] If BCBSAZ fails to perform in accordance with these guarantee(s) for two (2) consecutive reporting periods after the guarantee(s) are effective, BCBSAZ will refund or credit the group up to the amount at risk per measure during the time period which BCBSAZ did not meet the performance guarantee(s).

Additional BCBSAZ Notes:

1. The above stated performance guarantees will be effective for a one year period **1/1/2023 to 12/31/2023**., and will be assessed on an annual basis.

2. The performance guarantee payout does not include stop loss premiums, claims reimbursement amounts, vendor interface fees, capitated claim payments, etc.

3. Performance guarantees are reported to the client approximately 90 days after the close of the measurement period or plan year. Payout is made (if applicable) after the reporting of results.

4. BCBSAZ will not be required to pay a penalty for performance guarantees if the group is in default of its contract with BCBSAZ and/or has not paid all claims and premiums by the date due.

5. BCBSAZ will determine the sample size of audited claims.

Exhibit A 3
BCBSAZ Services Included in Administrative Fees

BlueCross BlueShield Arizona

BCBSAZ Administration Fee—Included Services

The following services are included in the Blue Cross® Blue Shield® of Arizona (BCBSAZ) administrative fee, at no additional charge, for large groups and national accounts:

1. Claims and enrollment administration
2. Pharmacy administration
3. Claims appeals—all levels
4. Health management
   - Utilization management
   - Case/care management
   - Transition of Care program to reduce hospital admissions
5. Disease management programs
6. BlueCare Anywhere℠ Integrated Telehealth services
7. Biometric screenings
8. Sharecare RealAge® Test Assessment
9. Points tracking wellness programs
10. Nurse On Call (24/7 nurse line)
11. Unlimited, one-on-one lifestyle coaching by phone or online
12. Virtual coaching, offering a variety of health-specific programs
13. Fertility, Pregnancy, and Parenting Programs
14. Blue365® discount products and services program
15. Health fair support
16. Access to BCBSAZ's statewide preferred provider organization (PPO) provider network
17. GeoBlue international network access
18. BlueDistinction® Centers of Excellence, a national program for specialty care and transplants
19. Open enrollment services and support
20. Benefit/health fair support
21. Member collaterals (printed and mailed)
22. Member ID cards
23. Benefit plan booklets (printed and mailed)
24. Monthly paid claims invoices and reports
25. Comprehensive online employer reporting and analytics through BlueInsight℠
26. Ad hoc reporting (15 at no additional charge for the first year)
27. Experienced account management team, including a dedicated health promotion executive (HPE)
28. MyBlue℠ online services for groups and members

Exhibit A 4
BCBSAZ Subcontractor List

BlueCross BlueShield Arizona

Blue Cross® Blue Shield® of Arizona (BCBSAZ) Subcontractor List

BCBSAZ subcontracts with the following:

- **Accenture** provides certain utilization management (UM) services. Answers provider calls regarding benefits and eligibility.
- **Advanced Medical Reviews, Inc. (AMR)**, is an Independent Review Organization (IRO), that provides any level appeals, in accordance with applicable state and federal law.
- **AllMed Health Care Management Inc.**, is an IRO that provides any level appeals, in accordance with applicable state and federal law.
- **American Specialty Health (ASH) Incorporated**, the chiropractor network.
- **Amwell**, provides telehealth services for urgent care, counseling, and psychiatry.
- **Arvato**, provides print and mails member benefit materials such as Welcome Kits, annual notice of changes (ANOCs), evidence of coverage (EOC), formularies, provider directories, Medicare Advantage (MA) pre-sales, commercial group open enrollment sales packets, and related customer benefit materials upon request.
- **BroadPath Healthcare Solutions**, provides the provider assistance call center.
- **Change Healthcare™**, identifies and performs diagnosis-related group (DRG) audits and hospital bill audits (HBA), validate discrepancies in billing with providers, and initiate recovery efforts on overpayments identified.
- **Cobalt MedPlans**, provides the provider assistance call center.
- **DispatchHealth,** provides members high-quality acute medical care right from their home. Requesting care is simple; members can use their website, mobile app, or call them directly and available 8 a.m. to 10 p.m., 7 days a week, 365 days a year, including holidays.

  Dispatch Health's medical team arrives at the home within a few hours ready to treat anything an urgent care can, plus more. Dispatch Health will call in prescriptions, update primary care physician and/or care team, and handle billing with member's health insurance company.
- **Dominion® National,** provides dental claims administration, customer service, and network management.
- **Equitable Financial Life Insurance (Equitable)**, provides group accidental death and dismemberment (AD&D), short-term disability (STD), and long-term disability (LTD) insurance.
- **eviCore Healthcare,** provides utilization management for: medical oncology, radiation therapy, genetic testing, high tech radiology, and specialty medications under medical benefit, not pharmacy.

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2444 West Las Palmaritas Drive | Phoenix, AZ 85021-4883
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- **EXL Health**, provides subrogation services for BCBSAZ's self-funded and governmental groups, where permitted by applicable state and federal laws.
- **HealthEquity, Inc.** provides flexible spending account (FSA), health reimbursement account (HRA) and health savings account (HSA) administration and banking services.
- **HealthRisk Resource Group, Inc. (HRGi)**, negotiates out-of-network (OON) claims with providers.
- **HealthSparq**, provides access to provider directory by network, along with cost estimates for procedures and ability to rate providers' services.
- **Independence American Insurance Company (IAIC)**, provides accident and critical illness insurance.
- **Managing Care Managing Cost LLC (MCMC)**, is IRO perform any level appeals, in accordance with applicable state and federal law.
- **Mitchell International, Inc. dba MCN**, is an IRO that provides any level appeals, in accordance with applicable state and federal law.
- **Onduo**, is an innovative virtual care program dedicated to bringing the most up-to-date care to people who are living with Type 2 diabetes.
- **OODA Pay**, is the result of a strategic partnership with OODA Health to support technology and operational innovation that will change the way health plans work with the care delivery system, specifically as it relates to how member cost share is paid to the provider and collected from the member.
- **OptumRx®**, provides certain pharmacy services, including claims processing, customer service, network audit, network management (mail order and the exclusive specialty pharmacy benefit management).
- **PayForward**, provides a unique rewards platform that enables our members to earn up to 15 percent cash back when shopping, dining, and booking hotels via merchants such as Target, Home Depot, and more.
- **Pronounced Health Solutions, Inc.** (Previously Alere and Optum®)/Sharecare, provides certain disease management (DM) and online health services.
- **Sempre Health**, provides a no-cost program to help members save on prescription copays for eligible medications and encourage medication adherence.
- **Sharecare**, provides certain disease management, wellness, and online health services.
- **SourceHOV**, provides imaging and data entry of paper claims.
- **Sutherland Healthcare Solutions, Inc.**, data entry for provider data and assistance with credentialing.
- **Uprise Health** (formerly Integrated Behavioral Health, Inc. [IBH]), provides employee assistance program (EAP).
- **Vengroff, Williams & Associates, Inc.**, provides certain elevated overpayment recovery services, if necessary.

- **Welvie℠**, provides members with a digital tool and a way we leverage technology to help members with understanding their treatment options, as well as surgical interventions and cost effectiveness.
- **Zelis® (formerly known as RedCard)**, provides, prints, and mails claims and enrollment documents and communications (excluding onboarding welcome kits).

Exhibit A 5
BCBSAZ Proposed Implementation Timeline

City of Chandler
Proposed Implementation Timeline

#	Schedule of Events Based on contract award date of 09/01/2022 Effective Date 01/01/2023	Responsible Party	Start Date	End Date	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
1	Conduct initial meeting with CoC (review enrollment, setup information, benefits and administration , and timeline)	BCBSAZ & CoC	9/12/22	9/16/22						
2	Finalize benefits and enrollment details	BCBSAZ & CoC	9/19/22	10/27/22						
3	Establish vendor integration as applicable	BCBSAZ, CoC, & Vendors	9/26/22	10/7/22						
4	Send eligibility test file to BCBSAZ	CoC & Vendor	11/1/22	11/11/22						
5	Provide Business Agreement and required paperwork to CoC for approval and signature as applicable (e.g. administrative summary, letter of agreement, trading partner agreement, non disclosure agreement, supplemental terms and conditions etc.) to CoC	BCBSAZ	11/1/22	11/14/22						
6	Send signed Business Agreement documents to BCBSAZ	CoC	12/1/22	12/1/22						
7	Set up group master file for CoC	BCBSAZ	12/1/22	12/9/22						
8	Program benefits (system setup & testing)	BCBSAZ	11/1/22	12/1/22						
9	Provide open enrollment materials to CoC	BCBSAZ	See Note 1							
10	Send enrollment meeting schedule to BCBSAZ (include locations, key contacts, phone numbers, and meeting times)	CoC	See Note 1							
11	Attend enrollment meetings	BCBSAZ & CoC	See Note 1							
12	Educate internal BCBSAZ staff on CoC benefits and administration	BCBSAZ	See Note 2							
13	Send eligibility production file to BCBSAZ	CoC & Vendor	12/5/22	12/9/22						
14	Mail ID cards to CoC employees	BCBSAZ	12/19/22	12/23/22						
15	Go live and begin processing claims	BCBSAZ	1/1/23							
16	Complete implementation	BCBSAZ & CoC	2/2/23							

1) Enrollment meeting guidelines to be discussed at initial setup meeting.
2) Training will occur one week prior to enrollment meetings.

Denotes Critical Dates

Exhibit A 6
BCBSAZ Specialty Drug List

BlueCross BlueShield Arizona

Pharmacy Benefit Specialty Medication List

This list pertains to specialty medications that can be administered by oneself and are covered under the **pharmacy benefit**, such as capsules, tablets, topicals, and some nasal sprays and injectables. This list is subject to change at any time without notice.

For specialty medications that are covered under the medical benefit, please see the Precertification Code Lookup tool here.

How Do I Know If This List Applies to Me?

This list applies to the following plans:

This list applies to members with plans that include pharmacy benefits administered by Blue Cross® Blue Shield® of Arizona (BCBSAZ).

Certain employer-sponsored health plans with customized benefits and prior authorization requirements:

Amkor Technology, Inc. (group 039176)	OB Sports Golf Management, LLC (group 038043)
City of Phoenix (groups 040000 and 040004)	Snell & Wilmer (group 030313)
Knight Transportation, Inc. (group 029653)	State of Arizona (group 030855)
Northwest Arizona Employee Benefit Trust (group 037461)	Teamsters (groups 031843 and 031844)

This list does not does not apply to the following plans:

- Federal Employee Program® (FEP®) plans
- Medicare Advantage (MA) plans
- Employer-sponsored plans in our Corporate Health Services (CHS) program
- Plans offered or administered by other Blue Cross and/or Blue Shield plans

For benefits and eligibility, or to inquire about prior authorization requirements for specialty medications not listed here or for one of the exempt plans listed above, you can call the pharmacy benefit manager (PBM) or administrator on the member ID card.

Filling specialty medications covered under the pharmacy benefit

Optum Specialty Pharmacy is our exclusive specialty pharmacy. You can call Optum Specialty Pharmacy at 1-877-850-7071 to order the prescription. Members should call Optum Specialty Pharmacy to establish service.

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602-864-4400 | azblue.com

BlueCross BlueShield Arizona

Requesting Prior Authorization

For most members, BCBSAZ handles the prior authorization requests. You can do either of the following:

- Use the online request tool in the secure provider portal at azblue.com/providers > Practice Management > Precertification > BCBSAZ Members-Requests for 2020. In the tool, be sure to select "Pharmacy" for your request.
- Fax a prior authorization request to BCBSAZ Clinical Therapeutics Department at 602-864-3126.

Important: Chart notes must be included with your request.

Member Cost Share/Out-of-Pocket Cost

For most BCBSAZ members, specialty copay tiers (A, B, C, or D) apply.

Tier	Description
A	**Specialty Medications, Low Cost Share**
B	**Specialty Medications, Moderate Cost Share**
C	**Specialty Medications, Moderately High Cost Share**
D	**Specialty Medications, Highest Cost Share**

Plans may include specialty medications at varying cost share tiers.

Questions?

Log in to MyBlue℠ to find participating retail pharmacies, review your specific benefit information, and compare medication pricing and options. If you have questions, please call us.

Member Services	Phone Number	Standard Hours of Operation
Pharmacy Benefits	1 (866) 325-1794	24/7/365
BCBSAZ	Call the number on your ID card	8:30 a.m. to 4:30 p.m. Monday - Friday

PO Box 13466 | Phoenix, AZ 85002-3466
2444 West Las Palmaritas Drive | Phoenix, AZ 85021-4883
602-864-4400 | azblue.com

Specialty Medication List

Table of Contents

Drug	Specialty Copay Tier	Notes
Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiants		
*Histamine H3-Receptor Antagonist/Inverse Agonists***		
WAKIX ORAL TABLET	D	PA; SP; DS (30)
*Melanocortin 4 (Mc4) Receptor Agonists***		
IMCIVREE SUBCUTANEOUS SOLUTION	D	PA; WEIGHT (Tier Specialty D if WEIGHT applies)
Aminoglycosides		
*Aminoglycosides***		
ARIKAYCE INHALATION SUSPENSION	D	PA; SP; DS (30)
BETHKIS INHALATION NEBULIZATION SOLUTION	B	PA; SP; DS (30)
KITABIS PAK INHALATION NEBULIZATION SOLUTION	C	PA; SP; DS (30)
TOBI INHALATION NEBULIZATION SOLUTION	C	PA; SP; DS (30)
TOBI PODHALER INHALATION CAPSULE	C	PA; SP; DS (30)
tobramycin inhalation nebulization solution	C	PA; SP; DS (30)
Analgesics - Anti-Inflammatory		
*Antirheumatic - Janus Kinase (Jak) Inhibitors***		
OLUMIANT ORAL TABLET	D	PA; SP; DS (30)
RINVOQ ORAL TABLET EXTENDED RELEASE 24 HOUR	B	PA; SP; DS (30)
XELJANZ ORAL SOLUTION	B	PA; SP; QL (10ml per day); DS (30); AL (Max 18 Years)
XELJANZ ORAL TABLET	B	PA; SP; DS (30)
XELJANZ XR ORAL TABLET EXTENDED RELEASE 24 HOUR	B	PA; SP; DS (30)
*Anti-Tnf-Alpha - Monoclonal Antibodies***		
HUMIRA PEDIATRIC CROHNS START SUBCUTANEOUS PREFILLED SYRINGE KIT 80 MG/0.8ML, 80 MG/0.8ML & 40MG/0.4ML	B	PA; SP; DS (30)
HUMIRA PEN SUBCUTANEOUS PEN-INJECTOR KIT 40 MG/0.4ML, 40 MG/0.8ML	B	PA; SP; DS (30)
HUMIRA PEN-CD/UC/HS STARTER SUBCUTANEOUS PEN-INJECTOR KIT	B	PA; SP; DS (30)
HUMIRA PEN-PS/UV/ADOL HS START SUBCUTANEOUS PEN-INJECTOR KIT 40 MG/0.8ML	B	PA; SP; DS (30)
HUMIRA SUBCUTANEOUS PREFILLED SYRINGE KIT 10 MG/0.1ML, 20 MG/0.2ML, 40 MG/0.4ML, 40 MG/0.8ML	B	PA; SP; DS (30)
SIMPONI SUBCUTANEOUS SOLUTION AUTO-INJECTOR	B	PA; SP; DS (30)
SIMPONI SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
*Interleukin-1 Receptor Antagonist (Il-1Ra)***		
KINERET SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
*Interleukin-1Beta Blockers***		
ILARIS SUBCUTANEOUS SOLUTION	D	PA; SP; DS (30)
*Interleukin-6 Receptor Inhibitors***		
ACTEMRA ACTPEN SUBCUTANEOUS SOLUTION AUTO-INJECTOR	C	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
ACTEMRA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	C	PA; SP; DS (30)
KEVZARA SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; SP; DS (30)
KEVZARA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
*Phosphodiesterase 4 (Pde4) Inhibitors***		
OTEZLA ORAL TABLET	B	PA; SP; DS (30); AL (Min 18 Years)
OTEZLA ORAL TABLET THERAPY PACK	B	PA; SP; DS (30); AL (Min 18 Years)
*Selective Costimulation Modulators***		
ORENCIA CLICKJECT SUBCUTANEOUS SOLUTION AUTO-INJECTOR	C	PA; SP; DS (30)
ORENCIA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	C	PA; SP; DS (30)
*Soluble Tumor Necrosis Factor Receptor Agents***		
ENBREL MINI SUBCUTANEOUS SOLUTION CARTRIDGE	D	PA; SP; DS (30)
ENBREL SUBCUTANEOUS SOLUTION 25 MG/0.5ML	D	PA; SP; DS (30)
ENBREL SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
ENBREL SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
ENBREL SURECLICK SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; SP; DS (30)
Antiarrhythmics		
*Antiarrhythmics Type Iii***		
dofetilide oral capsule 125 mcg, 250 mcg	A	SP; DS (30)
dofetilide oral capsule 500 mcg	A	SP; QL (2 capsules per day); DS (30)
TIKOSYN ORAL CAPSULE 125 MCG, 250 MCG	C	SP; DS (30)
TIKOSYN ORAL CAPSULE 500 MCG	C	SP; QL (2 capsules per day); DS (30)
Antiasthmatic And Bronchodilator Agents		
*Anti-Ige Monoclonal Antibodies***		
XOLAIR SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
XOLAIR SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
*Interleukin-5 Antagonists (Igg1 Kappa)***		
FASENRA PEN SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; SP; DS (30)
FASENRA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
NUCALA SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; SP; DS (30)
NUCALA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
NUCALA SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
Anticonvulsants		
*Anticonvulsants - Misc.***		
DIACOMIT ORAL CAPSULE	C	PA; SP; DS (30)
DIACOMIT ORAL PACKET	C	PA; SP; DS (30)
FINTEPLA ORAL SOLUTION	C	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
Gaba Modulators**		
SABRIL ORAL PACKET	B	PA; SP; DS (30)
SABRIL ORAL TABLET	B	PA; SP; DS (30)
vigabatrin oral packet	B	PA; SP; DS (30)
vigabatrin oral tablet	B	PA; SP; DS (30)
VIGADRONE ORAL PACKET	B	PA; SP; DS (30)
Antidepressants		
Monoamine Oxidase Inhibitors (Maois)**		
EMSAM TRANSDERMAL PATCH 24 HOUR 12 MG/24HR	D	SP; QL (1 patch per day); DS (30); AL (Min 16 Years)
EMSAM TRANSDERMAL PATCH 24 HOUR 6 MG/24HR, 9 MG/24HR	D	SP; DS (30); AL (Min 16 Years)
Antidiabetics		
Progesterone Receptor Antagonists**		
KORLYM ORAL TABLET	C	PA; SP; DS (30)
Antidotes And Specific Antagonists		
Antidotes - Chelating Agents**		
CHEMET ORAL CAPSULE	C	PA; DS (30)
deferasirox granules oral packet	D	PA; SP; DS (30)
deferasirox oral tablet	D	PA; SP; DS (30)
deferasirox oral tablet soluble	D	PA; SP; DS (30)
deferiprone oral tablet	D	PA; SP; DS (30)
EXJADE ORAL TABLET SOLUBLE	D	PA; SP; DS (30)
FERRIPROX ORAL SOLUTION	D	PA; SP; DS (30)
FERRIPROX ORAL TABLET	D	PA; SP; DS (30)
FERRIPROX TWICE-A-DAY ORAL TABLET	D	PA; SP; DS (30)
JADENU ORAL TABLET	D	PA; SP; DS (30)
JADENU SPRINKLE ORAL PACKET	D	PA; SP; DS (30)
Opioid Antagonists**		
VIVITROL INTRAMUSCULAR SUSPENSION RECONSTITUTED	B	SP; DS (30)
Antihyperlipidemics		
Microsomal Triglyceride Transfer Protein Inhibitors**		
JUXTAPID ORAL CAPSULE 10 MG, 20 MG, 30 MG, 5 MG	D	PA; SP; DS (30)
Pcsk9 Inhibitors**		
PRALUENT SUBCUTANEOUS SOLUTION AUTO-INJECTOR	B	PA; SP; DS (30); AL (Min 18 Years)
REPATHA PUSHTRONEX SYSTEM SUBCUTANEOUS SOLUTION CARTRIDGE	B	PA; SP; QL (1 cartridge per 28 days); DS (30); AL (Min 13 Years)
REPATHA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; QL (2 syringes per month); DS (30); AL (Min 13 Years)
REPATHA SURECLICK SUBCUTANEOUS SOLUTION AUTO-INJECTOR	B	PA; SP; QL (2 pens per month); DS (30); AL (Min 13 Years)

Drug	Specialty Copay Tier	Notes
Antihypertensives		
*Agents For Pheochromocytoma***		
DEMSER ORAL CAPSULE	D	ST; DS (30 day limit applies)
DIBENZYLINE ORAL CAPSULE	D	PA; SP; DS (30)
metyrosine oral capsule	D	ST; DS (30 day limit applies)
phenoxybenzamine hcl oral capsule	D	PA; SP; DS (30)
Anti-Infective Agents - Misc.		
*Anti-Infective Agents - Misc.***		
NEBUPENT INHALATION SOLUTION RECONSTITUTED	B	SP; DS (30)
pentamidine isethionate inhalation solution reconstituted	B	SP; DS (30)
*Monobactams***		
CAYSTON INHALATION SOLUTION RECONSTITUTED	C	PA; SP; DS (30)
Antimyasthenic/Cholinergic Agents		
*Antimyasthenic/Cholinergic Agents***		
FIRDAPSE ORAL TABLET	D	PA; SP; DS (30)
RUZURGI ORAL TABLET	D	PA; SP; DS (30)
Antimycobacterial Agents		
*Antimycobacterial Agents***		
cycloserine oral capsule	C	PA; DS (30)
pretomanid oral tablet	C	PA; SP; DS (30)
SIRTURO ORAL TABLET	D	PA; SP; DS (30)
Antineoplastics And Adjunctive Therapies		
*Lhrh Analogs***		
LUPRON DEPOT (1-MONTH) INTRAMUSCULAR KIT 3.75 MG	D	PA; SP; QL (1 injection per month (FDA approved only for Endometriosis and Fibroids)); DS (30); F
LUPRON DEPOT (3-MONTH) INTRAMUSCULAR KIT 11.25 MG	D	PA; SP; QL (1 injection per 90 days (FDA approved only for Endometriosis and Fibroids)); DS (84-90); F
*Urinary Tract Protective Agents***		
MESNEX ORAL TABLET	C	SP; DS (30)
Antiparkinson And Related Therapy Agents		
*Antiparkinson Monoamine Oxidase Inhibitors***		
AZILECT ORAL TABLET	C	SP; DS (30)
rasagiline mesylate oral tablet	A	SP; DS (30)
*Nonergoline Dopamine Receptor Agonists***		
KYNMOBI SUBLINGUAL FILM	C	PA; SP; DS (30)
NEUPRO TRANSDERMAL PATCH 24 HOUR	C	SP; DS (30)
Antipsychotics/Antimanic Agents		
*Quinolinone Derivatives***		
ABILIFY MAINTENA INTRAMUSCULAR PREFILLED SYRINGE	C	PA; DS (30)

Drug	Specialty Copay Tier	Notes
ABILIFY MAINTENA INTRAMUSCULAR SUSPENSION RECONSTITUTED ER	C	PA; DS (30)
Antivirals		
Antiretrovirals - Fusion Inhibitors**		
FUZEON SUBCUTANEOUS SOLUTION RECONSTITUTED	A	PA; SP; DS (30)
Cmv Agents**		
PREVYMIS ORAL TABLET	D	PA; SP; DS (30)
VALCYTE ORAL SOLUTION RECONSTITUTED	C	SP; DS (30)
VALCYTE ORAL TABLET	D	SP; DS (30)
valganciclovir hcl oral solution reconstituted	A	SP; DS (30)
valganciclovir hcl oral tablet	A	SP; DS (30)
Hepatitis B Agents**		
adefovir dipivoxil oral tablet	A	SP; DS (30)
BARACLUDE ORAL SOLUTION	B	SP; DS (30); AL (Min 16 Years)
BARACLUDE ORAL TABLET	D	SP; DS (30); AL (Min 16 Years)
entecavir oral tablet	A	SP; DS (30); AL (Min 16 Years)
EPIVIR HBV ORAL SOLUTION	B	SP; DS (30)
EPIVIR HBV ORAL TABLET	D	SP; DS (30)
HEPSERA ORAL TABLET	D	SP; DS (30)
lamivudine oral tablet 100 mg	A	SP; DS (30)
VEMLIDY ORAL TABLET	B	SP; DS (30); AL (Min 18 Years)
Hepatitis C Agent - Combinations**		
EPCLUSA ORAL PACKET	D	PA; SP; DS (30)
EPCLUSA ORAL TABLET 200-50 MG	B	PA; SP; DS (30)
EPCLUSA ORAL TABLET 400-100 MG	B	PA; SP; QL (1 tablet per day); DS (30)
HARVONI ORAL PACKET	C	PA; SP; DS (30)
HARVONI ORAL TABLET 45-200 MG	C	PA; SP; DS (30)
HARVONI ORAL TABLET 90-400 MG	B	PA; SP; DS (30)
ledipasvir-sofosbuvir oral tablet	B	PA; SP; DS (30)
MAVYRET ORAL PACKET	B	PA; SP; DS (30)
MAVYRET ORAL TABLET	B	PA; SP; DS (30)
sofosbuvir-velpatasvir oral tablet	B	PA; SP; QL (1 tablet per day); DS (30); AL (Min 18 Years)
VIEKIRA PAK ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
VOSEVI ORAL TABLET	D	PA; SP; DS (30)
ZEPATIER ORAL TABLET	D	PA; SP; DS (30)
Hepatitis C Agents**		
PEGASYS SUBCUTANEOUS SOLUTION	B	SP; DS (30)
ribavirin oral capsule	A	SP; DS (30)
ribavirin oral tablet 200 mg	A	SP; QL (2 tablets per day); DS (30)
SOVALDI ORAL PACKET	D	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
SOVALDI ORAL TABLET	D	PA; SP; DS (30)
Cardiovascular Agents - Misc.		
*Prostaglandin Vasodilators***		
ORENITRAM ORAL TABLET EXTENDED RELEASE	D	PA; SP; DS (30)
TYVASO INHALATION SOLUTION	D	PA; SP; DS (30)
TYVASO REFILL INHALATION SOLUTION	D	PA; SP; DS (30)
TYVASO STARTER INHALATION SOLUTION	D	PA; SP; DS (30)
VENTAVIS INHALATION SOLUTION	D	PA; SP; DS (30)
*Pulm Hyperten-Soluble Guanylate Cyclase Stimulator (Sgc)***		
ADEMPAS ORAL TABLET	D	PA; SP; DS (30); AL (Min 18 Years)
*Pulmonary Hypertension - Endothelin Receptor Antagonists***		
ambrisentan oral tablet	D	PA; SP; DS (30); AL (Min 18 Years)
bosentan oral tablet	D	PA; SP; DS (30)
LETAIRIS ORAL TABLET	D	PA; SP; DS (30); AL (Min 18 Years)
OPSUMIT ORAL TABLET	D	PA; SP; DS (30)
TRACLEER ORAL TABLET	D	PA; SP; DS (30)
TRACLEER ORAL TABLET SOLUBLE	D	PA; SP; DS (30)
*Pulmonary Hypertension - Phosphodiesterase Inhibitors***		
ADCIRCA ORAL TABLET	D	PA; SP; DS (30)
ALYQ ORAL TABLET	D	PA; SP; DS (30)
REVATIO ORAL SUSPENSION RECONSTITUTED	D	PA; SP; DS (30)
REVATIO ORAL TABLET	D	PA; SP; DS (30); AL (Min 18 Years)
sildenafil citrate oral suspension reconstituted	D	PA; SP; DS (30)
sildenafil citrate oral tablet 20 mg	A	PA; SP; DS (30); AL (Min 18 Years)
tadalafil (pah) oral tablet	D	PA; SP; DS (30)
*Pulmonary Hypertension - Prostacyclin Receptor Agonist***		
UPTRAVI ORAL TABLET	D	PA; SP; DS (30); AL (Min 18 Years)
UPTRAVI ORAL TABLET THERAPY PACK	D	PA; SP; DS (30); AL (Min 18 Years)
*Transthyretin Stabilizers***		
VYNDAMAX ORAL CAPSULE	D	PA; SP; DS (30)
VYNDAQEL ORAL CAPSULE	D	PA; SP; DS (30)
Dermatologicals		
*Antipsoriatics - Systemic***		
COSENTYX (300 MG DOSE) SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
COSENTYX SENSOREADY (300 MG) SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; SP; DS (30)
COSENTYX SENSOREADY PEN SUBCUTANEOUS SOLUTION AUTO-INJECTOR 150 MG/ML	D	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
COSENTYX SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
methoxsalen rapid oral capsule	C	QL (1 capsule per day); DS (30); AL (Min 18 Years)
SILIQ SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
SKYRIZI (150 MG DOSE) SUBCUTANEOUS PREFILLED SYRINGE KIT	B	PA; SP; DS (30)
SKYRIZI PEN SUBCUTANEOUS SOLUTION AUTO-INJECTOR	B	PA; SP; DS (30)
SKYRIZI SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
STELARA SUBCUTANEOUS SOLUTION 45 MG/0.5ML	B	PA; SP; DS (30)
STELARA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
TALTZ SUBCUTANEOUS SOLUTION AUTO-INJECTOR	C	PA; SP; DS (30)
TALTZ SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	C	PA; SP; DS (30)
TREMFYA SUBCUTANEOUS SOLUTION PEN-INJECTOR	B	PA; SP; DS (30)
TREMFYA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
Atopic Dermatitis - Janus Kinase (Jak) Inhibitors**		
OPZELURA EXTERNAL CREAM	D	PA; SP; DS (2)
Atopic Dermatitis - Monoclonal Antibodies**		
DUPIXENT SUBCUTANEOUS SOLUTION PEN-INJECTOR 200 MG/1.14ML	D	PA
DUPIXENT SUBCUTANEOUS SOLUTION PEN-INJECTOR 300 MG/2ML	D	PA; SP; DS (30)
DUPIXENT SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
Digestive Aids		
Digestive Enzymes**		
SUCRAID ORAL SOLUTION	D	PA; SP; DS (30)
Diuretics		
Carbonic Anhydrase Inhibitors**		
KEVEYIS ORAL TABLET	D	PA; SP; DS (30); AL (Min 18 Years)
Endocrine And Metabolic Agents - Misc.		
Calcimimetic Agents**		
cinacalcet hcl oral tablet	C	SP; DS (30)
SENSIPAR ORAL TABLET	C	SP; DS (30)
Corticotropin**		
ACTHAR INJECTION GEL	C	PA; SP; DS (30)
Cortisol Synthesis Inhibitors**		
ISTURISA ORAL TABLET	C	PA; SP; DS (30)
Fabry Disease - Agents**		
GALAFOLD ORAL CAPSULE	D	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
Growth Hormone Receptor Antagonists**		
SOMAVERT SUBCUTANEOUS SOLUTION RECONSTITUTED	C	PA; SP; DS (30)
Growth Hormone Releasing Hormones (Ghrh)**		
EGRIFTA SV SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
Growth Hormones**		
GENOTROPIN MINIQUICK SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
GENOTROPIN SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
HUMATROPE INJECTION SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
NORDITROPIN FLEXPRO SUBCUTANEOUS SOLUTION PEN-INJECTOR	D	PA; DS (30)
NUTROPIN AQ NUSPIN 10 SUBCUTANEOUS SOLUTION PEN-INJECTOR	B	PA; SP; DS (30)
NUTROPIN AQ NUSPIN 20 SUBCUTANEOUS SOLUTION PEN-INJECTOR	B	PA; SP; DS (30)
NUTROPIN AQ NUSPIN 5 SUBCUTANEOUS SOLUTION PEN-INJECTOR	B	PA; SP; DS (30)
OMNITROPE SUBCUTANEOUS SOLUTION CARTRIDGE	D	PA; DS (30)
OMNITROPE SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
SAIZEN INJECTION SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
SAIZENPREP INJECTION SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
SEROSTIM SUBCUTANEOUS SOLUTION RECONSTITUTED 4 MG, 5 MG, 6 MG	B	PA; SP; DS (30)
SKYTROFA SUBCUTANEOUS CARTRIDGE	D	PA; SP; DS (30 day limit applies)
ZOMACTON (FOR ZOMA-JET 10) SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
ZOMACTON SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
ZORBTIVE SUBCUTANEOUS SOLUTION RECONSTITUTED	C	PA; SP; DS (30)
Hereditary Orotic Aciduria Treatment - Agents*		
XURIDEN ORAL PACKET	D	PA; SP; DS (30)
Hereditary Tyrosinemia Type 1 (Ht-1) Treatment - Agents**		
nitisinone oral capsule	D	PA; SP; DS (30)
NITYR ORAL TABLET	D	PA; DS (30)
ORFADIN ORAL CAPSULE	D	PA; SP; DS (30)
ORFADIN ORAL SUSPENSION	D	PA; SP; DS (30)
Homocystinuria Treatment - Agents**		
CYSTADANE ORAL POWDER	C	SP; DS (30)
Hyperammonemia Treatment - Agents**		
CARBAGLU ORAL TABLET	D	PA; SP; DS (30)
Hyperparathyroid Treatment - Vitamin D Analogs**		
doxercalciferol oral capsule	C	SP; DS (30)

Drug	Specialty Copay Tier	Notes
Hypophosphatasia (Hpp) Agents**		
STRENSIQ SUBCUTANEOUS SOLUTION	D	PA; SP; DS (30)
Insulin-Like Growth Factors (Somatomedins)**		
INCRELEX SUBCUTANEOUS SOLUTION	D	PA; SP; DS (30)
Leptin Analogues**		
MYALEPT SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
Lhrh/Gnrh Agonist Analog Pituitary Suppressants**		
LUPRON DEPOT-PED (1-MONTH) INTRAMUSCULAR KIT	D	PA; SP; QL (1 injection per month (FDA approved only for Central Precocious Puberty [CPP])); DS (30)
LUPRON DEPOT-PED (3-MONTH) INTRAMUSCULAR KIT	D	PA; SP; QL (1 injection per 90 days (FDA approved only for Central Precocious Puberty [CPP])); DS (84-90)
SYNAREL NASAL SOLUTION	C	PA; SP; DS (30)
Parathyroid Hormone And Derivatives**		
FORTEO SUBCUTANEOUS SOLUTION PEN-INJECTOR 620 MCG/2.48ML	B	PA; SP; DS (30)
NATPARA SUBCUTANEOUS CARTRIDGE	D	PA; SP; DS (30)
teriparatide (recombinant) subcutaneous solution pen-injector	B	PA; SP; DS (30)
TYMLOS SUBCUTANEOUS SOLUTION PEN-INJECTOR	B	PA; SP; DS (30)
Phenylketonuria Treatment - Agents**		
KUVAN ORAL PACKET	D	PA; SP; DS (30)
PALYNZIQ SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	C	PA; SP; DS (30)
sapropterin dihydrochloride oral packet	D	PA; SP; DS (30)
Rank Ligand (Rankl) Inhibitors**		
PROLIA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; QL (1 prefilled syringe per 180 days; x6 copay applies); DS (167-180); AL (Min 18 Years)
Selective Vasopressin V2-Receptor Antagonists**		
JYNARQUE ORAL TABLET	C	PA; SP; DS (30)
JYNARQUE ORAL TABLET THERAPY PACK	C	PA; SP; DS (30)
SAMSCA ORAL TABLET	C	PA; SP; DS (30)
tolvaptan oral tablet 15 mg	C	PA; DS (30)
tolvaptan oral tablet 30 mg	C	PA; SP; DS (30)
Somatostatic Agents**		
MYCAPSSA ORAL CAPSULE DELAYED RELEASE	D	PA; SP; DS (30)
octreotide acetate injection solution 100 mcg/ml, 1000 mcg/ml, 200 mcg/ml, 50 mcg/ml, 500 mcg/ml	A	SP; DS (30)
SANDOSTATIN INJECTION SOLUTION 100 MCG/ML, 50 MCG/ML, 500 MCG/ML	D	SP; DS (30)
SANDOSTATIN LAR DEPOT INTRAMUSCULAR KIT	C	SP; DS (30)

Drug	Specialty Copay Tier	Notes
Urea Cycle Disorder - Agents**		
BUPHENYL ORAL POWDER 3 GM/TSP	B	SP; DS (30)
BUPHENYL ORAL TABLET	B	SP; DS (30)
RAVICTI ORAL LIQUID	D	PA; SP; DS (30)
sodium phenylbutyrate oral powder 3 gm/tsp	A	SP; DS (30)
sodium phenylbutyrate oral tablet	B	SP; DS (30)
Gastrointestinal Agents - Misc.		
Bile Acid Synthesis Disorder Agents**		
CHOLBAM ORAL CAPSULE	C	PA; SP; DS (30)
Farnesoid X Receptor (Fxr) Agonists**		
OCALIVA ORAL TABLET	D	PA; SP; DS (30)
Glucagon-Like Peptide-2 (Glp-2) Analogs**		
GATTEX SUBCUTANEOUS KIT	D	PA; SP; DS (30)
Ileal Bile Acid Transporter (Ibat) Inhibitors**		
BYLVAY (PELLETS) ORAL CAPSULE SPRINKLE	D	PA; DS (30)
BYLVAY ORAL CAPSULE	D	PA; DS (30)
LIVMARLI ORAL SOLUTION	D	PA; SP; DS (30)
Peripheral Opioid Receptor Antagonists**		
RELISTOR SUBCUTANEOUS SOLUTION 12 MG/0.6ML, 8 MG/0.4ML	C	PA; SP; DS (30)
Phosphate Binder Agents**		
FOSRENOL ORAL TABLET CHEWABLE 1000 MG, 500 MG, 750 MG	D	SP; DS (30); AL (Min 16 Years)
lanthanum carbonate oral tablet chewable	B	SP; DS (30); AL (Min 16 Years)
Tryptophan Hydroxylase Inhibitors**		
XERMELO ORAL TABLET	D	PA; SP; DS (30)
Tumor Necrosis Factor Alpha Blockers**		
CIMZIA PREFILLED SUBCUTANEOUS KIT	B	PA; SP; DS (30)
CIMZIA STARTER KIT SUBCUTANEOUS KIT	B	PA; SP; DS (30)
CIMZIA SUBCUTANEOUS KIT 2 X 200 MG	B	PA; SP; DS (30)
Genitourinary Agents - Miscellaneous		
Cystinosis Agents**		
CYSTAGON ORAL CAPSULE	C	SP; DS (30)
PROCYSBI ORAL CAPSULE DELAYED RELEASE	C	PA; SP; DS (30)
PROCYSBI ORAL PACKET	A	PA; SP; DS (30)
Hematological Agents - Misc.		
Anti-Von Willebrand Factor Agents**		
CABLIVI INJECTION KIT	D	PA; SP; DS (30)
Bradykinin B2 Receptor Antagonists**		
FIRAZYR SUBCUTANEOUS SOLUTION	D	PA; SP; DS (30)
icatibant acetate subcutaneous solution	D	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
SAJAZIR SUBCUTANEOUS SOLUTION	D	PA; SP; DS (30)
*C1 Inhibitors***		
HAEGARDA SUBCUTANEOUS SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
*Complement Inhibitors***		
EMPAVELI SUBCUTANEOUS SOLUTION	D	PA; SP; DS (30)
TAVNEOS ORAL CAPSULE	D	PA; DS (30)
*Plasma Kallikrein Inhibitors - Monoclonal Antibodies***		
TAKHZYRO SUBCUTANEOUS SOLUTION	D	PA; SP; DS (30)
*Plasma Kallikrein Inhibitors***		
KALBITOR SUBCUTANEOUS SOLUTION	D	PA; SP; DS (30)
ORLADEYO ORAL CAPSULE	D	PA; SP; QL (Max 30 day supply limit applies.); DS (30)
*Spleen Tyrosine Kinase (Syk) Inhibitors***		
TAVALISSE ORAL TABLET	C	PA; SP; DS (30)
Hematopoietic Agents		
*Agents For Gaucher Disease***		
CERDELGA ORAL CAPSULE	D	PA; SP; DS (30)
miglustat oral capsule	D	PA; SP; DS (30)
ZAVESCA ORAL CAPSULE	D	PA; SP; DS (30)
*Cytotoxic Agents***		
DROXIA ORAL CAPSULE	B	PA; ST; SP; DS (30)
SIKLOS ORAL TABLET	B	SP; DS (30); AL (Min 2 Years and Max 17 Years)
*Granulocyte Colony-Stimulating Factors (G-Csf)***		
NEULASTA ONPRO SUBCUTANEOUS PREFILLED SYRINGE KIT	B	SP; DS (30)
NEULASTA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	SP; DS (30)
NEUPOGEN INJECTION SOLUTION 300 MCG/ML, 480 MCG/1.6ML	B	SP; DS (30)
NEUPOGEN INJECTION SOLUTION PREFILLED SYRINGE	B	SP; DS (30)
NIVESTYM INJECTION SOLUTION	B	SP; DS (30)
NIVESTYM INJECTION SOLUTION PREFILLED SYRINGE	B	SP; DS (30)
NYVEPRIA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	C	PA; SP; DS (30)
UDENYCA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	SP; DS (30)
ZARXIO INJECTION SOLUTION PREFILLED SYRINGE	B	SP; DS (30)
*Granulocyte/Macrophage Colony-Stimulating Factor(Gm-Csf)***		
LEUKINE INJECTION SOLUTION RECONSTITUTED	D	SP; DS (30)
*Hemoglobin S (Hbs) Polymerization Inhibitors***		
OXBRYTA ORAL TABLET	D	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
*Thrombopoietin (Tpo) Receptor Agonists***		
DOPTELET ORAL TABLET 20 MG	C	PA; SP; DS (30)
MULPLETA ORAL TABLET	C	PA; SP; DS (30)
NPLATE SUBCUTANEOUS SOLUTION RECONSTITUTED	D	SP; DS (30)
PROMACTA ORAL PACKET	C	PA; SP; DS (30)
PROMACTA ORAL TABLET	C	PA; SP; DS (30)
Hypnotics/Sedatives/Sleep Disorder Agents		
*Selective Melatonin Receptor Agonists***		
HETLIOZ LQ ORAL SUSPENSION	D	PA; SP; DS (30)
HETLIOZ ORAL CAPSULE	D	PA; SP; DS (30); AL (Min 18 Years)
Migraine Products		
*Cgrp Receptor Antagonists - Monocolonal Antibodies***		
AIMOVIG SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; DS (30)
AJOVY SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; QL (0.05ml per day); DS (30)
AJOVY SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; QL (0.05ml per day); DS (30)
EMGALITY (300 MG DOSE) SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; DS (30)
EMGALITY SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; DS (30)
EMGALITY SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; DS (30)
*Migraine Products - Cyclooxygenase 2 (Cox-2) Inhibitors***		
ELYXYB ORAL SOLUTION	D	PA; DS (30)
Miscellaneous Therapeutic Classes		
*B-Lymphocyte Stimulator (Blys)-Specific Inhibitors***		
BENLYSTA SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; SP; DS (30)
BENLYSTA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
*Chelating Agents***		
CLOVIQUE ORAL CAPSULE	C	PA; SP; DS (30)
SYPRINE ORAL CAPSULE	C	PA; SP; DS (30)
trientine hcl oral capsule	C	PA; SP; DS (30)
*Cyclosporine Analogs***		
cyclosporine modified oral capsule	A	SP; DS (30)
cyclosporine modified oral solution	A	SP; DS (30)
cyclosporine oral capsule	A	SP; DS (30)
GENGRAF ORAL CAPSULE 100 MG, 25 MG	A	SP; DS (30)
GENGRAF ORAL SOLUTION	A	SP; DS (30)
LUPKYNIS ORAL CAPSULE	D	PA; DS (30)
NEORAL ORAL CAPSULE	D	SP; DS (30)
NEORAL ORAL SOLUTION	D	SP; DS (30)
SANDIMMUNE ORAL CAPSULE	D	SP; DS (30)

Drug	Specialty Copay Tier	Notes
SANDIMMUNE ORAL SOLUTION	B	SP; DS (30)
*Farnesyltransferase Inhibitors***		
ZOKINVY ORAL CAPSULE	D	PA; DS (30)
*Macrolide Immunosuppressants***		
everolimus oral tablet 0.25 mg, 0.5 mg, 0.75 mg	C	SP; DS (30)
ZORTRESS ORAL TABLET	C	SP; DS (30)
*Monoclonal Antibodies***		
ENSPRYNG SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
*Rock Inhibitors***		
REZUROCK ORAL TABLET	D	PA; DS (30)
Neuromuscular Agents		
*Benzathiazoles***		
EXSERVAN ORAL FILM	C	PA; SP; DS (30)
TIGLUTIK ORAL SUSPENSION	C	PA; SP; DS (30)
*Spinal Muscular Atrophy-Smn2 Splicing Modifiers***		
EVRYSDI ORAL SOLUTION RECONSTITUTED	D	PA; SP; DS (30)
Ophthalmic Agents		
*Ophthalmic Nerve Growth Factors***		
OXERVATE OPHTHALMIC SOLUTION	D	PA; SP; DS (30)
*Ophthalmics - Cystinosis Agents**		
CYSTADROPS OPHTHALMIC SOLUTION	C	PA; SP; DS (30)
CYSTARAN OPHTHALMIC SOLUTION	C	PA; DS (30)
Passive Immunizing And Treatment Agents		
*Antiviral Monoclonal Antibodies***		
SYNAGIS INTRAMUSCULAR SOLUTION	D	PA; SP; DS (30)
*Immune Serums***		
HIZENTRA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
HYPERRHO S/D INTRAMUSCULAR SOLUTION PREFILLED SYRINGE	D	SP; DS (30)
MICRHOGAM ULTRA-FILTERED PLUS INTRAMUSCULAR SOLUTION PREFILLED SYRINGE	D	SP; DS (30)
RHOGAM ULTRA-FILTERED PLUS INTRAMUSCULAR SOLUTION PREFILLED SYRINGE	D	SP; DS (30)
RHOPHYLAC INJECTION SOLUTION PREFILLED SYRINGE	D	SP; DS (30)
Progestins		
*Progestins***		
MAKENA SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
Psychotherapeutic And Neurological Agents - Misc.		
*Anti-Cataplectic Agents***		
XYREM ORAL SOLUTION	D	PA; SP; DS (30); AL (Min 18 Years and Max 65 Years)
*Anti-Cataplectic Combinations***		
XYWAV ORAL SOLUTION	D	PA; DS (30)
*Antisense Oligonucleotide (Aso) Inhibitor Agents***		
TEGSEDI SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	D	PA; SP; DS (30)
*Movement Disorder Drug Therapy***		
AUSTEDO ORAL TABLET	C	PA; SP; DS (30)
INGREZZA ORAL CAPSULE	D	PA; SP; QL (1 capsule per day); DS (30)
INGREZZA ORAL CAPSULE THERAPY PACK	D	PA; SP; QL (56 capsules per year); DS (30)
tetrabenazine oral tablet	A	PA; SP; DS (30)
XENAZINE ORAL TABLET	D	PA; SP; DS (30)
*Ms Agents - Pyrimidine Synthesis Inhibitors***		
AUBAGIO ORAL TABLET	B	PA; SP; DS (30)
*Multiple Sclerosis Agents - Antimetabolites***		
MAVENCLAD (10 TABS) ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
MAVENCLAD (4 TABS) ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
MAVENCLAD (5 TABS) ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
MAVENCLAD (6 TABS) ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
MAVENCLAD (7 TABS) ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
MAVENCLAD (8 TABS) ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
MAVENCLAD (9 TABS) ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
*Multiple Sclerosis Agents - Interferons***		
AVONEX PEN INTRAMUSCULAR AUTO-INJECTOR KIT	B	PA; SP; DS (30)
AVONEX PREFILLED INTRAMUSCULAR PREFILLED SYRINGE KIT	B	PA; SP; DS (30)
BETASERON SUBCUTANEOUS KIT	B	PA; SP; DS (30)
EXTAVIA SUBCUTANEOUS KIT	B	PA; SP; DS (30)
PLEGRIDY INTRAMUSCULAR SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
PLEGRIDY STARTER PACK SUBCUTANEOUS SOLUTION PEN-INJECTOR	B	PA; SP; DS (30)
PLEGRIDY STARTER PACK SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
PLEGRIDY SUBCUTANEOUS SOLUTION PEN-INJECTOR	B	PA; SP; DS (30)
PLEGRIDY SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
REBIF REBIDOSE SUBCUTANEOUS SOLUTION AUTO-INJECTOR	B	PA; SP; DS (30)

Drug	Specialty Copay Tier	Notes
REBIF REBIDOSE TITRATION PACK SUBCUTANEOUS SOLUTION AUTO-INJECTOR	B	PA; SP; DS (30)
REBIF SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
REBIF TITRATION PACK SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
*Multiple Sclerosis Agents - Monoclonal Antibodies***		
KESIMPTA SUBCUTANEOUS SOLUTION AUTO-INJECTOR	D	PA; SP; DS (30)
*Multiple Sclerosis Agents - Nrf2 Pathway Activators***		
BAFIERTAM ORAL CAPSULE DELAYED RELEASE	C	PA; SP; DS (30)
dimethyl fumarate oral capsule delayed release	C	PA; SP; DS (30)
dimethyl fumarate starter pack oral	C	PA; SP; DS (30)
TECFIDERA ORAL	C	PA; SP; DS (30)
TECFIDERA ORAL CAPSULE DELAYED RELEASE	C	PA; SP; DS (30)
VUMERITY ORAL CAPSULE DELAYED RELEASE	C	PA; SP; DS (30)
*Multiple Sclerosis Agents - Potassium Channel Blockers***		
AMPYRA ORAL TABLET EXTENDED RELEASE 12 HOUR	C	PA; SP; DS (30); AL (Min 18 Years)
dalfampridine er oral tablet extended release 12 hour	C	PA; SP; DS (30); AL (Min 18 Years)
*Multiple Sclerosis Agents***		
COPAXONE SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
glatiramer acetate subcutaneous solution prefilled syringe	B	PA; SP; DS (30)
GLATOPA SUBCUTANEOUS SOLUTION PREFILLED SYRINGE	B	PA; SP; DS (30)
*Sphingosine 1-Phosphate (S1p) Receptor Modulators***		
GILENYA ORAL CAPSULE 0.5 MG	B	PA; SP; DS (30)
MAYZENT ORAL TABLET	D	PA; SP; DS (30)
PONVORY ORAL TABLET	D	PA; SP; DS (30)
PONVORY STARTER PACK ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
ZEPOSIA 7-DAY STARTER PACK ORAL CAPSULE THERAPY PACK	D	PA; SP; DS (30)
ZEPOSIA ORAL CAPSULE	D	PA; SP; DS (30)
ZEPOSIA STARTER KIT ORAL CAPSULE THERAPY PACK	D	PA; SP; DS (30)
Respiratory Agents - Misc.		
*Cftr Potentiators***		
KALYDECO ORAL PACKET	D	PA; SP; DS (30)
KALYDECO ORAL TABLET	D	PA; SP; DS (30); AL (Max 6 Years)
*Cystic Fibrosis Agent - Combinations***		
ORKAMBI ORAL PACKET	C	PA; SP; DS (30)
ORKAMBI ORAL TABLET 100-125 MG	C	PA; SP; DS (30); AL (Min 6 Years)
ORKAMBI ORAL TABLET 200-125 MG	C	PA; SP; DS (30)
SYMDEKO ORAL TABLET THERAPY PACK	D	PA; SP; DS (30)
TRIKAFTA ORAL TABLET THERAPY PACK	D	PA; SP; QL (3); DS (28)

Drug	Specialty Copay Tier	Notes
Cystic Fibrosis Agents - Miscellaneous**		
BRONCHITOL INHALATION CAPSULE	D	PA; SP; DS (30)
Hydrolytic Enzymes**		
PULMOZYME INHALATION SOLUTION 1 MG/ML	B	PA; SP; QL (6ml per day); DS (30)
Pulmonary Fibrosis Agents - Kinase Inhibitors**		
OFEV ORAL CAPSULE	D	PA; SP; DS (30)
Pulmonary Fibrosis Agents**		
ESBRIET ORAL CAPSULE	D	PA; SP; QL (9 capsules per day); DS (30)
ESBRIET ORAL TABLET 267 MG	D	PA; SP; QL (9 tablets per day); DS (30)
ESBRIET ORAL TABLET 801 MG	D	PA; SP; QL (3 tablets per day); DS (30)
Vaginal And Related Products		
Vaginal Progestins**		
CRINONE VAGINAL GEL	C	PA; SP; DS (30); F
Vasopressors		
Neurogenic Orthostatic Hypotension (Noh) - Agents**		
droxidopa oral capsule 100 mg	D	PA; SP; QL (3 capsules per day); DS (30); AL (Min 18 Years)
droxidopa oral capsule 200 mg, 300 mg	D	PA; SP; QL (6 capsules per day); DS (30); AL (Min 18 Years)
NORTHERA ORAL CAPSULE 100 MG	D	PA; SP; QL (3 capsules per day); DS (30); AL (Min 18 Years)
NORTHERA ORAL CAPSULE 200 MG, 300 MG	D	PA; SP; QL (6 capsules per day); DS (30); AL (Min 18 Years)

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Blue Cross Blue Shield of Arizona (BCBSAZ) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex. BCBSAZ provides appropriate free aids and services, such as qualified interpreters and written information in other formats, to people with disabilities to communicate effectively with us. BCBSAZ also provides free language services to people whose primary language is not English, such as qualified interpreters and information written in other languages. If you need these services, call 602-864-4884 for Spanish and 877-475-4799 for all other languages and other aids and services.

If you believe that BCBSAZ has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability or sex, you can file a grievance with: BCBSAZ's Civil Rights Coordinator, Attn: Civil Rights Coordinator, Blue Cross Blue Shield of Arizona, P.O. Box 13466, Phoenix, AZ 85002-3466, 602-864-2288, TTY/TDD 602-864-4823, crc@azblue.com. You can file a grievance in person or by mail or email. If you need help filing a grievance BCBSAZ's Civil Rights Coordinator is available to help you. You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue SW., Room 509F, HHH Building, Washington, DC 20201, 1-800-368-1019, 800-537-7697 (TDD). Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

Multi-language Interpreter Services

Spanish: Si usted, o alguien a quien usted está ayudando, tiene preguntas acerca de Blue Cross Blue Shield of Arizona, tiene derecho a obtener ayuda e información en su idioma sin costo alguno. Para hablar con un intérprete, llame al 602-864-4884.

Navajo: Díí kwe'é atah nílínígíí Blue Cross Blue Shield of Arizona haada yit'éego bína'ídíłkidgo éí doodago Háida bíjá anilyeedígíí t'áadoo le'é yína'ídíłkidgo beehaz'áanii hółǫ díí t'áá hazaadk'ehjí háká a'doowołgo bee haz'ą doo bąąh ílínígóó. Ata' halne'ígíí kojį' bich'į' hodíílnih 877-475-4799.

Chinese: 如果您，或是您正在協助的對象，有關於插入項目的名稱 Blue Cross Blue Shield of Arizona 方面的問題，您有權利免費以您的母語得到幫助和訊息。洽詢一位翻譯員，請撥電話 在此插入數字 877-475-4799。

Vietnamese: Nếu quý vị, hay người mà quý vị đang giúp đỡ, có câu hỏi về Blue Cross Blue Shield of Arizona quý vị sẽ có quyền được giúp và có thêm thông tin bằng ngôn ngữ của mình miễn phí. Để nói chuyện với một thông dịch viên, xin gọi 877-475-4799.

Arabic:
إن كان لديك أو لدى شخص تساعده أسئلة بخصوص Blue Cross Blue Shield of Arizona، فلديك الحق في الحصول على المساعدة والمعلومات الضرورية بلغتك من دون اية تكلفة .للتحدث مع مترجم اتصل ب .877-475-4799

Tagalog: Kung ikaw, o ang iyong tinutulangan, ay may mga katanungan tungkol sa Blue Cross Blue Shield of Arizona, may karapatan ka na makakuha ng tulong at impormasyon sa iyong wika ng walang gastos. Upang makausap ang isang tagasalin, tumawag sa 877-475-4799.

Korean: 만약 귀하 또는 귀하가 돕고 있는 어떤 사람이 Blue Cross Blue Shield of Arizona 에 관해서 질문이 있다면 귀하는 그러한 도움과 정보를 귀하의 언어로 비용 부담없이 얻을 수 있는 권리가 있습니다. 그렇게 통역사와 얘기하기 위해서는 877-475-4799 로 전화하십시오.

French: Si vous, ou quelqu'un que vous êtes en train d'aider, a des questions à propos de Blue Cross Blue Shield of Arizona, vous avez le droit d'obtenir de l'aide et l'information dans votre langue à aucun coût. Pour parler à un interprète, appelez 877-475-4799.

German: Falls Sie oder jemand, dem Sie helfen, Fragen zum Blue Cross Blue Shield of Arizona haben, haben Sie das Recht, kostenlose Hilfe und Informationen in Ihrer Sprache zu erhalten. Um mit einem Dolmetscher zu sprechen, rufen Sie bitte die Nummer 877-475-4799 an.

Russian: Если у вас или лица, которому вы помогаете, имеются вопросы по поводу Blue Cross Blue Shield of Arizona, то вы имеете право на бесплатное получение помощи и информации на вашем языке. Для разговора с переводчиком позвоните по телефону 877-475-4799.

Japanese: ご本人様、またはお客様の身の回りの方でも、Blue Cross Blue Shield of Arizona について ご質問がございましたら、ご希望の言語でサポートを受けたり、情報を入手したりすることができます。料金はかかりません。通訳とお話される場合、877-475-4799 までお電話ください。

Farsi:
اگر شما، یا کسی که شما به او کمک میکنید ، سوال در مورد Blue Cross Blue Shield of Arizona ، داشته باشید حق این را دارید که کمک و اطلاعات به زبان خود را به طور رایگان دریافت نمایید 877-475-4799 [تماس حاصل نمایید.

Assyrian:
[illegible] Blue Cross Blue Shield of Arizona، [illegible] 877-475-4799.

Serbo-Croatian: Ukoliko Vi ili neko kome Vi pomažete ima pitanje o Blue Cross Blue Shield of Arizona, imate pravo da besplatno dobijete pomoć i informacije na Vašem jeziku. Da biste razgovarali sa prevodiocem, nazovite 877-475-4799.

Thai: หากคณ หรอคนทคณกาลงชวยเหลอมคาถามเกยวกบ Blue Cross Blue Shield of Arizona คณมสทธทจะไดรบความชวยเหลอและขอมลในภาษา ของคณไดโดยไมมคาใชจาย พดคยกบลาม โทร 877-475-4799

BlueCross BlueShield of Arizona

An Independent Licensee of the Blue Cross and Blue Shield Association

Exhibit A 7
BCBSAZ Audit Requirements

BlueCross BlueShield Arizona

Blue Cross® Blue Shield® of Arizona (BCBSAZ) Audit Requirements

Upon reasonable prior written notice to BCBSAZ and as mutually agreed upon during BCBSAZ's normal working hours, the client may audit the records of payments made to providers and other data specifically related to BCBSAZ's performance under this agreement. BCBSAZ agrees to provide reasonable assistance and information to the client's auditors without charge. The client shall bear the costs of the audit; however, if the client reveals a breach of this agreement, BCBSAZ will bear the costs of the audit.

Any audit for any plan year must be both commenced and finalized within 12 months of the last day of the plan year being audited. BCBSAZ shall have no liability to pay the client any amounts as a result of any audit unless demand for payment based on such audit is received by BCBSAZ within 12 months of the date the claim was paid or denied. "Paid" includes both payment and/or application of benefits.

BCBSAZ audit requirements include:

1. BCBSAZ must receive a 30-day written notification of an audit for a maximum of 50 claims as may be necessary to validate financial statement and which occurs no more than one time per calendar year.
2. An audit of the records of payments made to Providers and other data specifically related to BCBSAZ's performance under the Agreement with the client which occurs no more than once every two calendar years.
3. BCBSAZ reserves the right to designate the specific dates of availability for audit upon notification. In no event shall the audit period extend more than one year immediately preceding the commencement date of the particular audit. Both parties agree to follow any pertinent State and Federal laws.
4. No later than 30 days prior to audit commencement, the client must supply BCBSAZ in a mutually-agreed format with a written audit scope outline and list of documents needed for audit.
5. BCBSAZ requires confidentiality statements to be signed by auditors and client representatives prior to audit.
6. Access to BCBSAZ's specific information may be available only with the assistance of a BCBSAZ representative, and hard copy documentation will be provided upon mutual agreement.

Above criteria must be met to proceed with audit.

7. If either BCBSAZ or the client desires to utilize an outside auditing firm to perform the audit, both BCBSAZ and client must agree on the selection of the outside auditing firm. BCBSAZ will only approve auditors that are independent and objective and will not approve auditors paid on a contingency fee or other similar basis. The party requesting the audit will be responsible for the audit fees charged by the auditing firm. BCBSAZ agrees to support audit activity without charging the client for the time supporting the audit activity.
8. Any third-party auditor used to conduct the above audits shall not be compensated on a percent of savings basis. For the number of audits specified above, BCBSAZ agrees to

provide reasonable assistance and information to the client's auditors without charge. There is an additional charge for BCBSAZ's assistance with any audits approved by BCBSAZ beyond those specified. Any audit for any audit for any plan year must be both commenced and finalized by the earlier of: (a) twelve (12) months off the last day of the plan year being audited; and (b) the termination of the agreement between the client and BCBSAZ. BCBSAZ shall have no liability to pay the Employer or Client any amounts as a result of any audit unless demand is received.

9. BCBSAZ shall be given the opportunity to respond in writing to all audit findings, prior to the issuance of the final report.
10. Adjustments will be initiated on claim mispayments identified no more than one year from the paid date. Recoupments will be initiated on claims with an overpayment of greater than $35 and no more than one year from the paid date.

Pharmacy Specific Audit Requirements

BCBSAZ's agreement with our pharmacy benefit manager (PBM), OptumRx, includes pharmacy network audit services for self-funded groups; BCBSAZ agrees to pass pharmacy network audit savings, specific to the [Client] member claims, to the [Client]. OptumRx applies a 25 percent fee for all network audit recoveries. BCBSAZ does not hold back any audit recoveries and passes the applicable savings we receive from OptumRx to the group.

BCBSAZ agrees to support audit activity without charging the client for the time supporting the audit activity. OptumRx does not agree to provide the [Client], or any of its agents or designees, access to its contracts with pharmacy providers. Any pricing data elements (e.g., AWP, WAC, MAC, etc.) are considered proprietary and will not be provided in claim. BCBSAZ does not divulge pharmaceutical manufacturer rebate contracts. OptumRx does not agree to provide audit rights to the [Client].

A 200 pharmacy claim limit applies to the following:

- Approved and denied utilization management reviews
- Clinical program outcomes
- Appeals

National Council for Prescription Drug Programs (NCPDP) fields are confidential and proprietary and may not be released. Appropriate access to Maximum Allowable Cost (MAC) rates may not be available depending upon the (client's) final pricing arrangement selection. Wholesaler agreements are not applicable.

Additionally, pharmacy network agreements are not available to audit on a group level basis; however, BCBSAZ does audit an appropriate sample of payments on a BCBSAZ book of business level and can share these results with the client.

BCBSAZ's audit requirements, found in **BCBSAZ Audit Requirements**, will apply. If either the [Client] or BCBSAZ desires to utilize an outside auditing firm to perform the audit, both the [Client] and BCBSAZ must agree on the selection of the outside auditing firm. BCBSAZ will only approve auditors that are independent and objective and will not approve auditors paid on a contingency fee or other similar basis.

Exhibit A 8
Pharmacy Claims Excluded from Guarantees

BlueCross BlueShield Arizona

Pharmacy Claims Ineligible for Guarantees

Guarantees exclude ineligible claims. Ineligible claims are only the claims listed below, and no other claim types, beyond those listed below, can be treated or counted as ineligible claims.

- Claims with pharmacy identification or prescription numbers that do not correspond to pharmacies or prescription numbers registered in the PBM's electronic systems
- Claims for devices without a Prescription Drug component and over the counter claims that are not for Prescription Drugs (except for insulin or diabetic supplies, including blood glucose test strips). As used in this subsection, "claims for insulin and diabetic supplies," which are excluded from the preceding sentence and counted for rebate [guarantees] mean: (1) all claims for insulin syringes: and (2) all claims for members who have a history of utilization for a primary diabetic medication identified as GPI27-** (or comparable successor code). "History" means a patient with a claim for GPI27** that was incurred 6 months before or after the claim potentially subject to rebate.
- Claims for re-packaged NDCs;
- Stale dated claims over 180 days old;
- Claims for compounds;
- 340B claims that typically receive a discount or Rebate directly from Drug Manufacturers under section 340B of the Public Health Service Act;
- Claims from entities eligible for federal supply schedule prices (e.g., Department of Veterans Affairs, U.S. Public Health Service, Department of Defense);
- Claims submitted by long term care facilities;
- Medical Managed Care claims in states where the state law prohibits PBM from collecting Supplemental Rebates;
- Claims for utilization pursuant to any Client consumer card of discount card program administered by PBM where Client had no cost liability on the claim, if applicable;
- Vaccine claims are excluded and defined as:
  i. claims for drugs having a GPI with the first two digits of "17" or "18"
  ii. a GPI with the first 10 digits of "2170000130" or "9430001000"
- Claims for Authorized Brand Alternatives, where "Authorized Brand Alternative" is defined as a drug with a unique NDC that is the bioequivalent of a Brand Drug that is under patent and which is manufactured by the patent holder or affiliate or a third party under a license. Whether or not identified as a Brand Drug or Generic Drug by the manufacturer or Pricing Sources.

PO Box 13466 | Phoenix, AZ 85002-3466
2444 West Las Palmaritas Drive | Phoenix, AZ 85021-4883
602-864-4400 | azblue.com

Exhibit B
Compensation and Fees

Begins on next page.

Exhibit B 1
Medical Worksheet City of Chandler BAFO

CITY OF CHANDLER
SELF-FUNDING MEDICAL FEE QUOTATION FORM - BAFO
SELF-FUNDED MEDICAL BENEFITS

Vendor Name	**Blue Cross® Blue Shield® of Arizona (BCBSAZ)**
Contact Name	**Christie Thomas**
Contact Title	**Strategic Relationship Executive**
Contact Number	**(602) 864-5234**
Authorized Signature	**See original for signature.**

************PLEASE READ THE DIRECTIONS CAREFULLY BEFORE COMPLETING THE EXHIBIT************

Please do not alter, add or delete rows. Complete yellow shaded areas only. Failure to complete the exhibit as requested may result in rejection of your offer. In Section A please give a total base fee and use the drop down boxes to indicate if each requested service is included in your base fee. In Section B please indicate the cost of any optional services.
When entering the pricing in each fee cell for Years 1-6, please follow the directions below:

a. **If $0.00 is in the fee/pricing cell, the service is automatically considered included at NO additional cost to the client;**
b. **If the fee/pricing cell is blank (no numerical dollar value), the service is automatically included at NO additional cost to the client; and**
c. **If you do not provide any of the services, please type "N/A" in the fee/pricing cell for each service.**

Please include ALL comments specific to your pricing on this exhibit in the Comment Box (below). Add rows to the Comment Box as needed.
Please do not refer to your response to clarify any of the services, pricing or comments included on this exhibit. All of your comments to support your pricing should be on this exhibit.

ASO Fees (PEPM)	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5	2028 Year 6
A. Base Administration Fees (as defined by the Client)						
Medical Administration Fee (including 24-mo runout administration)	$31.85	$31.85	$32.81	$33.79	$34.80	$35.85
Network Access	Included	Included	Included	Included	Included	Included
Narrow/ Performance Network Fee	Included	Included	Included	Included	Included	Included
Full Claim Fiduciary (All Levels)	Included	Included	Included	Included	Included	Included
Independent Review Organization Fees	Included	Included	Included	Included	Included	Included
Underwriting/Actuarial Services	Included	Included	Included	Included	Included	Included
Reporting	Included	Included	Included	Included	Included	Included
Attend Onsite Client Meetings/Open Enrollment	Included	Included	Included	Included	Included	Included
Electronic Copy of the Provider Directory	Included	Included	Included	Included	Included	Included
ID Cards - laminated, black & white client logo	Included	Included	Included	Included	Included	Included
Create Summary of Benefits Coverage	Included	Included	Included	Included	Included	Included
Create, Print and mail (to Employee) Benefit Booklets	Included	Included	Included	Included	Included	Included
Provider Price Comparison Tool	Included	Included	Included	Included	Included	Included
PBM Interface Fee	Included	Included	Included	Included	Included	Included
Stop Loss Interface Fee	Included	Included	Included	Included	Included	Included
HSA/HRA Interface Fee	Not Included - Additional Fee (See Comments Section)	Not Included - Additional Fee (See Comments Section)	Not Included - Additional Fee (See Comments Section)	Not Included - Additional Fee (See Comments Section)	Not Included - Additional Fee (See Comments Section)	Not Included - Additional Fee (See Comments Section)
Health Risk Assessment Interface Fee	Included	Included	Included	Included	Included	Included
Data Warehouse Fees	Included	Included	Included	Included	Included	Included
No Surprises Act/ Transparency in Coverage Compliance Fees	Included	Included	Included	Included	Included	Included
Other (Specify)						
PEPM Total Base Administration Fees	$31.85	$31.85	$32.81	$33.79	$34.80	$35.85
B. Optional Administration Services Not Listed Above						
Total Optional Administration Services (B)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Enrollment Assumptions						
# Employees	1,750	1,750	1,750	1,750	1,750	1,750

Does your fee include the cost of at least 24 months of runout administration upon termination of the contract? No
Describe in comments

Will there be any impact to fees or contract terms due to removing out-of-network coverage from the current plan offerings or for introducing additional plans? No
Provide a description of any potential impact to fees or contract terms in the comment box.

Comments

CITY OF CHANDLER
SELF-FUNDING MEDICAL FEE QUOTATION FORM - BAFO
OTHER FEES

Vendor Name	**Blue Cross® Blue Shield® of Arizona (BCBSAZ)**
Contact Name	**Christie Thomas**
Contact Title	**Strategic Relationship Executive**
Contact Number	**(602) 864-5234**
Authorized Signature	**See original for signature.**

************PLEASE READ THE DIRECTIONS CAREFULLY BEFORE COMPLETING THE EXHIBIT************

Please do not alter, add or delete rows. Complete yellow shaded areas only. Failure to complete the exhibit as requested may result in rejection of your offer.

ANY fees billed to City of Chandler either on an invoice, as Administrative Fee, or as a claim fee must be completed below *(i.e. Blue card fees)* . DO NOT refer to other exhibits or notes in the RFP. All notes regarding additional fees not included in other sections of this workbook must be included in the Comments box.

		Included in Base ASO Rate	Basis for Payment (ie PEPM, % of Savings)	Fee/Charge Amount (Please Note any Fee Maximums)	How Billed (Invoice, Claim Account)	Applies to In Network Only	Guarantee (1 yr, 2 yr, etc)
Capitated Services*		No	PMPM	$2.93	Claim Account	Yes	1 year
Accountable Care Fees			[1]	[1]	[1]	[1]	[1]
Value based services or PCMH fees			[1]	[1]	[1]	[1]	[1]
Subrogation			N/A	Included in fees	N/A	N/A	N/A
Medical Bill Audit			N/A	Included in fees	N/A	N/A	N/A
Credit Balance Recoveries			N/A	Included in fees	N/A	N/A	N/A
Secondary Vendor Recoveries			N/A	Included in fees	N/A	N/A	N/A
Other Third Party Payment & Recoveries			N/A	Included in fees	N/A	N/A	N/A
Partner Network Access			N/A	Included in fees	N/A	N/A	N/A
Other	Evicore	No	PMPM	$2.80	Invoice	Yes	1 year
Other	BlueCard® Fees	No	Varies by Blues Plan	Varies by Blues Plan	Varies by Blues Plan	Varies by Blues Plan	N/A
Other	Out-of-Network Shared Savings	No	% savings	10% savings up to $10k/claim	Invoice	Applies out-network only	1 year
Other							
Other							
Other							
Other							
Other							
Other							

* Indicate in comments the specific services capitated.

Comments (Add additional rows if needed)
[1] Should the City elect our Alliance high performance network, please refer to our PDF proposal for appropriate provider incentive ACO incentive payments.

CITY OF CHANDLER

SELF-FUNDING MEDICAL FEE QUOTATION FORM - BAFO

SELF-FUNDED MEDICAL BENEFITS

Vendor Name	**Blue Cross® Blue Shield® of Arizona (BCBSAZ)**
Contact Name	**Christie Thomas**
Contact Title	**Strategic Relationship Executive**
Contact Number	**(602) 864-5234**
Authorized Signature	**See original for signature.**

************PLEASE READ THE DIRECTIONS CAREFULLY BEFORE COMPLETING THE EXHIBIT************

Please do not alter, add or delete rows. Complete yellow shaded areas only. Failure to complete the exhibit as requested may result in rejection of your offer.

Please include ALL comments specific to your allowances/credits and specifics regarding what the funds may be used for on this exhibit in the Comment Box (below). Add rows to the Comment Box as needed.

Please do not refer to your response to clarify any of the services, pricing or comments included on this exhibit. All of your comments to support your pricing should be on this exhibit.

			2023	2024	2025	2026	2027	2028
Allowances	***Specific Detail by Individual Credit***	***Restrictions (if applicable)***	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Wellness Credit	Miscellaneous Trust and Wellness Allowance		$80,000.00	$80,000.00	$80,000.00	$80,000.00	$80,000.00	$80,000.00
Wellness Credit	On-Site Wellness Consultant		$100,000.00	$100,000.00	$100,000.00	$100,000.00	$100,000.00	$100,000.00
Wellness Credit								
Implementation Credit								
Implementation Credit								
Implementation Credit								
Communications Credit	General Fund		$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00
Communications Credit								
Communications Credit								
Audit Credit								
Audit Credit	Dependent Audit		$5,000.00					
Other (Specify)								
Other (Specify)								
Other (Specify)								
Other (Specify)								
Enrollment Assumptions								
# Employees			1,750	1,750	1,750	1,750	1,750	1,750

Comments

CITY OF CHANDLER
SELF-FUNDING MEDICAL FEE QUOTATION FORM - BAFO
SELF-FUNDED MEDICAL BENEFITS - UTILIZATION MANAGEMENT

Vendor Name	Blue Cross® Blue Shield® of Arizona (BCBSAZ)
Contact Name	Christie Thomas
Contact Title	Strategic Relationship Executive
Contact Number	(602) 864-5234
Authorized Signature	See original for signature.

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3. When entering the pricing in each fee cell for Years 1-6, please follow the directions below:
   a. If $0.00 is in the fee/pricing cell, the service is automatically considered included at NO additional cost to the client:
   b. If the fee/pricing cell is blank (no numerical dollar value), the service is automatically included at NO additional cost to the client; and
   c. If you do not provide any of the services, please type "N/A" in the fee/pricing cell for each service.
4. Please include ALL comments specific to your pricing on this exhibit in the Comment Box (below). Add rows to the Comment Box as needed.
5. Please do not refer to your response to clarify any of the services, pricing or comments included on this exhibit. All of your comments to support your pricing should be on this exhibit.

Utilization Management Program - Fees	Included in Base ASO Rate	2023	2024	2025	2026	2027	2028
Fees (PEPM)	**Yes or No**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Pre-Certification	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Concurrent/Continued Stay Review	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Retrospective Review	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Case Management							
Hourly Fee	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
PEPM Fee	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Fee Negotiations	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Comments

CITY OF CHANDLER
SELF-FUNDING MEDICAL FEE QUOTATION FORM - BAFO
SELF-FUNDED MEDICAL BENEFITS - DISEASE MANAGEMENT

Vendor Name	Blue Cross® Blue Shield® of Arizona (BCBSAZ)
Contact Name	Christie Thomas
Contact Title	Strategic Relationship Executive
Contact Number	(602) 864-5234
Authorized Signature	See original for signature.

**********PLEASE READ THE DIRECTIONS CAREFULLY BEFORE COMPLETING THE EXHIBIT**********

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3. When entering the pricing in each fee cell for Years 1-6, please follow the directions below:
   a. If $0.00 is in the fee/pricing cell, the service is automatically considered included at NO additional cost to the client;
   b. If the fee/pricing cell is blank (no numerical dollar value), the service is automatically included at NO additional cost to the client; and
   c. If you do not provide any of the services, please type "N/A" in the fee/pricing cell for each service.
4. Please include ALL comments specific to your pricing on this exhibit in the Comment Box (below). Add rows to the Comment Box as needed.
5. Please do not refer to your response to clarify any of the services, pricing or comments included on this exhibit. All of your comments to support your pricing should be included on this exhibit.

Disease Management Program - Fees	Included in Base ASO Rate	2023	2024	2025	2026	2027	2028
Fees (PEPM)	Yes or No	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Disease Management Administration Fee (as defined in the Scope of Work)	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Integration Fees (Electronic eligibility transmittal and receipt of updates and monthly reconciliation	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Disease Management Coaching including Asthma, Diabetes, CAD, CHF, and COPD	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interactive Member Website/Portal	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Tracking and Reporting completion of programs	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Ad-hoc Reporting	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Meetings with the District to review results of each program	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Attendance at Meetings	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Attendance at Employee meetings as necessary	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Enrollment Communications	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Postage/Mailing Campaign and Costs	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Audits	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Grievance resolution	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Program Identification/Risk Stratification	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
List any other DM Programs you offer							
		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Please indicate which model you use to administer your Disease Management Programs by clicking on the cell and entering Yes or No in Columns G and J.	Opt-IN			Opt-OUT	

Comments

CITY OF CHANDLER
SELF-FUNDING MEDICAL FEE QUOTATION FORM - BAFO
SELF-FUNDED MEDICAL BENEFITS - WELLNESS PROGRAMS

Vendor Name	**Blue Cross® Blue Shield® of Arizona (BCBSAZ)**
Contact Name	**Christie Thomas**
Contact Title	**Strategic Relationship Executive**
Contact Number	**(602) 864-5234**
Authorized Signature	**See original for signature.**

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3. **When entering the pricing in each fee cell for Years 1-6, please follow the directions below:**
   a. **If $0.00 is in the fee/pricing cell, the service is automatically considered included at NO additional cost to the client;**
   b. **If the fee/pricing cell is blank (no numerical dollar value), the service is automatically included at NO additional cost to the client; and**
   c. **If you do not provide any of the services, please type "NA" in the fee/pricing cell for each service.**
4. **Please include ALL comments specific to your pricing on this exhibit in the Comment Box (below). Add rows to the Comment Box as needed.**
5. **Please do not refer to your response to clarify any of the services, pricing or comments included on this exhibit. All of your comments to support your pricing should be included on this exhibit.**

Wellness Program - Fees	**Included in Base ASO Rate**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Fees (PEPM)	**Yes or No**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
24/7 Nurse Call Line	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Health Coaches	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Smoking Cessation Counseling	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Onsite Flu Shots	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Onsite Mobile Mammography	No	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Onsite Mobile Prostate Specific Antigen Blood Test	No	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Health Pregnancy Healthy Babies	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Discount Programs for the following:							
Health Gyms	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Acupuncture	No	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Massage	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Weight Loss	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Vitamins	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Cost Per Participant							
Online Health Risk Assessment	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Biometric Screening	Yes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
SMAC Screening	No	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Cost Per Participant							
Cost per Day: On-site biometric screenings (multiple locations), the cost of which must be covered at 100% under preventive care.	Yes						
Cost per Day: On-site flu shots (multiple locations), the cost of which must be covered at 100% under preventive care.	Yes						
Cost Per Day: Attendance at Health Fairs	Yes						
Other Costs: Identify any other **costs** associated with this wellness program that are NOT included above.	Yes						
Other Services: Other wellness services and fees you are proposing **not** associated with the Scope of Work.	Yes						
List any other Wellness Programs you offer							

Wellness Credit		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
		Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Indicate total Wellness Credit that the City of Chandler may use for any wellness related program or for wellness staff.		$100,000.00	$100,000.00	$100,000.00	$100,000.00	$100,000.00	$100,000.00

Comments

CITY OF CHANDLER
SELF-FUNDING MEDICAL FEE QUOTATION FORM - BAFO
SELF-FUNDED MEDICAL BENEFITS - TELEHEALTH

Vendor Name	**Blue Cross® Blue Shield® of Arizona (BCBSAZ)**
Contact Name	**Christie Thomas**
Contact Title	**Strategic Relationship Executive**
Contact Number	**(602) 864-5234**
Authorized Signature	**See original for signature.**

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# of Employees: 1,750		2023	2024	2025	2026	2027	2028
A. Base Telehealth	**Basis**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Administration Fee	PEPM	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Dermatology Consult Fee - Non-HSA Plan	Virtual Visit	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Dermatology Consult Fee - HSA Plan	Virtual Visit	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Mental Health/ Counseling Consult Fee - Non-HSA Plan	Virtual Visit	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Mental Health/ Counseling Consult Fee - HSA Plan	Virtual Visit	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Medical Consult Fee - Non-HSA Plan	Virtual Visit	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Medical Consult Fee - HSA Plan	Virtual Visit	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other (Specify)		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other (Specify)		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other (Specify)		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
B. Identify below any services in the scope of work that your fee does NOT include. Indicate any additional fee for the service in the price columns (E-I). If you cannot offer the specific service, place N/A in the price columns.							
Comments							

CITY OF CHANDLER
SELF-FUNDING MEDICAL FEE QUOTATION FORM - BAFO
HEALTH SAVINGS ACCOUNT ADMINISTRATION QUOTATION FORM

Vendor Name	**Blue Cross® Blue Shield® of Arizona (BCBSAZ)**
Contact Name	**Christie Thomas**
Contact Title	**Strategic Relationship Executive**
Contact Number	**(602) 864-5234**
Authorized Signature	**See original for signature.**

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HSA ADMINISTRATION	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Fees	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Per Account Per Month	$2.70	TBD	TBD	TBD	TBD	TBD
Other Fees (list below)						
	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
TOTAL FEES	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Enrollment Assumptions						
# of Employees	1,008	1,008	1,008	1,008	1,008	1,008

Comments

CITY OF CHANDLER
STOP LOSS RATE FORM - BAFO

Vendor Name	**Blue Cross® Blue Shield® of Arizona (BCBSAZ)**
Contact Name	**Christie Thomas**
Contact Title	**Strategic Relationship Executive**
Contact Number	**(602) 864-5234**
Authorized Signature	**See original for signature.**

************PLEASE READ THE DIRECTIONS CAREFULLY BEFORE COMPLETING THE EXHIBIT************

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Contract Basis			
Incurred From:		1/01/2023 - 12/31/2023	
Paid From:		01/01/2023 -12/31/2024	
Covered Expenses		Medical & Prescription Drugs	
Specific Stop Loss Deductible	**Lives**	**$350,000**	**$375,000**
Lifetime Maximum		Unlimited	Unlimited
Specific Stop Loss Premium Rates			
Composite Rate	1,750	$81.72	$74.95
Total Annual Premium	**1,750**	**1,716,120**	**1,573,950**
Aggregate Stop Loss (125% Corridor)			
PPO/Rx Mature Expected Claims PEPM	1,750	$1,248.32	$1,254.67
Monthly Aggregate Attachment Factor - PPO/Rx (PEPM)	1,750	$1,560.40	$1,568.34
Minimum Annual Attachment Point - PPO/Rx		$2,426,734	$2,439,854
Aggregate Reimbursement Maximum		No Maximum	No Maximum
Premium Rate (Composite)	1,750	$1,364.25	$1,364.25
Total Annual Premium	**1,750**	**28,649,250**	**28,649,250**

Does your proposal include any lasers? If yes, provide details in comments below.	No
Do you require a disclosure statement? Include a sample if yes.	No
What is the maximum reimbursement under your specific stop loss policy?	No maximum
What is the maximum reimbursement under your aggregate stop loss policy?	No maximum
Does your stop loss policy cover all services payable in the underlying medical/rx plan?	Yes

Are you willing to offer a second year rate cap? Describe in commments.	TBD

Comments
Premium rate assumes expected liability and is on a PEPM basis. Premium for just ASL is $2.36 PEPM for $350k SSL and is $2.38 PEPM for $375k SSL. We are open to considering a second year SSL cap, however, there are concerns with the ongoing $1.1M claim and the dollar amount is likely to increase each year. Minimum attachment level is from our renewal exhibits and is based on 1,728 subs.

Exhibit B 2
RX Worksheet City of Chandler BAFO

Member and Account Service	Response (Yes/No)	
The PBM agrees to obtain the City's approval for all member communication materials before distribution to members. The PBM will not automatically enroll the City in any programs that involve any type of communications with members or alterations of members' medications, without express written consent from the City.	*No*	
The City reserves the right to review, edit, or customize any communication from the PBM to its membership.	*No*	
The City reserves the right to access all call recordings or call notes from member service calls with its members. PBM agrees to allow the City to listen to any recorded calls within 24 hours of the City's request.	*No*	BCBSAZ is unable to accommodate due to HIPAA Privacy laws.
The PBM agrees to provide online, real time, claim system access to the District or its designee, including access to historical claims data for up to three (3) years following termination of the agreement.	*No*	
Confirm that postage is included in all mail order prescriptions and any mailings.	*Yes*	BCBSAZ confirms for standard shipping; members requesting expedited shipping may be charged an additional cost
Confirm that mail order and specialty drug dispensing fees will remain constant throughout the contract term and will not be increased for any increases in postage charges	*Yes*	

Confirm you agree to the following Guarantees/Definitions (Briefly list any deviations to #3-12 under "Details" below):	**Response (Yes/No)**
Confirm your contract will have a length of two (2) years with guaranteed pricing and the option to renew three (3) additional two-year periods. Please note that a "No" response to this provision is subject to immediate disqualification.	Yes. City of Chandler has selected pass through pharmacy pricing which allows them to pay the same discounted prices for prescription drugs that the PBM actually pays the pharmacies. Prices for the same drug may differ at different pharmacies. Our guaranteed pricing will apply at the BCBSAZ book of business level
Please confirm your proposed drug type designation or classification (e.g. brand, generic) source (i.e. First DataBank, Medi-Span, Redbook, Other). If other, please specify.	*Yes, Medi-Span.*
All guarantees are calculated using the date sensitive AWP based on the 11-digit NDC of the actual product dispensed	*Yes*
All-in generic guarantee inclusive of single-source generics	*Yes*
Drugs with an "Insufficient Supply" are included in the guarantees	*No*
Select, sole source or authorized generics from at least one FDA-approved generic manufacturer with exclusivity or limited availability, supply or competition will be included in the generic pricing guarantees and excluded from the brand pricing guarantees	*No*
No single-source generic or generic drug will be included in the brand drug component for the annual discount guarantee reconciliation.	*No*

Member Cost Share at the point-of-sale (for retail and mail) is based on the lowest of the plan copay/coinsurance, usual and customary charges, negotiated discounted ingredient cost plus dispensing fee or retail cash price	*Yes*
All guarantees are calculated before the application of member cost share	*No*
All guarantees (including Rebates) are stand-alone with no offsetting (within or across channels)	*No*
Any guarantee shortfalls are paid on a dollar-for-dollar basis	*No*

Details:

BCBSAZ does not do partial fills, so in the event a pharmacy didn't have sufficient supply to complete an order, the pharmacy bills the claim for the FULL quantity, dispenses the quantity they have in stock, then does a partial fill to the member to make their order 'whole.' These are included in the guarantee.
Generics in exclusivity ARE excluded from rebates. Brand is not. Provided the brand claim is qualified for rebates

Confirm the pricing listed in this proposal reflects the following:

Assumptions	Response (Yes/No)
Confirm your proposed drug type designation/ classification and pricing source is Medi-Span. If other, please specify.	Yes
Confirm Medi-Span MONY Multisource indicators will be used to indicate Generics with a "Y" and Brands with either an "O", "M", or "N".	No
Confirm "House Generics"/ Brand claims with a DAW 5 will be included in the generic guarantee financial reconciliation calculations and GDR guarantee calculations.	No. BCBSAZ is unable to confirm as it does not support house generics.
Confirm how the PBM will calculate the "House Generics" or DAW 5 claims AWP that will be used in the generic guarantee financial reconciliation calculations and GDR guarantee calculations.	No. BCBSAZ is unable to confirm as it does not support house generics.
Confirm "House Generics"/ Brand Claims with DAW 5 will be included as brands in the minimum rebate guarantee calculations.	No. BCBSAZ is unable to confirm as it does not support house generics.
Confirm any rebates derived from "House Generics" or DAW 5 claims will be passed through at 100% to the City.	No. BCBSAZ is unable to confirm as it does not support house generics.
Confirm the City will not pay more for any "House Generics" or DAW 5 claims compared to the respective generic equivalent before the application of rebates.	No. BCBSAZ is unable to confirm as it does not support house generics.

Confirm members will pay the generic copay for any "House Generics" or DAW 5 claims.	No. BCBSAZ is unable to confirm as it does not support house generics.
Confirm all "House Generics" or Brand Claims with DAW 5 will adjudicate at the generic member copay regardless of whether the doctor checks off a DAW on the script.	No. BCBSAZ is unable to confirm as it does not support house generics.
Confirm brands with a DAW code (DAW 1 or DAW 2) requiring the substitution of a brand product over a generic product will be included in the brand discount guarantees, dispensing fees, and minimum rebate guarantees.	Yes
Confirm brands with a DAW code of 0, 3, 4, 6, 7, 8, and 9 will be included in the brand discount guarantees, dispensing fees, and minimum rebate guarantee calculations.	Yes
Confirm any formulary excluded brand products that were adjudicated as a result of an exception process such as for medical necessity will be included in the discount, dispensing fee, minimum rebate guarantees and any rebates associated with such drugs will be passed through at 100% to the City.	No. BCBSAZ is not proposing a closed formulary for the City of Chandler.
Confirm any penalty amounts paid by the member as a result of the DAW 1 or 2 penalty program will not be used by the PBM in discount guarantee reconciliations.	Yes
Confirm all multi-source brand claims are included in the minimum rebate guarantee calculations.	Yes

Confirm the PBM guarantees that members will always pay the lowest price (member cost share, discounted ingredient cost plus dispensing fee, MAC, U&C). If so, what procedures are established to ensure that the pharmacy is in compliance with this provision? Confirm the City's members will never pay a full co-payment in instances where the plan co-pay is greater than the discounted cost plus dispensing fee plus any sales taxes.	Yes. Through our network contracts, we enable the City of Chandler's members to consistently receive the most advantageous pricing. Network pharmacies are contractually bound to accept the negotiated reimbursement schedule. All network pharmacies must adhere to the lower of usual and customary (U&C), discounted AWP plus dispensing fee or MAC price plus dispensing fee. These pharmacy contracts include a provision stipulating that the lesser of the pharmacy's retail price, MAC price or discounted price, and the member copayment, is the amount the member pays. Our provider agreements state that each pharmacy must submit its U&C charges ("retail price" for each claim). Our point-of-service system performs the calculation to determine the lowest price. The lower of the three amounts is the basis for charges being adjudicated and is the amount that the customer is charged. If the City of Chandler wishes to review the percentage of claims that are being adjudicated based on any particular logic control or payment calculation process, we generate detailed reports on its behalf. Our pharmacy contract provisions are based on pricing logic that stipulates that members pay the lowest of U&C, the contracted rate or the copayment. Ultimately, the plan design selected by the City of Chandler determines the amount collected by the pharmacy.
Confirm all of the proposed dispensing fee guarantees are on a maximum guaranteed basis.	No. BCBSAZ is not providing dispensing rate guarantees.
Confirm all applicable claims from all 50 states and the District of Columbia will be included in the discount, dispensing fee and rebate guarantee calculations.	Yes
Confirm that the propose pricing will apply to the City. Otherwise, clearly identify deviations.	Yes

The PBM agrees to provide upon request any proprietary algorithms, hierarchy or other logic employed to define a prescription drug as generic or brand, as part of this competitive bid process or at any point during any resulting contract term.	No

	Event Name:	**City of Chandler PBM RFP**		
	Report Aspect:	**Financial Section**		
	Report Option:	**Prescription Drug Pricing**		
	Columns marked "AWP Discount" are to be completed using a discount from 100% AWP and dispensing fee logic. All guarantees must be based on the AWP unit cost dispensed at the point of sale, and post September 26, 2009 AWP rollback.			
	Year 1			
		Bidder Name		
	Custom Retail Network	AWP Discount Retail 30 (1-83 days' supply)	AWP Discount Retail 90 (84 + days' supply)	AWP Discount Mail Supply 1-90 days
	Brand Drugs			
	Discount from AWP for all brands	**19.30%**	**22.60%**	**25.75%**
	Dispensing Fee Per Brand Rx	**$0.75**	**$0.00**	**$0.00**
	Generic Drugs			
	Discount from AWP for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price)	**85.50%**	**85.70%**	**86.90%**
	Dispensing Fee Per Generic Rx	**$0.75**	**$0.00**	**$0.00**
	Rebates			
	Three Tier Plan - Per Brand Rx	**N/A**	**N/A**	**N/A**
	Please confirm all pricing guarantee exclusions (discounts, dispensing fees, and rebates)	BCBSAZ offer is 1-83 days for AWP Discount Retail Supply Up to 30 days. BCBSAZ offer is >83 days for AWP Discount Retail Supply 31-90 days. These discounts and the dispensing fees will be measured annually on a calendar year basis and on BCSBAZ's entire, applicable book of business. Compounds, Specialty claims, 340b claims, direct member reimbursements, COB claims, vaccines and claims filled outside of PBM's National Network are excluded from the rates stated above. All AWP discounts are based on Post-Rollback Average Wholesale Price. * MAC discount from AWP is offered as an effective overall Generic discount (Ingredient Cost) and includes all MAC and non-MAC drugs, including single source generic products. Brand Drug AWP rates are offered as an effective overall rate - brand drugs will be priced applying pharmacy contracted pricing rates.		

Notes

1. Pharmacy discounts are presented for evaluation.
2. These discounts and the dispensing fees will be measured annually on a calendar year basis and on BCSBAZ's entire, applicable book of business. Compounds, Specialty claims, 340b claims, direct member reimbursements, coordination of benefits (COB) claims, vaccines, and claims filled outside of OptumRx's National Network are excluded from the rates stated above.
3. All average wholesale price (AWP) discounts are based on post-rollback AWP.
4. Maximum Allowable Cost (MAC) discount from AWP is offered as an effective overall generic discount (ingredient cost) and includes all MAC and non-MAC drugs, including single source generic products.
5. Brand drug AWP rates are offered as an effective overall rate. Brand drugs will be priced applying pharmacy contracted pricing rates.
6. Retail 90 discounts only apply for claims with a day supply > 83.
7. Specialty drug specific discounts are available upon request and only apply when the drug is dispensed by BCBSAZ exclusive specialty pharmacy provider—Optum Specialty.

	Event Name:	**City of Chandler**		
	Report Aspect:	**Financial Section**		
	Report Option:	**Prescription Drug Pricing**		
	Year 2			
		Bidder Name		
	Custom Retail Network	AWP Discount Retail 30 (1-83 days' supply)	AWP Discount Retail 90 (84 + days' supply)	AWP Discount Mail Supply 1-90 days
	Rebates			
	Three Tier Plan – Per Brand Rx	**N/A**	**N/A**	**N/A**
	Please confirm all pricing guarantee exclusions (discounts, dispensing fees, and rebates)	BCBSAZ offer is 1-83 days for AWP Discount Retail Supply Up to 30 days. BCBSAZ offer is >83 days for AWP Discount Retail Supply 31-90 days. These discounts and the dispensing fees will be measured annually on a calendar year basis and on BCSBAZ's entire, applicable book of business. Compounds, Specialty claims, 340b claims, direct member reimbursements, COB claims, vaccines and claims filled outside of PBM's National Network are excluded from the rates stated above. All AWP discounts are based on Post-Rollback Average Wholesale Price. * MAC discount from AWP is offered as an effective overall Generic discount (Ingredient Cost) and includes all MAC and non-MAC drugs, including single source generic products. Brand Drug AWP rates are offered as an effective overall rate - brand drugs will be priced applying pharmacy contracted pricing rates. Specialty drug specific discounts are available in **Section XX** and only apply when the drug is dispensed by BCBSAZ exclusive Specialty Pharmacy provider, Optum Specialty.		

Notes

1. Pharmacy discounts are presented for evaluation.
2. These discounts and the dispensing fees will be measured annually on a calendar year basis and on BCSBAZ's entire, applicable book of business. Compounds, Specialty claims, 340b claims, direct member reimbursements, coordination of benefits (COB) claims, vaccines, and claims filled outside of OptumRx's National Network are excluded from the rates stated above.
3. All average wholesale price (AWP) discounts are based on post-rollback AWP.
4. Maximum Allowable Cost (MAC) discount from AWP is offered as an effective overall generic discount (ingredient cost) and includes all MAC and non-MAC drugs, including single source generic products.
5. Brand drug AWP rates are offered as an effective overall rate. Brand drugs will be priced applying pharmacy contracted pricing rates.
6. Retail 90 discounts only apply for claims with a day supply > 83.
7. Specialty drug specific discounts are available upon request and only apply when the drug is dispensed by BCBSAZ exclusive specialty pharmacy provider—Optum Specialty.

	Event Name:	**City of Chandler**		
	Report Aspect:	**Financial Section**		
	Report Option:	**Prescription Drug Pricing**		
	Year 3			
		Bidder Name		
	Custom Retail Network	AWP Discount Retail 30 (1-83 days' supply)	AWP Discount Retail 90 (84 + days' supply)	AWP Discount Mail Supply 1-90 days
	Brand Drugs			
	Discount from AWP for all brands	**19.30%**	**22.60%**	**25.75%**
	Dispensing Fee Per Brand Rx	**$0.75**	**$0.00**	**$0.00**
	Generic Drugs			
	Discount from AWP for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price)	**85.50%**	**85.70%**	**86.90%**
	Dispensing Fee Per Generic Rx	**$0.75**	**$0.00**	**$0.00**
	Rebates			
	Three Tier Plan – Per Brand Rx	**N/A**	**N/A**	**N/A**
	Please confirm all pricing guarantee exclusions (discounts, dispensing fees, and rebates)	BCBSAZ offer is 1-83 days for AWP Discount Retail Supply Up to 30 days. BCBSAZ offer is >83 days for AWP Discount Retail Supply 31-90 days. These discounts and the dispensing fees will be measured annually on a calendar year basis and on BCSBAZ's entire, applicable book of business. Compounds, Specialty claims, 340b claims, direct member reimbursements, COB claims, vaccines and claims filled outside of PBM's National Network are excluded from the rates stated above. All AWP discounts are based on Post-Rollback Average Wholesale Price. * MAC discount from AWP is offered as an effective overall Generic discount (Ingredient Cost) and includes all MAC and non-MAC drugs, including single source generic products. Brand Drug AWP rates are offered as an effective overall rate - brand drugs will be priced applying pharmacy contracted pricing rates. Specialty drug specific discounts are available in **Section XX** and only apply when the drug is dispensed by BCBSAZ exclusive Specialty Pharmacy provider, Optum Specialty.		

Notes

1. Pharmacy discounts are presented for evaluation.
2. These discounts and the dispensing fees will be measured annually on a calendar year basis and on BCSBAZ's entire, applicable book of business. Compounds, Specialty claims, 340b claims, direct member reimbursements, coordination of benefits (COB) claims, vaccines, and claims filled outside of OptumRx's National Network are excluded from the rates stated above.
3. All average wholesale price (AWP) discounts are based on post-rollback AWP.
4. Maximum Allowable Cost (MAC) discount from AWP is offered as an effective overall generic discount (ingredient cost) and includes all MAC and non-MAC drugs, including single source generic products.
5. Brand drug AWP rates are offered as an effective overall rate. Brand drugs will be priced applying pharmacy contracted pricing rates.
6. Retail 90 discounts only apply for claims with a day supply > 83.
7. Specialty drug specific discounts are available upon request and only apply when the drug is dispensed by BCBSAZ exclusive specialty pharmacy provider—Optum Specialty.

Event Name: City of Chandler
Report Aspect: Financial Section
Report Option: Prescription Drug Pricing

		Bidder Name		
	Specialty Drugs Dispensed at Participating Retail Pharmacies	**Year 1: 1/01/23-12/31/23**	**Year 2: 1/01/24-12/31/24**	**Year 3: 1/01/25-12/31/25**
	Overall Brand Discount Guarantee from AWP	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level
	Overall Generic Discount Guarantee from AWP	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level
	Confirm New to Market Specialty Drugs and New to Market Limited Distribution Specialty Drugs will be included in the above guarantees	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level
	If you answered "No" to the prior question, indicate what discount guarantee applies, if any.	for specialty drugs not on our specialty pricing document - the default discount is AWP-15.8%	for specialty drugs not on our specialty pricing document - the default discount is will be determined.	for specialty drugs not on our specialty pricing document - the default discount will be determined.
	Confirm Limited Distribution Drugs will be included in the above guarantees.	not offered - Specialty drugs are priced at drug level - but LDD drugs on our specialty pricing document are included	not offered - Specialty drugs are priced at drug level - but LDD drugs on our specialty pricing document are included	not offered - Specialty drugs are priced at drug level - but LDD drugs on our specialty pricing document are included
	If you answered "No" to the prior question, indicate what discount guarantee applies, if any.	BCSBAZ is not offering an OED for specialty drugs - these products are pricesed at the drug level	BCSBAZ is not offering an OED for specialty drugs - these products are pricesed at the drug level	BCSBAZ is not offering an OED for specialty drugs - these products are pricesed at the drug level

	Dispensing Fee Per Rx	Specialty drugs dispensed at OptumRx have $0.00 dispensing fee	Specialty drugs dispensed will be determined	Specialty drugs dispensed will be determined
	Rebate – Minimum Guaranteed Per Brand	**No**	**No**	**No**
	Confirm New to Market Specialty Drugs and New to Market Limited Distribution Specialty Drugs will be included in the above Rebate – Minimum Guaranteed Per Brand	**Not confirmed.**	**Not confirmed.**	**Not confirmed.**
	If you answered "No" to the prior question, indicate what rebate guarantee applies, if any.	**See response in row 18.**	**See response in row 18.**	**See response in row 18.**
	Confirm Limited Distribution Drugs will be included in the above Rebate –Minimum Guaranteed Per Brand	**Not confirmed.**	**Not confirmed.**	**Not confirmed.**
	If you answered "No" to the prior question, indicate what rebate guarantee applies, if any.	**BCBSAZ does not offer Specialty drugs at Retail and, therefore, no rebate guarantee applies.**		
	Please confirm all pricing guarantee exclusions (discounts, dispensing fees, and rebates)	BCBSAZ does not offer Specialty drugs at Retail and, therefore, no rebate guarantee applies.		
	***Provide the Specialty Drug List with individual drug discounts as an attachment to your bid**			

Event Name: City of Chandler
Report Aspect: Financial Section
Report Option: Prescription Drug Pricing

	Blue Cross® Blue Shield® of Arizona (BCBSAZ)			
	Specialty Drugs Dispensed at the PBM's Specialty Pharmacy	**Year 1: 1/01/23-12/31/23**	**Year 2: 1/01/24-12/31/24**	**Year 3: 1/01/25-12/31/25**
	Overall Brand Discount Guarantee from AWP	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level
	Overall Generic Discount Guarantee from AWP	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level
	Confirm New to Market Specialty Drugs and New to Market Limited Distribution Specialty Drugs will be included in the above guarantees	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level	not offered - Specialty drugs are priced at drug level
	If you answered "No" to the prior question, indicate what discount guarantee applies, if any.	for specialty drugs not on our specialty pricing document - the default discount is AWP-15.8%	for specialty drugs not on our specialty pricing document - the default discount will be determined	for specialty drugs not on our specialty pricing document - the default discount will be determined
	Confirm Limited Distribution Drugs will be included in the above guarantees.	not offered - Specialty drugs are priced at drug level - but LDD drugs on our specialty pricing document are included	not offered - Specialty drugs are priced at drug level - but LDD drugs on our specialty pricing document are included	not offered - Specialty drugs are priced at drug level - but LDD drugs on our specialty pricing document are included

	If you answered "No" to the prior question, indicate what discount guarantee applies, if any.	BCSBAZ is not offering an OED for specialty drugs - these products are pricesed at the drug level	BCSBAZ is not offering an OED for specialty drugs - these products are pricesed at the drug level	BCSBAZ is not offering an OED for specialty drugs - these products are pricesed at the drug level
	Dispensing Fee Per Rx	Specialty drugs dispensed at OptumRx have $0.00 dispensing fee	Specialty drugs dispensed at OptumRx have $0.00 dispensing fee	Specialty drugs dispensed at OptumRx have $0.00 dispensing fee
	Rebate – Minimum Guaranteed Per Brand	**$528.75**	**TBD**	**TBD**
	Confirm New to Market Specialty Drugs and New to Market Limited Distribution Specialty Drugs will be included in the above Rebate – Minimum Guaranteed Per Brand	**Not confirmed.**	**Not confirmed.**	**Not confirmed.**
	If you answered "No" to the prior question, indicate what rebate guarantee applies, if any.	**N/A**	**N/A**	**N/a**
	Confirm Limited Distribution Drugs will be included in the above Rebate –Minimum Guaranteed Per Brand	**Not confirmed.**	**Not confirmed.**	**Not confirmed.**
	If you answered "No" to the prior question, indicate what rebate guarantee applies, if any.	**Some qualified brand drugs will receive the applicable distribution channel rate.**		
	Please confirm all pricing guarantee exclusions (discounts, dispensing fees, and rebates)	BCBSAZ does not offer Specialty drugs at Retail and, therefore, no rebate guarantee applies.		
	***Provide the Specialty Drug List with individual drug discounts as an attachment to your bid**			

Exhibit B 3
City of Chandler Renewal Rates and Assumptions

Renewal Rate Proposal

BlueCross BlueShield Arizona

Name of the Group Health Plan: CITY OF CHANDLER GROUP HEALTH PLAN

Legal Name of Group: City Of Chandler

Effective Date: 01/01/2023 - 12/31/2023
Group Number(s): 028399
Specific SL Level: $350,000
Underwriter: Brian Cohen
Funding: 12/24 Incurred ASC with Medical and Pharmacy
Aggregate SL Level: 125%
Strategic Rel. Executive: Christie Thomas
Commission: 0.000%
Total Enrollment: 1,728
Days Notice: 210
Current Date: 6/15/2022
Group Has Dental: No
Broker: SEGAL COMPANY ARIZONA INC

CURRENT BENEFITS	Benefit Descriptions	Grandfathered Status
Red Medical Option	INET: Ded $500/$1,000; 85%; OOP $2,500/$5,000; OV $25/$40; ER $100 Ded+85%; UC $50; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,000/$2,000; 60%; OOP $5,000/$10,000	Non-Grandfathered
Blue Medical Option	INET: Ded $750/$1,500; 80%; OOP $2,750/$5,500; OV/UC Ded+80%; ER $100 Ded+80%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,750/$3,500; 50%; OOP $6,500/$13,000	Non-Grandfathered
White Plan	INET: Ded $1,750/$3,500; 85%; OOP $3,500/$7,000; OV/ER/UC Ded+85%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $5,000/$10,000; 60%; OOP $10,000/$20,000	Non-Grandfathered

Current Rates Effective 01/01/2022

Red Medical Option	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	184	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,014.40	$916.33	$1,119.21
Employee + Spouse	166	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,749.43	$1,504.35	$1,854.24
Employee + Child(ren)	89	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,541.00	$1,337.61	$1,645.81
Employee + Family	227	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$2,561.92	$2,154.35	$2,666.73
Total Plan 1	**666**	**$23,230**	**$45,002**	**$1,572**	**$0**	**$0**	**$69,803**	**$1,195,760**	**$1,026,412**	**$1,265,563**

Blue Medical Option	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	38	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$993.48	$899.59	$1,098.29
Employee + Spouse	15	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,713.38	$1,475.51	$1,818.19
Employee + Child(ren)	8	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,509.26	$1,312.22	$1,614.07
Employee + Family	19	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$2,509.16	$2,112.14	$2,613.97
Total Plan 2	**80**	**$2,790**	**$5,406**	**$189**	**$0**	**$0**	**$8,385**	**$123,201**	**$106,945**	**$131,586**

White Plan	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	327	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$783.30	$731.45	$888.11
Employee + Spouse	155	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,350.89	$1,185.52	$1,455.70
Employee + Child(ren)	98	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,189.94	$1,056.76	$1,294.75
Employee + Family	402	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,978.28	$1,687.43	$2,083.09
Total Plan 3	**982**	**$34,252**	**$66,354**	**$2,318**	**$0**	**$0**	**$102,923**	**$1,377,410**	**$1,204,849**	**$1,480,333**

RENEWAL BENEFITS	Benefit Descriptions	Grandfathered Status
Red Medical Option	INET: Ded $500/$1,000; 85%; OOP $2,500/$5,000; OV $25/$40; ER $100 Ded+85%; UC $50; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,000/$2,000; 60%; OOP $5,000/$10,000	Non-Grandfathered
Blue Medical Option	INET: Ded $750/$1,500; 80%; OOP $2,750/$5,500; OV/UC Ded+80%; ER $100 Ded+80%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,750/$3,500; 50%; OOP $6,500/$13,000	Non-Grandfathered
White Plan	INET: Ded $1,750/$3,500; 85%; OOP $3,500/$7,000; OV/ER/UC Ded+85%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $5,000/$10,000; 60%; OOP $10,000/$20,000	Non-Grandfathered
Alliance 3500	INET: Ded $3,500/$7,000; 80%; OOP $7,000/$14,000; OV/UC Ded+80%; ER $100; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $7,000/$14,000; 50%; OOP $14,000/$28,000	Non-Grandfathered

Renewal Rates Effective 01/01/2023*

Red Medical Option	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	184	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,014.40	$927.45	$1,130.33
Employee + Spouse	166	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,749.43	$1,515.47	$1,865.36
Employee + Child(ren)	89	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,541.00	$1,348.73	$1,656.93
Employee + Family	227	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$2,561.92	$2,165.47	$2,677.85
Total Plan 1	**666**	**$21,212**	**$54,426**	**$1,572**	**$0**	**$0**	**$77,209**	**$1,195,760**	**$1,033,817**	**$1,272,969**

Blue Medical Option	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	38	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$993.48	$910.71	$1,109.41
Employee + Spouse	15	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,713.38	$1,486.63	$1,829.31
Employee + Child(ren)	8	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,509.26	$1,323.34	$1,625.19
Employee + Family	19	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$2,509.16	$2,123.28	$2,625.09
Total Plan 2	**80**	**$2,548**	**$6,538**	**$189**	**$0**	**$0**	**$9,274**	**$123,201**	**$107,835**	**$132,475**

White Plan	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	327	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$783.30	$742.57	$899.23
Employee + Spouse	155	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,350.89	$1,196.64	$1,466.82
Employee + Child(ren)	98	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,189.94	$1,067.88	$1,305.87
Employee + Family	402	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,978.28	$1,698.55	$2,094.21
Total Plan 3	**982**	**$31,277**	**$80,249**	**$2,318**	**$0**	**$0**	**$113,843**	**$1,377,410**	**$1,215,769**	**$1,491,253**

Renewal Rate Proposal

Name of the Group Health Plan: CITY OF CHANDLER GROUP HEALTH PLAN

Legal Name of Group: City Of Chandler

Effective Date: 01/01/2023 - 12/31/2023 | Group Number(s): 028399 | Specific SL Level: $350,000

Underwriter: Brian Cohen | Funding: 12/24 Incurred ASC with Medical and Pharmacy | Aggregate SL Level: 125%

Strategic Rel. Executive: Christie Thomas | Commission: 0.000%

Alliance 3500	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	0	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$707.48	$681.91	$823.41
Employee + Spouse	0	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,220.12	$1,092.03	$1,336.05
Employee + Child(ren)	0	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,074.75	$975.73	$1,190.68
Employee + Family	0	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,788.78	$1,545.35	$1,902.71
Total Plan 4	0	$0	$0	$0	$0	$0	$0	$0	$0	$0

CURRENT PLANS SUMMARY	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Total / Annual	1,728	$723,272	$1,401,132	$48,937	$0	$0	$2,173,340	$32,356,447	$28,058,474	$34,529,787
PEPM Basis		$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,560.40	$1,353.13	$1,665.21

RENEWAL PLANS SUMMARY	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Total / Annual	1,728	$660,442	$1,694,546	$48,937	$0	$0	$2,403,924	$32,356,447	$28,289,058	$34,760,372
PEPM Basis		$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,560.40	$1,364.25	$1,676.33

INCREASE									
	-8.69%	20.94%	0.00%	0.00%	0.00%	10.61%	0.00%	0.82%	0.67%

(1) Proposed administration assumes BCBSAZ will retain Rx Rebates. In exchange for retaining Rx Rebates, BCBSAZ has adjusted the Admin PEPM by the Rx Rebate Credit. Rx Rebate Credit (PEPM) = $31.00. In addition to the Rx Rebate Credit (PEPM), BCBSAZ is also providing a rebate share agreement based on utilization of brand name drugs eligible for rebates. Please see the assumptions for details.

(2) Premium tax is NOT included in the specific and aggregate charges.

(3) Minimum Monthly Attachment Level: **$2,426,734**

(4) Fixed Expenses = Admin Charges + Stop Loss Premium + Commission (if applicable). Exp Liab = Fixed Expenses + ICAP\Aggregate Corridor. Max Liab = Fixed Expenses + ICAP.

(5) $80,000 Misc Trust & Wellness allowance, $100,000 On-Site Wellness Consultant allowance, $5,000 Audit Allowance, and $25,000 General Fund allowance are included. See Assumptions for details.

(6) Performance Guarantee is included. Network Discount Guarantee is included. See Assumptions for details.

(7) Mayo is not included as an in-network provider.

(8) Consumer-Directed Healthcare (CDH) services were purchased and will be billed as an additional charge to the above premium rates. See the CDH rate exhibit for details.

(9) Chiropractic Capitation PMPM: $2.93. UM Services PMPM: excluded. Wellvie Fee PMPM: excluded. Value Based Services: included.

(10) Out-of-Network Shared Savings: 10% with $10,000 cap per claim.

(11) Sharecare (Basic): included. See Assumptions for details.

(12) Rx coverage through BCBSAZ: Yes. Rx applies to stop loss products: Yes.

*BCBSAZ reserves the right to adjust these premium rates retroactive to the first day of any billing month in which enrollment varies by more than fifteen percent (15%) from that listed above.

Assumption IASC-2023-028399-2

Renewal Rate Proposal

Name of the Group Health Plan: CITY OF CHANDLER GROUP HEALTH PLAN

Legal Name of Group: City Of Chandler

Effective Date: 01/01/2023 - 12/31/2023
Underwriter: Brian Cohen
Strategic Rel. Executive: Christie Thomas
Total Enrollment: 1,728
Group Has Dental: No

Group Number(s): 028399
Funding: 12/24 Incurred ASC with Medical and Pharmacy
Commission: 0.000%
Days Notice: 210
Broker: SEGAL COMPANY ARIZONA INC

Specific SL Level: $375,000
Aggregate SL Level: 125%
Current Date: 6/15/2022

CURRENT BENEFITS	Benefit Descriptions	Grandfathered Status
Red Medical Option	INET: Ded $500/$1,000; 85%; OOP $2,500/$5,000; OV $25/$40; ER $100 Ded+85%; UC $50; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,000/$2,000; 60%; OOP $5,000/$10,000	Non-Grandfathered
Blue Medical Option	INET: Ded $750/$1,500; 80%; OOP $2,750/$5,500; OV/UC Ded+80%; ER $100 Ded+80%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,750/$3,500; 50%; OOP $8,500/$13,000	Non-Grandfathered
White Plan	INET: Ded $1,750/$3,500; 85%; OOP $3,500/$7,000; OV/ER/UC Ded+85%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $5,000/$10,000; 60%; OOP $10,000/$20,000	Non-Grandfathered

Current Rates Effective 01/01/2022

Red Medical Option	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	184	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,014.40	$916.33	$1,119.21
Employee + Spouse	166	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,749.43	$1,504.35	$1,854.24
Employee + Child(ren)	89	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,541.00	$1,337.61	$1,645.81
Employee + Family	227	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$2,561.92	$2,154.35	$2,666.73
Total Plan 1	**666**	**$23,230**	**$45,002**	**$1,572**	**$0**	**$0**	**$69,803**	**$1,195,760**	**$1,026,412**	**$1,265,563**

Blue Medical Option	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	38	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$993.48	$899.59	$1,098.29
Employee + Spouse	15	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,713.38	$1,475.51	$1,818.19
Employee + Child(ren)	8	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,509.26	$1,312.22	$1,614.07
Employee + Family	19	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$2,509.16	$2,112.14	$2,613.97
Total Plan 2	**80**	**$2,790**	**$5,406**	**$189**	**$0**	**$0**	**$8,385**	**$123,201**	**$106,945**	**$131,586**

White Plan	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	327	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$783.30	$731.45	$888.11
Employee + Spouse	155	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,350.89	$1,185.52	$1,455.70
Employee + Child(ren)	98	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,189.94	$1,056.76	$1,294.75
Employee + Family	402	$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,978.28	$1,687.43	$2,083.09
Total Plan 3	**982**	**$34,252**	**$66,354**	**$2,318**	**$0**	**$0**	**$102,923**	**$1,377,410**	**$1,204,849**	**$1,480,333**

RENEWAL BENEFITS	Benefit Descriptions	Grandfathered Status
Red Medical Option	INET: Ded $500/$1,000; 85%; OOP $2,500/$5,000; OV $25/$40; ER $100 Ded+85%; UC $50; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,000/$2,000; 60%; OOP $5,000/$10,000	Non-Grandfathered
Blue Medical Option	INET: Ded $750/$1,500; 80%; OOP $2,750/$5,500; OV/UC Ded+80%; ER $100 Ded+80%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,750/$3,500; 50%; OOP $8,500/$13,000	Non-Grandfathered
White Plan	INET: Ded $1,750/$3,500; 85%; OOP $3,500/$7,000; OV/ER/UC Ded+85%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $5,000/$10,000; 60%; OOP $10,000/$20,000	Non-Grandfathered
Alliance 3500	INET: Ded $3,500/$7,000; 80%; OOP $7,000/$14,000; OV/UC Ded+80%; ER $100; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $7,000/$14,000; 50%; OOP $14,000/$28,000	Non-Grandfathered

Renewal Rates Effective 01/01/2023*

Red Medical Option	Enrollment	Admin	SSL $375K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	184	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,022.84	$927.45	$1,132.02
Employee + Spouse	166	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,757.86	$1,515.47	$1,867.04
Employee + Child(ren)	89	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,549.44	$1,348.73	$1,658.62
Employee + Family	227	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$2,570.36	$2,165.47	$2,679.54
Total Plan 1	**666**	**$21,212**	**$49,917**	**$1,585**	**$0**	**$0**	**$72,714**	**$1,291,379**	**$1,033,817**	**$1,274,093**

Blue Medical Option	Enrollment	Admin	SSL $375K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	38	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,001.91	$910.71	$1,111.09
Employee + Spouse	15	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,721.81	$1,486.63	$1,830.99
Employee + Child(ren)	8	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,517.70	$1,323.34	$1,626.88
Employee + Family	19	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$2,517.60	$2,123.26	$2,626.78
Total Plan 2	**80**	**$2,548**	**$5,996**	**$190**	**$0**	**$0**	**$8,734**	**$123,876**	**$107,835**	**$132,610**

White Plan	Enrollment	Admin	SSL $375K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	327	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$791.74	$742.57	$900.92
Employee + Spouse	155	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,359.33	$1,196.64	$1,468.51
Employee + Child(ren)	98	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,198.38	$1,067.88	$1,307.56
Employee + Family	402	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,986.71	$1,698.55	$2,095.89
Total Plan 3	**982**	**$31,277**	**$73,601**	**$2,337**	**$0**	**$0**	**$107,215**	**$1,385,694**	**$1,215,769**	**$1,492,909**

Renewal Rate Proposal

Name of the Group Health Plan: CITY OF CHANDLER GROUP HEALTH PLAN

Legal Name of Group: City Of Chandler

Effective Date: 01/01/2023 - 12/31/2023 | Group Number(s): 028399 | Specific SL Level: $375,000

Underwriter: Brian Cohen | Funding: 12/24 Incurred ASC with Medical and Pharmacy | Aggregate SL Level: 125%

Strategic Rel. Executive: Christie Thomas | Commission: 0.000%

Alliance 3500	Enrollment	Admin	SSL $375K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Employee	0	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$715.91	$681.91	$825.09
Employee + Spouse	0	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,228.56	$1,092.03	$1,337.74
Employee + Child(ren)	0	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,083.19	$975.73	$1,192.37
Employee + Family	0	$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,795.21	$1,545.35	$1,904.39
Total Plan 4	**0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

CURRENT PLANS SUMMARY	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Total / Annual	1,728	$723,272	$1,401,132	$48,937	$0	$0	$2,173,340	$32,356,447	$28,058,474	$34,529,787
PEPM Basis		$34.88	$67.57	$2.36	$0.00	$0.00	$104.81	$1,560.40	$1,353.13	$1,665.21

RENEWAL PLANS SUMMARY	Enrollment	Admin	SSL $375K	ASL 125%	Commission	Other	Fixed	ICAP	Exp Liab	Max Liab
Total / Annual	1,728	$660,442	$1,554,163	$49,352	$0	$0	$2,263,956	$32,531,385	$28,289,058	$34,795,341
PEPM Basis		$31.85	$74.95	$2.38	$0.00	$0.00	$109.18	$1,568.84	$1,364.25	$1,678.02

INCREASE									
	-8.69%	**10.92%**	**0.85%**	**0.00%**	**0.00%**	**4.17%**	**0.54%**	**0.82%**	**0.77%**

(1) Proposed administration assumes BCBSAZ will retain Rx Rebates. In exchange for retaining Rx Rebates, BCBSAZ has adjusted the Admin PEPM by the Rx Rebate Credit. Rx Rebate Credit (PEPM) = $31.00. In addition to the Rx Rebate Credit (PEPM), BCBSAZ is also providing a rebate share agreement based on utilization of brand name drugs eligible for rebates. Please see the assumptions for details.

(2) Premium tax is NOT included in the specific and aggregate charges.

(3) Minimum Monthly Attachment Level: **$2,439,854**

(4) Fixed Expenses = Admin Charges + Stop Loss Premium + Commission (if applicable). Exp Liab = Fixed Expenses + ICAP\Aggregate Corridor. Max Liab = Fixed Expenses + ICAP.

(5) $80,000 Misc Trust & Wellness allowance, $100,000 On-Site Wellness Consultant allowance, $5,000 Audit Allowance, and $25,000 General Fund allowance are included. See Assumptions for details.

(6) Performance Guarantee is included. Network Discount Guarantee is included. See Assumptions for details.

(7) Mayo is not included as an in-network provider.

(8) Consumer-Directed Healthcare (CDH) services were purchased and will be billed as an additional charge to the above premium rates. See the CDH rate exhibit for details.

(9) Chiropractic Capitation PMPM: $2.93. UM Services PMPM: excluded. Wellvie Fee PMPM: excluded. Value Based Services: included.

(10) Out-of-Network Shared Savings: 10% with $10,000 cap per claim.

(11) Sharecare (Basic): included. See Assumptions for details.

(12) Rx coverage through BCBSAZ: Yes. Rx applies to stop loss products: Yes.

*BCBSAZ reserves the right to adjust these premium rates retroactive to the first day of any billing month in which enrollment varies by more than fifteen percent (15%) from that listed above.

Assumption IASC-2023-028399-2

Consumer-Directed Healthcare Pricing

Name of the Group Health Plan: CITY OF CHANDLER GROUP HEALTH PLAN

Effective Date: 01/01/2023 - 12/31/2023

Group Number(s): 028399

Strategic Rel. Executive: Christie Thomas

Broker: SEGAL COMPANY ARIZONA INC: RACHEL MARIE CALISI

Current CDH Account Summary (Not Included in BCBSAZ Rating)		PEPM Account Fees
White Plan	Health Savings Account	$2.70

Renewal CDH Account Summary (Not Included in BCBSAZ Rating)		PEPM Account Fees
White Plan	Health Savings Account	$2.70

CDH Annual Account Setup Fee (Not Included Above)	# of Accounts	Annual Fee
Annual account setup fee is billed by CDH and is based on the total number of HRA and FSA plans.	0 - 499	$250
	500 - 2,999	$500
	3,000 +	$1,500

Employers selecting Consumer-Directed Healthcare (CDH) Account Administration (including integration), for account types; HSA, HRA, FSA, DCFSA & LPFSA, hereby direct BCBSAZ to collect the administration fees and forward the proportional fees to HealthEquity for services, along with the required personal health information. BCBSAZ collects CDH Account administration fees and is not responsible for any reconciliation, recoupment or adjustments to payments received and forwarded to on behalf of Employer.

Employer agrees to pay for charges for CDH administration services. For HSA and HRAs, these charges apply to all employees enrolled in a health plan the group has paired with a CDH account. For FSAs, those charges apply to any employee for whom an FSA election has been sent to BCBSAZ by the employer.

Blue Cross Blue Shield of Arizona (BCBSAZ) Assumptions

GENERAL

* Notwithstanding any provision of A.R.S. section 12-341.01, in any action to enforce the terms of this Agreement, the successful party, defined as the net winner considering all claims and counterclaims actually adjudicated, shall be entitled to an award of its reasonable attorney's fees and costs. The award of reasonable attorney fees shall be made to mitigate the burden of the expense of litigation to establish a just claim or a just defense. It need not equal or relate to the attorney fees actually paid or contracted, but the award may not exceed the amount paid or agreed to be paid. In a judicial action, any award of fees shall be made by the court and not by a jury.

* BCBSAZ may adjust rates if the following requirements are not met:

  Where the employer contributes 100% of the employee cost, BCBSAZ requires 100% participation of all eligible employees, excluding those with other qualifying medical coverage.

  Where the employer does not contribute 100%, BCBSAZ requires 70% of all eligible employees to participate.

  BCBSAZ requires a minimum of 50% of all full-time eligible employees in the group to be enrolled in the employer's group plan.

  Employer must contribute a minimum of 50% of the employee's health premium.

  Payroll deduction for employee contribution is required.

* Rates assume BCBSAZ is the sole medical and Rx carrier.

* Group acknowledges that it is solely responsible for determining eligibility for coverage in accordance with applicable laws and regulations under any BCBSAZ policy issued to Group. Group represents and warrants that: (1) neither it nor the Plan is a multiple employer welfare arrangement (MEWA), and (2) it will not include individuals in the Plan coverage if doing so will transform the Plan into other than a single employer sponsored group health plan.

* BCBSAZ reserves the right to re-evaluate the rates if there is a significant change in the rating assumptions (e.g. enrollment).

* BCBSAZ reserves the right to re-evaluate and change the rates if City Of Chandler adds or deletes a benefit eligible class that will have BCBSAZ medical coverage.

* BCBSAZ reserves the right to decline to provide coverage for residents of any state other than Arizona, if in BCBSAZ's sole opinion, such coverage would be inconsistent with state or federal law.

* We have not included premium tax on this account, based on the assumption that all premiums are paid with the employer's funds, and the employer is a municipality.

* Rates and coverage are contingent upon BCBSAZ's right to assess an amount against the group for late payment of any premium, fee and/or other amounts due to BCBSAZ in an amount equal to twelve percent (12%) per annum of the outstanding balance for which the payment or any portion of the payments is past due. In addition, if two (2) or more payments are received untimely by BCBSZ in any twelve month period, BCBSAZ may assess a late fee of 0.75% on the outstanding balance or any portion of the balance that is past due.

* BCBSAZ will create the Uniform Summaries of Coverage (SBC) for coverage provided by BCBSAZ. BCBSAZ will not create SBCs for any coverage the Group provides through a third-party or for health reimbursement arrangements, flexible spending accounts or health savings accounts provided by the Group. Unless directed by the Group, BCBSAZ will provide SBCs to Subscribers, as required by PPACA, except that the Group is solely responsible for delivering SBCs in accordance with PPACA: (i) to Subscribers during open enrollment; (ii) to newly eligible individuals; and (iii) to special enrollees.

* Beginning in 2015 the Affordable Care Act provides that certain large employers will be subject to a penalty if they fail to offer full-time employees and certain dependents health coverage which satisfies both a 60% minimum value standard and an affordability requirement and a full-time employee obtains a subsidy on the health insurance marketplace. Groups subject to these requirements and seeking to avoid a penalty are responsible for the ultimate determination of whether the minimum value and affordability requirements are satisfied. Using the minimum value calculator made available by HHS and the IRS, BCBSAZ estimates that the minimum value of Red Medical Option, Blue Medical Option, White Plan, Alliance 3500 plans do meet the minimum value standard. It is important that you independently review and confirm these results as they may be impacted by information not available to us (for example, benefits not provided by BCBSAZ, non-standard benefits not suited for the calculator and certain HSA contributions or HRA funds). BCBSAZ has included its conclusion(s) about minimum value in the plan(s) SBC(s) that BCBSAZ provides to Group. Any changes that Group makes to that conclusion based on Group's independent analysis will also affect the minimum value statement(s) in the SBC.

PHARMACY

* The Plan Sponsor is responsible for design of the Plan, including any modification or termination of the Plan, and retains sole and complete control to select and change the formularies for its Plan.

  If BCBSAZ receives pharmacy rebates attributable to pharmaceutical products covered under the terms of this Agreement and used by Participants of Employer's Plan, BCBSAZ will pay Employer the following amounts for brand prescriptions filled and for which BCBSAZ received a rebate:

* The Plan Sponsor is responsible for design of the Plan, including any modification or termination of the Plan, and retains sole and complete control to select and change the formularies for its Plan.

If BCBSAZ receives pharmacy rebates attributable to pharmaceutical products covered under the terms of this Agreement and used by Participants of Employer's Plan, BCBSAZ will pay Employer the following amounts for brand prescriptions filled and for which BCBSAZ received a rebate:

30 days retail - $50.00 per eligible brand script,

90 day retail - $202.50 per eligible brand script,

Mail Order Delivery - $218.75 per eligible brand script,

Specialty Home Delivery - $881.25 per eligible brand script.

Employer acknowledges that it accepts these amounts and that it and its group health plan have no right to, or legal interest in, any rebates provided by pharmaceutical manufacturers to BCBSAZ.

PBM PRICING MODEL: Pharmacy Network discounts are negotiated between BCBSAZ and our pharmacy benefit manager (PBM) over BCBSAZ's entire book of business and not on behalf of any group customer. You have selected the pass through PBM pricing model effective 1/1/2023. The pass through PBM pricing model allows you to pay the same discounted prices for prescription drugs that the PBM actually pays the pharmacies. Prices for the same drug may differ at different pharmacies. The Pass Through PBM pricing model passes on to you 100% of the specific pharmacies' network discount. However, it does not allow the PBM to lower the prices for expensive drugs by applying savings realized elsewhere. Any projected savings discussed with you that may result from this pricing are only estimates. Your actual savings may vary from these estimates.

FUNDING

* Rates assume BCBSAZ is the sole Specific and Aggregate Stop Loss carrier.

* BlueCard fees are included in the Attachment Point rate (if applicable) and are charged on the monthly invoice as a claim expense.

* The Specific Stop Loss level per person per policy year: Please refer to individual rating exhibits

* Stop Loss quotes are firm for 120 days from the date of 06/15/2022. If applicable, this includes the rate for Specific Stop Loss (SSL), the Attachment Point amounts and the fee for Aggregate Stop Loss (ASL). BCBSAZ reserves the right to revise and rerate Stop Loss quotes if the proposed Stop Loss rates are not accepted within 120 days from 06/15/2022.

* If the Group Participant with the redacted ID number xxxxxx971-01 terminates coverage under Group's plan (including ceasing any elected COBRA coverage), BCBSAZ agrees to re-rate Group's specific stop-loss premium for the remaining months of the 2023 policy period to factor in that change.

* BCBSAZ will continue to process claims incurred during the renewal term of the Agreement (January 1, 2022 - December 31, 2022) for a period of 24 months after the end of the renewal term. Stop loss coverage will apply to claims incurred during the renewal term and paid during the renewal term or within 24 months after the end of the Renewal Term. If the Agreement is terminated before December 31, 2022, the foregoing 24 month periods shall start on the effective date of the termination of the Agreement. BCBSAZ's obligations are contingent upon Employer satisfying its payment obligations.

* The group will be billed each month prospectively for the Fixed Expenses.

DISCLOSURE

* ACO fees ($2.00 PMPM – apply to Alliance enrolled members only) are included in the Attachment Point rate (if applicable) and are charged on the monthly invoice as a claim expense.

* The Alliance / PimaConnect plans are not available to employees and dependents who live or reside outside Arizona unless the employee works inside Arizona.

* Costs for covered services provided by a chiropractor to PPO, EPO, HMO and indemnity members, including an allowance for BCBSAZ to maintain this arrangement, will be paid by the Employer to BCBSAZ on a per member per month (PMPM) basis. The PMPM rate each Employer pays BCBSAZ will differ from the capitated fee BCBSAZ negotiated with the chiropractic administrator. BCBSAZ negotiated the fee that BCBSAZ pays the chiropractic administrator on the basis of BCBSAZ's entire book of business, without regard to any individual Plan. The PMPM rate BCBSAZ charges the employer is subject to change by BCBSAZ upon 60 days prior written notice. The PMPM rate for chiropractic services applicable to this Employer is $2.93 PMPM. Any difference between this amount and the amount paid to the chiropractic administrator will be reflected on the employers Form 5500 Information (if BCBSAZ provides one). The fee BCBSAZ pays may be adjusted at any time as a result of modifications to the contract between BCBSAZ and chiropractic provider. Additionally, the fee may be decreased in a given year if a set claims to capitation ratio is not achieved. Neither of these adjustments to the fee BCBSAZ pays would result in adjustment to the fee applicable to Employer.

* **Third Parties**: BCBSAZ charges a per member per month (PMPM) or other specified amount for certain services provided by third-parties which includes an allowance for BCBSAZ to maintain these arrangements. This PMPM or other amount may be different than the amount BCBSAZ pays the third-party and BCBSAZ will retain any difference as reasonable compensation for services provided. In some cases, the amount retained by BCBSAZ and received by the third-party is a percentage of the savings or recoveries generated by the third-party services. Certain of these third-party contractual arrangements may involve reconciliation processes or other adjustments which may further change the amount paid to the third-party or retained by BCBSAZ. The rate BCBSAZ charges the employer is subject to change by BCBSAZ upon 60 days prior written notice. The fee BCBSAZ pays may be adjusted at any time due to modifications of the contract between BCBSAZ and the third-party. BCBSAZ negotiates the fees it pays these third-parties on the basis of BCBSAZ's entire book of business, without regard to any individual plan.

* **BCBSAZ Value Based Programs**

Value-Based Program (VBP) is outcome-based payment arrangement and/or a coordinated care model facilitated with one or more local providers that is evaluated against cost and quality metrics/factors and is reflected in provider payment.

LOCAL - BCBSAZ pays some of its contracted medical providers an amount to manage the medical care of members diagnosed with certain medical conditions if the provider demonstrates to BCBSAZ it has satisfied BCBSAZ's criteria for effectively managing the care ("Value Based Services").
With respect to BCBSAZ group members residing and receiving Value Based Services in Arizona under a BCBSAZ value based program, BCBSAZ will estimate at the beginning of the contract year the amount BCBSAZ projects it will pay BCBSAZ's contracted providers for members who receive Value Based Services throughout the upcoming year in the form of a PMPM or PEPM charge ("PMPM Charge"). BCBSAZ will charge BCBSAZ's self-insured ("ASC") Groups via the Employer's Claims Invoice this PMPM Charge beginning January 1, 2016.

On an aggregate basis for the entire Value Based Program, the amounts used to calculate PMPM charge are fixed amounts estimated to be necessary to finance the cost of a particular Value-Based Program. Because amounts are estimates, there may be positive or negative differences based on actual experience, and such differences will be accounted for in a variance account maintained by BCBSAZ until the end of the applicable Value-Based Program payment and/or reconciliation measurement period. The amounts needed to fund a Value-Based Program may be changed before the end of the measurement period if it is determined that amounts being collected are projected to exceed the amount necessary to fund the program or if they are projected to be insufficient to fund the program.

On an aggregate basis for the entire Value Based Program, at the end of the Value-Based Program payment and/or reconciliation measurement period for these arrangements, BCBSAZ do one of the following:

a. Use any surplus in funds in the variance account to fund Value-Based Program payments or reconciliation amounts in the next measurement period.

b. Address any deficit in funds in the variance account through an adjustment to the PMPM billing amount or the reconciliation billing amount for the next measurement period.

NOTE: If an ASC Group terminates its BCBSAZ contract, that Employer will neither receive a refund nor a charge to reflect any variance between what BCBSAZ charged the Employer in Value Based Charges and what BCBSAZ paid the providers for Value Based Services.

NATIONAL - Value Based Services will also apply to your members who reside in other states/geographical locations served by other Blue Cross Blue Shield Plans. A full description of these arrangements will be described in your contract.

Inter-Plan Arrangements Fees:

BlueCard Program Fees

Access Fees:

- 2.11% in 2023 for 1,000–9,999 Blue PPO, EPO (Self-Funded Group Health Plans Only) or traditional enrolled contracts

Reduced Administrative Expense Allowances (AEAs) – To be considered for reduced fees, the Employer must exceed 1,000 PPO, EPO (Self-Funded Group Health Plans Only) or traditional enrolled Blue contracts:

- Professional - $4.00 per claim
- Institutional - $9.75 per claim
- Non-Participating Provider $3.00 per claim
- Medicare related claims $1.00 per claim
- Non-standard negotiated fees can range from either $5.48 to $15.44 per claim or $8.50 to $21.10 per contract per month depending on the negotiated arrangement and/or the health plan product.

* If Employer receives confidential information belonging to the Blue Cross Blue Shield Association or another Blue Plan (Blue Confidential Information), Employer agrees that it shall: (1) use the Blue Confidential Information strictly for the purposes for which it was disclosed, (2) not resell it or commingle it, (3) not de-aggregate it to identify BCBSAZ, another Blue Plan or another Blue Plan's members, and (4) return or destroy the Blue Confidential Information when no longer required for the purpose for which it was disclosed.

* The Employer recognizes that an impending natural disaster, natural disaster or state of emergency may disrupt access to services under this Agreement. If a disaster or emergency occurs or is imminent, the Employer authorizes BCBSAZ to make appropriate business decisions to implement and act (e.g. authorize early pharmacy refills, waive preauthorization, etc.) in accordance with the threat or risk. The Employer agrees to reimburse BCBSAZ for services provided to the Plan's Participants during this period, even if not consistent with the Benefit Plan or this Agreement.

* **Out-of-Network Shared Savings**

BCBSAZ developed and maintains a proprietary fee schedule and utilizes claim editing software to calculate the Allowed Amount. Costs for calculating the Allowed Amount for Out-of-Network Services will be paid by the Employer to BCBSAZ on a percentage of claims savings basis. The cost for this service is 10% of claims savings with $10,000 cap per claim. This cost will not be applied to Group's ASL and/or SSL. BCBSAZ has hired a third party to attempt negotiation of reimbursement and member protection from balance billing for Out-of-Network Services. When the third party negotiation is successful, BCBSAZ will pay the vendor's fees with no additional charge to the Employer.

* **Sharecare**: For certain Sharecare programs that Employer has specifically elected to purchase, BCBSAZ charges an amount per person which may be based upon employee count, member count or program participation depending on the specific program purchased. These charges will be included in the monthly claims invoice and may be different than the amount BCBSAZ pays Sharecare. BCBSAZ will retain any difference as reasonable compensation for services provided. For the Sharecare Incentive Reward Program, BCBSAZ will charge Employer the amount of the award plus any applicable administrative fees and include this charge in the monthly claims invoice. The rates BCBSAZ charges Employer for the Sharecare programs are subject to change by BCBSAZ upon 60 days' prior written notice. BCBSAZ negotiates fees with Sharecare on the basis of BCBSAZ's entire book of business, without regard to any individual plan. The one-time setup fees are built into the admin rate as a PMPM (per member per month) charge.

* **Audits**

The following provision supersedes and replaces the audit provision included in the Supplemental Terms and Conditions to Administrative Services Agreement.

During the Term, upon reasonable prior written notice to BCBSAZ and as mutually agreed upon during BCBSAZ's normal working hours, the Plan may conduct the following audits at its own cost:

- An audit of up to 50 claims as may be necessary to validate financial statements and which occurs no more than one time per calendar year; and
- An audit of the records of payments made to Providers and other data specifically related to BCBSAZ's performance under this Agreement which occurs no more than once every two calendar years.

Plan agrees that any third-party auditor used to conduct the above audits shall not be compensated on a percent of savings basis. For the number of type of audits specified above, BCBSAZ agrees to provide reasonable assistance and information to the Plan's auditors without charge. There is an additional charge for BCBSAZ's assistance with any audits approved by BCBSAZ beyond those specified. Any audit for any plan year must be both commenced and finalized by the earlier of: (a) twelve (12) months of the last day of the plan year being audited; and (b) the termination of this Agreement. BCBSAZ shall have no liability to pay the Employer or Plan any amounts as a result of any audit unless demand for payment based on such audit is received by BCBSAZ within twelve (12) months of the date the claim was paid or denied and BCBSAZ is able to recover the amount from the applicable Provider.

ALLOTMENTS

* BCBSAZ's proposal includes a Misc Trust & Wellness allowance of $80,000 for the 01/01/2023 - 12/31/2023 policy period. Any portion of the misc trust & wellness not used during the referenced policy period will be retained by BCBSAZ and applied to misc trust & wellness programs for subsequent policy period(s). Upon termination of the group contract, BCBSAZ will pay any unused portion of the misc trust & wellness allowance to Group. If group terms its contract prior to 12/31/2023, the group will be required to return a prorated amount of the disbursed funds.

* BCBSAZ's proposal includes a On-Site Wellness Consultant allowance of $100,000 for the 01/01/2023 - 12/31/2023 policy period. Any portion of the on-site wellness consultant not used during the referenced policy period will be retained by BCBSAZ and applied to on-site wellness consultant programs for subsequent policy period(s). Upon termination of the group contract, BCBSAZ will pay any unused portion of the on-site wellness consultant allowance to Group. If group terms its contract prior to 12/31/2023, the group will be required to return a prorated amount of the disbursed funds.

* BCBSAZ's proposal includes a General Fund allowance of $25,000 for the 01/01/2023 - 12/31/2023 policy period. Any portion of the general fund not used during the referenced policy period will be retained by BCBSAZ and applied to general fund programs for subsequent policy period(s). Upon termination of the group contract, BCBSAZ will pay any unused portion of the general fund allowance to Group. If group terms its contract prior to 12/31/2023, the group will be required to return a prorated amount of the disbursed funds.

* BCBSAZ's proposal includes a Audit Allowance allowance of $5,000 for the 01/01/2023 - 12/31/2023 policy period. Any portion of the audit allowance not used during the referenced policy period will be retained by BCBSAZ and applied to audit allowance programs for subsequent policy period(s). Upon termination of the group contract, BCBSAZ will pay any unused portion of the audit allowance allowance to Group. If group terms its contract prior to 12/31/2023, the group will be required to return a prorated amount of the disbursed funds.

GUARANTEES

* BCBSAZ agrees to an administrative rate guarantee for 1/1/2024 - 12/31/2030.

	PEPM	Increase	Wellness Allowance	On-site Wellness Consultant	General Fund	Audit Allowance
1/1/2024 - 12/31/2024 Net Administration Rate	$31.85	0.0%	$80,000	$100,000	$25,000	$0
1/1/2025 - 12/31/2025 Net Administration Rate	$32.81	3.0%	$80,000	$100,000	$25,000	$0
1/1/2026 - 12/31/2026 Net Administration Rate	$33.79	3.0%	$80,000	$100,000	$25,000	$0
1/1/2027 - 12/31/2027 Net Administration Rate	$34.80	3.0%	$80,000	$100,000	$25,000	$0
1/1/2028 - 12/31/2028 Net Administration Rate	$35.85	3.0%	$80,000	$100,000	$25,000	$0

1/1/2029 - 12/31/2029 Net Administration Rate	$36.92	3.0%	$80,000	$100,000	$25,000	$0
1/1/2030 - 12/31/2030 Net Administration Rate	$38.03	3.0%	$80,000	$100,000	$25,000	$0

* BCBSAZ proposal includes a Network Discount Guarantee. The Network Discount Guarantee is in place for 1/1/2023 - 12/31/2023 ONLY. Please see the Network Discount Guarantee document for details.

Exhibit B 4
Pharmacy Pricing Grid Pass Through 2023

BlueCross BlueShield Arizona

Pharmacy Discounts and Dispensing Fees

Proprietary and Confidential

2023 Pass-Through Pricing Model[1] – Broad Network		
Retail-30 Pharmacy (1-83 days' supply)—OptumRx® National Network		
	AWP Discount[2]	**Dispensing Fee**
Brand Drugs	19.30%	$0.75
Generic MAC Drugs	85.50%[3]	$0.75
Non-MAC Generic Drugs	19.30%	$0.75
Retail-90 Pharmacy (84-90 days' supply)		
	AWP Discount[2]	**Dispensing Fee**
Brand Drugs	22.60%	$0.00
Generic MAC Drugs	85.70%[3]	$0.00
Non-MAC Generic Drugs	22.60%	$0.00
Mail Order—OptumRx Home Delivery Pharmacy[4]		
	AWP Discount[2]	**Dispensing Fee**
Brand Drugs	25.75%	$0.00
Generic MAC Drugs	86.90%[3]	$0.00
Non-MAC Generic Drugs	25.75%	$0.00

Notes

1. Pharmacy discounts are presented for evaluation.
2. These discounts and the dispensing fees will be measured annually on a calendar year basis and on BCSBAZ's entire, applicable book of business. Compounds, Specialty claims, 340b claims, direct member reimbursements, coordination of benefits (COB) claims, vaccines, and claims filled outside of OptumRx's National Network are excluded from the rates stated above.
3. All average wholesale price (AWP) discounts are based on post-rollback AWP.
4. Maximum Allowable Cost (MAC) discount from AWP is offered as an effective overall generic discount (ingredient cost) and includes all MAC and non-MAC drugs, including single source generic products.
5. Brand drug AWP rates are offered as an effective overall rate. Brand drugs will be priced applying pharmacy contracted pricing rates.
6. Retail 90 discounts only apply for claims with a day supply > 83.
7. Specialty drug specific discounts are available upon request and only apply when the drug is dispensed by BCBSAZ exclusive specialty pharmacy provider—Optum Specialty.

PO Box 13466 | Phoenix, AZ 85002-3466
2444 West Las Palmaritas Drive | Phoenix, AZ 85021-4883
602-864-4400 | azblue.com

Exhibit B 5
HSA Employer and Account Holder Fees

BlueCross BlueShield Arizona

Health Savings Account (HSA) Fees

Blue Cross® Blue Shield® of Arizona (BCBSAZ) contracts with HealthEquity® to provide HSA administration services. HealthEquity has provided HSA administration services since 2004.

Service	Fee	Frequency	Paid by
Employer Fees			
Activation and set-up fee	No charge	n/a	n/a
Administration fee[1]	$2.70 per account per month (PAPM), billed by BCBSAZ	monthly	Employer
HealthEquity Visa® Health Account Card	Included	n/a	n/a
Annual Tax Reporting (1099-SA and 5498-SA)	Included	n/a	n/a
Online Contributions	Included	n/a	n/a
Excess Contribution Refund Request	$20	Per request	Employer
Manual Processing[2]	$20	Per request	Employer
Return Deposited Item	$20	Per transaction	Employer
Account Holder Fees			
Replacement Card Fee	3 free; $5 for each additional card if original is lost, stolen or damaged	Per card	Account holder
Reimbursement via Electronic Funds Transfer (EFT)	Free	n/a	n/a
Check Directed to Provider	Free	n/a	n/a
Reimbursement Check to Account Holder	$2 for paper check (note, there is no fee for EFT)	Per check	Account holder
Overdraft or Insufficient Funds	$20	Per transaction	Account holder
Paper Account Statement	$1 per monthly statement requested (no fee for electronic statements).	Monthly	Account holder
Stop Payment Request	$20	Per request	Account holder
Investment Brokerage Account Fees[3]	Free	n/a	n/a
Investment Trading Fees	No per-trade fee; see "HSA Investment Fees" for additional fees that may apply	n/a	Account holder

Exhibit C
Insurance Requirements

INSURANCE

General.

A. At the same time as execution of this Agreement, the Contractor shall furnish the City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.

B. The Contractor and any of its subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.

C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.

D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Contractor from liabilities that might arise out of the performance of the Agreement services under this Agreement by Contractor, its agents, representatives, employees, subcontractors, and the Contractor is free to purchase any additional insurance as may be determined necessary.

E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve the Contractor from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.

F. Use of Subcontractors: If any work is subcontracted in any way, the Contractor shall execute a written contract with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of the Contractor in this Agreement. The Contractor is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

Minimum Scope and Limits of Insurance. The Contractor shall provide coverage with limits of liability not less than those stated below.

A. *Commercial General Liability-Occurrence Form*. Contractor must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than $2,000,000 for each occurrence, $4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this

paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles*
Vehicle Liability: Contractor must maintain Business/Automobile Liability insurance with a limit of $1,000,000 each accident on Contractor owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

C. *Workers Compensation and Employers Liability Insurance*: Contractor must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than $1,000,000 for each accident and $1,000,000 disease for each employee.

D. *Technology Errors and Omissions Liability including Network Security and Privacy Liability*

For Contracts under $500,000

		Minimum Limits:
Per Loss	$	3,000,000
Aggregate	$	3,000,000

For Service Contracts over $500,001

		Minimum Limits:
Per Loss	$	5,000,000
Aggregate	$	5,000,000

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two years beginning at the time work under this Contract is completed.

If such insurance is maintained on an occurrence form basis, Contractor shall maintain such insurance for an additional period of one year following termination of Contract. If such insurance is maintained on a claims-made basis, Contractor shall maintain such insurance for an additional period of three years following termination of the Contract.

If Contractor contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), then Contractor shall provide proof of same.

The insurance shall provide coverage for the following risks

a. Liability arising from theft, dissemination and / or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc. information) stored or transmitted in electronic form
b. Network Security Liability arising from the unauthorized access to, use of or tampering with computer systems including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure
c. Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network or similar computer related property and the data, software, and programs thereon.

Additional Requirements:

a. The policy shall provide a waiver of subrogation

Additional Policy Provisions Required.

A. *Self-Insured Retentions or Deductibles*. Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.

1. The Contractor's insurance must contain broad form contractual liability coverage.

2. The Contractor's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by the Contractor and must not contribute to it.

3. The Contractor's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

4. Coverage provided by the Contractor must not be limited to the liability assumed under the indemnification provisions of this Agreement.

5. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by the Contractor for the City.

6. The Contractor, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of three years following completion and acceptance of the Work. The Contractor must submit a Certificate of Insurance evidencing Commercial General Liability insurance

during this three year period containing all the Agreement insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.

7. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.

B. *Insurance Cancellation During Term of Contract/Agreement.*

1. If any of the required policies expire during the life of this Contract/Agreement, the Contractor must forward renewal or replacement Certificates to the City within ten days after the renewal date containing all the required insurance provisions.

2. Each insurance policy required by the insurance provisions of this Contract/Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after 30 days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten days prior notice may be given. Such notice shall be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, the Contractor or its insurance broker shall notify the City of any cancellation, suspension, non-renewal of any insurance within seven days of receipt of insurers' notification to that effect.

A. *City as Additional Insured*. The policies are to contain, or be endorsed to contain, the following provisions:

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the Contractor including the City's general supervision of the Contractor; Products and Completed operations of the Contractor; and automobiles owned, leased, hired, or borrowed by the Contractor.

2. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Agreement.

Exhibit D
Special Conditions

NONE

Exhibit E
BCBSAZ Stop Loss Agreement

Group Contract Number 028399

PARTIES: Blue Cross and Blue Shield of Arizona, Inc. ("BCBSAZ"), an Arizona non-profit corporation and an independent licensee of the Blue Cross and Blue Shield Association, and City of Chandler (the "Contract holder"), headquartered in Arizona.

EFFECTIVE DATE: January 1, 2023

SCOPE:

☐ Medical Only

☒ Medical and Pharmacy

If there are any inconsistencies between this Agreement and any prior stop loss agreements or the Administrative Services Agreement between BCBSAZ and Contract holder, the terms and conditions of this Agreement shall control.

In consideration of the promises and the mutual covenants contained in this Agreement, BCBSAZ and Contract holder (the "Party" or "Parties" as appropriate) agree as follows:

ARTICLE I - DEFINITIONS

For purposes of this Agreement and any amendments, attachments, or schedules to this Agreement, the following words and terms have the following meanings unless the context or use clearly indicates another meaning or intent. If a term is not defined, the term shall have the same meaning as defined in the Administrative Services Agreement between the Parties.

Administrative Services Agreement (ASA): The Administrative Service Agreement entered into by BCBSAZ and Contract holder pursuant to which BCBSAZ provides administrative services to the Contract holder's Plan.

Aggregate Corridor: A specific percentage above expected claims which is set forth in the ASA.

Aggregate Stop Loss Maximum: The total amount of Payments for Covered Services beyond which Payments for Covered Services again become the financial responsibility of the Contract holder and are not the financial responsibility of BCBSAZ. Any Aggregate Stop Loss Maximum will be set forth in the ASA.

Aggregating Deductible: A one-time annual, additional amount of Payments for Covered Services which must be satisfied by Contract holder after meeting its Specific Stop Loss Limit and before BCBSAZ is obligated to make any specific stop loss coverage payment under this Stop Loss Agreement. Any Aggregating Deductible will be set forth in the ASA. Only Payments for Covered Services in excess of the Specific Stop Loss Limit apply to meeting the Aggregating Deductible.

Aggregate Stop Loss Limit (ASL): The total dollar amount of Payments for Covered Services for which Contract holder is financially responsible. BCBSAZ is financially responsible for Payments

for Covered Services in excess of the ASL according to the terms of this Agreement. For any Contract Month, the ASL shall be the greater of: (1) the Minimum Monthly Attachment Level set forth in the ASA, or (2) the product of Enrollment and ICAP Rates.

Contract Month: A calendar month within the Contract Period.

Contract Period: The term of this Stop Loss Agreement.

Covered Services: Health care services and supplies, as referenced in the scope section of this Stop Loss Agreement, rendered or delivered to Participants for which benefits are available under the Plan.

Eligible Claim Date Period. The dates during which claims for benefits provided under the terms of the Plan must be Incurred and paid in order to be covered by this Agreement.

Eligible Participants or Participants: Collectively Employees and Dependents as defined in the Plan(s) and as designated by class and coverage in the employer application.

Enrollment Units and Enrollment Categories/Tiers: Enrollment Unit shall mean each employee, with or without dependents, enrolled for coverage under the respective Plan(s). Enrollment Units are categorized for rating purposes into Enrollment Categories. Enrollment Categories/Tiers are based upon whether the employee only or the employee and dependents are enrolled. In addition, Enrollment Categories may distinguish which dependents are enrolled along with the employee. For example: employee and spouse; employee and child(ren); employee and dependent(s) (spouse and/or child(ren). Premiums and/or other cost factors are based on Enrollment Categories/Tiers.

Incurred: The date on which a supply is obtained or a service is rendered to a Participant.

Incurred Claims Attachment Point (ICAP) Rates: Expected incurred claims by Enrollment Category times the Aggregate Corridor.

Excluded Participants: Specific Participants who are either excluded entirely from this Stop Loss Agreement or who may be subject to a different Specific Stop Loss. If this applies, it will be reflected in the ASA.

Plan: Shall mean only that portion of the self-funded employee welfare benefit plan that provides for medical or medical and pharmacy benefits, as described in the scope section of this Stop Loss Agreement and as expressly set forth in the Contract holder's Benefit Plan Booklet attached to the Contract holder's ASA and administered by BCBSAZ and which is incorporated herein by reference.

Run-In Coverage: If run-in coverage applies to this Stop Loss Agreement it will be reflected in the ASA. Run-in Coverage applies to claims incurred within a specified period prior to the Effective Date of this Stop Loss Agreement, processed by a third party administrator other than BCBSAZ and paid by Contract holder within a specified period after the Effective Date of this Stop Loss Agreement and under the terms of a valid plan. The Run-In Coverage period will be expressed in the ASA as a number of months prior to the effective date of this Stop Loss Agreement in which the claims must be incurred and the number of months after the effective date of this Stop Loss Agreement in which claims must have been paid.

Run-Out Claims: Those claims for Covered Services that are incurred but unreported and/or unpaid as of the date this Agreement terminates and paid within the Run-Out Period.

Run-Out Period: Unless otherwise noted in the ASA, the Run-Out Period is twelve (12) months after the date of termination of this Stop Loss Agreement.

Specific Stop Loss Limit (SSL): The limitation of Contract holder's liability for payment for Covered Services for an Eligible Participant. The Specific Stop Loss Limit is set forth in the ASA.

Specific Stop Loss Maximum: The total dollar amount of Payments for Covered Services beyond which Payments for Covered Services for a Participant again become the financial responsibility of the Contract holder and are not the financial responsibility of BCBSAZ. The Specific Stop Loss Maximum is set forth in the ASA.

ARTICLE II -- REIMBURSEMENT

1. **Reimbursement**. BCBSAZ agrees to credit Contract holder as follows.

   a. **Aggregate:** If Aggregate Stop Loss applies, BCBSAZ will credit Contract holder, subject to the terms and conditions of this Agreement and any applicable Aggregate Stop Loss Maximum reflected in the ASA, if Contract holder's Payments for Covered Services for Eligible Participants for the applicable Contract Period exceed the ASL.

   b. **Specific:** If Specific Stop Loss applies, BCBSAZ will credit Contract holder, subject to the terms and conditions of this Agreement and any applicable Specific Stop Loss Maximum reflected in the ASA, if Contract holder's Payments for Covered Services for a specific Eligible Participant exceed the SSL and the Aggregating Deductible. In the event that the Specific Stop Loss Limit is reached, no amount in excess of the Specific Stop Loss Limit shall be applied towards attainment of any Aggregate Stop Loss Limit.

   Certain payments may be excluded from the aggregate and specific stop loss coverage provided in this Agreement. These exclusions are set forth in Section 4 below. In addition, the calculation and payment of any reimbursement amounts is subject to the limitations on coverage and other conditions set forth in this Agreement.

2. **Run-In Coverage.** inclusion of Run-In Coverage claims in the calculation of the Contract holder's ASL and SSL is conditioned upon Contract holder providing BCBSAZ, by the first day of each month, an Excel report of the claims which were incurred within the specified period but not paid by or on behalf of Contract holder prior to the effective date of this Stop Loss Agreement. The report shall include the following fields: employee Social Security Number, employee first and last name, patient first and last name, patient date of birth, incurred dates of service, paid date, paid amount. Any claims report received after the first day of the month will be allocated to the following month's reimbursement calculation. Contract holder is solely responsible for the costs of any reports that are required to validate run-in claim amounts.

3. **Application of Payments for Covered Services; Run-Out Coverage**. Payments for Covered Services incurred within a Contract Year and paid within that Contract Year or

within twelve (12) months following the close of that Contract Year shall be considered to be incurred during that Contract Year. Payments for Covered Services incurred during the Contract Year but paid more than twelve (12) months after the close of that Contract Year shall be considered to be incurred in the subsequent Contract Year. If there is no subsequent Contract Year, then Payments for Covered Services incurred within the final Contract Year and paid within the Run-Out Period shall be considered to be incurred during the final Contract Year. Payments that are incurred in one Contract Year will not count towards attainment of any stop loss limits under a subsequent Contract Year.

4. **Payments Excluded from Contract holder's ASL and SSL:** The following payments are excluded from coverage under this Agreement and will not be applied to Contract holder's ASL and/or SSL:

   a. Any payments for persons other than Eligible Participants or payments for Eligible Participants for services that are not Covered Services or otherwise outside of the terms and conditions of Contract holder's Plan as described in the Plan's Summary Plan Description, including but not limited to claims that are covered by another contract;

   b. Payments made by the Contract holder for an individual who is an Excluded Participant, excluding them from the Stop Loss Agreement.

   c. Payments made by the Contract holder for which there has been or will be reimbursement by any other third party (including amounts described in Article II.11 below);

   d. Payments Incurred after the termination of this Agreement;

   e. Payments for which BCBSAZ has otherwise reimbursed the Contract holder.

5. **Monthly Enrollment Units**. Monthly Enrollment Units maybe retroactively adjusted (up to 12 months after the reporting month) to reflect the appropriate enrollment within each Enrollment Category. Retroactive adjustments include, but are not limited to, additions and terminations reported to BCBSAZ subsequent to any reporting month.

6. **Claims Processed by Other Benefit Administrators**. If an entity other than BCBSAZ is acting as a benefit administrator, Contract holder, or the Benefit Administrator, must submit a claim for reimbursement to BCBSAZ by the earlier of: (a) ninety (90) days after the date of service; or (b) thirty (30) days after the date the health care provider submits the claim to the Contract holder or Benefit Administrator. Notwithstanding the foregoing, BCBSAZ shall have no liability to pay or reimburse for any claim submitted to BCBSAZ by Contract holder or Benefit Administrator later than one (1) year after the effective date of termination of this Agreement. Contract holder, or the Benefit Administrator, must provide BCBSAZ with such information BCBSAZ may reasonably request to support such claim, including proof of payment.

7. **Determination**. BCBSAZ shall make a determination as to the validity of a claim for reimbursement under this Stop Loss Agreement within thirty (30) days of receipt of such

claim.

8. **Reconsideration**. Upon written request, BCBSAZ may reconsider its original determination. A written request for reconsideration must be filed with BCBSAZ within sixty (60) days following the date the first disallowance or payment notice is mailed. Additional documentation in support thereof must accompany the request, if appropriate. Failure to timely request reconsideration shall waive the Contract holder's right to reconsideration under this Agreement. BCBSAZ will review the request for reconsideration and will notify Contract holder, or the Benefit Administrator, as the case may be, of its decision in writing within sixty (60) days following receipt of the request for reconsideration.

9. **Contested Claims**. Where any payment is approved in relation to a contested claim, BCBSAZ shall determine, on the basis of the date on which payment is actually made, whether such payment or any portion of it is an obligation of the Contract holder or an obligation of BCBSAZ under the terms of this Agreement. Benefit payments made in accordance with the terms of any judgment or settlement shall be considered benefits paid to Eligible Participants under the Plan during the period in which such judgment or settlement is satisfied, whether paid during the term of this Agreement or following the termination of this Agreement.

10. **Subrogation**. If Contract holder receives any reimbursement from any third party for payment for Covered Services, BCBSAZ shall be entitled to recover such amounts to the extent that BCBSAZ has reimbursed the Contract holder for those regardless of whether or not such reimbursement is received during the year in which the respective payments are incurred and whether or not such reimbursement is received during the term of this Agreement or after the termination of this Agreement. Contract holder agrees to cooperate to assure BCBSAZ's right to recover.

ARTICLE III – STOP LOSS PREMIUMS

1. **Premium Payments**. Contract holder shall pay BCBSAZ such premiums and other fees, taxes and charges ("Fees and Charges") as set forth in ASA. BCBSAZ will invoice the Contract holder for such Fees and Charges which are due and payable on the first (1st) day of each calendar month or as otherwise stated in the BCBSAZ invoice. Any amounts not timely paid within the applicable time period shall accrue interest at the rate of one percent (1%) per month until paid in full.

2. **Grace Period**. This Stop Loss Agreement has a grace period of thirty-one (31) days. During the grace period, the Stop Loss Agreement shall remain in force provided that the premium is paid before the end of the grace period. If, by the last day of the applicable grace period, Contract holder fails to pay the premiums which are due, the Stop Loss Agreement will terminate without further notice as of midnight on the last day for which premiums were paid and Run-Out Coverage, if any, will not apply. In such case, Contract holder shall be liable for all Covered Services rendered to Eligible Participants during and after the grace period, and the Contract holder agrees to hold BCBSAZ harmless from all costs therefor.

3. **Rate Changes**: Additionally, BCBSAZ may change Contract holder's premium or premium rates upon the occurrence of one or more of the following events:

a. A modification of the terms of this Agreement; or
b. As of the date BCBSAZ accepts modifications to Contract holder's Plan; or
c. A change in Contract holder's contribution (percentage or dollar amount); or
d. A change in the total number of Participants resulting in either an increase or decrease of 10% or more of the number of Participants that were enrolled for coverage on the date the stop loss premium was last modified; or
e. If federal or state law affecting premium payments, benefits, administrative procedures, or other aspects of this Agreement are amended. The effective date of such change shall depend upon the nature of the change in law; or
f. As otherwise specifically stated in this Agreement.

4. **Taxes**. BCBSAZ specifically reserves the right to recover from Contract holder any premium tax deficiencies, which may be assessed against BCBSAZ with respect to prior periods of coverage under this Agreement, whether such deficiencies are assessed during the term of this Agreement or following its termination.

5. **Self-Insured Plan Status**. This Agreement shall in no event be construed in a manner to alter the fact that Contract holder's Plan is a self-insured plan and, as such, is not subject to the state insurance laws or regulations, due to the application of Section 514(a) of ERISA. Any payments made under this Agreement shall only be for the benefit of Contract holder. BCBSAZ has no obligation or liability under this Agreement to provide benefits to Eligible Participants. No Eligible Participant shall have the right to any of the proceeds of any stop loss insurance obtained by Contract holder pursuant to this Agreement.

ARTICLE IV- CONTRIBUTION; PARTICIPATION

1. Contract holder agrees to contribute at least seventy-five percent (75%) of the cost for all Eligible Participants for employee only coverage and fifty percent (50%) of the total cost for all Eligible Participants for family coverage.

2. If Contract holder contributes one hundred percent (100%) of the cost for Eligible Participants, all employees eligible for coverage under the Plan and this Agreement must be enrolled.

3. If Contract holder contributes less than one hundred percent (100%) of the cost for Eligible Participants, at least seventy-five percent (75%) of all employees eligible for coverage under the Plan and this Agreement must be enrolled. Those employees eligible for coverage under the Plan and this Agreement who are covered under their spouse's group health plan, Medicare, Arizona Health Care Cost Containment System (AHCCCS), Tricare or Indian Health Services shall not be considered for purposes of determining whether Contract holder has satisfied this seventy-five percent (75%) requirement. In any event, at least one hundred (100) Eligible Participants must be enrolled on the effective date of this Agreement.

4. Contract holder agrees to comply with such other contribution and participation requirements as shall be mutually agreed upon by the Parties from time to time. Such requirements shall become effective no sooner than sixty (60) days after BCBSAZ has given written notice to the Contract holder.

ARTICLE V- RENEWAL AND TERMINATION

1. **Term; Renewal**. The Term of this Stop Loss Agreement shall match the term of the ASA. If Contract holder desires, and BCBSAZ is willing, to renew this Stop Loss Agreement at time of renewal of the ASA, the parties shall execute an ASA Amendment which will set forth renewal terms for both the ASA and this Stop Loss Agreement. If Stop Loss terms are not included in an ASA Amendment, this Stop Loss Agreement shall terminate at the end of the immediate Term.

2. **Termination**. This Agreement may be terminated as follows:

   a. Either Party may terminate this Agreement at any time in the event of a material breach of this Agreement by the other, but only if said breach is not cured within thirty (30) days after written notice to the breaching Party.

   b. BCBSAZ may terminate this Agreement upon the occurrence of any of the following:

      i. Failure by the Contract holder to pay when due the Fees and Charges.

      ii. Upon five (5) days' prior written notice of failure by the Contract holder to provide funds necessary to satisfy its liability for Payments made for Covered Services, as provided in the Contract holder's ASA.

      iii. The sale, exchange or transfer of: (i) all or substantially all of the assets of Contract holder to a third party, (ii) more than twenty-five percent (25%) of the outstanding stock in Contract holder, or (iii) controlling interest in Contract holder, whichever is less.

      iv. Insolvency, appointment of a receiver or a trustee for Contract holder, assignment for the benefit of creditors by Contract holder, or the commencement of any proceedings under bankruptcy or insolvency laws by or against Contract holder that continues for sixty (60) days, or the attachment, levy or other seizure by legal process of any substantial part of the assets of Contract holder, and such attachment, levy or seizure is not quashed, stayed or released within sixty (60) days of its occurrence.

      v. Default by Contract holder under any other agreement with BCBSAZ.

      vi. Fraud or misrepresentation by the Contract holder. In the event of fraud or misrepresentation by Contract holder, BCBSAZ also shall have the rights set forth in Article VI.4.

      vii. Changes to the Plan which are not acceptable to BCBSAZ.

   c. This Agreement will terminate automatically upon the occurrence of any of the following:

      i. Termination of the Plan in its entirety.

ii. The enactment of any law or the promulgation of any regulation that makes it illegal to continue this Agreement or for BCBSAZ to perform any of the services required under this Agreement.

iii. The termination of the Contract holder's ASA.

d. After this Agreement has been in effect for twelve (12) months, either Party may terminate this Agreement at any time, without cause, as of the last day of any calendar month by giving thirty (30) days' prior written notice to the other Party.

e. Upon termination of this Agreement, the Parties shall have only those continuing duties of performance as provided herein; except that, upon completion of its performance under this Agreement, BCBSAZ shall cause the orderly transfer of records, if any, from BCBSAZ to the Contract holder or its designee in a time frame mutually agreed upon, but not to exceed six (6) months from the date of termination.

The Contract holder agrees to reimburse BCBSAZ for any and all amounts BCBSAZ is required to pay pursuant to an applicable grievance and/or appeals process regardless of whether BCBSAZ is still administering claims for the Contract holder at the time the appeal is conducted. The Contract holder also agrees to reimburse BCBSAZ for any and all amounts which the Centers for Medicare & Medicaid Services (CMS) or any other government agency requires BCBSAZ to pay because Medicare was not required to pay as primary, regardless of whether BCBSAZ is administering claims for the Contract holder at the time CMS makes such determination.

If the term of this Agreement is less than twelve (12) months, the Contract holder's ASL and SSL will be annualized to reflect a complete twelve (12) month contract year.

ARTICLE VI - GENERAL PROVISIONS

1. **Records and Review**. Contract holder will maintain appropriate records demonstrating its compliance with the requirements of this Stop Loss Agreement and which may be necessary to determine when Contract holder's ASL and SSL have been satisfied. Contract holder agrees to furnish these records to BCBSAZ upon request.

2. **Audit**. Upon reasonable prior written notice, BCBSAZ shall have the right to inspect and audit all records and procedures of Contractor and, if applicable, Benefits Administrator, that are applicable to the administration of this Agreement.

3. **Modifications to Plan**. Contract holder shall notify BCBSAZ immediately regarding any modification of the Plan(s), as described in the Contract holder's Summary Plan Description, that impact this Agreement, or of the termination of the Plan. No modification shall be binding upon BCBSAZ until accepted by BCBSAZ in writing.

4. **Misrepresentation; Concealment; Omission**. BCBSAZ has relied on information provided by Contract holder in entering into this Agreement. In the event of any misrepresentation, concealment or omission, intentional or not, which materially affects the underwriting, premium or terms of this Agreement, BCBSAZ may: (i) retroactively

modify the terms of the Agreement, including, without limitation, increasing premium rates, SSL and ASL, or (ii) terminate this Agreement. If Contract holder willfully or intentionally misrepresented or omitted material information, BCBSAZ may elect to declare this Stop Loss Agreement null and void.

5. **Indemnification**. Each Party shall indemnify, hold harmless and defend the other Party, its directors, officers, elected officials, employees, or agents from and against any and all actions, causes of action, suits, judgments, settlements, claims, losses, damages, liabilities, penalties, costs, and/or expenses arising out of or resulting from its own breach of this Stop Loss Agreement or negligent acts or omissions with respect to its obligations under the terms of this Stop Loss Agreement.

6. **Legal Action**. Contract holder agrees that it shall not file suit until sixty (60) days after the date upon which the Contract holder, or the Benefit Administrator, submits proof of claim and satisfaction of applicable ASL and SSL as required under this Agreement. Contract holder cannot file suit more than three (3) years after the date on which it must give BCBSAZ proof of loss.

7. **Legal Fees**. Notwithstanding any provision of A.R.S. section 12-341.01, in any action to enforce the terms of this Agreement, the successful party, defined as the net winner considering all claims and counterclaims actually adjudicated, shall be entitled to an award of its reasonable attorneys' fees and costs. The award of reasonable attorney fees shall be made to mitigate the burden of the expense of litigation to establish a just claim or a just defense. It need not equal or relate to the attorney fees actually paid or contracted, but the award may not exceed the amount paid or agreed to be paid. In a judicial action, any award of fees shall be made by the court and not by a jury.

8. **Offset**. BCBSAZ may offset payments due to Contract holder under this Agreement against claims overpayments, unpaid premiums or other amounts owed by Contract holder.

9. **Confidentiality**. Contract holder shall, and shall cause its principals and agents, (including, but not limited to, the Benefit Administrator), to maintain the confidentiality of all proprietary information with respect to BCBSAZ acquired during the term of this Agreement. Such proprietary information shall not be divulged, disclosed or otherwise made available to anyone not a Party to this Agreement without BCBSAZ's prior written consent, nor shall such proprietary information be used to the detriment of BCBSAZ.

10. **Governing Law; Venue; Arbitration.** The laws of the United States and the State of Arizona (without regard to conflict of law provisions) govern all matters relating to this Agreement. The federal or state courts located in Phoenix, Arizona, are the exclusive venue for resolution of any dispute, controversy or claim arising out of or relating to this Agreement, and the parties consent to the exclusive jurisdiction and venue of such courts. Provided however, BCBSAZ, in its sole discretion, may elect to submit this matter to binding arbitration before a single arbitrator in accordance with the American Health Lawyer Association's Commercial Rules of Procedure.

11. **Prevailing Terms**. During the term of this Agreement, in the event that the terms of this Agreement are inconsistent with the terms of the respective Plan(s), as described in the Contract holder's Summary Plan Description, the terms of this Agreement shall prevail.

12. **Waiver; Severability**. No failure or delay by either party in exercising any right, power or remedy under this Agreement, except as specifically provided herein, will be deemed as a waiver of any such right, power, or remedy. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force and effect if the essential provisions of this Agreement for each party remain valid, legal, and enforceable.

13. **Notices**. Any notices permitted or required to be given under this Agreement must be in writing and will be deemed validly given upon delivery if: (a) personally delivered with service fees prepaid, or (b) delivered with fees prepaid by reputable overnight courier that provides proof of delivery. All notices to a Party will be sent to its address set forth in the ASA, or to another address as may be designated by written notice to the sending Party. Notice to the Broker/Agent/Consultant designated in the Administrative Services Agreement shall constitute notice to the Contract holder.

14. **Use of Tradename**. Each Party expressly agrees not to use the corporate name or any tradename, trademark or service mark of the other Party in any advertising, publications, press releases, brochures or other public communications without the prior written consent of the other Party.

15. **Entire Agreement**. The entire agreement between Contract holder and BCBSAZ shall consist of this Stop Loss Agreement, the ASA and any ASA Amendment. No other promises, terms, conditions or representations will be valid or binding.

16. **Amendment**. Except as otherwise specifically provided under this Agreement, this Agreement may be altered, amended or modified only in writing upon the mutual written consent of the Parties. BCBSAZ, however, specifically reserves the right to alter, amend or modify this Agreement and/or its performance under this Agreement: (i) as may be required by applicable state and/or federal law; (ii) as may be necessitated by the terms and conditions of various participation agreements with Providers; and (iii) upon the occurrence of an event described in Article III, Paragraph 3.

17. **Assignment**. Contract holder may not assign its rights or interest in this Agreement to any other party.

18. **Blue Cross and Blue Shield Association**. Contract holder acknowledges and agrees that: (i) This Agreement is a contract solely between Contract holder and BCBSAZ, which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, (the "Association") permitting BCBSAZ to use the Blue Cross and Blue Shield Service Marks in the State of Arizona; (ii) BCBSAZ is not contracting as the agent of the Association; (iii) Contract holder has not entered into this Agreement based on any representations by the Association, or any Blue Cross or Blue Shield plan other than BCBSAZ; and (iv) Contract holder shall not seek to hold the Association or any other Blue Cross or Blue Shield plan accountable or liable to Contract holder for any of BCBSAZ's obligations to the Contract holder or Participants created under this Agreement. This Paragraph shall not create any additional obligations whatsoever on the part of BCBSAZ other than those obligations created under other provisions of this Agreement.

19. **Survival**. Any term that reasonably should survive termination of this Agreement is deemed to survive termination of this Agreement.

Intending to be legally bound, the Parties have executed this Agreement as of its Effective Date.

BLUE CROSS AND BLUE SHIELD OF ARIZONA, INC.	**CITY OF CHANDLER**
By: Michael Groeger	By: _____
Print Name: Michael Groeger	Print Name: _____
Title: Vice President, Commercial Sales	Title: _____
Date: 10/15/2022	Date: _____

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

By: _____
City Clerk

Exhibit F
BCBSAZ Administrative Services Agreement

Administrative Service Agreement Amendment (ASA Amendment)

BlueCross BlueShield Arizona

(If the Employer has purchased BCBSAZ stop loss coverage, this ASA Amendment amends Exhibit C and Exhibit C-1 of the Maximum Aggregate and Specific Liability Agreement. If the Employer has NOT purchased BCBSAZ stop loss coverage, this ASA Amendment amends the ASA.)

Name of the Group Health Plan: CITY OF CHANDLER GROUP HEALTH PLAN

Legal Name of Group: City Of Chandler

Effective Date: 01/01/2023 - 12/31/2023 | Group Number(s): 028399 | Current Date: 9/26/2022

Strategic Rel. Executive: Christie Thomas | Funding: 12/24 Incurred ASC with Medical and Pharmacy | Days Notice: 210

Underwriter: Brian Cohen | Total Enrollment: 1,728 | Specific Stop Loss Limit: $350,000

Broker: SEGAL COMPANY ARIZONA INC: RACHEL MARIE CALISI | Aggregate Stop Loss Limit: 125%

Commission: 0.000% | Commission (% of Billed Rate): 0.000%

SOLD BENEFITS	Benefit Descriptions	Grandfathered Status
Red Medical Option	INET: Ded $500/$1,000; 85%; OOP $2,500/$5,000; OV $25/$40; ER $100 Ded+85%; UC $50; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,000/$2,000; 60%; OOP $5,000/$10,000	N: Non-Grandfathered
Blue Medical Option	INET: Ded $750/$1,500; 80%; OOP $2,750/$5,500; OV/UC Ded+80%; ER $100 Ded+80%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $1,750/$3,500; 50%; OOP $6,500/$13,000	N: Non-Grandfathered
White Plan	INET: Ded $1,750/$3,500; 85%; OOP $3,500/$7,000; OV/ER/UC Ded+85%; Rx $10/$30/$50/$100 2x MOD; ONET: Ded $5,000/$10,000; 60%; OOP $10,000/$20,000	N: Non-Grandfathered

Sold Rates Effective 01/01/2023

Red Medical Option	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed Cost	ICAP	Exp Liab	Max Liab
Employee	184	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,014.40	$927.45	$1,130.33
Employee + Spouse	166	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,749.43	$1,515.47	$1,865.36
Employee + Child(ren)	89	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,541.00	$1,348.73	$1,656.93
Employee + Family	227	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$2,561.92	$2,165.47	$2,677.85
Total Plan 1	**666**	**$21,212**	**$54,426**	**$1,572**	**$0**	**$0**	**$77,209**	**$1,195,760**	**$1,033,817**	**$1,272,969**

Blue Medical Option	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed Cost	ICAP	Exp Liab	Max Liab
Employee	38	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$993.48	$910.71	$1,109.41
Employee + Spouse	15	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,713.38	$1,486.63	$1,829.31
Employee + Child(ren)	8	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,509.26	$1,323.34	$1,625.19
Employee + Family	19	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$2,509.16	$2,123.26	$2,625.09
Total Plan 2	**80**	**$2,548**	**$6,538**	**$189**	**$0**	**$0**	**$9,274**	**$123,201**	**$107,835**	**$132,475**

White Plan	Enrollment	Admin	SSL $350K	ASL 125%	Commission	Other	Fixed Cost	ICAP	Exp Liab	Max Liab
Employee	327	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$783.30	$742.57	$899.23
Employee + Spouse	155	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,350.89	$1,196.64	$1,466.82
Employee + Child(ren)	98	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,189.94	$1,067.88	$1,305.87
Employee + Family	402	$31.85	$81.72	$2.36	$0.00	$0.00	$115.93	$1,978.28	$1,698.55	$2,094.21
Total Plan 3	**982**	**$31,277**	**$80,249**	**$2,318**	**$0**	**$0**	**$113,843**	**$1,377,410**	**$1,215,769**	**$1,491,253**

Sold CDH Account Pricing PEPM (Not Included Above)		PEPM Account Fee
White Plan	Health Savings Account	$2.70

CDH Annual Account Setup Fee (Not Included Above)	# of Accounts	Annual Fee
Annual account setup fee is billed by CDH and is based on the total number of HRA and FSA plans.	0 - 499	$250
	500 - 2,999	$500
	3,000 +	$1,500

Employers selecting Consumer-Directed Healthcare (CDH) Account Administration (including integration), for account types; HSA, HRA, FSA, DCFSA & LPFSA, hereby direct BCBSAZ to collect the administration fees and forward the proportional fees to HealthEquity for services, along with the required personal health information. BCBSAZ collects CDH Account administration fees and is not responsible for any reconciliation, recoupment or adjustments to payments received and forwarded to on behalf of Employer.

Employer agrees to pay for charges for CDH administration services. For HSA and HRAs, these charges apply to all employees enrolled in a health plan the group has paired with a CDH account. For FSAs, those charges apply to any employee for whom an FSA election has been sent to BCBSAZ by the employer.

Sharecare Account Summary	Effective Date	Non-Enrollees	Monthly PEPM Fees: Employee	EE + Spouse	EE + Child(ren)	EE + Family	One-Time Fee / Non-Enrollees
Basic	1/1/2023	No	$0.00	$0.00	$0.00	$0.00	$0

Proposed administration assumes BCBSAZ will provide per script Rx Rebates and will adjust the Admin PEPM by the Rx Rebate Credit. Rx Rebate Credit (PEPM) = $31.00.

Premium tax is NOT included in the specific and aggregate charges.

Minimum Monthly Attachment Level: $2,426,734.

Fixed Expenses = Admin Charges + Stop Loss Premium + Commission (if applicable). Exp Liab = Fixed Expenses + ICAP/Aggregate Corridor. Max Liab = Fixed Expenses + ICAP.

$80,000 Misc Trust & Wellness allowance, $100,000 On-Site Wellness Consultant allowance, $25,000 General Fund allowance, and $5,000 Audit Allowance allowance are included. See Assumptions for details.

Administrative rate guarantee is included. Performance Guarantee is included. Network Discount Guarantee and Claim Target Guarantee is included. See Assumptions and exhibits for details.

Administrative Service Agreement Amendment (ASA Amendment)

BlueCross BlueShield Arizona

(If the Employer has purchased BCBSAZ stop loss coverage, this ASA Amendment amends Exhibit C and Exhibit C-1 of the Maximum Aggregate and Specific Liability Agreement. If the Employer has NOT purchased BCBSAZ stop loss coverage, this ASA Amendment amends the ASA.)

Name of the Group Health Plan: CITY OF CHANDLER GROUP HEALTH PLAN

Legal Name of Group: City Of Chandler

Effective Date: 01/01/2023 - 12/31/2023	Group Number(s): 028399	Current Date: 9/26/2022
Strategic Rel. Executive: Christie Thomas	Funding: 12/24 Incurred ASC with Medical and Pharmacy	Days Notice: 210
Underwriter: Brian Cohen	Total Enrollment: 1,728	Specific Stop Loss Limit: $350,000
Broker: SEGAL COMPANY ARIZONA INC: RACHEL MARIE CALISI		Aggregate Stop Loss Limit: 125%
Commission: 0.000%	Commission (% of Billed Rate): 0.000%	

Mayo is not included as an in-network provider.

Consumer-Directed Healthcare (CDH) services were purchased and will be billed as an additional charge to the above premium rates. See the CDH rate exhibit for details.

Chiropractic Capitation PMPM: $2.93. UM Services PMPM: excluded. Value Based Services: included.

Out-of-Network Shared Savings: 10% with $10,000 cap per claim.

Sharecare (Basic): included. See Assumptions for details.

Rx coverage through BCBSAZ: Yes. Rx applies to stop loss products: Yes.

Subrogation: Included.

All information from the exhibit Assumptions IASC-2023-028399-7, Attachment B, Administrative Summary, Guarantees and Disclosure of 'Eligible Indirect Compensation' (Exhibit 1) are incorporated herein by reference.Employer acknowledges electronic receipt of the Uniform Summaries of Benefits and Coverage (SBCs) for plans selected and the SBCs are incorporated herein by reference. As of the effective date on page 1, this amends and is made part of Employer's Administrative Service Agreement (ASA) with BCBSAZ. All provisions in the ASA not modified by this Amendment remain in full force and effect.

BCBSAZ reserves the right to adjust these premium rates retroactive to the first day of any billing month in which enrollment varies by more than fifteen percent (15%) from that listed above.

The ACA prohibits waiting periods in excess of 90 days. By signing below you represent that you do not impose a waiting period which is longer than 90 days and that you have made all necessary changes to bring all waiting periods for your plan into compliance with the ACA requirements. You agree to promptly advise BCBSAZ of any change which may impact the accuracy of this representation. You agree to provide BCBSAZ with timely and accurate information regarding enrollee effective dates and shall ensure such effective dates comply with applicable laws.

This Rate Acceptance Form must be signed and returned prior to BCBSAZ issuing ID Cards. The Agreement will terminate if this Amendment is not signed and returned prior to the end of your current term. If any information on this Form is inaccurate, please provide the correct information on this Form.

BCBSAZ Representative	Date	Group Representative Signature	Group Representative Title	Date
	9/26/2022			

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

By: _____
City Clerk

City Of Chandler

Group Number(s): 028399

Renewal Period: 01/01/2023 - 12/31/2023 Assumption: IASC-2023-028399-2

BlueCross BlueShield Arizona

Blue Cross Blue Shield of Arizona (BCBSAZ) Assumptions

GENERAL

* Notwithstanding any provision of A.R.S. section 12-341.01, in any action to enforce the terms of this Agreement, the successful party, defined as the net winner considering all claims and counterclaims actually adjudicated, shall be entitled to an award of its reasonable attorney's fees and costs. The award of reasonable attorney fees shall be made to mitigate the burden of the expense of litigation to establish a just claim or a just defense. It need not equal or relate to the attorney fees actually paid or contracted, but the award may not exceed the amount paid or agreed to be paid. In a judicial action, any award of fees shall be made by the court and not by a jury.

* BCBSAZ may adjust rates if the following requirements are not met:

  Where the employer contributes 100% of the employee cost, BCBSAZ requires 100% participation of all eligible employees, excluding those with other qualifying medical coverage.

  Where the employer does not contribute 100%, BCBSAZ requires 70% of all eligible employees to participate.

  BCBSAZ requires a minimum of 50% of all full-time eligible employees in the group to be enrolled in the employer's group plan.

  Employer must contribute a minimum of 50% of the employee's health premium.

  Payroll deduction for employee contribution is required.

* Rates assume BCBSAZ is the sole medical and Rx carrier.

* Group acknowledges that it is solely responsible for determining eligibility for coverage in accordance with applicable laws and regulations under any BCBSAZ policy issued to Group. Group represents and warrants that: (1) neither it nor the Plan is a multiple employer welfare arrangement (MEWA), and (2) it will not include individuals in the Plan coverage if doing so will transform the Plan into other than a single employer sponsored group health plan.

* BCBSAZ reserves the right to re-evaluate the rates if there is a significant change in the rating assumptions (e.g. enrollment).

* BCBSAZ reserves the right to re-evaluate and change the rates if City Of Chandler adds or deletes a benefit eligible class that will have BCBSAZ medical coverage.

* BCBSAZ reserves the right to decline to provide coverage for residents of any state other than Arizona, if in BCBSAZ's sole opinion, such coverage would be inconsistent with state or federal law.

* We have not included premium tax on this account, based on the assumption that all premiums are paid with the employer's funds, and the employer is a municipality.

* Rates and coverage are contingent upon BCBSAZ's right to assess an amount against the group for late payment of any premium, fee and/or other amounts due to BCBSAZ in an amount equal to twelve percent (12%) per annum of the outstanding balance for which the payment or any portion of the payments is past due. In addition, if two (2) or more payments are received untimely by BCBSZ in any twelve month period, BCBSAZ may assess a late fee of 0.75% on the outstanding balance or any portion of the balance that is past due.

* BCBSAZ will create the Uniform Summaries of Coverage (SBC) for coverage provided by BCBSAZ. BCBSAZ will not create SBCs for any coverage the Group provides through a third-party or for health reimbursement arrangements, flexible spending accounts or health savings accounts provided by the Group. Unless directed by the Group, BCBSAZ will provide SBCs to Subscribers, as required by PPACA, except that the Group is solely responsible for delivering SBCs in accordance with PPACA: (i) to Subscribers during open enrollment; (ii) to newly eligible individuals; and (iii) to special enrollees.

* Beginning in 2015 the Affordable Care Act provides that certain large employers will be subject to a penalty if they fail to offer full-time employees and certain dependents health coverage which satisfies both a 60% minimum value standard and an affordability requirement and a full-time employee obtains a subsidy on the health insurance marketplace. Groups subject to these requirements and seeking to avoid a penalty are responsible for the ultimate determination of whether the minimum value and affordability requirements are satisfied. Using the minimum value calculator made available by HHS and the IRS, BCBSAZ estimates that the minimum value of Red Medical Option, Blue Medical Option, White plans do meet the minimum value standard. It is important that you independently review and confirm these results as they may be impacted by information not available to us (for example, benefits not provided by BCBSAZ, non-standard benefits not suited for the calculator and certain HSA contributions or HRA funds). BCBSAZ has included its conclusion(s) about minimum value in the plan(s) SBC(s) that BCBSAZ provides to Group. Any changes that Group makes to that conclusion based on Group's independent analysis will also affect the minimum value statement(s) in the SBC.

PHARMACY

* The Plan Sponsor is responsible for design of the Plan, including any modification or termination of the Plan, and retains sole and complete control to select and change the formularies for its Plan.

  If BCBSAZ receives pharmacy rebates attributable to pharmaceutical products covered under the terms of this Agreement and used by Participants of Employer's Plan, BCBSAZ will pay Employer the following amounts for brand prescriptions filled and for which BCBSAZ received a rebate:

* The Plan Sponsor is responsible for design of the Plan, including any modification or termination of the Plan, and retains sole and complete control to select and change the formularies for its Plan.

If BCBSAZ receives pharmacy rebates attributable to pharmaceutical products covered under the terms of this Agreement and used by Participants of Employer's Plan, BCBSAZ will pay Employer the following amounts for brand prescriptions filled and for which BCBSAZ received a rebate:

30 days retail - $50.00 per eligible brand script,

90 day retail - $202.50 per eligible brand script,

Mail Order Delivery - $218.75 per eligible brand script,

Specialty Home Delivery - $881.25 per eligible brand script.

Employer acknowledges that it accepts these amounts and that it and its group health plan have no right to, or legal interest in, any rebates provided by pharmaceutical manufacturers to BCBSAZ.

PBM PRICING MODEL: Pharmacy Network discounts are negotiated between BCBSAZ and our pharmacy benefit manager (PBM) over BCBSAZ's entire book of business and not on behalf of any group customer. You have selected the pass through PBM pricing model effective 1/1/2023. The pass through PBM pricing model allows you to pay the same discounted prices for prescription drugs that the PBM actually pays the pharmacies. Prices for the same drug may differ at different pharmacies. The Pass Through PBM pricing model passes on to you 100% of the specific pharmacies' network discount. However, it does not allow the PBM to lower the prices for expensive drugs by applying savings realized elsewhere. Any projected savings discussed with you that may result from this pricing are only estimates. Your actual savings may vary from these estimates.

FUNDING

* Rates assume BCBSAZ is the sole Specific and Aggregate Stop Loss carrier.

* BlueCard fees are included in the Attachment Point rate (if applicable) and are charged on the monthly invoice as a claim expense.

* The Specific Stop Loss level is $350,000 per person per policy year:

* If the Group Participant with the redacted ID number xxxxxx971-01 terminates coverage under Group's plan (including ceasing any elected COBRA coverage), BCBSAZ agrees to re-rate Group's specific stop-loss premium for the remaining months of the 2023 policy period to factor in that change.

* BCBSAZ will continue to process claims incurred during the renewal term of the Agreement (January 1, 2023 - December 31, 2023) for a period of 24 months after the end of the renewal term. Stop loss coverage will apply to claims incurred during the renewal term and paid during the renewal term or within 24 months aftter the end of the Renewal Term. If the Agreement is terminated before December 31, 2023, the foregoing 24 month periods shall start on the effective date of the termination of the Agreement. BCBSAZ's obligations are contingent upon Employer satisfying its payment obligations.

* The group will be billed each month prospectively for the Fixed Expenses.

DISCLOSURE

* Costs for covered services provided by a chiropractor to PPO, EPO, HMO and indemnity members, including an allowance for BCBSAZ to maintain this arrangement, will be paid by the Employer to BCBSAZ on a per member per month (PMPM) basis. The PMPM rate each Employer pays BCBSAZ will differ from the capitated fee BCBSAZ negotiated with the chiropractic administrator. BCBSAZ negotiated the fee that BCBSAZ pays the chiropractic administrator on the basis of BCBSAZ's entire book of business, without regard to any individual Plan. The PMPM rate BCBSAZ charges the employer is subject to change by BCBSAZ upon 60 days prior written notice. The PMPM rate for chiropractic services applicable to this Employer is $2.93 PMPM. Any difference between this amount and the amount paid to the chiropractic administrator will be reflected on the employers Form 5500 Information (if BCBSAZ provides one). The fee BCBSAZ pays may be adjusted at any time as a result of modifications to the contract between BCBSAZ and chiropractic provider. Additionally, the fee may be decreased in a given year if a set claims to capitation ratio is not achieved. Neither of these adjustments to the fee BCBSAZ pays would result in adjustment to the fee applicable to Employer.

* **Third Parties**: BCBSAZ charges a per member per month (PMPM) or other specified amount for certain services provided by third-parties which includes an allowance for BCBSAZ to maintain these arrangements. This PMPM or other amount may be different than the amount BCBSAZ pays the third-party and BCBSAZ will retain any difference as reasonable compensation for services provided. In some cases, the amount retained by BCBSAZ and received by the third-party is a percentage of the savings or recoveries generated by the third-party services. Certain of these third-party contractual arrangements may involve reconciliation processes or other adjustments which may further change the amount paid to the third-party or retained by BCBSAZ. The rate BCBSAZ charges the employer is subject to change by BCBSAZ upon 60 days prior written notice. The fee BCBSAZ pays may be adjusted at any time due to modifications of the contract between BCBSAZ and the third-party. BCBSAZ negotiates the fees it pays these third-parties on the basis of BCBSAZ's entire book of business, without regard to any individual plan.

* **BCBSAZ Value Based Programs**

Value-Based Program (VBP) is outcome-based payment arrangement and/or a coordinated care model facilitated with one or more local providers that is evaluated against cost and quality metrics/factors and is reflected in provider payment.

LOCAL - BCBSAZ pays some of its contracted medical providers an amount to manage the medical care of members diagnosed with certain medical conditions if the provider demonstrates to BCBSAZ it has satisfied BCBSAZ's criteria for effectively managing the care ("Value Based Services"). With respect to BCBSAZ group members residing and receiving Value Based Services in Arizona under a BCBSAZ value based program, BCBSAZ will estimate at the beginning of the contract year the amount BCBSAZ projects it will pay BCBSAZ's contracted providers for members who receive Value Based Services throughout the upcoming year in the form of a PMPM or PEPM charge ("PMPM Charge"). BCBSAZ will charge BCBSAZ's self-insured ("ASC") Groups via the Employer's Claims Invoice this PMPM Charge beginning January 1, 2016.

On an aggregate basis for the entire Value Based Program, the amounts used to calculate PMPM charge are fixed amounts estimated to be necessary to finance the cost of a particular Value-Based Program. Because amounts are estimates, there may be positive or negative differences based on actual experience, and such differences will be accounted for in a variance account maintained by BCBSAZ until the end of the applicable Value-Based Program payment and/or reconciliation measurement period. The amounts needed to fund a Value-Based Program may be changed before the end of the measurement period if it is determined that amounts being collected are projected to exceed the amount necessary to fund the program or if they are projected to be insufficient to fund the program.

On an aggregate basis for the entire Value Based Program, at the end of the Value-Based Program payment and/or reconciliation measurement period for these arrangements, BCBSAZ do one of the following:

a. Use any surplus in funds in the variance account to fund Value-Based Program payments or reconciliation amounts in the next measurement period.

b. Address any deficit in funds in the variance account through an adjustment to the PMPM billing amount or the reconciliation billing amount for the next measurement period.

NOTE: If an ASC Group terminates its BCBSAZ contract, that Employer will neither receive a refund nor a charge to reflect any variance between what BCBSAZ charged the Employer in Value Based Charges and what BCBSAZ paid the providers for Value Based Services.

NATIONAL - Value Based Services will also apply to your members who reside in other states/geographical locations served by other Blue Cross Blue Shield Plans. A full description of these arrangements will be described in your contract.

Inter-Plan Arrangements Fees:

BlueCard Program Fees

Access Fees:

- 2.11% in 2023 for 1,000–9,999 Blue PPO, EPO (Self-Funded Group Health Plans Only) or traditional enrolled contracts

Reduced Administrative Expense Allowances (AEAs) – To be considered for reduced fees, the Employer must exceed 1,000 PPO, EPO (Self-Funded Group Health Plans Only) or traditional enrolled Blue contracts:

- Professional - $4.00 per claim
- Institutional - $9.75 per claim
- Non-Participating Provider $3.00 per claim
- Medicare related claims $1.00 per claim
- Non-standard negotiated fees can range from either $5.48 to $15.44 per claim or $8.50 to $21.10 per contract per month depending on the negotiated arrangement and/or the health plan product.

* If Employer receives confidential information belonging to the Blue Cross Blue Shield Association or another Blue Plan (Blue Confidential Information), Employer agrees that it shall: (1) use the Blue Confidential Information strictly for the purposes for which it was disclosed, (2) not resell it or commingle it, (3) not de-aggregate it to identify BCBSAZ, another Blue Plan or another Blue Plan's members, and (4) return or destroy the Blue Confidential Information when no longer required for the purpose for which it was disclosed.

* The Employer recognizes that an impending natural disaster, natural disaster or state of emergency may disrupt access to services under this Agreement. If a disaster or emergency occurs or is imminent, the Employer authorizes BCBSAZ to make appropriate business decisions to implement and act (e.g. authorize early pharmacy refills, waive preauthorization, etc.) in accordance with the threat or risk. The Employer agrees to reimburse BCBSAZ for services provided to the Plan's Participants during this period, even if not consistent with the Benefit Plan or this Agreement.

* **Out-of-Network Shared Savings**

  BCBSAZ developed and maintains a proprietary fee schedule and utilizes claim editing software to calculate the Allowed Amount. Costs for calculating the Allowed Amount for Out-of-Network Services will be paid by the Employer to BCBSAZ on a percentage of claims savings basis. The cost for this service is 10% of claims savings with $10,000 cap per claim. This cost will not be applied to Group's ASL and/or SSL. BCBSAZ has hired a third party to attempt negotiation of reimbursement and member protection from balance billing for Out-of-Network Services. When the third party negotiation is successful, BCBSAZ will pay the vendor's fees with no additional charge to the Employer.

* **Sharecare**: For certain Sharecare programs that Employer has specifically elected to purchase, BCBSAZ charges an amount per person which may be based upon employee count, member count or program participation depending on the specific program purchased. These charges will be included in the monthly claims invoice and may be different than the amount BCBSAZ pays Sharecare. BCBSAZ will retain any difference as reasonable compensation for services provided. For the Sharecare Incentive Reward Program, BCBSAZ will charge Employer the amount of the award plus any applicable administrative fees and include this charge in the monthly claims invoice. The rates BCBSAZ charges Employer for the Sharecare programs are subject to change by BCBSAZ upon 60 days' prior written notice. BCBSAZ negotiates fees with Sharecare on the basis of BCBSAZ's entire book of business, without regard to any individual plan. The one-time setup fees are built into the admin rate as a PMPM (per member per month) charge.

* **Audits**

The following provision supersedes and replaces the audit provision included in the Supplemental Terms and Conditions to Administrative Services Agreement.

During the Term, upon reasonable prior written notice to BCBSAZ and as mutually agreed upon during BCBSAZ's normal working hours, the Plan may conduct the following audits at its own cost:

- An audit of up to 50 claims as may be necessary to validate financial statements and which occurs no more than one time per calendar year; and
- An audit of the records of payments made to Providers and other data specifically related to BCBSAZ's performance under this Agreement which occurs no more than once every two calendar years.

Plan agrees that any third-party auditor used to conduct the above audits shall not be compensated on a percent of savings basis. For the number of type of audits specified above, BCBSAZ agrees to provide reasonable assistance and information to the Plan's auditors without charge. There is an additional charge for BCBSAZ's assistance with any audits approved by BCBSAZ beyond those specified. Any audit for any plan year must be both commenced and finalized by the earlier of: (a) twelve (12) months of the last day of the plan year being audited; and (b) the termination of this Agreement. BCBSAZ shall have no liability to pay the Employer or Plan any amounts as a result of any audit unless demand for payment based on such audit is received by BCBSAZ within twelve (12) months of the date the claim was paid or denied and BCBSAZ is able to recover the amount from the applicable Provider.

ALLOTMENTS

* BCBSAZ's proposal includes a Misc Trust & Wellness allowance of $80,000 for the 01/01/2023 - 12/31/2023 policy period. Any portion of the misc trust & wellness not used during the referenced policy period will be retained by BCBSAZ and applied to misc trust & wellness programs for subsequent policy period(s). Upon termination of the group contract, BCBSAZ will pay any unused portion of the misc trust & wellness allowance to Group. If group terms its contract prior to 12/31/2023, the group will be required to return a prorated amount of the disbursed funds.

* BCBSAZ's proposal includes a On-Site Wellness Consultant allowance of $100,000 for the 01/01/2023 - 12/31/2023 policy period. Any portion of the on-site wellness consultant not used during the referenced policy period will be retained by BCBSAZ and applied to on-site wellness consultant programs for subsequent policy period(s). Upon termination of the group contract, BCBSAZ will pay any unused portion of the on-site wellness consultant allowance to Group. If group terms its contract prior to 12/31/2023, the group will be required to return a prorated amount of the disbursed funds.

* BCBSAZ's proposal includes a General Fund allowance of $25,000 for the 01/01/2023 - 12/31/2023 policy period. Any portion of the general fund not used during the referenced policy period will be retained by BCBSAZ and applied to general fund programs for subsequent policy period(s). Upon termination of the group contract, BCBSAZ will pay any unused portion of the general fund allowance to Group. If group terms its contract prior to 12/31/2023, the group will be required to return a prorated amount of the disbursed funds.

* BCBSAZ's proposal includes a Audit Allowance allowance of $5,000 for the 01/01/2023 - 12/31/2023 policy period. Any portion of the audit allowance not used during the referenced policy period will be retained by BCBSAZ and applied to audit allowance programs for subsequent policy period(s). Upon termination of the group contract, BCBSAZ will pay any unused portion of the audit allowance allowance to Group. If group terms its contract prior to 12/31/2023, the group will be required to return a prorated amount of the disbursed funds.

GUARANTEES

* BCBSAZ agrees to an administrative rate guarantee for 1/1/2024 - 12/31/2030.

	PEPM	Increase	Wellness Allowance	On-site Wellness Consultant	General Fund	Audit Allowance
1/1/2024 - 12/31/2024 Net Administration Rate	$31.85	0.0%	$80,000	$100,000	$25,000	$5,000
1/1/2025 - 12/31/2025 Net Administration Rate	$32.81	3.0%	$80,000	$100,000	$25,000	$5,000
1/1/2026 - 12/31/2026 Net Administration Rate	$33.79	3.0%	$80,000	$100,000	$25,000	$5,000
1/1/2027 - 12/31/2027 Net Administration Rate	$34.80	3.0%	$80,000	$100,000	$25,000	$5,000
1/1/2028 - 12/31/2028 Net Administration Rate	$35.85	3.0%	$80,000	$100,000	$25,000	$5,000
1/1/2029 - 12/31/2029 Net Administration Rate	$36.92	3.0%	$80,000	$100,000	$25,000	$5,000
1/1/2030 - 12/31/2030 Net Administration Rate	$38.03	3.0%	$80,000	$100,000	$25,000	$5,000

* BCBSAZ proposal includes a Network Discount Guarantee. The Network Discount Guarantee is in place for 1/1/2023 - 12/31/2023 ONLY. Please see the Network Discount Guarantee document for details.

CITY OF CHANDLER
PERFORMANCE GUARANTEES

Vendor Name	Blue Cross® Blue Shield® of Arizona (BCBSAZ)
Contact Name	Christie Thomas
Contact Title	Strategic Relationship Executive
Contact Number	(602) 864-5234
Authorized Signature	See original for signature.

PERFORMANCE GUARANTEES (ALL PROPOSERS)	**VENDOR RESPONSE**		
For the following categories, provide the performance standard you are willing to offer, the financial penalty (maximum dollar amount or % of administrative fees) you will agree to pay if the standard is not met, and the method of measuring the penalty.	Measurement Frequency	Agree to comply with Performance Guarantee? (Y | N)	Dollars at Risk (% or $)
1. **Vendor attendance at District meetings**	Quarterly		
Attendance by vendor representatives when requested at meetings scheduled by the City of Chandler during the contract period and implementation phase. BCBSAZ Alternative Recommendation: BCBSAZ proposes the Account Management Performance Guarantee. **Standard**: Overall score of 3 (satisfied) or better on the BCBSAZ Account Management Score Card (annual Group Benefit Administrator survey) – see attached. **Desired Qualifiers**: Categories include: effective support for open enrollment events, timely client notification of issues impacting members, response to client issues and questions in timely, comprehensive manner, effective coordination to resolve open issues, accessibility, and delivery of agreed-upon reports on time. **Group specific**	**Measured annually**	Yes	2% of annual admin fee
2. **Vendor call (or e-mail) return timeliness**	Quarterly		
City of Chandler or designated consultant's calls (or e-mails) to vendor are returned within 48 business hours. BCBSAZ Alternative Recommendation: BCBSAZ proposes combining PGs 1 and 2 under the Account Management guarantee, which guarantees ongoing communication and support activities, including accessibility.	**See #1 above.**	Yes	**See #1 above.**
3. **Processing monthly eligibility updates**	Monthly		
All updates to eligibility or enrollment records will be made within three business days after the information is received by the vendor. BCBSAZ Alternative Recommendation: Standard: 99% of valid electronic eligibility files are processed within five business days of receipt of complete and accurate information during initial implementation. **Group Specific**	**Measured quarterly**	Yes	2% of annual admin fee
4. **Telephone call availability & answering speed**	Monthly		

90% of all calls are answered within 30 seconds, and telephone service is available between 8:00 am and 6:00 pm Arizona Time Zone on business days. **BCBSAZ Alternative Response**: Standard: BCBSAZ Customer Service calls answered in an average of 45 seconds or less. **Desired Qualifier**: Average speed of answer begins once the caller exits the IVR.1 **Non-Group specific** Customer Service hours are 6 a.m. to 6 p.m. (Arizona time), Monday through Friday.	**Measured quarterly**	Yes	2% of annual admin fee
5. **Telephone call on-hold (in-queue) time**	Monthly		
An average of less than 2 minute(s) on hold before a **human being** answers. **BCBSAZ Alternative Recommendation**: This guarantee is combined with PG #4 (telephone call availability and answering speed).	**See #4 above.**	Yes	**See #4 above.**
6. **Telephone Abandonment Rate**	Monthly		
An abandonment rate of less than 3% is maintained during standard business hours. **BCBSAZ Alternative Recommendation**: Less than 5% of BCBSAZ Customer Service calls abandoned. **Desired Qualifier**: Call abandonment rate applies to calls abandoned once the caller enters the call queue.[1] **Non-Group specific**	**Measured quarterly**	Yes	2% of annual admin fee
7. **Claims Processing Accuracy**	Quarterly		
99% of claims dollars submitted for payment will be accurately processed and paid. Regardless of whether or not these standards of performance are satisfied, the vendor must reimburse the City of Chandler for all overpayments that are not recovered from the recipient within 60 days after the overpayment is discovered. City of Chandler will assign its right to recover such overpayments to the vendor. **BCBSAZ Alternative Recommendation**: Standard: 98% of audited[1] claims dollars are paid in accordance with benefit plan designs and in-force provider contracts. **Desired Qualifier:** This penalty applies if BCBSAZ fails to perform in accordance with this standard two (2) consecutive reporting periods. A penalty pay out of half of the fees at-risk would occur for results at or below 97.5%.[1] **Non-Group specific**	**Measured quarterly**	Yes	2% of annual admin fee
8. **Turnaround Time on Claims Payments**	Quarterly		

95% of all claims received will be completely processed (paid, denied or pended for additional information) within 14 calendar days after they are received. 100% of claims will be processed within 30 calendar days of receipt. BCBSAZ Alternative Recommendation: Standard: 90% of non-investigated clean claims processed (paid or rejected) within 14 calendar days after receipt of clean claim.[1] **Desired Qualifier**: A claim is defined as a request for a payment of a plan benefit by a plan participant or health care provider; a claim is deemed received when it has been time-stamped by BCBSAZ. Claims pended for missing information or benefit eligibility will be included as a documented claim. **Non-Group specific.** **Claims processing penalties are not applicable on claims incurred outside of Arizona.**	**Measured quarterly**	Yes	2% of annual admin fee
9. **Timeliness of Claim Reports**	Annually		
Each report the vendor will supply City of Chandler will be provided within a mutually agreed upon timeframe but no later than the 10th of the month following. BCBSAZ Alternative Recommendation: Standard: Monthly standard reports will be delivered on time. **Desired Qualifier**: Delivery of standard reports: whYzen-BlueInsight℠, our self-serve online reporting tool is available online, and updated the 20th of the month. **Group specific**	**Measured annually**	Yes	2% of annual admin fee
10. **Claims Coding**	Annually		
98% of all claims will be coded with no errors. BCBSAZ Alternative Recommendation: Standard: 95% of audited claims are processed in accordance with benefit plan designs.[1] **Desired Qualifier**: Percentage of claims processed incorrectly vs. correctly, based on BCBSAZ standard auditing procedures. **Non-Group specific**	**Measured quarterly**	Yes	2% of annual admin fee
11. **Implementation (if appropriate)**	Annually		
Successful implementation as defined by key milestones. Include measurable milestones in your proposal. BCBSAZ Alternative Recommendation: Standard: BCBSAZ will complete a successful implementation as defined by key milestones. **Desired Qualifier**: BCBSAZ agrees to meet milestones as outlined on the proposed implementation timeline (See **Section 5**). Note: the current proposed implementation timeline will be agreed upon and finalized during initial implementation meetings. **Group specific**	**Measured 90 days after effective date and paid out 120 days after effective date.**	Yes	2% of annual admin fee
12. **Data Exchange**	Annually		

Receive and transmit data with vendors based on a frequency defined by the business needs of the City of Chandler. **BCBSAZ Alternative Recommendation**: Standard: BCBSAZ will receive and transmit data with vendors based on a frequency defined by the business needs of Client. **Desired Qualifier**: Should BCBSAZ interface with any independent vendors to service client, we agree to establish appropriate mutually agreeable performance standards for data transmission. **TBD**	**TBD**	Yes	2% of annual admin fee

Comments

Total of all risk measures cannot exceed 20% (based on administrative fee only).

[1] If BCBSAZ fails to perform in accordance with these guarantee(s) for two (2) consecutive reporting periods after the guarantee(s) are effective, BCBSAZ will refund or credit the group up to the amount at risk per measure during the time period which BCBSAZ did not meet the performance guarantee(s).

Additional BCBSAZ Notes:

1. The above stated performance guarantees will be effective for the contract period **1/1/2023 to 12/31/2023**.
2. The performance guarantee payout does not include stop loss premiums, claims reimbursement amounts, vendor interface fees, capitated claim payments, etc.
3. Performance guarantees are reported to the client approximately 90 days after the close of the measurement period or plan year. Payout is made (if applicable) after the reporting of results.
4. BCBSAZ will not be required to pay a penalty for performance guarantees if the group is in default of its contract with BCBSAZ and/or has not paid all claims and premiums by the date due.
5. BCBSAZ will determine the sample size of audited claims.

BlueCross BlueShield of Arizona

An Independent Licensee of the Blue Cross and Blue Shield Association

Group Name: City of Chandler
Group Number: 28399

NETWORK DISCOUNT GUARANTEE

*Guaranteed Period: 1/1/2023 - 12/31/2023

I. In-Network Medical only

Total Discount Savings %*	Administrative Charge at Risk PEPM	Administrative Charge at Risk Annual
64.0% or more	$0.00	$ -
62.0% - 63.9%	$0.50	$ 10,368
60.0% - 61.9%	$1.00	$ 20,736
58.0% - 59.9%	$1.50	$ 31,104
less than 58.0%	$2.00	$ 41,472

Network Savings Guarantee:

***Discount savings % will be based on incurred claims 1/01/23-12/31/23 (paid through 3/31/2024)**

1. BCBSAZ has agreed to put a portion of the administrative fees at risk based on actual network discount savings (**Eligible Billed Charges minus Eligible Allowed Charges**) realized by group.

2. Enroll Assumption (Employees): **1,728**

3. This discount applies only to the following policy period: **01/01/2023-12/31/2023**
   At the end of said contract period the discount savings percentage will be calculated to determine if any money will be returned to group. If money is due, the final amount will be calculated using actual enrollment during the applicable policy period.

4. The incurred claims used for the contract period will include In-Network Medical only claims. The discount does not apply to out-of-network Medical claims nor to pharmacy claims.

5. The proposed Network Discount Guarantee does NOT include Mayo as an in-network provider.

6. The proposed Network Discount Guarantee is subject to re-rate retroactive to the first day of any billing month in which the enrollment varies by more than +/- 15% from the enrollment as of: **January-22**

7. Notwithstanding any other provisions in this rate proposal, if the government imposes a new tax or fee on insurers the rates set forth in this rate proposal may be adjusted to include, even retroactively, such taxes and fees. BCBSAZ reserves the right to change its rate if a change in administration is required due to legislative or regulatory change.

8. This agreement is null and void if group terminates prior to the end of the guaranteed policy period.

9. Network Discount Guarantee applies to first year policy period only and is not renewable.

BlueCross BlueShield of Arizona

An Independent Licensee of the Blue Cross and Blue Shield Association

Claims Target Guarantee

All Plans Combined **INCLUDES RX**

Group Name: City of Chandler

Group Number: 28399

***Guaranteed Period:** 1/1/2023 - 12/31/2023

I. Total Claims Target Guarantee

Claims Target Guarantee PEPM			Administrative Charge at Risk PEPM	Administrative Charge at Risk Annual
$1,285.75	or less		$0.00	$ -
$1,285.76	to	$1,350.05	$0.50	$ 10,368
$1,350.06	to	$1,417.56	$1.00	$ 20,736
$1,417.57	to	$1,488.45	$1.50	$ 31,104
more than	$1,488.45		$2.00	$ 41,472

II. Claims Target Guarantee

***Claims PEPM target guarantee will be based on incurred claims 1/01/23-12/31/23 (paid through 3/31/2024)**

1. BCBSAZ has agreed to put a portion of the administrative fees at risk based on actual incurred claims PEPM experience
2. Enroll Assumption (Employees): 1,728
3. This claims target PEPM guarantee pplies only to the following policy period: 01/01/2023-12/31/2023
   At the end of said contract period the savings percentage will be calculated to determine if any money will be returned to group.
   If money is due, the final amount will be calculated using actual enrollment during the applicable policy period.
4. The incurred claims used for the contract period will **exclude any portion of a claim that is greater than $350,000**
5. The proposed Network Discount Guarantee does NOT include Mayo as an in-network provider.
6. The proposed Claims Target Guarantee is subject to re-rate retroactive to the first day of any billing month in which the enrollment varies by more than +/- 15% from the enrollment as of: January-22
7. Notwithstanding any other provisions in this rate proposal, if the government imposes a new tax or fee on insurers the claims targets set forth in this rate proposal may be adjusted to include, even retroactively, such taxes and fees. BCBSAZ reserves the right to change its claims target if a change in administration is required due to legislative or regulatory change.
8. This agreement is null and void if group terminates prior to the end of the guaranteed policy period.
9. Claims Target Guarantee applies to first year policy period only and is not renewable.

BlueCross BlueShield Arizona

Administrative Summary

Implementation Meeting Schedule Frequency Day of the Week Time	Renewed via Email

Employer Group Information	
Client Name / Number Legal Account Name Doing Business As Legal Entity Type Type of Business BCBSAZ Group Number(s) Group Health Plan Name	City of Chandler City of Chandler, Arizona Municipality City 028399 City of Chandler DBA City of Chandler, Arizona Group Health Plan
Client Address	175 S. Arizona Avenue Chandler, AZ 85225
Group Benefit Administrator (GBA) Name/Title/Address and Contact Information	Fernanda Osgood Benefits and Compensation Manager 175 S. Arizona Avenue Chandler, AZ 85225 480-782-2359 fernanda.osgood@chandleraz.gov Rae Lynn Nielsen Director of Human Resources 175 S. Arizona Avenue Chandler, AZ 85225 480-782-2353 raelynn.nielsen@chandleraz.gov
Billing Contact Name/Title/Address and Contact Information	Denise Hooker Benefits Analyst P.O. Box 4008, Mail Stop 703 Chandler, AZ 85244 480-782-2371 denise.hooker@chandleraz.gov
Billing Address	☐ Same as physical address ☑ Other P.O. Box 4008, Mail Stop 703 Chandler, AZ 85244

Group Executive Name/Title/Address and Contact Information	Rae Lynn Nielsen Director of Human Resources 175 S. Arizona Avenue Chandler, AZ 85225 480-782-2353 raelynn.nielsen@chandleraz.gov
Chief Financial Officer Name/Title/Address and Contact Information	Dawn Lang Deputy City Manager – Chief Financial Officer 175 S. Arizona Avenue Chandler, AZ 85225 480-782-2255 dawn.lang@chandleraz.gov
Chief Executive Officer Name/Title/Address and Contact Information	Joshua Wright City Manager- CEO 175 S. Arizona Avenue Chandler, AZ 85225 480-782-2211 Joshua.wright@chandleraz.gov
Additional Authorized Group Contact(s) Name/Title/Address and Contact Information	Denise Hooker Benefits Analyst P.O. Box 4008, Mail Stop 703 Chandler, AZ 85244 480-782-2371 denise.hooker@chandleraz.gov Erica Beard Human Resources Specialist 175 S. Arizona Avenue Chandler, AZ 85225 480-782-2376 Erica.beard@chandleraz.gov Dawn Lang Deputy City Manager – Chief Financial Officer 175 S. Arizona Avenue Chandler, AZ 85225 480-782-2255 dawn.lang@chandleraz.gov Joshua Wright City Manager- CEO 175 S. Arizona Avenue Chandler, AZ 85225 480-782-2211 Joshua.wright@chandleraz.gov
Broker/Consultant Agency Name/Broker Name/Firm NPN/Agent NPN	Segal Company Arizona, Inc. Rachel Calisi Email: rcalisi@segalco.com Phone: 602-381-4027
Funding Arrangement	12/24 Incurred ASC with Medical and Pharmacy
Headquartered State	Arizona

Incorporated State	Arizona
Effective Date	January 1st, 2023
Plan Anniversary Month	January
Renewal Days Notice	210
Grandfather Status	Non-Grandfathered
Tax ID Numbers Federal State	 86-6000238 07004582

Product Information	
Accumulation Periods	☑ Calendar ☐ Plan
Mayo In-Network	☐ Yes ☑ No
HealthEquity Integration Health Reimbursement Account Plan(s) or standalone Health Savings Account Plan (s) or standalone Flexible Spending Account Plan(s) or standalone Dependent Care Reimbursement Account or standalone	☑ Yes ☐ No _____ X-White Plan _____ _____
HealthEquity Sections Non-integrated HDHP sections	☑ Yes, set up non-integrated HDHP products ☐ No, all HDHP members will be integrated with HealthEquity ☐ Not applicable; no HealthEquity integrated HDHP products

BlueCross BlueShield Arizona

Eligibility	
Employee Effective Date	☑ First of month ☐ Odd effective
Employee Termination Date	☑ End of month ☐ Date of loss of eligibility
Dependent (26) Termination Date	☑ End of birth month ☐ Birthday
Eligibility Submission Options	☑ 834 ☐ Excel (BCBSAZ will email format) ☐ Paper applications ☐ BCBSAZ portal online
Eligibility Vendor details	Vendor: **City of Chandler** Contact Phone: Primary: Denise Hooker Phone: 480-782-2371 Secondary: Erica Beard Phone: 480-782-2376 Contact email: Denise.hooker@chandleraz.gov Erica.Beard@chandleraz.gov
Newborn/Adoptions/ Processing Options	☐ Newborn automatically added; member must request disenrollment ☑ Newborn automatically added for the first 31 days, but member application required to retain newborn after 31 days. ☐ Newborn is not automatically added; member must positively enroll newborn within 31 days of birth
Newborn Deductible (not applicable to HDHP plan)	☐ Newborn deductible applies ☑ Newborn deductible waived

Retroactive Termination	Retroactivity is limited to thirty-one (31) days from the date notice was provided to BCBSAZ by the group for terminations, changes, and reinstatements.
Leave of Absence	☐ 90 days ☑ Other: Please refer to City of Chandler Statement of Eligibility as approved by Resolution No. 4995.
Retiree Coverage	☑ Yes ☐ No If Yes: ☑ Under 65 ☑ 65 and older Minimum years of service: _____ Retiree dependents coverage ☑ Yes ☐ No
Domestic Partnership	☐ Same Sex Only ☐ Opposite Sex Only ☐ Both ☑ Not Covered
Maternity Provisions	Maternity coverage will be extended to dependent daughters. Note: Grandchildren are not eligible dependents.

Open Enrollment	
Open Enrollment Period	From: November 1, 2022 To: November 20, 2022
Open Enrollment Meetings Support Needed Packets/Materials Needed	☑ Yes ☐ No – Benefit fair date, October 25th 2022 ☐ Yes ☑ No
Translated SBCs ***Vendor requires 7-10 business day turnaround after the English version is approved***	☐ Yes ☑ No
Open Enrollment Eligibility Transmission Method Date	834 12/2/2022 ***Files must be received no later than December 2, 2022 to ensure ID cards are mailed before January/1/2023***
Financial Information	
Wellness Fund	☑ Yes ☐ No If yes: Amount: 1. **$80,000 Miscellaneous Trust & Wellness allowance** 2. **$100,000 On-site Wellness consultant allowance** ☐ Plan Year ☑ Roll Over of Unused Funds
Implementation/General Fund(s)	☑ Yes ☐ No If yes: Amount: **$25,000** ☐ Plan Year ☑ Roll Over of Unused Funds
Prescription Rebates	☑ BCBSAZ retains rebates; group receives admin credit ☐ Group receives rebates

BlueCross BlueShield Arizona

Financial Information - Invoicing	
Premium Statements Premium statements or "admin" statements are billed on a **prospective** basis. Each statement will account for fixed expenses for the upcoming calendar month.	➢ Statements are generated and mailed monthly **15 business days** prior to the due date. ➢ Statements are also available to view and adjust online at azblue.com ➢ Statements include a full listing of each enrollee, a summary and total by section. ➢ Any discrepancies can be addressed with the assigned Membership and Billing Representative. ➢ Due date is the **first of the month.** ➢ The contract has a grace period of thirty-one (31) days for premium payments. If a premium is not paid on or before the date it is due, it may be paid during the grace period.
BCBSAZ Premium Statement Delivery	☐ BCBSAZ will mail hard copies ☑ Hard copies will be suppressed
Detailed Claims Report Format	☑ De-identified (group section, plan, date of service, paid date, paid amount, and claim type) ☐ Minimum-necessary* (group section, plan, member name, member date of birth, relationship date of service, paid date, paid amount, and claim type) *signed supplemental terms and conditions required
Detailed Claims Report Recipient(s) Name/email	**TO:** Denise Hooker- denise.hooker@chandleraz.gov **CC:** Jeanna Carlton- jcarlton@segalco.com **CC:** Andrew McDonald- amcdonald@segalco.com
Benefit Information	
Pharmacy – 90-day supply at in-network retail	☑ Excluded ☐ Covered ☐ All Contracted Retail Pharmacies ☐ Copay the same as Mail Order; or ☐ Different multiplier:_____ ☐ All Covered Medications; or ☐ Maintenance Medications only
HSA Preventive Drugs	☐ Deductible waived ☐ Covered at 100% ☑ Covered as any other drug ☐ Not Applicable; no HDHP plan offered
Medication Synchronization	☑ Included ☐ Excluded
Cancer Parity Medications	☐ Included ☑ Excluded

Emergency Claims (Out-of-Network) Pricing	☑ The Qualifying Payment Amount, as defined by federal law, is the allowed amount. Out-of-network providers cannot balance bill for the difference between the allowed amount and the billed charge.
Gender Transition Medications and Surgery	☑ Covered* ☐ Excluded; please consult legal counsel *Groups who elect to cover these services, but carve out prescription medications, BCBSAZ will administer the medical benefit only.
Telemedicine Services	☑ Covered for telemedicine services delivered by an in-network provider and for emergency or urgent telemedicine services from out-of-network providers. ☐ Excluded
BlueCare Anywhere℠ Telehealth Services	☑ Covered - see SBCs for details ☐ Excluded ☐ Other
Arizona Senate Bill 1305	☑ Group must comply with SB1305; prescribed abortion benefit will be administered ☐ Group is not subject to SB1305
Abortion* *See Arizona Senate Bill 1305 Section	☑ Non-elective abortions covered ☐ Elective abortions covered ☐ All abortions excluded
Autism	☑ Covered ☐ Excluded
Specialized Utilization Management Program	☐ Included ☑ Not included
Complications of Non-Covered Breast/Pectoral Implant	☑ Covered ☐ Excluded

Administration

Allowed Amount

The allowed amount means the total amount of reimbursement allocated to a covered service and includes both the BCBSAZ payment and the member cost-share payment. BCBSAZ calculates deductible and coinsurance based on the Allowed Amount, less any access fees or precertification charges. BCBSAZ uses the Allowed Amount to accumulate toward any out-of-pocket maximum that applies to the member's benefit plan. The Allowed Amount does not include any balance bills from noncontracted providers. The Allowed Amount is neither tied to, nor necessarily reflective of, the amounts providers in any given area usually charge for their services. The table below shows how BCBSAZ determines the Allowed Amount.

Type of Provider	Type of Claim	Basis for Allowed Amount
Providers contracted with BCBSAZ as plan network providers	Emergency and non-emergency	Lesser of the provider's billed charges or the applicable fee schedule, with adjustments for any negotiated contractual arrangements and certain *"Claims Editing Procedures and Pricing Guidelines."*
Providers contracted with a vendor	Emergency and non-emergency	Generally, the lesser of the provider's billed charges or the vendor's fee schedule, with adjustments for any negotiated contractual arrangements.
Providers contracted with another Blue Cross or Blue Shield Plan ("Host Blue")	Emergency and non-emergency	Lesser of the provider's billed charges or the price the Host Blue plan has negotiated with the provider.
Noncontracted providers in Arizona, including providers contracted with another BCBSAZ network but not as a plan network provider for this benefit plan	Non-emergency	Lesser of the provider's billed charges or the applicable fee schedule, with adjustments for certain *"Claims Editing Procedures and Pricing Guidelines."*
Noncontracted providers (outside Arizona)	Non-emergency	Lesser of the provider's billed charges or the amount the Host Blue would pay the nonparticipating provider. In the event that the Host Blue has not established an amount it would pay the nonparticipating provider, the Allowed Amount is based on the applicable fee schedule, with adjustments for certain *"Claims Editing Procedures and Pricing Guidelines."*
Noncontracted ground ambulance providers, including providers contracted with another BCBSAZ network, but not contracted as a plan network provider for this benefit plan, in and outside Arizona	Emergency	The allowed amount is based upon the ambulance provider's billed charges.
Noncontracted providers in an in-network facility (in and outside Arizona)	Non-emergency and non-ancillary	The Qualifying Payment Amount, as defined by federal law, is the allowed amount. If you sign a consent for a noncontracted provider to perform services at an in-network facility, you are responsible for the difference between the Qualifying Payment Amount and the provider's billed charges.
Noncontracted providers, excluding air ambulance, in and outside Arizona	Emergency	The Qualifying Payment Amount, as defined by federal law, is the allowed amount.

Coordination of Benefits (COB)	Commercial: The combined payments by the primary payer and BCBSAZ will not exceed the greater of the primary payer or BCBSAZ's allowed amount. Medicare: BCBSAZ pays up to the Medicare allowed amount except if the provider does not accept Medicare assignment, in which case BCBSAZ pays up to the billed charges. When your group health plan is the secondary payer, BCBSAZ utilizes the COB methodology that applies to your group health plan (and not the ACA methodology) to adjudicate claims for emergency services provided by non-contracted providers.
Pre-Certification **Unless otherwise noted at right, BCBSAZ will determine the list of services requiring precertification.** ➢ In-network, penalty applies to provider for failure to pre-certify ➢ Out-of-network, penalty applies to member for failure to pre-certify	☑ BCBSAZ Standard List of Services ➢ BCBSAZ determines services requiring pre-certification. ➢ Penalty amount: **$500** ☐ Other (please specify):
Assignability of benefits	If member receives covered services from an out-of-network provider and member wishes to assign right to payment to the provider, the member or the provider may submit the documents requesting assignment to BCBSAZ. BCBSAZ, at our sole discretion, will determine whether to honor the assignment and, if approved, remit any payment due directly to the provider.

Ancillary Services Received Out-of-State If the provider submitting a non-emergent laboratory, DME/medical supply, and/or specialty pharmacy claim has a PPO contract with BCBSAZ or one or more out-of-state Blue Cross and/or Blue Shield plans but does not have a PPO contract with the Blue Cross and/or Blue Shield plan to which the claim must be submitted under Blue Cross and Blue Shield Association requirements, those claims will be processed based on the selection made in the column at right.	☐ As an out-of-network claim based on the allowed amount. Members are responsible for out-of-network cost-share and any applicable balance bill. Note that this does not apply to fully insured EPO or HMO plans. ☑ As an in-network claim based upon billed charges. Members are responsible for in-network cost-share. Balance bill does not apply because the claim is paid upon billed charges. Cost share for ancillary services provided by an out-of-network provider at an in-network facility will be based on the Qualifying Payment Amount, as defined by federal law. All out-of-network cost share for these ancillary services will be counted toward any in-network deductible and cost-share limits.
Mental Health Parity Exemption Filing	☑ Yes ☐ No ☐ Not applicable; not eligible to opt-out
Massachusetts Employees	☑ BCBSAZ will not issue 1099HC or complete electronic filing with MA ☐ BCBCAZ **will** prepare and distribute annually 1099-HC forms to Massachusetts Participants and make the electronic filing with the Massachusetts regulators. The Employer will timely provide any and all authorizations required by Massachusetts law or by Massachusetts regulators to enable BCBSAZ to perform the mailing and/or electronic filing(s). If the Employer fails to timely provide such authorization(s), BCBSAZ will have no duty to make the filing and/or mailing. If in BCBSAZ's opinion the Employer's coverage meets the Massachusetts Minimum Creditable Coverage (MMCC) requirements, BCBSAZ agrees to reflect the coverage as creditable in its electronic filing and 1099-HC mailings. If in BCBSAZ's opinion the Employer's coverage does not meet the MMCC requirements, Employer may choose to either: (a) state the coverage is not creditable in its electronic filing and 1099-HC mailings; or (b) direct BCBSAZ to not make the electronic filing and provide the uncompleted 1099-HC forms to Employer.
Appeals BCBSAZ generally administers Level 1, Level 2, and External Review appeals.	☑ BCBSAZ administers all levels of appeal review. ☐ BCBSAZ administered Level 1. Level 2/IRO is sent to the client for decision. Notes: _____

Subrogation (using BCBSAZ Vendor)	☑ Yes ☐ No
COBRA Vendor Contact Additional Information	Self-administered
Section 125	☑ Yes ☐ No If yes, loss of coverage effective date: ☐ date of loss ☑ first of month following date of loss
NYHCRA BCBSAZ will complete required filing upon submission of required forms. Current or prior elector status with the NY Pools may impact which documentation is required to elect and provide BCBSAZ with consent to perform this action on behalf of an elector.	☑ Elect ☐ Non-elect

Notes

- Dedicated Customer Service line: 1-866-595-5993
- Enrollment will have separate sections for Temporary employees
- Plan Sponsor: Rae Lynn Nielsen, Director of Human Resources
- Audit allowance of $5,000

IMPORTANT - READ CAREFULLY

As the authorized representative of Company, I certify that the Company is the sole employer of the employees to be enrolled under this proposed contract for health insurance or services to administer the group health plan identified in this Administrative Summary. I also certify that the information provided in this Administrative Summary and all other applicable documents submitted in connection with this Administrative Summary, is complete and accurate. I agree that Company shall promptly notify Blue Cross Blue Shield of Arizona (BCBSAZ) of any changes in this information that may affect the eligibility of employees or their dependents, including the addition of dependents, and the termination date of any enrolled employee or dependent.

I understand and agree that BCBSAZ may, in its sole discretion, verify information with or through outside sources, including third party investigative firms, as BCBSAZ deems necessary or appropriate for finalizing its decision on this Application. I agree that if the information contained in this Administrative Summary or other supporting documentation is incomplete, inaccurate, materially misleading, false, or fraudulent, that BCBSAZ has the right to (a) retroactively adjust the Company's rates and/or administrative fees if such information would have affected the rate/fee calculation; and (b) invalidate, or withdraw any rate/fee proposal, or terminate coverage for any group to the extent permitted by law. I understand and agree that this Administrative Summary is not accepted until approved by BCBSAZ and that BCBSAZ's acceptance shall be based on information supplied by the Group, the requested benefits, and any other information obtained from outside sources. This Administrative Summary shall become binding upon BCBSAZ and the group. Upon acceptance, this Administrative Summary shall be attached to and shall become a part of the Group Master Contract or Administrative Services Agreement With/ Without Stoploss (the "Contract"), as applicable. If the Company is enrolling outside the Open Enrollment period, I understand that the Company must contribute a minimum of 50% of the employee's health premium. To the extent permitted by applicable law, BCBSAZ may terminate the Contract in accordance with the Contract terms, including the Group's failure to meet certain obligations under the Contract such as failure to pay premium/fees or comply with coverage requirements.

The Group agrees that it is solely responsible for: (i) determining employee and dependent eligibility for coverage and coverage effective and terminations dates (including application of required open and special enrollment periods), (ii) complying with applicable laws in establishing eligibility and coverage effective and termination dates, and (iii) providing BCBSAZ with timely and accurate eligibility and coverage effective and termination date information. Additionally, Company represents and warrants that it does not impose a waiting period which exceeds 90 days. Company will promptly advise BCBSAZ of any change in this representation. Company understands and agrees that federal law requires Company to provide dependent coverage for children under age 26 and prohibits Company from imposing pre-existing condition waiting periods.

By including my e-mail address in the Administrative Summary, I authorize BCBSAZ to send me information via e-mail. I also understand I may change my e-mail address or rescind this permission at any time by contacting BCBSAZ through **azblue.com**.

Re: 2022 Form 5500 Schedule C Service Provider Information – Disclosure of "Eligible Indirect Compensation" -

Dear Sir or Madam:

Blue Cross Blue Shield of Arizona ("BCBSAZ") is required to provide Employers with information regarding certain indirect compensation ("Eligible Indirect Compensation" or "EIC") paid by BCBSAZ to other Service Providers during 2021.

Under your contract with BCBSAZ, one of the benefits your employees and their dependents ("Participants") receive is access to healthcare services outside the geographic area BCBSAZ serves under a program known as BlueCard. Typically, in that situation, Participants obtain care from healthcare providers that have a contractual agreement with the local Blue Cross and/or Blue Shield Licensee in that other geographic area (the "Host Blue"). Within that arrangement, BCBSAZ is referred to as the "Home Blue." The BlueCard Program is established and operated pursuant to policies established and enforced by the Blue Cross and Blue Shield Association.

A plan sponsor's reporting requirements for a self-funded plan on Schedule C are significantly streamlined for EIC about which a service provider has shared certain information. As such, below is a list of EIC that has been and/or is likely to be received in connection with the BlueCard Program. Note that the fees and compensation subject to disclosure under the Department of Labor rules include amounts that are not necessarily passed on to your ERISA Plan or your Participants. The financial terms of the BlueCard Program passed on to your ERISA plan, and additional details about the BlueCard Program, are described in your Agreement with BCBSAZ.

The following is a list of EIC:

1. **BlueCard Access Fees:** The Access Fee is charged by the Host Blue to us for making its applicable provider network available to your members. The Access Fee will not apply to nonparticipating provider claims. The Access Fee is charged on a per-claim basis and is charged as a percentage of the discount/differential we receive from the applicable Host Blue subject to a maximum of $2,000 per claim. When charged, we pass the Access Fee directly on to you.

2. **Administrative Expense Allowances (AEA):** The AEA is a fixed per-claim dollar amount charged by the Host Blue to us for administrative services the Host Blue provides in processing claims for your members. The dollar amount is normally based on the type of claim (e.g. institutional, professional, international, etc.) and can also be based on the size of your group enrollment. When charged, we pass the AEA fee directly on to you.

   Note: To be considered for reduced BlueCard PPO fees, the claim must be for an account whose total Blue PPO enrollment exceeds 1,000 contracts

3. **Use of Estimated or Average Pricing by Host Blues.** As described in your administrative service agreement, some Host Blues use estimated or average prices to determine the negotiated price that is made available to BCBSAZ when plan participants access the Host Blue's participating provider network. This may result in a difference (positive or negative) between the price you pay on a specific claim and the actual amount paid to the provider by the Host Blue.

   The following describes the formulas used for determining an estimated or average price:

   Estimated: A percentage is used to modify the claim price for covered services. This percentage (either positive or negative) allows Host Blues to incorporate adjustments and actuarial projections prospectively into the final price. The percentage is determined by calculating the aggregate cost to the Host Blue over

a look-back period less any initial payments made to providers divided by the total payments initially made to providers. The aggregate cost in the numerator includes all provider retrospective settlements, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, performance-related bonuses or incentives, interest, other non-claim transactions and any positive or negative balance in the variance account. The percentage is then actuarially adjusted for anticipated changes in claims expenses for the prospective period. As of December 31, 2021, the modifying percentage applied to claims from those Host Blues that use estimated pricing ranged from (1.13512%) to +8.61% the rate of payment to the provider at the point of the claims. The modifying percentages applied to claims from those Host Blues that will be used for estimated pricing have not been calculated as of the date of this letter.

Average: An average price is determined for a defined category of provider (e.g., institutional, professional, etc.) of a Host Blue in a given geographic area. The average is determined as follows:

Total amount paid to such providers over a look-back period, including initial payments as well as applicable claim and non-claim related transactions, which may include but are not limited to provider retrospective settlements, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, performance-related bonuses or incentives, interest, etc., and any positive or negative balance in the variance account

divided by

Total amount of such providers' corresponding charges for covered services over the same look-back period (claims for non-covered services are not included in the calculation)

This result is an average price that is applied to each claim for the defined category of provider of the Host Blue in the geographic area and presented as the negotiated price.

The Host Blue determines whether it will use an actual, estimated or average price. The use of estimated or average pricing may result in a difference (positive or negative) between the price you pay on a specific claim and the amount the Host Blue pays to the provider. However, the BlueCard Program requires that the amount paid by the member and you is the final price; no future price adjustment will result in increases or decreases to the pricing of past claims.

Any positive or negative differences in estimated or average pricing are accounted for through variance accounts maintained by the Host Blue and are incorporated into future claim prices. As a result, the amounts charged to you will be adjusted in a following year, as necessary, to account for over- or underestimation of the past years' prices. The Host Blue will not receive compensation from how the estimated price or average price methods, described above, are calculated. Because all amounts paid are final, neither positive variance account amounts (funds available to be paid in the following year), nor negative variance amounts (the funds needed to be received in the following year), are due to or from you. If you terminate, you will not receive a refund or charge from the variance account.

Variance account balances are small amounts relative to the overall paid claims amounts and will be liquidated or drawn down over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Variance account balances may earn interest

For informational Purposes Only - NO Action Required

at the federal funds or similar rate. Host Blues may retain interest earned on funds held in variance accounts.

4. BlueCard Global Core Program. The BlueCard Global Core Program provides members with access to an international network of inpatient, outpatient and professional providers. The Blue Cross and Blue Shield Association (BCBSA) utilizes GeoBlue for Medical Assistance and Claims support Services. The fees paid by the Home Blue are as follows:

Medical Assistance	Fee (in dollars)
General Inbound Calls	$28.45 / Call
Provider Inquiry/Referral (non-medical situation)	$22.35 / Call
Cashless access/Guarantee of Payment (GOP)	$111.76 / GOP
Telephone Translation	$63.50 / Call
Fulfillment	$9.65 / Call
Provider/medical assistance information provided by a nurse	$96.52 / Call
Misrouted Calls	$22.35 / Call
Medical Monitoring	$294.64 / Case

Claims Support Services	Fee (in dollars)
Claim preparation, processing and/or payment (includes translation, coding, currency conversion)	$39.62 / Claim
Misrouted claim (for example, domestic)	$9.65 / Claim
Claim Status inquiry	$22.35 / call/member ID
Medical records translation	At Cost
Currency conversion gains/losses	At Cost
Wire/ACH fees	At Cost

Additional Services	Fee (in dollars)
Medical Evacuation coordination	$1,270.00 / Case
Medical Repatriation coordination	$1,270.00 / Case
Repatriation of Remains coordination	$609.60 / Case
Medical travel coordination	$294.64 / Case
Assistance Partner Engagement (limited to ONLY countries where vendor is restricted from conducting business)	Ranging from $100-500 per Direct Pay Letter (DPL)
Ad hoc UCR claim research, claim line-item audit and case negotiation	As agreed upon by Home Plan and GeoBlue

5. Negotiated Arrangements: With respect to one or more Host Plans, instead of using the BlueCard Program, BCBSAZ may process your Participant claims for Covered Services through Negotiated Arrangements.

Non-Standard negotiated AEA fees for 2021/2022:

Non-standard negotiated fees can range from either $5.48 to $16.20 per claim, or $9.13 to $27.00 per contract per month depending on the negotiated arrangement and/or the health plan product

For informational Purposes Only - NO Action Required

Under regulations related to the 2009 Form 5500 Schedule C - Service Provider Information, BCBSAZ is required to provide information regarding certain indirect compensation (referred to in this letter as "Eligible Indirect Compensation" or "EIC") paid by BCBSAZ to other Service Providers during 2021 related to your contract with BCBSAZ.

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The following Service Providers received EIC from BCBSAZ during 2021:

Name of Service Provider Receiving EIC from BCBSAZ: Exela Technologies
Address: 369 Inverness Parkway, Suite 300, Englewood, CO 80112
Service Provided: Claims Edit Resolution
Basis of Compensation: $0.388 per Claim Edit for low complexity, $0.439 for medium complexity, and $0.602 for high complexity.

Name of Service Provider Receiving EIC from BCBSAZ: Cobalt MedPlans
Address: 10740 Nall Ave., Overland Park, KS 66211
Service Provided: Claims Edit Resolution
Basis of Compensation: $1.94 per Claim Edit for low complexity, $2.91 for medium complexity, and $4.08 for high complexity.

Name of Service Provider Receiving EIC from BCBSAZ: Sutherland Global Services, Inc.
Address: 2 Brighton Rd., Suite 300 Clifton, NJ 07012
Service Provided: Data entry for provider data, assistance with credentialing
Basis of Compensation: $9.00 per provider recredentialing completed and $30.68 per initial credentialing unit completed

Name of Service Provider Receiving EIC from BCBSAZ: Change Healthcare
Address: P.O. Box 572490, Murray Utah 84157-2490
Service Provided: Fee for the Recovery of Overpayments
Basis of Compensation: 21.5% of the Recovered Amount

Name of Service Provider Receiving EIC from BCBSAZ: OptumRx.[1]
Address: 1600 McConnor Parkway, Schaumburg, IL 60173-6801
Service Provided: Pharmacy Claims Processing and select PBM services
Basis of Compensation: for electronic claims only
Pass-Thru Pricing Model = $0.75 per net paid claim
[1] *BCBSAZ paid compensation to OptumRx.only for groups who used BCBSAZ to manage their pharmacy benefits.*

Pharmacy Rebates – BCBSAZ receives rebates from certain Pharmaceutical Manufacturers for certain drugs. Subject to the terms of your BCBSAZ Administrative Services Agreement your Group may be eligible for a Pharmacy Rebate. BCBSAZ may earn interest income on Pharmacy Rebates during the period after the Rebate is paid to BCBSAZ and prior to payment to your Group.

Name of Service Provider: Ciox Health, LLC
Address: 925 North Point Parkway, Alpharetta, GA, 30005
Services Provided: Medical record retrieval, Coding Review
Basis of Compensation: $22.50 - $25.00 per retrieved chart, plus $3.50 per chase; $11.80 - $21.50 per reviewed chart

BCBSAZ's list of affiliated Service Providers receiving EIC will be updated as necessary.
If you have any questions, please contact your BCBSAZ Account Manager.

Sincerely,

Alan Lunde

Alan Lunde
Senior Manager, Financial Operations

For informational Purposes Only - NO Action Required

Exhibit G
Supplemental Terms and Conditions to Administrative Services Agreement

Blue Cross and Blue Shield of Arizona, Inc., an Arizona non-profit corporation and an independent licensee of the Blue Cross and Blue Shield Association (hereinafter referred to as "BCBSAZ"), and City of Chandler (hereinafter referred to as the "Employer") entered into an Administrative Services Agreement ("Agreement") whereby BCBSAZ agreed to provide administrative services to Employer's health and welfare benefit plan (the "Plan"). Upon signature by both parties these terms and conditions ("Terms and Conditions") shall become part of the Agreement effective as of the start of the initial term set forth in the Agreement.

ARTICLE 1. DEFINITIONS

For purposes of this Agreement, the following terms have the following meanings unless otherwise expressly provided herein:

1.1 Allowed Amount means the amount payable by or through BCBSAZ for a Covered Service, including any contracted discounts and amounts payable by a Participant under the terms of the Plan and the Benefit Plan Booklet.

1.2 Application means the 100+ Employer Application.

1.3 Association means the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans permitting BCBSAZ to use the Blue Cross and Blue Shield service marks in the State of Arizona.

1.4 Covered Services means health care services and supplies rendered or delivered to a Participant for which benefits are available under the Plan.

1.5 Eligible Dependent means a dependent eligible for benefits under the Plan as described in the 100+ Employer Application and Benefit Plan Booklet.

1.6 Grandfathered Plan means coverage provided by a group health plan in which an individual was enrolled on March 23, 2010 and which has not been modified or changed in a manner which would cause it to lose its grandfathered status as provided by PPACA.

1.7 Network Provider means a hospital, health care facility, person or other provider of medical services which has a written agreement with BCBSAZ, a vendor of BCBSAZ, or another Blue Cross Blue Shield plan in accordance with Exhibit A.

1.8 Non-Grandfathered Plan means either coverage provided by a group health plan in which an individual was not enrolled on March 23, 2010 or a group health plan which has been modified or changed in a manner which caused it to lose its grandfathered status as provided by PPACA.

1.9 Out-of-Network Services means Covered Services received by a Participant from any Provider other than a Network Provider.

1.10 Participant means any employee of Employer and any Eligible Dependent that is covered by the Plan.

1.11 PPACA means the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) and the Health Coverage and Education Reconciliation Act (Pub. L. No. 111-152), as amended, and any regulations issued thereunder.

1.12 Provider means any hospital, health care facility, laboratory, person or entity duly licensed to render Covered Services to a Participant or any other provider of medical services, products, or supplies which are Covered Services subject to any definitions or provisions of the Plan regarding providers or medical professionals whose services are covered under the Plan.

1.13 Waiting Periods mean with respect to a group health plan and an individual who is a potential participant or beneficiary in the group health plan, the period that must pass before the individual is eligible to be covered for benefits under the terms of the Plan.

ARTICLE 2. DUTIES AND AUTHORITY OF BCBSAZ

2.1 BCBSAZ has agreed to provide the services specified in Attachment A to the Administrative Services Agreement.

ARTICLE 3. EMPLOYER DUTIES AND ACKNOWLEDGEMENTS

3.1 Providers. Employer agrees that (i) BCBSAZ is not liable for any act or omission of any Provider, nor is BCBSAZ responsible for a Provider's failure or refusal to render Covered Services to a Participant, (ii) the use (or lack of use) of a descriptive term such as "Network" or "non-Network" in describing any Provider is not a statement as to the professional ability of the Provider, and (iii) the choice of Provider is exclusively that of the Participant. It is understood and agreed that neither BCBSAZ nor the Plan is engaged in the practice of medicine. Providers are solely responsible for all decisions regarding medical care and treatment of Participants, and the traditional relationship between physician and patient shall in no way be affected by or interfered with by any of the terms of the Plan of this Agreement or any agreement between BCBSAZ and such Providers. Accordingly, the Plan and this Agreement are in no way intended to affect the responsibility of Providers to provide appropriate services to Participants.

3.2 Claims Determinations. Employer acknowledges and agrees that BCBSAZ is neither the plan administrator nor a named fiduciary of the Plan. Employer acknowledges and agrees that the fact that a Provider has prescribed, ordered, recommended, or approved a service or supply does not make it a Covered Service or make the charge eligible for benefits under the Plan and this Agreement, even though such service or supply is not specifically listed as an exclusion under the Plan or this Agreement.

3.3 HDHP and HSA Option. For Employers offering Participants the option of enrolling in a plan which may be paired with a health savings account (HSA), Employer will: (a) make the establishment of HSAs completely voluntary; (b) not limit the ability of HSA eligible individuals to move their funds to another HSA beyond restrictions imposed by the Internal

Revenue Code; (c) not impose conditions on the utilization of HSA funds beyond those permitted in the Internal Revenue Code; (d) not make or influence the investment decisions with respect to funds contributed to HSAs; (e) not represent that the HSAs are a welfare benefit plan established or maintained by the Employer; and (f) not receive compensation in connection with an HSA. BCBSAZ is not responsible for any HSA which may be established by a Participant or with determining whether a Participant is eligible to establish an HSA.

3.4 HSA Integration Option. When a Participant wishes to have the high deductible plan integrated with the HSA offered by BCBSAZ's contracted HSA administrator, Employer shall obtain from each such adult Participant an authorization pursuant to the HIPAA Privacy Rule which authorizes BCBSAZ and its contracted vendors to provide to BCBSAZ's contracted HSA Administrator the Participant's protected health information to facilitate integration of the HSA and the HDHP. Employer agrees to retain the HIPAA authorizations for the period of time required by HIPAA and provide copies to BCBSAZ upon request. Employer will provide BCBSAZ with a list of all Enrollees who enroll in the HSA/HDHP that clearly identifies which of these enrollees has provided the Employer with the HIPAA authorization.

3.5 Mental Health Parity. If the Plan is not subject to ERISA and does not comply with the Mental Health Parity and Addiction Equity Act of 2008, the Employer represents and warrants that it has satisfied all the requirements to opt out from such Act including but not limited to notifying all employees of the opt out prior to the beginning of the plan year and is identified on the CMS website as having successfully opted out.

3.6 Qualified Medical Child Support Orders. Employer is responsible for determining whether an order received by the Employer (or BCBSAZ) is a qualified medical child support order under ERISA and/or Arizona law (and related regulations and amendments or successor provisions) and whether the children named in such order are eligible for coverage under the Plan and this Agreement. Employer shall not request that BCBSAZ terminate the coverage of a minor child whose coverage is mandated by a court or administrative order unless the Employer has written proof that the court or administrative order is no longer in effect or that the child is enrolled in comparable health insurance coverage and that coverage will take effect not later than the effective date of the termination of coverage as required by A.R.S. Section 25-534. The Employer acknowledges and agrees that BCBSAZ will assume that any request from the Employer to terminate the coverage of a minor child whose coverage is mandated by a court or administrative order will mean that the Employer has obtained such written proof.

3.7 Provider Agreements. Employer will comply with the participation agreements between BCBSAZ and Providers. If the terms and conditions of such participation agreements require the amendment or modification of this Agreement, BCBSAZ shall provide written notice of such amendment or modification to the Employer. If the Plan conflicts with the terms of the participation agreements between BCBSAZ and Providers, the terms and conditions of the participation agreements shall control.

3.8 Participant Cost Sharing. Participants are responsible for payment of all applicable cost sharing as well as expenses incurred for services that are not Covered Services, including

services in excess of specified benefit maximums. Network Providers will seek payment for these amounts directly from Participants.

3.9 Benefit Priority Designation. Employer acknowledges and agrees that all amounts owing to BCBSAZ under this Agreement, as supplemented, including without limitation, unreimbursed Covered Services, Administrative Fees, BlueCard Fees and Other Fees, constitute contributions to an employee benefit plan for purposes of 11 U.S.C. § 507(a)(5).

ARTICLE 4. PLAN CHANGES BY EMPLOYER

4.1. Plan Design. Employer is responsible for design of the Plan, including any modification or termination of the Plan. From time to time during the term of this Agreement, Employer may change the Plan's details of operation, specific benefits, or other terms and conditions provided that no such change shall be covered by this Agreement unless there is a prior written acceptance by BCBSAZ. The Employer acknowledges that changes to a Grandfathered Plan may result in the plan losing its grandfathered status.

4.2 Plan Changes. Employer agrees to provide BCBSAZ with a written description of changes to the Plan at least thirty (30) days prior to the proposed effective date of the changes. Any changes to BCBSAZ's processing system or payment policies and procedures required by a change to the Plan and agreed to be BCBSAZ shall be made at an additional charge to the Plan to be negotiated in good faith and mutually agreed upon by the Parties. In addition to other available remedies, BCBSAZ may terminate this Agreement as a result of any material modification of the Plan upon which BCBSAZ has not agreed, by providing 30 days' prior written notice of termination.

ARTICLE 5. BLUECARD ADMINISTRATION

5.1 Out-of-Area Services. BCBSAZ has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Programs." Whenever Participants access healthcare services outside the geographic area BCBSAZ serves, the Claim(s) for those services may be processed through one of these Inter-Plan Programs and presented to BCBSAZ for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. Typically, Participants, when accessing care outside the geographic area BCBSAZ serves, obtain care from healthcare providers that have a contractual agreement (i.e., are "participating providers") with the local Host Blue in that other geographic area. In some instances, Participants may obtain care from non-contracted healthcare providers (i.e., "non-participating providers"). BCBSAZ payment practices in both instances are described in Exhibit A the Inter-Plan Programs available to Participants under this Agreement are described generally in Exhibit A.

ARTICLE 6: PAYMENT DISCLOSURES

6.1 Preferred Drug List. With guidance from its Pharmacy and Therapeutics Committee, BCBSAZ develops and adopts for its entire book of insured and administered business and not on behalf of any specific individual or group benefit plan, a preferred drug list (PDL). A copy of the current list is available on the BCBSAZ website. BCBSAZ may add and delete drugs from the preferred drug list, or move drugs from one level on the list, to another, at

any time. Employer hereby adopts the BCBSAZ preferred drug list, as it may be amended from time to time, as the Employer's Preferred Drug List and shall notify BCBSAZ if Employer wishes to withdraw such approval. Employer acknowledges that withdrawal of approval will affect Employer's participation in the BCBSAZ pharmaceutical product rebate program, and any administrative fee credit taken in lieu of rebates.

6.2 Recovery of Payment. If BCBSAZ pays a Provider, Participant, or ineligible person and such payment is thirty-five ($35.00) dollars or more in excess of the amount actually owed, BCBSAZ shall make a single written demand upon such person for the return of the overpayment or improper payment. BCBSAZ shall have no further obligation with respect to any such overpayment or improper payment to a Participant or payment to any ineligible person, and in no event shall BCBSAZ be liable for such payments. Employer agrees that BCBSAZ shall have no obligation to attempt to collect any overpayments of less than thirty-five ($35.00) dollars. The above obligation does not apply to the extent the erroneous payment was the result of incorrect eligibility information from Employer.

6.3 Payment for Inpatient Services. The BCBSAZ Allowed Amount for inpatient services is referred to as the "Diagnosis Related Grouping" or "DRG." A DRG is a category of diagnoses or procedures used to reimburse hospitals specific dollar amounts depending on the category of reason for admission (diagnosis) or treatment (procedure). Some institutional providers are paid on a per diem (per day) basis.

6.4 Pharmacy Rebate Contracts. The Plan Sponsor is responsible for design of the Plan, including any modification or termination of the Plan, and retains sole and complete control to select and change the formularies for its Plan.

BCBSAZ participates in contracts with pharmaceutical companies to receive rebate payments ("rebate contracts"). Rebate payments may be based on factors such as preferred drug list placement and the volume and/or market share of pharmaceutical products used by Participants in this Plan, participants in other group plans, and BCBSAZ subscribers. BCBSAZ participates in rebate contracts on its own behalf, for its entire book of insured and administered business, and not on behalf of any specific individual or group benefit plan. BCBSAZ reserves the right to negotiate, participate in and terminate existing or future rebate contracts with pharmaceutical companies at any time, and in its sole and absolute discretion. If BCBSAZ receives any rebates attributable to pharmaceutical products covered under the terms and conditions of this Agreement, and used by Participants of Employer's Plan, BCBSAZ shall retain any such rebates and shall not remit any rebate payments to Employer.

If applicable, at Employer's request, the parties have agreed that BCBSAZ will provide Employer with an administrative fee credit, in the amount specified on the rate sheet. Employer acknowledges that it has negotiated this administrative fee credit as part of this Agreement and that it and its group health plan have no right to, or legal interest in, any rebates provided by pharmaceutical manufacturers to BCBSAZ. The Employer consents to BCBSAZ's retention of any and all such rebates.

ARTICLE 7. LIMITATION OF LIABILITY AND INDEMNIFICATIONS

7.1 Scope of Responsibility. With respect to the Plan, the parties agree that BCBSAZ is not the Plan administrator or a Plan fiduciary under ERISA (including PPACA) or COBRA (or comparable provisions of other state or federal law). The Employer acknowledges and agrees that it is the plan administrator and named fiduciary and is responsible for any liability arising out of the requirements of COBRA, ERISA, the PHSA and the Internal Revenue Code, including PPACA, (or comparable provisions of other state or federal law). Both Parties acknowledge and agree that the Employer is responsible for compliance with all applicable laws and regulations. BCBSAZ does not assume any responsibility for the general policy direction of the Plan, the adequacy of its funding, or any act or omission or any breach of duty by the Employer. BCBSAZ is not in any way to be deemed an insurer, underwriter, or guarantor with respect to any benefits payable under the Plan, nor is BCBSAZ a fiduciary under the Plan. BCBSAZ does not assume any risk, including but not limited to, insurance and/or financial or credit risk, unless and only to the extent BCBSAZ and the Employer have executed a Maximum Aggregate and Specific Liability Agreement.

7.2 Liability for Misrepresentation or Fraud. The Employer shall be liable for providing misleading, false, or fraudulent statements and for failing to provide adequate, accurate and timely information or notice to BCBSAZ under this Agreement. BCBSAZ reserves the right to take whatever action it deems necessary and appropriate to return BCBSAZ to the position it would have been in but for those misrepresentations, misstatements, or omissions by Employer. Such actions shall include, but not be limited to, the right to immediately terminate or rescind this Agreement.

7.3 Limitation of Liability. BCBSAZ shall not be liable for any loss or expense to the Employer resulting from the performance of BCBSAZ under this Agreement, when BCBSAZ has adhered to the framework of the policies, interpretations, rules, practices, and procedures made or established by the Employer or has otherwise performed under this Agreement, except for losses resulting directly from and to the extent of the gross negligence, fraud, or willful misconduct of BCBSAZ, its directors, officers, employees, or agents.

7.6 Lawsuits by BCBSAZ. BCBSAZ may, on occasion, investigate opportunities to initiate or join class action or other lawsuits premised on suspected conduct that results in higher payments by third party payors, for example insurance companies, than otherwise would have been required. BCBSAZ reviews these cases and makes a good faith decision based on the unique facts of each case whether to file a lawsuit or participate in a pending matter. BCBSAZ may also bring lawsuits against vendors or other entities to recover various economic damages. If BCBSAZ participates as a plaintiff and recovers damages, those funds (unless determined to be plan assets under ERISA) are retained by BCBSAZ to reduce overall administrative costs. The lawsuits are brought on behalf of BCBSAZ and funds are not distributed to the Plan or Participants. This paragraph is not intended to limit or waive any claims BCBSAZ may have against any person or entity.

ARTICLE 8. HIPAA BUSINESS ASSOCIATE PROVISIONS

8.1 Definitions. Any capitalized term used, but not defined, in this Article shall have the meaning set forth in the HIPAA Rules. The HIPAA Rules include the Privacy, Security, Breach

Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164. The "HIPAA Privacy Rule" is at 45 CFR, part 160 and part 164, subparts A and E. The "HIPAA Security Rule" is at 45 C.F.R. Parts 160 and 164. The "HIPAA Breach Notification Rule" is at 45 CFR Part 164 Subpart D.

8.2 Certification. Employer certifies that the plan document of Plan has been amended to comply with the requirements of 45 C.F.R. § 164.504(f)(2) and 45 C.F.R. §164.314(b), including, but not limited to (a) prohibiting use or disclosure of Protected Health Information for employment related actions, and (b) ensuring separation of records between the Plan and Employer. The amendment provides the required satisfactory assurance that Employer will appropriately safeguard and limit the use and disclosure of the Plan Participants' Protected Health Information that Employer may receive from Plan or BCBSAZ to perform the Plan Administration Functions.

8.3 Privacy Of Protected Health Information.

a. BCBSAZ will protect all Protected Health Information that BCBSAZ creates or receives on Plan's behalf or receives from Plan (or another Business Associate of Plan) in the performance of its duties under the Agreement, as required by this Agreement and applicable law. As a Business Associate, BCBSAZ recognizes and agrees that it is obligated by law to meet the applicable provisions of the HIPAA Rules.

b. BCBSAZ is permitted to use or disclose Protected Health Information it creates or receives for or from Plan, or a Business Associate of Plan, or to request Protected Health Information on the Plan's behalf as follows:

i. BCBSAZ is permitted to request Protected Health Information on the Plan's behalf and to use and to disclose Protected Health Information it creates or receives for or from the Plan, or a Business Associate of Plan, to perform its obligations under this Agreement. Without limiting the foregoing, BCBSAZ is permitted to disclose Protected Health Information to the Plan's stop loss carrier, the Plan's designated utilization review agent, the Plan's designated broker and benefits consultant, the Plan's auditor and any vendor the Plan uses to perform enrollment, eligibility, COBRA Administration, HSA, HRA or FSA administration or similar functions (collectively, "Plan Contractors") which such Plan Contractors request.

ii. For any use, disclosure or request of Protected Health Information, BCBSAZ shall utilize a Limited Data Set if practicable or, if not practicable, use, disclose, and request of the Plan only the minimum amount of the Plan's Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request. In addition, BCBSAZ agrees to implement and follow appropriate minimum necessary policies in the performance of its obligations under this Agreement.

iii. BCBSAZ may use the Protected Health Information it creates or receives for or from the Plan, or from another Business Associate of the Plan, for the

administration of BCBSAZ's wellness programs, to communicate with Participants about value added products and services, for BCBSAZ's management and administration or to carry out BCBSAZ's legal responsibilities.

iv. BCBSAZ may disclose Protected Health Information for the proper management and administration of BCBSAZ or to carry out the legal responsibilities of BCBSAZ, provided that disclosures are Required By Law, or BCBSAZ obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies BCBSAZ of any instances of which it is aware in which the confidentiality of the information has been breached.

c. BCBSAZ will neither use nor disclose Protected Health Information it creates or receives for or from the Plan or from another Business Associate of the Plan, except as permitted or required by this Agreement, as permitted or required by law, as otherwise permitted in writing by the Plan, or as authorized by a particular Participant with respect to their Protected Health Information.

d. BCBSAZ may use and disclose PHI to provide Data Aggregation Services related to the Plan's Health Care Operations. BCBSAZ also may deidentify PHI it obtains or creates in the course of providing services to Plan.

e. BCBSAZ shall not directly or indirectly receive remuneration in exchange for PHI except where consistent with applicable law.

f. BCBSAZ shall not directly or indirectly receive payment for any use or disclosure of PHI for marketing purposes except where consistent with applicable law or pursuant to an individual authorization.

g. BCBSAZ will use appropriate safeguards to prevent uses or disclosures of the information other than as provided for or by this Agreement.

h. BCBSAZ will require any of its subcontractors and agents, to which BCBSAZ is permitted to disclose Protected Health Information, to provide reasonable assurance, evidenced by written contract, that subcontractor or agent will comply with the same privacy and security obligations as BCBSAZ with respect to such Protected Health Information.

i. Prior to requesting any Protected Health Information from BCBSAZ or directing BCBSAZ to provide Protected Health Information to a Plan Contractor or other third-party, the Employer and Plan shall ensure that they, and any of Plan's Business Associates, take any required actions and obtain any required authorizations which may be necessary for such disclosure.

8.4 Safeguards for Securing Electronic Protected Health Information.

a. BCBSAZ will use appropriate administrative, technical, and physical safeguards that reasonably and appropriately protect the integrity, confidentiality and availability of Electronic Protected Health Information created or received for or from the Plan or on the Plan's behalf, consistent with the HIPAA Security Rule.

b. BCBSAZ will require its agents and subcontractors, to whom it provides such Electronic Protected Health Information, to implement reasonable and appropriate safeguards to protect it, consistent with the HIPAA Security Rule.

8.5 Reporting.

a. BCBSAZ will report to Plan, following discovery and without unreasonable delay, any "Breach" of "Unsecured Protected Health Information" as these terms are defined by the HIPAA Breach Notification Rule. BCBSAZ shall cooperate with Plan in investigating the Breach and in meeting the Plan's obligations under the Breach Notification Rule and any other security breach notification laws. Any such report shall include the identification (if known) of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by BCBSAZ to have been, accessed, acquired, or disclosed during such Breach, along with any other information required to be reported under the HIPAA Rules.

b. BCBASAZ will report to the Plan any Security Incident, of which it becomes aware, affecting Participant Electronic Protected Health Information and resulting in a disclosure not permitted by this Agreement.

8.6 Access, Amendment And Disclosure Accounting.

a. Upon receipt of the Plan's written request, BCBSAZ will make available to the Plan or, at the Plan's direction, to the individual, Protected Health Information maintained in a designated record set in accordance with 45 C.F.R. §164.524. BCBSAZ shall make such information available in electronic format where directed by Plan. If BCBSAZ receives such a request directly from a Participant, BCBSAZ will provide such information directly to the Participant or person designated by the Participant.

b. Upon receipt of the written request of the Plan or a Participant, BCBSAZ will make available Protected Health Information maintained in a designated record set for amendment and will incorporate amendments to Protected Health Information maintained in a designated record set in accordance with 45 C.F.R. §164.526.

c. Upon receipt of the Plan's written request in response to a request from a Participant, BCBSAZ will make available to Plan or, at Plan's direction, to the Participant, information required to provide an accounting of disclosures in accordance with 45 C.F.R. §164.528. If BCBSAZ receives a request for accounting directly from a Participant, BCBSAZ will provide such accounting directly to the Participant or person designated by the Participant.

d. BCBSAZ will make its internal practices, books, and records, relating to its use and disclosure of the Protected Health Information it creates or receives for or from the Plan, along with required documentation of security policies and procedures, available to the U.S. Department of Health and Human Services for purposes of determining compliance with HIPAA Administrative Simplification requirements.

8.7 Termination for Breach of Privacy or Security Obligations.

a. Termination

Plan will have the right to terminate this Agreement if BCBSAZ has engaged in a pattern of activity or practice that constitutes a material breach or violation of BCBSAZ's obligations regarding Plan's Protected Health Information under this Agreement and, on notice of such material breach or violation from Plan, fails to take reasonable steps to cure the breach or end the violation. If BCBSAZ fails to cure the material breach or end the violation within thirty (30) days after receipt of Plan's notice, Plan may terminate the Agreement by providing BCBSAZ written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination. If for any reason Plan determines that BCBSAZ has breached the terms of this Article 9 and such breach has not been cured, but Plan determines that termination of the Agreement is not feasible, Plan may report such breach to the U.S. Department of Health and Human Services.

b. Obligations upon Termination.

i. Upon termination, cancellation, expiration or other conclusion of Agreement, BCBSAZ will, if feasible, return to the Plan or destroy all Protected Health Information that BCBSAZ created or received for or from the Plan. If such information cannot feasibly be returned, BCBSAZ will limit its further use or disclosure of that Protected Health Information to those purposes that make return or destruction of that Protected Health Information infeasible.

ii. BCBSAZ's obligation to protect the privacy of the Protected Health Information it created or received for or from the Plan will be continuous and survive termination, cancellation, expiration or other conclusion of Agreement.

ARTICLE 9. GENERAL PROVISIONS

9.1 Amendment. The Agreement may be modified only through a written Amendment executed by authorized persons for both parties, however, BCBSAZ may alter, amend, or modify this Agreement, the Benefit Plan Booklet(s), and its performance under this Agreement as BCBSAZ in its sole discretion determines may be necessitated by applicable state or federal law or by the terms and conditions of various participation agreements between BCBSAZ and Providers. Changes to the Agreement, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials,

directed by a person who is not specifically authorized by the City in writing or made unilaterally by BCBSAZ are violations of the Agreement. Except as stated in this Section, any such changes, including unauthorized written Amendments shall be void and without effect, and BCBSAZ shall not be entitled to any claim under this Agreement based on such changes.

9.2 Attorneys' Fees. In any action to enforce the terms of this Agreement, the successful party, defined as the net winner considering all claims and counterclaims actually adjudicated, shall be entitled to an award of its reasonable attorneys' fees and costs as provided by A.R.S. section 12-341.01.

9.3 Relationship to the Association. The Plan, on behalf of itself and its participants, hereby expressly acknowledges its understanding this Agreement constitutes a contract solely between the Plan and BCBSAZ, which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, (the "Association") permitting BCBSAZ to use the Blue Cross and Blue Shield Service Mark[s] in Arizona, and that BCBSAZ is not contracting as the agent of the Association. The Plan, on behalf of itself and its participants, further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than BCBSAZ and that no person, entity, or organization other than BCBSAZ shall be held accountable or liable to the Plan for any of BCBSAZ's obligations to the Plan created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of BCBSAZ other than those obligations created under other provisions of this agreement.

9.4 Independent Contractors. BCBSAZ is an independent contractor with respect to the services being performed under this Agreement and shall not for any purpose be deemed an employee of the Plan or Employer, nor shall BCBSAZ and the Plan or Employer be deemed partners, joint venturers, or governed by any legal relationship other than that of independent contractor.

9.5 Non-Assignability of Right of Payment. Payment for Covered Services shall be made directly to the Provider of such Covered Services if that Provider has a participation agreement with BCBSAZ or direct payment to that Provider is required under agreements between BCBSAZ and the Association and/or other independent licensees of the Association. If a Provider is not in either of these categories, the payment of Covered Services shall be made directly to the Participant, except as may otherwise be required by applicable state or federal law. Rights to payment available under this Agreement are not assignable.

9.6 Non-Disclosure of Proprietary Information. Employer and Plan acknowledge that each has received, or is likely to receive, information which is proprietary or confidential to BCBSAZ as well as confidential information belonging to another Blue Cross and Blue Shield plan ("Blue Plan") or the Blue Cross Blue Shield Association (the "Association") (collectively, "Proprietary Information"). The term Proprietary Information shall mean: (a) any information provided by BCBSAZ to Employer or Plan which a reasonable person would regard as confidential including, without limitation, information of BCBSAZ, a Blue Plan or the Association pertaining to providers, rates, pricing, proposed products, strategies,

members, trade secrets, policies, procedures, data, processes and financial information; (b) information acquired by BCBSAZ under terms limiting or protecting the disclosure thereof; and (c) any information marked confidential. Employer and Plan acknowledge that the Proprietary Information is confidential and proprietary to BCBSAZ, the applicable Blue Plan or the Association and each agrees that it shall not: (1) resell Proprietary Information; (2) de- aggregate any Proprietary Information to identify BCBSAZ, another Blue Plan, or any other employer or participants of another employer; (3) comingle Proprietary Information unless approved by BCBSAZ; or (4) disclose the Proprietary Information to any third party without the prior written consent of BCBSAZ. Employer and Plan shall not utilize the Proprietary Information for any purpose not specifically permitted in this Agreement or otherwise permitted by BCBSAZ in advance and in writing. Additionally, Employer and Plan agree to destroy any Proprietary Information upon conclusion of the purpose for which it was requested or, where destruction is not feasible for legal or licensure reasons, continue to maintain the confidentiality of the Proprietary Information as set forth in this Agreement. BCBSAZ may audit Employer and Plan to confirm compliance with the terms of this provision.

9.7 Parties to the Agreement. This Agreement is between BCBSAZ and the Plan and does not create any rights or legal relationships between BCBSAZ and any Participants. Employer represents and warrants all entities covered under this Agreement qualify as a single employer under 26 U.S.C. §414 (b), (c), (m) or (o).

9.8 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under current or future laws or regulations effective during the term of this Agreement, (a) the illegal, invalid, or unenforceable provision shall be severed from this Agreement, (b) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement, and (c) the remaining provisions shall remain in full force and effect and shall not be affected by such illegal, invalid or unenforceable provision or by its severance.

9.9 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties, their permissible successors, and their permissible assigns.

9.10 Use of Trade Name. The Employer agrees not to use the corporate name or any trade name, trademark, or service mark of BCBSAZ, or of any pharmaceutical manufacturers or vendor firms contracted with BCBSAZ, in any advertising, publications, press releases, brochures, or other public communications without the prior written consent of BCBSAZ, the pharmaceutical manufacturer, or vendor, as applicable.

9.11 Massachusetts. Employer acknowledges and agrees that: (a) Employer is aware Massachusetts enacted health reform legislation which requires, among other things, Massachusetts residents to have health insurance that qualifies as "creditable coverage" under Massachusetts law and which imposes significant penalties on Massachusetts residents and their employers who fail to comply with Massachusetts creditable coverage related laws and regulations; (b) BCBSAZ does not perform any of the duties required of employers with Massachusetts resident employees, including but not limited to: (i) making electronic filing(s) with Massachusetts regulators; (ii) sending the Massachusetts Form 1099 HC to Massachusetts residents; (iii) assessing whether BCBSAZ plans satisfy, in whole

or in part, Massachusetts credible coverage requirements; (iv) making any representation that any BCBSAZ coverage qualifies as "creditable coverage" under Massachusetts law.

Exhibit G 1
BlueCard HMO

Out-of-Area Services

Overview

BCBSAZ has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Arrangements." These Inter-Plan Arrangements operate under rules and procedures issued by the Blue Cross Blue Shield Association ("Association"). Whenever Participants access healthcare services outside the geographic area BCBSAZ serves, the claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below.

Typically, when accessing care outside the geographic area BCBSAZ serves, Participants obtain care from healthcare providers that have a contractual agreement ("participating providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, Participants may obtain care from healthcare providers in the Host Blue geographic area that do not have a contractual agreement ("nonparticipating providers") with the Host Blue. BCBSAZ remain responsible for fulfilling its contractual obligations to Employer. BCBSAZ payment practices in both instances are described below.

- BCBSAZ Narrow Network Benefit Plan - BCBSAZ covers only limited healthcare services received outside of BCBSAZ's service area ("Out-of-Area Covered Healthcare Services"). Emergency services and EGID and Medical Foods formulas are covered when provided by providers contracted with a Host Blue and when provided by non-contracted providers. All other covered services must be obtained from providers contracted with a Host Blue.
- BCBSAZ Statewide Benefit Plan - BCBSAZ covers healthcare services received outside of our service area ("Out-of-Area Covered Healthcare Services"). Emergency services and EGID and Medical Foods formulas are covered when provided by providers contracted with a Host Blue and when provided by non-contracted providers. All other covered services must be obtained from providers contracted with a Host Blue.

Inter-Plan Arrangements Eligibility – Claim Types

All claim types are eligible to be processed through Inter-Plan Arrangements, as described above, except for all dental care benefits (except when paid as medical claims/benefits), and those prescription drug benefits or vision care benefits that may be administered by a third party contracted by BCBSAZ to provide the specific service or services.

A. BlueCard® Program

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when Participants access Out-of-Area Covered Services within the geographic area served by a Host Blue the Host Blue will be responsible for contracting and handling all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below.

Liability Calculation Method Per Claim

1. Participant Liability Calculation

   Unless subject to a fixed-dollar copayment, the calculation of Participant liability on claims for Out-of-Area Covered Services processed through the BlueCard Program will be based on the lower of the participating provider's billed charges for Out-of-Area Covered Services or the negotiated price made available to BCBSAZ by the Host Blue.

2. Employer Liability Calculation

   The calculation of Employer liability on claims for Covered Services processed through the BlueCard Program will be based on the negotiated price made available to BCBSAZ by the Host Blue. Sometimes, this negotiated price may be greater for a given service or services than the billed charge in accordance with how the Host Blue has negotiated with its participating provider(s) for specific healthcare services. In cases where the negotiated price exceeds the billed charge, Employer may be liable for the excess amount even when the Participant's deductible has not been satisfied. This excess amount reflects an amount that is necessary to secure (a) the provider's participation in the network, and (b) the overall discount negotiated by the Host Blue. The entire contracted price is paid to the provider even when the contracted price is greater than the billed charge.

Claims Pricing

Host Blues determine a negotiated price, which is reflected in the terms of each Host Blue's provider contracts. The negotiated price made available to BCBSAZ by the Host Blue may be represented by one of the following:

(i) An actual price. An actual price is a negotiated rate of payment in effect at the time a claim is processed without any other increases or decreases; or

(ii) An estimated price. An estimated price is a negotiated rate of payment in effect at the time a claim is processed, reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements and performance-related bonuses or incentives; or

(iii) An average price. An average price is a percentage of billed charges for Out-of-Area Covered Healthcare Services in effect at the time a claim is processed representing the aggregate payments negotiated by the Host Blue with all of its providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

The Host Blue determines whether or not it will use an actual price, an estimated price or

an average price. The use of estimated or average pricing may result in a difference (positive or negative) between the price the Employer pays on a specific claim and the actual amount the Host Blue pays to the provider.

However, the BlueCard Program requires that the amount paid by the Participant and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims. Any positive or negative differences in estimated or average pricing are accounted for through variance accounts maintained by the Host Blue and are incorporated into future claim prices. As a result, the amounts charged to Employer will be adjusted in a following year, as necessary, to account for over- or underestimation of past years' prices. The Host Blue will not receive compensation from how the estimated price or average price methods, described above, are calculated.

Because all amounts paid are final, neither positive variance account amounts (funds available to be paid in the following year), nor negative variance amounts (the funds needed to be received in the following year), are due to or from Employer. If Employer terminates, Employer will not receive a refund or charge from the variance account.

Variance account balances are small amounts relative to the overall paid claims amounts and will be drawn down over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Variance account balances may earn interest at the federal funds or similar rate. Host Blues may retain interest earned on funds held in variance accounts.

Federal/State Taxes/Surcharges/Fees

In some instances, federal or state laws or regulations may impose a surcharge, tax, or other fee that applies to self-funded accounts. If applicable, BCBSAZ will disclose any such surcharge, tax or other fee to Employer, which will be Employer liability.

Return of Overpayments

Recoveries of overpayments from a Host Blue or its participating and nonparticipating providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recovery amounts determined in the ways noted above will be applied so that corrections will be made, in general, on a claim-by-claim or prospective basis. If recovery amounts are passed on a claim-by-claim basis from a Host Blue to BCBSAZ, they will be credited to Employer's account. In some cases, the Host Blue will engage a third party to assist in identification or collection of overpayments. The fees of such a third party may be charged to Employer as a percentage of the recovery.

Unless otherwise agreed to by the Host Blue, BCBSAZ will request adjustments from the Host Blue for full refunds from providers due to the retroactive cancellation of membership but only for one year after the date of the Inter-Plan financial settlement process for the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery conflicts with the Host

Blue's state law or provider contracts or would jeopardize the Host Blue's relationship with its providers.

BlueCard Fees and Compensation

Employer understands and agrees to reimburse BCBSAZ for certain fees and compensation which BCBSAZ is obligated under the BlueCard Program to pay to the Host Blues, to the Association and/or to vendors of BlueCard Program-related services, as described below. BlueCard Program Fees and compensation may be revised from time to time as described in section I.D below. BCBSAZ will charge these fees as follows:

Only the BlueCard Program Access Fee and the BlueCard Program Administrative Expense Allowance (AEA) fee may be charged separately each time a claim is processed through the BlueCard Program. All other BlueCard Program-related fees are included in the Administrative Charges.

The Access Fee is charged by the Host Blue to BCBSAZ for making the applicable Host Blue's provider network available to Employer's Participants. The Access Fee will not apply if the provider does not participate in the applicable Host Blue's network. The Access Fee is charged on a per- claim basis and is charged as a percentage of the discount/differential BCBSAZ receives from the applicable Host Blue subject to a maximum of $2,000 per claim. When charged, BCBSAZ passes the Access Fee directly on to Employer.

The AEA Fee is a fixed per-claim dollar amount charged by the Host Blue to BCBSAZ for administrative services that the Host Blue provides in processing claims for Employer's Participants. The dollar amount is normally based on the type of claim (e.g. institutional, professional, international, etc.) and can also be based on the size of your group enrollment. When charged, BCBSAZ passes the AEA Fee directly on to Employer.
See Administrative Service Agreement, Caveats for the BlueCard Program Access Fee and AEA Fee and for Employer's general administrative fee.

BlueCard Program Access Fees

A BlueCard Program Access Fee may be charged only if the Host Blue's arrangement with its provider prohibits billing Participants for amounts in excess of the negotiated payment. However, a provider may bill Participants for non-covered healthcare services and for cost sharing (for example, deductibles, copayments and/or coinsurance) related to a particular claim.

How the BlueCard Program Access Fee Affects Employer

Sometimes the Access Fee is a negative amount, which is known as an Access Fee Credit. Any Access Fee Credits will be credited to BCBSAZ, and BCBSAZ will pass the entire Access Fee Credit on to Employer.

Instances may occur in which the claim payment is zero or BCBSAZ pays only a small amount because the amounts eligible for payment were applied to patient cost sharing (such as a deductible or coinsurance). In these instances, BCBSAZ will pay the Host Blue's

Access Fee and pass it along to BCBSAZ as stated above even though Employer paid little or had no claim liability.

B. Nonparticipating Providers Outside BCBSAZ Service Area

Participant Liability Calculation

In General

When Out-of-Area Covered Healthcare Services are provided outside of BCBSAZ service area by nonparticipating providers, the amount(s) a Participant pays for such services will generally be based on either the Host Blue's nonparticipating provider local payment or the pricing arrangements required by applicable state law. Payments for out-of-network emergency services will be governed by applicable federal and state law.

Exceptions

In some exception cases, BCBSAZ may pay claims from nonparticipating providers for Out-of-Area Covered Healthcare Services based on the provider's billed charge. This may occur in situations where a Participant did not have reasonable access to a participating provider, as determined by BCBSAZ in BCBSAZ's sole and absolute discretion or by applicable state law. In other exception cases, BCBSAZ may pay such claims based on the payment BCBSAZ would make if BCBSAZ were paying a nonparticipating provider for the same covered healthcare services inside BCBSAZ's service area, as described elsewhere in this Agreement. This may occur where the Host Blue's corresponding payment would be more than BCBSAZ in-service area nonparticipating provider payment. BCBSAZ may choose to negotiate a payment with such a provider on an exception basis.

Fees and Compensation

Employer understands and agrees to reimburse BCBSAZ for certain fees and compensation which BCBSAZ is obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Blue Cross Blue Shield Association and/or to vendors of Inter-Plan Arrangement- related services. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in section I.D below

Specifically, BCBSAZ must pay an administrative fee to the Host Blue, and Employer further agrees to reimburse BCBSAZ for any such administrative fee as set forth herein.

C. Blue Cross Blue Shield Global Core

General Information

If Participants are outside the United States (hereinafter: "BlueCard service area"), they may be able to take advantage of BCBS Global Core when accessing Covered Services. BCBS Global Core is unlike the BlueCard Program available in the BlueCard service area in certain ways. For instance, although BCBS Global Core assists Participants with accessing a

network of inpatient, outpatient and professional providers, the network is not served by a Host Blue. As such, when Participants receive care from providers outside the BlueCard service area, the Participants will typically have to pay the providers and submit the claims themselves to obtain reimbursement for these services.

□ **Inpatient Services**

In most cases, if Participants contact the BlueCard Worldwide Service Center for assistance, hospitals will not require Participants to pay for covered inpatient services, except for their cost-share amounts. In such cases, the hospital will submit Participant claims to the BCBS Global Core Service Center to initiate claims processing. However, if the Participant paid in full at the time of service, the Participant must submit a claim to obtain reimbursement for Covered Services. Participants must contact BCBSAZ to obtain precertification for non-emergency inpatient services.

□ **Outpatient Services**

Physicians, urgent care centers and other outpatient providers located outside the BlueCard service area will typically require Participants to pay in full at the time of service. Participants must submit a claim to obtain reimbursement for Covered Services.

□ **Submitting a BCBS Global Core Claim**

When Participants pay for Covered Services outside the BlueCard service area, they must submit a claim to obtain reimbursement. For institutional and professional claims, Participants should complete a BCBS Global Core claim form and send the claim form with the provider's itemized bill(s) to the service center (the address is on the form) to initiate claims processing. The claim form is available from BCBSAZ, the service center or online at www.bcbsglobalcore.com. If Participants need assistance with their claim submissions, they should call the service center at 1.800.810.BLUE (2583) or call collect at 1.804.673.1177, 24 hours a day, seven days a week.

D. Modifications or Changes to Inter-Plan Arrangement Fees or Compensation

Modifications or changes to Inter-Plan Arrangement fees are generally made effective Jan. 1 of the calendar year, but they may occur at any time during the year. In the case of any such modifications or changes, BCBSAZ shall provide Employer with at least thirty (30) days' advance written notice of any modification or change to such Inter-Plan Arrangement fees or compensation describing the change and the effective date thereof and Employer's right to terminate this Agreement without penalty by giving written notice of termination before the effective date of the change. If Employer fails to respond to the notice and does not terminate this Agreement during the notice period, Employer will be deemed to have approved the proposed changes, and BCBSAZ will then allow such modifications to become part of this Agreement.

Exhibit G 1 (Continued)
BlueCard PPO

Out-of-Area Services

Overview

BCBSAZ has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Arrangements." These Inter-Plan Arrangements operate under rules and procedures issued by the Blue Cross Blue Shield Association ("Association"). Whenever Participants access healthcare services outside the geographic area BCBSAZ serves, the claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below.

Typically, when accessing care outside the geographic area BCBSAZ serves, Participants obtain care from healthcare providers that have a contractual agreement ("participating providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, Participants may obtain care from healthcare providers in the Host Blue geographic area that do not have a contractual agreement ("nonparticipating providers") with the Host Blue. B C B S A Z remains responsible for fulfilling its contractual obligations to Employer. BCBSAZ payment practices in both instances are described below.

This disclosure describes how claims are administered for Inter-Plan Arrangements and the fees that are charged in connection with Inter-Plan Arrangements. Note that dental care benefits (except when not paid as medical claims/benefits), and those prescription drug benefits or vision care benefits that may be administered by a third party contracted by BCBSAZ to provide the specific service or services are not processed through Inter-Plan Arrangements.

A. BlueCard® Program

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when Participants access Covered Services within the geographic area served by a Host Blue, the Host Blue will be responsible for contracting and handling all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below.

1. Liability Calculation Method Per Claim – In General

a. Participant Liability Calculation

Unless subject to a fixed dollar copayment, the calculation of the Participant liability on claims for Covered Services will be based on the lower of the participating provider's billed charges for Covered Services or the negotiated price made available to BCBSAZ by the Host Blue.

b. Employer Liability Calculation

The calculation of Employer liability on claims for Covered Services

processed through the BlueCard Program will be based on the negotiated price made available to BCBSAZ by the Host Blue. Sometimes, this negotiated price may be greater for a given service or services than the billed charge in accordance with how the Host Blue has negotiated with its participating healthcare provider(s) for specific healthcare services. In cases where the negotiated price exceeds the billed charge, Employer may be liable for the excess amount even when the Participant's deductible has not been satisfied. This excess amount reflects an amount that may be necessary to secure (a) the provider's participation in the network and/or (b) the overall discount negotiated by the Host Blue. In such a case, the entire contracted price is paid to the provider, even when the contracted price is greater than the billed charge.

2. Claims Pricing

Host Blues determine a negotiated price, which is reflected in the terms of each Host Blue's provider contracts. The negotiated price made available to BCBSAZ by the Host Blue may be represented by one of the following:

(i) An actual price. An actual price is a negotiated rate of payment in effect at the time a claim is processed without any other increases or decreases; or

(ii) An estimated price. An estimated price is a negotiated rate of payment in effect at the time a claim is processed, reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non- claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements and performance-related bonuses or incentives; or

(iii) An average price. An average price is a percentage of billed charges for Covered Services in effect at the time a claim is processed representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

The Host Blue determines whether it will use an actual, estimated or average price. The use of estimated or average pricing may result in a difference (positive or negative) between the price Employer pays on a specific claim and the actual amount the Host Blue pays to the provider. However, the BlueCard Program requires that the amount paid by the Participant and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims.

Any positive or negative differences in estimated or average pricing are accounted for through variance accounts maintained by the Host Blue and are incorporated into future claim prices. As a result, the amounts charged to Employer will be

adjusted in a following year, as necessary, to account for over- or underestimation of the past years' prices. The Host Blue will not receive compensation from how the estimated price or average price methods, described above, are calculated. Because all amounts paid are final, neither positive variance account amounts (funds available to be paid in the following year), nor negative variance amounts (the funds needed to be received in the following year), are due to or from Employer. If Employer terminates, Employer will not receive a refund or charge from the variance account.

Variance account balances are small amounts relative to the overall paid claims amounts and will be drawn down over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Variance account balances may earn interest at the federal funds rate or similar rate. Host Blues may retain interest earned on funds held in variance accounts.

3. BlueCard Program Fees and Compensation

Employer understands and agrees to reimburse BCBSAZ for certain fees and compensation which BCBSAZ is obligated under the BlueCard Program to pay to the Host Blues, to the Association and/or to vendors of BlueCard Program-related services. The specific BlueCard Program fees and compensation that are charged to Employer are set forth in Administrative Service Agreement, Caveat. BlueCard Program Fees and compensation may be revised from time to time as described in section I.H below.

B. Negotiated Arrangements

With respect to one or more Host Plans, instead of using the BlueCard Program, BCBSAZ may process your Participant claims for Covered Services through Negotiated Arrangements.

In addition, if BCBSAZ and Employer have agreed that (a) Host Blue(s) shall make available (a) custom healthcare provider network(s) in connection with this Agreement, then the terms and conditions set forth in BCBSAZ's Negotiated Arrangement(s) for National Accounts with such Host Blue(s) shall apply. These include the provisions governing the processing and payment of claims when Participants access such network(s). In negotiating such arrangement(s), BCBSAZ is not acting on behalf of or as an agent for Employer, Employer's group health plan or Employer Participants.

Participant Liability Calculation

Participant liability calculation will be based on the lower of either billed charges for Covered Services or negotiated price (refer to the description of negotiated price under Section A., BlueCard Program, as stated above) that the Host Blue makes available to BCBSAZ and that allows Employer's Participants access to negotiated participation agreement networks of specified participating providers outside of the BCBSAZ service area.

Under certain circumstances, if BCBSAZ pays the Healthcare Provider amounts that are the responsibility of the Participant, BCBSAZ may collect such amounts from the Participant.

In situations where participating agreements allow for bulk settlement reconciliations for Episode- Based Payment/Bundled Payments, BCBSAZ may include a factor for such settlement reconciliations as part of the fees BCBSAZ charges to Employer.

Where Employer agrees to use reference-based benefits, if offered, which are service-specific benefit dollar limits for specific procedures, based on a Host Blue's local market rates, Participants will be responsible for the amount that the healthcare provider bills for a specified procedure above the reference benefit limit for that procedure. For a participating provider, that amount will be the difference between the negotiated price and the reference benefit limit. For a nonparticipating provider, that amount will be the difference between the provider's billed charge and the reference benefit limit. Where a reference benefit limit exceeds either a negotiated price or a provider's billed charge, the Participant will incur no liability, other than any applicable Participant cost sharing under this Agreement.

Fees and Compensation

Employer understands and agrees to reimburse BCBSAZ for certain fees and compensation which BCBSAZ is obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as described in Section I.H below. In addition, the participation agreement with the Host Blue may provide that BCBSAZ must pay an administrative and/or a network access fee to the Host Blue, and Employer further agrees to reimburse BCBSAZ for any such applicable administrative and/or network access fees. The specific fees and compensation that are charged to Employer under Negotiated Arrangements are set forth in Administrative Service Agreement, Caveat.

C. Special Cases: Value-Based Programs

Value-Based Programs Overview

Employer's Participants may access Covered Services from providers that participate in a Host Blue's Value-Based Program. Value-Based Programs may be delivered either through the BlueCard Program or a Negotiated Arrangement. These Value-Based Programs may include, but are not limited to, Accountable Care Organizations, Global Payment/Total Cost of Care arrangements, Patient Centered Medical Homes and Shared Savings arrangements.

Value-Based Programs Definitions

Accountable Care Organization (ACO): A group of healthcare providers who agree to deliver coordinated care and meet performance benchmark for quality and affordability in order to manage the total cost of care for their member populations.

Care Coordination: Organized, information-driven patient care activities intended to facilitate the appropriate responses to a Participant's healthcare needs across the continuum of care.

Care Coordinator: An individual within a provider organization who facilitates Care Coordination for patients.

Care Coordinator Fee: A fixed amount paid by a Blue Cross and/or Blue Shield Licensee to providers periodically for Care Coordination under a Value-Based Program.

Global Payment/Total Cost of Care: A payment methodology that is defined at the patient level and accounts for either all patient care or for a specific group of services delivered to the patient such as outpatient, physician, ancillary, hospital services and prescription drugs.

Negotiated Arrangement (a.k.a., Negotiated National Account Arrangement): An agreement negotiated between a Control/Home Licensee and one or more Par/Host Licensees for any National Account that is not delivered through the BlueCard Program.

Patient-Centered Medical Home (PCMH): A model of care in which each patient has an ongoing relationship with a primary care physician who coordinates a team to take collective responsibility for patient care and, when appropriate, arranges for care with other qualified physicians.

Provider Incentive: An additional amount of compensation paid to a healthcare provider by a Blue Cross and/or Blue Shield Plan, based on the provider's compliance with agreed-upon procedural and/or outcome measures for a particular [group/population] of covered persons.

Shared Savings: A payment mechanism in which the provider and payer share cost savings achieved against a target cost budget based upon agreed upon terms and may include downside risk.

Value-Based Program (VBP): An outcomes-based payment arrangement and/or a coordinated care model facilitated with one or more local providers that is evaluated against cost and quality metrics/factors and is reflected in provider payment.

Value-Based Programs under the BlueCard Program

Value-Based Programs Administration

Under Value-Based Programs, a Host Blue may pay providers for reaching agreed-upon cost/quality goals in the following ways: retrospective settlements, Provider Incentives, share of target savings, Care Coordinator Fees and/or other allowed amounts.

The Host Blue may pass these provider payments to BCBSAZ, which BCBSAZ will pass directly on to Employer as either an amount included in the price of the claim or an amount charged separately in addition to the claim.

When such amounts are included in the price of the claim, the claim may be billed using one of the following pricing methods, as determined by the Host Blue:

(i) Actual Pricing: The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is part of the claim. These charges are passed to Employer via an enhanced provider fee schedule.

(ii) Supplemental Factor: The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is a supplemental amount that is included in the claim as an amount based on a specified supplemental factor (e.g., a small percentage increase in the claim amount). The supplemental factor may be adjusted from time to time.

When such amounts are billed separately from the price of the claim, they may be billed as follows:

□ Per Member Per Month (PMPM) Billings: Per Member Per Month billings for Value- Based Programs incentives/Shared Savings settlements to accounts are outside of the claim system. BCBSAZ will pass these Host Blue charges directly through to Employer as a separately identified amount on the group billings.

The amounts used to calculate either the supplemental factors for estimated pricing or PMPM billings are fixed amounts that are estimated to be necessary to finance the cost of a particular Value-Based Program. Because amounts are estimates, there may be positive or negative differences based on actual experience, and such differences will be accounted for in a variance account maintained by the Host Blue (in the same manner as described in the BlueCard claim pricing section above) until the end of the applicable Value-Based Program payment and/or reconciliation measurement period. The amounts needed to fund a Value-Based Program may be changed before the end of the measurement period if it is determined that amounts being collected are projected to exceed the amount necessary to fund the program or if they are projected to be insufficient to fund the program.

At the end of the Value-Based Program payment and/or reconciliation measurement period for these arrangements, Host Blues will do one of the following:

□ Use any surplus in funds in the variance account to fund Value-Based Program payments or reconciliation amounts in the next measurement period.

□ Address any deficit in funds in the variance account through an adjustment to the PMPM billing amount or the reconciliation billing amount for the next measurement period.

The Host Blue will not receive compensation resulting from how estimated, average or PMPM price methods, described above, are calculated. If Employer terminates, Employer will not receive a refund or charge from the variance account. This is because any resulting surpluses or deficits would be eventually exhausted through prospective adjustment to the settlement billings in the case of Value-Based Programs. The measurement period for determining these surpluses or deficits may differ from the term of this Agreement.

Variance account balances are small amounts relative to the overall paid claims amounts and will be drawn down over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Variance account balances may earn interest, and interest is earned at the federal funds or similar rate. Host Blues may retain interest earned on funds held in variance accounts.

Note: Participants will not bear any portion of the cost of Value-Based Programs except when a Host Blue uses either average pricing or actual pricing to pay providers under Value-Based Programs.

Care Coordinator Fees

Host Blues may also bill BCBSAZ for Care Coordinator Fees for provider services which we will pass on to Employer as follows:

1. PMPM billings; or

2. Individual claim billings through applicable care coordination codes from the most current editions of either Current Procedural Terminology (CPT) published by the American Medical Association (AMA) or Healthcare Common Procedure Coding System (HCPCS) published by the U.S. Centers for Medicare and Medicaid Services (CMS).

As part of this Agreement, BCBSAZ and Employer will not impose Participant cost sharing for Care Coordinator Fees.

Value-Based Programs under Negotiated Arrangements

If BCBSAZ has entered into a Negotiated National Account Arrangement with a Host Blue to provide Value-Based Programs to Employer's Participants, BCBSAZ will follow the same procedures for Value-Based Programs administration and Care Coordination Fees as noted in the BlueCard Program section.

Exception: For negotiated arrangements, if any, for Value-Based programs to the extent that BCBSAZ and Employer have agreed to waive Participant cost sharing for Care Coordinator Fees, such waiver shall be a part of this Agreement.

D. Return of Overpayments

Recoveries of overpayments from a Host Blue or its participating and nonparticipating providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, audits/healthcare provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recovery amounts determined in the ways noted above will be applied so that corrections will be made, in general, on either a claim-by-claim or prospective basis. If recovery amounts are passed on a claim-by-claim basis from a Host Blue to BCBSAZ they will be credited to Employer's account. In some cases, the Host Blue will engage a third party to assist in identification or collection of overpayments. The fees of such a third party may be charged to Employer as a percentage of the recovery.

Unless otherwise agreed to by the Host Blue, for retroactive cancellations of membership, BCBSAZ will request the Host Blue to provide full refunds from participating healthcare providers for a period of only one year after the date of the Inter-Plan financial settlement process for the original claim. For Care Coordinator Fees associated with Value-Based Programs, BCBSAZ will request such refunds for a period of only up to ninety (90) days from the termination notice transaction on the payment innovations delivery platform. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery (a) conflicts with the Host Blue's state law or healthcare provider contracts, (b) would result from Shared Savings and/or Provider Incentive arrangements or (c) would jeopardize the Host Blue's relationship with its participating healthcare providers, notwithstanding to the contrary any other provision of this Agreement.

E. Inter-Plan Programs: Federal/State Taxes/Surcharges/Fees

In some instances federal or state laws or regulations may impose a surcharge, tax or other fee that applies to self-funded accounts. If applicable, BCBSAZ will disclose any such surcharge, tax or other fee to Employer, which will be Employer's liability.

F. Nonparticipating Providers Outside BCBSAZ's Service Area

1. Participant Liability Calculation

a. In General

When Covered Services are provided outside of BCBSAZ's service area by nonparticipating providers, the amount(s) a Participant pays for such services will be based on either the Host Blue's nonparticipating healthcare provider local payment or the pricing arrangements required by applicable state law. In these situations, the Participant may be responsible for the difference between the amount that the nonparticipating provider bills and the payment will make for the covered services as set forth in this paragraph. Payments for out-of-network emergency services will be governed by applicable federal and state law.

b. Exceptions

In some exception cases, BCBSAZ may pay claims from nonparticipating healthcare providers outside of BCBSAZ's service area based on the provider's billed charge. This may occur in situations where a Participant did not have reasonable access to a participating provider, as determined by BCBSAZ in BCBSAZ's sole and absolute discretion or by applicable state law. In other exception cases. BCBSAZ may pay such claims based on the payment BCBSAZ would make if BCBSAZ were paying a nonparticipating provider inside of BCBSAZ's service area, as described elsewhere in this Agreement. This may occur where the Host Blue's corresponding payment would be more than BCBSAZ in-service area nonparticipating provider payment. BCBSAZ may choose to negotiate a payment with such a provider on an exception basis.

Unless otherwise stated, in any of these exception situations, the Participant may be responsible for the difference between the amount that the nonparticipating healthcare provider bills and the payment will make for the covered services as set forth in this paragraph.

2. Fees and Compensation

Employer understands and agrees to reimburse BCBSAZ for certain fees and compensation which BCBSAZ is obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer are set forth in Administrative Service Agreement, Caveat. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in section I.H below.

G. Blue Cross Blue Shield Global Care

1. General Information

If Participants are outside the United States (hereinafter: "BlueCard service area"), they may be able to take advantage of the BCBS Global Core when accessing Covered Services. BCBS Global Core is unlike the BlueCard Program available in the BlueCard service area in certain ways. For instance, although BCBS Global Core assists Participants with accessing a network of inpatient, outpatient and professional providers, the network is not served by a Host Blue. As such, when Participants receive care from providers outside the BlueCard service area, the Participants will typically have to pay the providers and submit the claims themselves to obtain reimbursement for these services.

□ Inpatient Services

In most cases, if Participants contact the BCBS Global Core Service Center for assistance, hospitals will not require Participants to pay for covered inpatient

services, except for their cost-share amounts. In such cases, the hospital will submit Participant claims to the service center to initiate claims processing. However, if the Participant paid in full at the time of service, the Participant must submit a claim to obtain reimbursement for Covered Services. Participants must contact BCBSAZ to obtain precertification for non-emergency inpatient services.

□ Outpatient Services

Physicians, urgent care centers and other outpatient providers located outside the BlueCard service area will typically require Participants to pay in full at the time of service. Participants must submit a claim to obtain reimbursement for Covered Services.

□ Submitting a BCBS Global Core Claim

When Participants pay for Covered Services outside the BlueCard service area, they must submit a claim to obtain reimbursement. For institutional and professional claims, Participants should complete a BCBS Global Core claim form and send the claim form with the provider's itemized bill(s) to the service center address on the form to initiate claims processing. The claim form is available from BCBSAZ, the service center, or online at www.bcbsglobalcore.com. If Participants need assistance with their claim submissions, they should call the service center at 1.800.810.BLUE (2583) or call collect at 1.804.673.1177, 24 hours a day, seven days a week.

2. Blue Cross Blue Shield Global Core Related Fees

Employer understands and agrees to reimburse BCBSAZ for certain fees and compensation which BCBSAZ is obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer under BCBS Global Core are set forth in Administrative Service Agreement, Caveat. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in section I.H below.

H. Modifications or Changes to Inter-Plan Arrangement Fees or Compensation

Modifications or changes to Inter-Plan Arrangement fees are generally made effective Jan. 1 of the calendar year, but they may occur at any time during the year. In the case of any such modifications or changes, BCBSAZ shall provide Employer with at least thirty (30) days' advance written notice of any modification or change to such Inter-Plan Arrangement fees or compensation describing the change and the effective date thereof and Employer right to terminate this Agreement without penalty by giving written notice of termination before the effective date of the change. If Employer fails to respond to the notice and does not terminate this Agreement during the notice period, Employer will be deemed to have approved the proposed changes, and BCBSAZ will then allow such modifications to become

part of this Agreement.

Exhibit G 2
Attachment A to Administrative Services Agreement

A. Administrative Services Provided By BCBSAZ

1. Booklets, Identification Cards and Certificates. BCBSAZ shall provide Benefit Plan Booklets and identification cards to employees unless Employer directs otherwise. BCBSAZ shall issue Certificates of Creditable Coverage, as may be required by law, for the coverage administered by BCBSAZ.

2. Claims Services. BCBSAZ shall receive claims and process payment of benefits in accordance with the Plan for all claims incurred during the Term and determine benefits payable under the Plan pursuant to the terms and conditions of the Benefit Plan Booklet, incorporated by reference into this Agreement. BCBSAZ provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims or the Plan. BCBSAZ will provide notice to Participants regarding the reason(s) for denials of benefits and provide to Participants an explanation of benefits resulting from claim transactions. BCBSAZ shall use reasonable efforts to pay ninety percent (90%) of non-investigated claims (no precertification or additional information needed) that are locally processed (received and paid by BCBSAZ) within fourteen (14) calendar days of receipt by BCBSAZ, and pay ninety-nine percent (99%) of non- investigated claims that are locally processed within thirty (30) calendar days of the date of receipt by BCBSAZ.

3. Access to Provider Network. BCBSAZ shall provide Participants access to a network or networks of Providers. BCBSAZ reserves the right to change Network Providers at any time without notice to Employer, Plan or Participants. Network Providers will accept the BCBSAZ Allowed Amount as the only payment for Covered Services required from and on behalf of Participants except that they may collect the difference between their billed charge and the BCBSAZ Allowed Amount when there is compensation for Covered Services from other sources (e.g., other insurers, government payors, or personal injury recovery), so long as permitted by law.

4. Appeals and Grievances. BCBSAZ shall provide the appeals and grievance services described in the Health Coverage Appeals Information Packet.

5. Coordination of Benefits. BCBSAZ will cooperate with Plan to coordinate benefits in accordance with the Benefit Plan Booklet and applicable state and federal law if services to which Participants are entitled under the Plan and this Agreement are also covered under any other group health coverage, Medicare, or other governmental health care benefit programs (except those provided under Medicaid and/or AHCCCS).

6. Form 5500. Upon Employer's request, BCBSAZ will furnish information related to BCBSAZ's administration of the Plan and reasonably necessary for Employer to complete the Form 5500 and other similar Plan reports required by a state or federal authority from the Employer as the Plan Administrator.

7. HIPAA Privacy Notice. Unless directed otherwise, BCBSAZ will distribute a HIPAA Notice of Privacy Practices which addresses BCBSAZ's handling of Participant Protected Health

Information.

B. Duties and Authority of Employer

1. Furnish Plan Information. Employer shall provide, and cause each of its contracted vendors to provide, timely and accurate information as may be required by BCBSAZ to perform its duties under this Agreement including, but not limited to:

   a. Eligibility information (including any eligibility changes within 31 days of the date of such change and COBRA eligibility, if applicable);
   Benefit counter or other data for any benefit or coverage Employer has an entity other than BCBSAZ administer;

   b. Prior written notice of any change to its contribution rates;

   c. Any Participant consent or authorization required for BCBSAZ to perform its duties under this Agreement; and

   d. Thirty (30) days prior written notice of any change in the Employer's physical location, mailing address, state of incorporation, or state in which Employer is headquartered. Employer acknowledges and agrees that BCBSAZ may rely on the information provided by Employer or its designee, and Employer agrees to indemnify, defend and hold BCBSAZ harmless from any liability resulting from inaccurate or untimely information provided to BCBSAZ by the Employer or its designee. Additionally, Employer is responsible for claims errors arising from erroneous eligibility data or inaccurate or untimely data submitted by the Employer or by a third party retained by the Employer. If timely notice regarding an eligibility change is not received, a Participant's coverage termination will be the 1st day of the month following BCBSAZ's receipt of written notice.

2. Notices to Participants. The Employer shall (a) notify Participants of any conversion privilege set forth in the Benefit Plan Booklet(s); (b) notify all Participants when this Agreement terminates that their coverage has terminated, provided however, that coverage will terminate even if such notice is not given by the Employer; and (c) distribute all notices from BCBSAZ to Participants and comply with federal and state disclosure and notice laws.

3. Employer Acknowledgments. Employer acknowledges and agrees that a Benefit Plan Booklet is not a Summary Plan Description and this Agreement is not a plan document for purposes of ERISA. In the event of any conflict between the Summary Plan Description and the Benefit Plan Booklet, the terms of the Benefit Plan Booklet shall control BCBSAZ's performance under this Agreement. Employer acknowledges that an "employee welfare benefit plan" as defined in ERISA must be established and maintained through a separate plan document.

4. Medicare. Employer will forward to BCBSAZ the information identified and described below to permit BCBSAZ to fulfill its Medicare secondary payer reporting obligations to the Centers for Medicare & Medicaid Services or its delegate:

a. No later than thirty (30) days after: (i) the date the Participant's coverage first becomes effective, (ii) the date a new Participant is hired and (iii) the date the Employer is notified of a new Eligible Dependent, provide BCBSAZ with the following information for each Participant and Eligible Dependent: (a) Social Security Number, (b) Date of Birth, (c) Medicare identification number (HICN) if applicable, and (d) Medicare effective date, if applicable.

b. No later than thirty (30) days after a Participant's effective date of coverage, provide BCBSAZ with a list of all Participants who are enrolled in Medicare or who are Medicare eligible;

c. No later than three (3) business days after learning that a Participant who was not enrolled in Medicare or who was not Medicare eligible has now enrolled in Medicare or become eligible for Medicare, Employer shall notify BCBSAZ in writing of the Participant's enrollment or eligibility.

d. No later than three (3) business days after learning that a Participant who was enrolled in Medicare has now terminated Medicare, Employer shall provide BCBSAZ written notice of the Participant's Medicare termination.

e. The Employer shall forward any notification received with regard to Medicare secondary payer reporting or collections thereunder no later than five (5) days after receipt.

f. Employer shall indemnify and hold harmless BCBSAZ for any and all penalties assessed against BCBSAZ for failure to timely provide regulators with the Medicare, Medicare related and other information stated in this section to the extent that such failure was caused by Employer's failure to timely provide BCBSAZ with the written notice required by this section.

5. Medicaid. Employer acknowledges that state Medicaid agencies, including AHCCCS (collectively referred to as “Medicaid Agencies”) are considered payers of last resort for the claims of Participants who are also Medicaid beneficiaries ("Medicaid Beneficiaries"). Employer further acknowledges that AHCCCS does, and other state Medicaid Agencies may, have a legal right to reimbursement of expenditures that the Medicaid Agencies have made on behalf of Medicaid Beneficiaries, not to exceed the lesser of the Participant's benefits under this plan or the Medicaid Agencies’ payment on behalf of the Participant. The Plan agrees that BCBSAZ shall, on the Plan's behalf and as legally required, share data and reimburse Medicaid Agencies or their designees for the health claims of Participants who were also Medicaid Beneficiaries on the date of service. The Plan agrees to promptly reimburse BCBSAZ for such claims.

6. Enrollment. Employer will provide for and administer any special enrollment periods as required by applicable law, including the provision of any notification to employees of any restrictions. The Employer will provide an annual open enrollment period of at least thirty-one (31) days. The Employer shall provide all

eligible employees with information regarding the open enrollment period, including but not limited to the date the open enrollment begins and ends.

C. Employer's Financial Responsibility

1. Claims Invoice. After the close of each month, BCBSAZ will send Employer an ASC Monthly Claims Invoice which includes payments made in connection with services and supplies and BCBSAZ's management of such services and supplies as provided under the Plan. Such amounts may include, without limitation, the following amounts owed by Employer:

   a. Charges for Covered Services under the Plan;

   b. BlueCard Fees (fees paid to other Blue Plans) which include an "Access Fee" (generally 4% of claims savings not to exceed $2,000 per Claim) and an administrative expense "Allowed Amount" ("AEA") (generally $5.00 per physician claim and $11.00 per hospital claim). The Access Fee and AEA are passed through as a Claims expense. The BlueCard Fees also include other fees, paid by BCBSAZ to the Association for the BlueCard Program, including a "Central Financial Agency Fee" (charged by Claim), an "ITS Transaction Fee" (charged by Claim), 800 toll-free number fees, and Provider directory fees that are not directly passed through as a Claims expense but affect BCBSAZ's administrative expenses. BlueCard Fees may be changed from time to time in accordance with the Association's processes for changing such fees.

   c. Fees for network access, care coordination and capitation payments;

   d. Value Based Programs (VBPs) Fees. VBP is outcome-based payment arrangement and/or a coordinated care model facilitated with one or more local providers that is evaluated against cost and quality metrics/factors and is reflected in provider payment. BCBSAZ pays some of its contracted medical providers an amount to manage the medical care of members diagnosed with certain medical conditions if the provider demonstrates to BCBSAZ it has satisfied BCBSAZ's criteria for effectively managing the care ("Value Based Services"). With respect to Participants residing and receiving Value Based Services in Arizona under a BCBSAZ value based program, BCBSAZ will generally estimate on an aggregate basis at the beginning of the contract year the amount BCBSAZ projects it will pay BCBSAZ's contracted providers for members who receive Value Based Services throughout the upcoming year in the form of a PMPM or PEPM charge and include this in the ASC Monthly Claims Invoice. Because amounts are estimates, there may be positive or negative differences based on actual experience, and such differences will be accounted for in a variance account maintained by BCBSAZ until the end of the applicable Value-Based Program payment and/or reconciliation measurement period. The amounts needed to fund a VBP may be hanged before the end of the measurement period if it is determined that amounts being collected are projected to exceed the amount necessary to fund the program or if they are projected to be insufficient to fund the program. On an aggregate basis for the entire VBP, at the end of the VBP payment and/or reconciliation measurement period for these arrangements, BCBSAZ may do one of the following: (a) use any surplus in funds in the variance account to fund

VBP payments or reconciliation amounts in the next measurement period; or (b) address any deficit in funds in the variance account through an adjustment to the PMPM or PEPM billing amount or the reconciliation billing amount for the next measurement period. If Employer terminates its BCBSAZ contract, Employer will neither receive a refund nor incur a charge to reflect any variance between what BCBSAZ charged the Employer in Value Based Charges and what BCBSAZ paid the providers for Value Based Services. Value Based Services will also apply to your members who reside in other states/geographical locations served by other Blue Cross Blue Shield Plans.

The Plan or Employer shall pay the entire ASC Monthly Claims Invoice amount within fifteen (15) business days of the invoice date in United States funds from a United States bank and branch.

2. Administrative and Other Fees

a. Administrative Fees. For the services provided by BCBSAZ under this Agreement, Employer agrees to pay, or cause the Plan to pay, BCBSAZ the administrative fees as set forth in this Agreement.

b. Other Fees.

i. Collection Fees. In some cases, BCBSAZ will engage a third-party to assist in the identification and collection of overpayments to providers. BCBSAZ may charge the fees of such a third party to the Employer.

ii. Taxes and Surcharges. Employer will pay, and reimburse BCBSAZ for, any taxes, surcharges, licenses and fees levied, if any, by all local, state or federal authorities in connection with BCBSAZ's performance of its duties under this Agreement, excluding BCBSAZ's income taxes and BCBSAZ's own employee benefits taxes. Additionally, if any state or federal law results in increased costs or fees to BCBSAZ, BCBSAZ may, at any time, including on a retroactive basis if the fee or charge has been retroactively imposed on BCBSAZ by federal or state authorities, increase the fees due from Employer under this Agreement.

BCBSAZ will invoice the Employer for Administrative Fees and Other Fees on a monthly basis, and such Administrative Fees and Other Fees will be due and payable on the first (1st) day of each calendar month or as otherwise stated in the BCBSAZ invoice. BCBSAZ will apply a grace period of thirty-one (31) days to the payment of Administrative Fees and Other Fees during which time those may be paid without BCBSAZ taking further action. The grace period will not apply to any amounts due in the ASC Monthly Claims Invoice. During the grace period, the Agreement shall remain in force, and the Plan shall remain liable for any fees and charges that are or become due. If the Plan fails to pay any Administrative Fees and Other Fees before the end of the applicable grace period, BCBSAZ may terminate this Agreement effective on the date on which such fees first became due or at the end of the grace period. The Plan will remain liable for all Covered Services rendered to Participants during the grace period, and the Plan agrees to hold BCBSAZ harmless from all fees, charges, and costs therefore and for Covered Services

rendered to Participants after the expiration of the grace period.

3. Post Termination Responsibility. Following expiration or termination if this Agreement, Employer remains liable for and shall pay all Charges for Covered Services incurred during the term of this Agreement along with the associated other charges reflected in the ASC Monthly Claims Invoice and any applicable Administrative Fees and Other Fees.

4. Employee Contributions. Employer agrees to segregate all funds collected from employees for payments to BCBSAZ and hold those funds in trust for the benefit of BCBSAZ until paid.

5. Failure to Pay. In addition to other remedies available to it, if Employer fails to pay any amount owed BCBSAZ when due, BCBSAZ may:

   a. Assess a late payment charge equal to twelve percent (12%) per annum of the outstanding balance for which the payment or any portion of the payments is past due;

   b. If Employer is late with two (2) or more payments in any twelve (12) month period, assess a late fee of 0.75% on the outstanding balance or any portion of the balance that is past due;

   c. Suspend processing and payment of Participant claims; and

   d. Terminate this Agreement for non-payment and pursue available remedies.

   BCBSAZ may offset any amounts BCBSAZ would otherwise owe the Plan under this Agreement or under any other agreement against any amounts the Plan fails to timely pay BCBSAZ under this Agreement. The Employer agrees that BCBSAZ may offset any amounts BCBSAZ would otherwise owe to the Employer or to any affiliate of the Employer, including a subsidiary of the Employer, under this Agreement or under any other agreement, against any amounts the Employer fails to timely pay BCBSAZ under this Agreement.

6. Adequate Protection.

a. Types of Adequate Protection. Employer agrees to provide adequate protection to BCBSAZ as and when requested by BCBSAZ, including but not limited to the following:

   i. In the event of a letter of credit issued in favor of BCBSAZ in such amount as determined by BCBSAZ to ensure payment of the obligations under this Agreement.

   ii. Establishing an escrow account with a third party for the Employer to deposit such funds for the exclusive benefit of BCBSAZ as are determined by BCBSAZ to ensure payment of the obligations under this Agreement and grant BCBSAZ a first position security interest in the escrow account to secure BCBSAZ's rights to such funds;

   iii. Provide a cash security deposit in such amount as determined by BCBSAZ to ensure payment of the obligations under this Agreement to be held in a non-interest bearing account during the term of the Agreement.

iv. In the event of a bankruptcy filing by Employer, Employer agrees that BCBSAZ is entitled to adequate protection pursuant to 11 U.S.C.§ 363 as follows:

1. All pre-petition payments owing to BCBSAZ under this Agreement for the period of 180 days prior to the filing shall be entitled to priority as provided in 11 U.S.C. § 507(a)(5);

2. Employer will pay all post-petition amounts owing under the Agreement on a timely basis and agrees that the failure to maintain such post-petition obligations current shall constitute sufficient cause to allow BCBSAZ to terminate the Agreement;

3. Employer agrees that BCBSAZ is entitled to adequate protection in the form of a security deposit, letter of credit or escrow account for the exclusive benefit of BCBSAZ in an amount equal to three (3) months of estimated Administrative Fees and Covered Services costs under this Agreement to be held during the bankruptcy proceedings. Employer further agrees that BCBSAZ may apply such funds to any post-petition obligations owing by Employer that are not timely made.

4. Employer agrees that in order to adequately protect the interest of BCBSAZ in the event Employer seeks to assume this Agreement pursuant to 11 U.S.C. § 365, Employer must pay BCBSAZ all outstanding pre-petition amounts within thirty (30) days of the entry of an order authorizing the assumption of the Agreement. In addition, Employer agrees to provide, as adequate protection of future performance, the sum equal to three (3) months of estimated Administrative Fees and Covered Services costs in the form of a letter of credit or escrow deposit within ten (10) days after entry of an order authorizing assumption of this Agreement.

7. Failure to Timely Provide Adequate Protection. Employer agrees that BCBSAZ may suspend all services under this Agreement until such time as Employer provides the adequate protection required herein. If Employer has not provided the required adequate protection within thirty (30) days of written notice from BCBSAZ, Employer agrees that cause exists for BCBSAZ to terminate this Agreement or where applicable, that the failure to provide the adequate protection constitutes "cause" as defined in 11 U.S.C. § 362(d)(1) to grant BCBSAZ relief from the automatic stay to terminate this Agreement.

D. Term and Termination

1. Term and Renewal. The initial term is set forth on Section III of the Services Agreement. Prior to the end of the term or any renewal term, if BCBSAZ wishes to renew, BCBSAZ will forward to Employer an offer to renew this Agreement (Administrative Services Agreement Amendment). If BCBSAZ has not received the signed Administrative Services Agreement Amendment on or before the last day of the then-current term or renewal term, this Agreement will terminate as of the last day of the then-current term or renewal term.

2. BCBSAZ's Right to Term. This Agreement may be terminated as provided below:

   a. BCBSAZ's Termination Right Without Cause: After this Agreement has been in effect for twelve (12) months, either Party may terminate this Agreement at any time, without cause, as of the last day of any calendar month by giving sixty (60) days' prior written notice to the other Party.

   b. BCBSAZ's Termination Right For Cause: BCBSAZ may terminate this Agreement effective immediately in the event of a material breach of the Agreement by the City but only if the breach is not cured within thirty (30) days after written notice of the breach is given to the City.

   c. Notwithstanding Paragraph 2(b) above, BCBSAZ may terminate this Agreement upon the occurrence of any of the following:

      (i) Upon five (5) days' prior written notice to the City if the City fails to provide funds necessary to satisfy its liability for payments for Covered Services;

      (ii) The City's insolvency, appointment of a receiver or a trustee for the City, assignment for the benefit of creditors by the City, or the commencement of any proceedings under bankruptcy or insolvency laws by or against the City that continues for sixty (60) days, or the attachment, levy or other seizure by legal process of any substantial part of the assets of the City, and such attachment, levy, or seizure is not quashed, stayed, or released within sixty (60) days of its occurrence;

      (iii) Fraud or misrepresentation by the City;

      (iv) Changes to the Plan which are not accepted by BCBSAZ

3. Effect of Termination. Upon termination, BCBSAZ shall have no further duties under this Agreement, except that (a) BCBSAZ shall cause the orderly transfer of records, if any, from BCBSAZ to the Employer or its designee in a time frame mutually agreed upon, but not to exceed six (6) months from the date of termination, and (b) for a period of twenty-four (24) months following the termination of this Agreement (the "Run-Out Period"), BCBSAZ shall continue to process and pay claims incurred prior to the termination of this Agreement in accordance with this Agreement, provided the Employer funds such claims and pays the fees and charges required by this Agreement. Notwithstanding the foregoing, BCBSAZ is not obligated to continue to process and pay claims during the Run-Out Period if this Agreement is terminated for cause. Notwithstanding, Employer remains liable for the full payment of Charges for Covered Services incurred prior to termination of the Agreement and other amounts reflected in the ASC Monthly Claims Invoice. All the Employer's obligations under this Agreement shall remain in effect through the end of the Run-Out Period. The Employer agrees to reimburse BCBSAZ for any and all amounts BCBSAZ is required to pay pursuant to this Agreement, including but not limited to any those resulting from a grievance or appeals or a determination by CMS that Medicare was not primary, regardless of whether BCBSAZ is administering claims for the Employer at the time CMS makes such determination.

E. **Miscellaneous**. For purposes of this Agreement, references to Employer shall be construed to mean a Trust or Tribe when applicable based upon the legal structure of the entity entering in into this Agreement with BCBSAZ.