

**Renewal Addendum to Benefit Program Application ("ASO BPA")  
Applicable to Administrative Services Only (ASO) Group Accounts**  
administered by Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation,  
a Mutual Legal Reserve Company, hereinafter referred to as "Claim Administrator" or "HCSC"

**Employer Account Number (6-digits):** 021185  
**Employer Group Number(s):** 021185  
**Section Number(s):** ALL  
**Employer Name:** Hidalgo County  
**Renewal Addendum Effective Date:** 01/01/2015  
**ERISA Plan:** Yes  No

**If Yes, ERISA Plan Year:** N/A

THIS ADDENDUM is incorporated into and made a part of the ASO Benefit Program Application ("ASO BPA") last entered into between the parties as of this Renewal Addendum's Effective Date and the corresponding Administrative Services Agreement ("Agreement"), currently in effect between the parties. This Addendum is intended to renew the foregoing as of the above noted Renewal Addendum Effective Date of Coverage and, except as modified and amended and/or re-attested herein pursuant to this renewal, the provisions, conditions and terms of such ASO BPA and Agreement shall remain in full force and effect.

<b>PAYMENT SPECIFICATIONS:</b>				<input type="checkbox"/> No Changes	<input type="checkbox"/> See Additional Provisions
<b>Employer Payment Method:</b>	<input type="checkbox"/> Online Bill Pay	<input checked="" type="checkbox"/> Electronic	<input type="checkbox"/> Check		
<b>Employer Payment Period:</b>	<input checked="" type="checkbox"/> Weekly (cannot be selected if Check is selected as payment method above)	<input type="checkbox"/> Monthly	<input type="checkbox"/> Other (please specify):		
	<input type="checkbox"/> Twice-Monthly				
<b>Claim Settlement Period:</b>	<input checked="" type="checkbox"/> Monthly	<input type="checkbox"/> Other (please specify):			
<b>Run-Off Period:</b>	Employer Payments are to be made for 12 months following end of Fee Schedule Period.				
<b>Final Settlement:</b>	Final Settlement is to be made within 60 days after end of Run-Off Period.				

<b>FEE SCHEDULE PERIOD:</b>				<input type="checkbox"/> No Changes	<input type="checkbox"/> See Additional Provisions
<b>To begin on Renewal Addendum Effective Date and continue for:</b>					
<input checked="" type="checkbox"/> 12 Months	<input type="checkbox"/> Other (please specify):	Months			

Administrative Per Employee per Month (PEPM) Charges				
Product / Service	PPO			
Base Administrative Charge (Medical)	\$37.18	\$ _____	\$ _____	\$ _____
Prescription Drug Rebate Credit*	\$-6.17	\$ _____	\$ _____	\$ _____
Select From List	\$ _____	\$ _____	\$ _____	\$ _____
Select From List	\$ _____	\$ _____	\$ _____	\$ _____
Select From List	\$ _____	\$ _____	\$ _____	\$ _____
Other: Select Service Category List Service: _____	\$ _____	\$ _____	\$ _____	\$ _____
Other: Select Service Category List Service: _____	\$ _____	\$ _____	\$ _____	\$ _____
Other: Select Service Category List Service: _____	\$ _____	\$ _____	\$ _____	\$ _____
Other: Select Service Category List Service: _____	\$ _____	\$ _____	\$ _____	\$ _____
Miscellaneous: _____	\$ _____	\$ _____	\$ _____	\$ _____
Miscellaneous: _____	\$ _____	\$ _____	\$ _____	\$ _____

<b>Total</b>	<b>\$31.01</b>	\$ _____	\$ _____	\$ _____
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\*Prescription Drug Rebate Credit per Covered Employee per month is the guaranteed Prescription Drug Rebate savings reflected as a Prescription Drug Rebate credit. Expected rebate amounts to be received by the Claim Administrator are passed back to the Employer with one hundred percent (100%) of the expected amount applied as a credit on the monthly billing statement on a per Covered Employee per month basis. Rebate credits are paid prospectively to the Employer and shall not continue after termination of the Prescription Drug Program. (Further information concerning this credit is included in the governing Administrative Services Agreement to which this ASO BPA is attached under the section titled "CLAIM ADMINISTRATOR'S SEPARATE FINANCIAL ARRANGEMENTS WITH PHARMACY BENEFIT MANAGERS.")

Administrative Line Item Charges	Frequency	Amount
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
<b>Total:</b>		<b>\$ _____</b>

Dental: _____	\$	\$	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**Note:** Additional services and/or fees may be itemized in the "Miscellaneous" fields above or in the Additional Comments section below

<b>TERMINATION ADMINISTRATIVE CHARGE:</b>				
Product / Service		<input type="checkbox"/> No Changes	<input type="checkbox"/> See Additional Provisions	
Medical Run-Off Administrative Charge	<b>\$13.44</b>	\$	\$	\$
Other: _____	\$	\$	\$	\$
Dental Run-Off Administrative Charge	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$

**OTHER PROVISIONS:**

1. Summary of Benefits & Coverage:
  - a) Claim Administrator will create Summary of Benefits & Coverage (SBC)?
    - Yes. If yes, please answer question b. The SBC Addendum is attached.
    - No. If No, then the Employer acknowledges and agrees that the Employer is responsible for the creation and distribution of the SBC as required by Section 2715 of the Public Health Service Act (42 USC 300gg-15) and SBC regulations (45 CFR 147.200), as supplemented and amended from time to time, and that in no event will the Claim Administrator have any responsibility or obligation with respect to the SBC. The Claim Administrator is not obligated to respond to or forward misrouted calls, but may, at its option, provide participants and beneficiaries with Employer's contact information. A new clause (e) is added to Subsection C. in the Additional Provisions as follows: "(e) the SBC". (Skip question b.)

- b). Claim Administrator will distribute Summary of Benefits & Coverage (SBC) to participants and beneficiaries?
- No. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and provide SBC to Employer in electronic format. Employer will then distribute SBC to participants and beneficiaries (or hire a third party to distribute) as required by law.
  - Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and provide SBC to Employer in electronic format. Employer will then distribute to participants and beneficiaries as required by law, except that Claim Administrator will send the SBC in response to the occasional request received directly from individuals.
  - Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and distribute SBC to participants and beneficiaries via regular hardcopy mail or electronically. Distribution Fee for hardcopy mail is \$1.50 per package. The distribution fee will not apply to SBCs that Claim Administrator sends in response to the occasional request received directly from individuals.

**2. EHB Election:**

Employer elects EHBs based on the following:

1. EHBs based on a HCSC state benchmark:

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/> Illinois   | <input type="checkbox"/> Oklahoma         |
| <input type="checkbox"/> Montana    | <input checked="" type="checkbox"/> Texas |
| <input type="checkbox"/> New Mexico |   |

2. EHBs based on benchmark of a state other than IL, MT, NM, OK and TX

If so, indicate the state's benchmark that Employer elects: \_\_\_\_

3. Other EHB, as determined by Employer.

In the absence of an affirmative selection by Employer of its EHBs, then Employer is deemed to have elected the EHBs based on the Texas benchmark plan.

**3. Claim Administrator's Third Party Recovery Vendor:**

It is understood and agreed that in the event the Claim Administrator's Third Party Recovery Vendor makes a recovery on a claim, the Employer will pay no more than 25% of any recovered amount.

**ADDITIONAL PROVISIONS:**

**Admin fees include \$1.80 per employee per month commission.**  
**Includes Standard Blue Care Connection**

**A. Grandfathered Health Plans:** Employer shall provide Claim Administrator with written notice prior to renewal (and during the plan year, at least 60 days advance written notice) of any changes that would cause any benefit package of its group health plan(s) (each hereafter a "plan") to not qualify as a "grandfathered health plan" under the Affordable Care Act and applicable regulations. Any such changes (or failure to provide timely notice thereof) can result in retroactive and/or prospective changes by Claim Administrator to the terms and conditions of administrative services. In no event shall Claim Administrator be responsible for any legal, tax or other ramifications related to any plan's grandfathered health plan status or any representation regarding any plan's past, present and future grandfathered status. The grandfathered health plan form ("Form"), if any, shall be incorporated by reference and part of the BPA and Agreement, and Employer represents and warrants that such Form is true, complete and accurate.

**B. Retiree Only Plans, Excepted Benefits and/or Self-Insured Nonfederal Governmental Plans:** If the BPA includes any retiree only plans, excepted benefits and/or self-insured nonfederal governmental plans (with an exemption election), then Employer represents and warrants that one or more such plans is not subject to some or all of the provisions of Part A (Individual and Group Market Reforms) of Title XXVII of the Public Health Service Act (and/or related provisions in the Internal Revenue Code and Employee Retirement Income Security Act) (an "exempt plan status"). Any determination that a plan does not have exempt plan status can result in retroactive and/or prospective changes by Claim Administrator to the terms and conditions of administrative services. In no event shall Claim Administrator be responsible for any legal, tax or other ramifications related to any plan's exempt plan status or any representation regarding any plan's exempt plan status.

C. Employer shall indemnify and hold harmless Claim Administrator and its directors, officers and employees against any and all loss, liability, damages, fines, penalties, taxes, expenses (including attorneys' fees and costs) or other costs or obligations resulting from or arising out of any claims, lawsuits, demands, governmental inquiries or actions, settlements or judgments brought or asserted against Claim Administrator in connection with (a) any plan's grandfathered health plan status, (b) any plan's exempt plan status, (c) any plan's design (including but not limited to any directions, actions and interpretations of the Employer), (d) any provision of inaccurate information, (e) the SBC, and/or (f) selection of employer's EHB benchmark for the purpose of ACA. Changes in state or federal law or regulations or interpretations thereof may change the terms and conditions of administrative services.

The provisions of paragraphs A-C (directly above) shall be in addition to (and do not take the place of) the other terms and conditions of administrative services between the parties.

*Employer acknowledges and agrees that unless a change is indicated on this Renewal Addendum, Employer's instructions, acknowledgements and agreements in the ASO BPA and the Agreement (both as defined above) shall remain in full force and effect.*

Tita Iruegas

Authorized BCBSTX Representative

AE 09/25/2014

Title Date

956-581-5615 / 312-540-3104

BCBSTX Telephone and Fax numbers

Alberto Trevino / Roberto Ramirez Jr

Agent Representative (if applicable)

09/25/2014

Date

956-781-7771 / 956-783-1137

Agent Phone & Fax Numbers

Ocarrasco03@aol.com / rr@puroaseguro.com

Agent Email Address

454785551/455689870

Tax I.D. No.

*Ramiro Garcia*

Signature of Authorized Purchaser

Title

Date

Approved by Commissioners' Court  
on 9-23-14 RW



## APPLICATION FOR STOP LOSS COVERAGE

**Employer Group Name:** Hidalgo County  
**Employer Group Address:** 2818 South Business HWY 83  
**City:** Edinburg **State of Situs:** TX **Zip Code:** 78539  
**Account Number:** 021185  
**Employer Group Number(s):** 021185  
**Effective Date of Policy:** 01/01/2015  
**Policy Period:** These specifications are for the Policy Period commencing on 01/01/2015 and ending on 12/31/2015

The specifications below shall become effective on the first day of the Policy Period specified above and shall continue in full force and effect until the earliest of the following dates: (1) The last day of the Policy Period; (2) The date the Policy terminates; or (3) The date this Application for Stop Loss Coverage (herein called the "Application") is superseded in whole or in part by a later executed Application.

**A. Aggregate Stop Loss Insurance:**  Yes  No  
 If yes, complete items 1 through 9 below.

1.  New Coverage  Renewal of Existing Coverage

2. Stop Loss Coverage Period:

New Coverage (Select one from below):

Standard: Claims incurred and paid during the Policy Period.

"Run-in" included: Claims incurred on or after \_\_\_\_\_ and paid during the Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes  No

If yes, such claims must be reported by the Policyholder to the Company (Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) within 12 months of the Policy Effective Date and paid by the Policyholder's prior claim administrator within 6 months after the Policy Effective Date.

Renewal of Existing Coverage:

Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

3. Aggregate Stop Loss Insurance shall apply to:

Medical Claims

Outpatient Prescription Drug Claims

Dental Claims

Other (please specify): \_\_\_\_\_

4. Average Claim Value: \_\_\_\_\_ per Employee

Attachment Factor: \_\_\_\_\_% of the Average Claim Value

5. Aggregate Claim Liability and Run-Off Claim Liability Factors

a. Employer's Claim Liability for each Policy Period shall be the sum of the Monthly amounts obtained by multiplying the number of Coverage Units for each Month by the following factors:

\$\_\_\_\_\_ for each Employee Coverage Unit

\$\_\_\_\_\_ for each Employee/Family Coverage Unit

*Please use the continuous text field directly below for any other structure (leaving the fields above blank).  
Note: you can use the "return" key to create additional rows, if needed:*

\$\_\_\_\_\_

b. Employer's Run-Off Claim Liability shall be calculated by multiplying the sum average of all Coverage Units during each of the three calendar Months immediately preceding termination by the factors shown below. Settlement for the final accounting period will be described in the section of the Policy entitled SETTLEMENTS, Run-Off Period subsection of the Policy.

\$\_\_\_\_\_ for each Employee Coverage Unit

\$\_\_\_\_\_ for each Employee/Family Coverage Unit

*Please use the continuous text field directly below for any other structure (leaving the fields above blank).  
Note: you can use the "return" key to create additional rows, if needed:*

\$\_\_\_\_\_

6. CAP Arrangement  Yes  No

7. Aggregate Stop Loss Claims

a. The amount of Paid Claims during the current Policy Period, less:

i. Individual (Specific) Stop Loss Claims

ii. Any claims in excess of the Individual (Specific) Stop Loss Claims per Covered Person per Lifetime Maximum

iii. Any claims in excess of the Individual (Specific) Stop Loss Claims maximum Point of Attachment

that exceeds the Aggregate Point of Attachment. The Aggregate Point of Attachment shall equal the sum of the Employer's Claim Liability amounts calculated Monthly as described in Item 5.a. above for the indicated Policy Period.

b. In the event of termination at the end of a Policy Period, the Final Settlement Aggregate Point of Attachment shall equal the sum of the Employer's Claim Liability amount for the Final Policy Period and the Employer's Run-Off Claim Liability calculated as described in item 5.b. above. However, for the indicated Policy Period the minimum Aggregate Point of Attachment shall be \$\_\_\_\_\_.

c. Aggregate Stop Loss Claims shall not exceed a lifetime maximum of \_\_\_\_\_ for the indicated Policy Period.

8. Premium (Select one):

Annual Premium (Due on the first day of the Policy Period): \$\_\_\_\_\_.

Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by

\$\_\_\_\_\_ for each Employee Coverage Unit

\$\_\_\_\_\_ for each Employee/Family Coverage Unit

Please use the continuous text field directly below for any other structure (leaving the fields above blank). Note: you can use the "return" key to create additional rows, if needed:

9. The premium is based upon a current membership of \_\_\_\_\_ Individual Coverage Units and \_\_\_\_\_ Family Coverage Units.

**B. Individual (Specific) Stop Loss Insurance:**     Yes                     No

If yes, complete items 1 through 6 below.

1.     New Coverage                     Renewal of Existing Coverage

2. Stop Loss Coverage Period:

- New Coverage (Select one from below):

Standard:        Claims incurred and paid during the Policy Period.

"Run-in" included:    Claims incurred on or after \_\_\_\_\_ and paid during the Policy Period

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes     No

If yes, such claims must be reported by the Policyholder to the Company (Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) within \_\_\_\_\_ months of the Policy Effective Date and paid by the Policyholder's prior claim administrator within \_\_\_\_\_ months after the Policy Effective Date.

- Renewal of Existing Coverage:

Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

3. Individual (Specific) Stop Loss Insurance shall apply to:

- Medical Claims  
 Outpatient Prescription Drug Claims  
 Dental Claims  
 Vision Claims  
 Other (please specify): \_\_\_\_\_

4. Individual (Specific) Stop Loss Claims

a. For N/A who is identified by the health identification (ID) number N/A, the amount of Paid Claims during the current Policy Period in excess of the Individual Point of Attachment of \$N/A. Such amount shall apply for the Policy Period.

b. For each other Covered Person:

The amount of Paid Claims during the current Policy Period in excess of the Individual Point of Attachment of \$250,000 per Covered Person but not to exceed a maximum Point of Attachment of \$ Unlimited per Policy Period. Paid Claims in excess of the maximum point of attachment shall not be eligible to satisfy the Aggregate Point of Attachment. Such amount shall apply for the Policy Period.

c. Covered Person per Lifetime Maximum:

The Individual (Specific) Stop Loss Claims shall not exceed Unlimited per Covered Person per Lifetime. Paid Claims in excess of the Covered Person per Lifetime Maximum shall not be eligible to satisfy the Aggregate Point of Attachment.

- Point of Attachment     Includes Claim Administrator's Provider Access Fee  
                                   Excludes Claim Administrator's Provider Access Fee

5. Premium (select one):

Annual Premium (Due on the first day of the Policy Period): \$\_\_\_\_\_.

Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by

\$47.58 for each Employee Coverage Unit

\$\_\_\_\_\_ for each Employee/Family Coverage Unit

Please use the continuous text field directly below for any other structure (leaving the fields above blank). Note: you can use the "return" key to create additional rows, if needed:

\$\_\_\_\_\_

6. The premium is based upon a current membership of 2370 Individual Coverage Units and 1357 Family Coverage Units.

**Additional Provisions:**

\_\_\_\_\_

The undersigned person represents that he/she is authorized and responsible for purchasing stop loss coverage on behalf of the Employer Group. It is understood that the actual terms and conditions of coverage are those contained in this Application the Stop Loss Coverage Policy into which this Application shall be incorporated at the time of acceptance by Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company ("HCSC"). Upon acceptance, HCSC shall issue a Stop Loss Coverage Policy to the Employer Group. Upon acceptance of this Application and issuance of the Stop Loss Coverage Policy, the Employer Group shall be referred to as the "Policyholder."

Tita Iruegas  
Sales Representative

Lynn Mori  
Name of Underwriter

Ramona Garcia  
Signature of Authorized Purchaser

County Judge  
Title of Authorized Purchaser

11-20-14  
Date

INTERNAL USE ONLY	Date Application approved by Underwriting:
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Approved by Commissioner's Court  
on 9.23-14 RU



Account Name:	Hidalgo County	Account Number:	021185	Renewal Date:	01/01/2015
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### Grandfathered Health Plan Form

The Affordable Care Act (ACA) provides that a group health plan in which an individual was enrolled on March 23, 2010, (ACA's date of enactment) may be a "grandfathered health plan." Grandfathered health plans are not subject to certain ACA provisions.

By default, our group renewal offer(s) reflect a non-grandfathered health plan design. **This Grandfathered Health Plan Form must be signed by the group representative and returned to our offices at least 10 days prior to your renewal effective date in order to change your renewal(s) to a grandfathered health plan design.** If a plan is modified to a non-grandfathered health plan design on its effective date, it cannot later revert back to a grandfathered health plan design.

Complete the information on page 2 of this form to indicate whether your existing plan(s) qualify as grandfathered health plan(s) under the Affordable Care Act and related regulations. **Check all that apply** for *only* the benefit plan(s) in effect that qualify for and that you wish to be administered with a grandfathered health plan design. This information needs to be provided for all benefit plans in effect. This information needs to be provided for all benefit plans in effect.

For more information on grandfathered health plans and what changes or events may cause a plan to lose grandfathered health plan status, go online to: [bcbstx.com/pdf/aca\\_grandfathered\\_plans\\_tx.pdf](http://bcbstx.com/pdf/aca_grandfathered_plans_tx.pdf). If you have questions regarding this worksheet, contact your insurance broker (if applicable) or your BCBSTX account representative. The rules related to grandfathered health plans are complex. We recommend that you seek the advice and guidance of your legal counsel regarding ACA and grandfathered health plans. If you believe a plan or policy has lost or will lose grandfathered status, contact your insurance broker (if applicable) or BCBSTX representative immediately for available benefit plan options.

#### TO BE SIGNED BY THE GROUP REPRESENTATIVE:

I, the undersigned, a duly authorized representative of the plan sponsor named above ("Plan Sponsor"), hereby represent that I am knowledgeable as to standards associated with a "grandfathered health plan" as set forth in the Affordable Care Act and applicable regulations, and that the information contained in this Form and any subsequent updates to such Form, are true, accurate and complete; and (ii) agree that the Plan Sponsor will immediately provide BCBSTX with written notice prior to renewal (and during the plan year, with at least 60 days advance written notice) of any changes that would cause the Plan Sponsor's group health plan(s), including any benefit packages, to not qualify as a grandfathered health plan under ACA and applicable regulations.

Ramon Garcia  
 Signature  
Ramon Garcia  
 Print Name

County Judge  
 Title  
 \_\_\_\_\_  
 Date

Approved by Commissioners' Court  
 on 9-23-14 RO





BlueCross BlueShield  
of Texas

# Hidalgo County

ASO Projection  
for the period  
January 1, 2015 - December 31, 2015

**\$250K Spec Level**

*Presented by:*

*Blue Cross and Blue Shield of Texas*



**BlueCross BlueShield  
of Texas**

## **Hidalgo County**

**ASO Projection**

**January 1, 2015 - December 31, 2015**

**\$250K Spec Level**

### **Affordable Care Act (ACA) Disclaimer**

If your existing group health plan or group health insurance coverage (each "plan") was in effect on March 23, 2010, it may be a "grandfathered health plan" as that term is "defined in the Affordable Care Act and related regulations (currently 75 Fed. Reg. 34538)."

Federal regulations have been published regarding the maintenance and loss of grandfathered health plan status. We encourage you to confer with your own legal counsel to determine what benefit changes or other events may cause the loss of grandfathered health plan status and to evaluate the benefit options that are most suitable for you.

The following proposed benefit programs are not considered "grandfathered health plans":



BlueCross BlueShield  
of Texas

# Hidalgo County

ASO Projection  
for the period  
January 1, 2015 - December 31, 2015  
\$250K Spec Level

## TOTAL PROJECTED COST

Please refer to the ACA Disclaimer regarding benefits and final pricing.

	Fee	Total Cost
<b>Employees - All</b>		
Projected Net Paid Claims		\$22,569,967
Individual Stop Loss (\$250,000 Level)	\$49.02	\$2,192,370
Administration Fee	\$37.18	\$1,662,838
Prescription Drug Rebate Credit	(\$6.17)	(\$275,947)
Net Administration Fee	\$31.01	
Run-Off Administration	\$13.44	\$150,273

Signature *Ronald Garcia*

Approved by Commissioners' Court  
on 9-23-14

Date



BlueCross BlueShield  
of Texas

# Hidalgo County

ASO Projection

January 1, 2015 - December 31, 2015

\$250K Spec Level

## STOP LOSS

Please refer to the ACA Disclaimer regarding benefits and final pricing.

### Mature

Projected Enrollment

Employees - All		Customer Total	
PCPM	TOTAL	PCPM	TOTAL
3,727	44,724	3,727	44,724

Individual Stop Loss Attachment Point	\$250,000	\$250,000	\$250,000	\$250,000
Individual Stop Loss Premium	\$49.02	\$2,192,370	\$49.02	\$2,192,370

Subject to and contingent upon conditions and caveats outlined in attached addendum.

Division of Health Care Service Corporation, a Mutual Legal Reserve Company,  
an Independent Licensee of the Blue Cross and Blue Shield Association



BlueCross BlueShield  
of Texas

## Hidalgo County

ASO Projection  
January 1, 2015 - December 31, 2015  
\$250K Spec Level

### CONDITIONS AND CAVEATS

#### Please refer to the ACA Disclaimer regarding benefits and final pricing.

Notwithstanding anything in the renewal or Proposal to the contrary, BCBSSTX reserves the right to revise or withdraw our offer, or to change our administrative fees (and/or pass-through amounts) at any time before or during the contract period (all of which may be estimates, allocated or pro-rated amounts) if any local, state or federal legislation, regulation, rule or guidance (or amendments or clarifications thereto) is enacted or becomes effective/implemented, which would increase projected claim costs or BCBSSTX's expenses or cost of plan administration, or would otherwise require BCBSSTX to pay, submit or forward, on its own behalf or on the Employer Group's behalf, any additional tax, surcharge, fee, or other amount.

NOTICE: ACA provided for the establishment of a temporary reinsurance program(s) for a three (3) year period (2014-2016), which is funded by reinsurance contributions ("Reinsurance Fees") collected from health insurance issuers and self-funded group health plans, beginning in 2014. Information as to how these fees are calculated is provided by federal and state governments. Federal regulations establish a flat, per member, per month fee.

ACA also provides that self-funded plan sponsors are responsible for the Reinsurance Fee. BCBSSTX will not assist in the remittance of those fees to the federal government; however, upon request, we can make available to our self-funded/ASO customers, existing data and information that may be helpful in determining, reporting on, and remitting their Reinsurance Fee amounts.

Rates are projected to be effective for the 12-month period beginning on the effective date indicated. Final rates may vary based on actual enrollment results.

This renewal offer assumes BCBSSTX will remain the exclusive carrier.

The total annual premiums are based upon the total current enrollment and contract distribution as indicated.

if the enrollment or contract distribution varies by more than 10% in total or in each coverage independently, we reserve the right to re-rate.

The minimum participation requirement is 75% without waivers and 65% with valid waivers in order for coverages to be issued.

The employer maintaining the current contribution schedule.

Annual open enrollment.

Upon inquiry from employer groups, BCBSSTX will provide information to the employer group regarding commissions and other compensation paid to the employer's agent by BCBSSTX in connection with the employer's policy or contract with BCBSSTX.

The renewal is being offered on a paid basis.

Health Paid Claims subject to Stop Loss are claims paid during the policy period indicated above.

Health Paid Claims subject to Individual Stop Loss are paid claims from the following line(s) of coverage: Medical and Drug

The total annual health Stop Loss premiums and ACV factors are based upon the total current enrollment and contract distribution as indicated on this exhibit. Significant changes in the above stated enrollment and contract distribution will require a review and adjustment of the fees and factors.

BCBSSTX reserves the right to adjust the Average Claim Value if one or more of the following occurs within the coverage period:

Individual Health Stop Loss and Aggregate Health Stop Loss premiums are payable on the first day of each month.

Premium Equivalent Rates reflect expected benefit cost only and do not include an adjustment for a change in needed reserves. Premium Equivalent Rates should fund expected paid claims (EPC), administration, stoploss charges and estimated reserves; if claims exceed EPC, the Employer will be required to make additional funds available up to the Maximum Claim Liability.

Upon Termination, the run-off factors above will be multiplied times the total of all certificates actually exposed during each of the three months immediately preceding contract termination and the result will be the obligation of the Employer. The Run-off Administration amount is due and payable whether or not BCBSSTX processes the run-off claims.

The Administrative charge includes a network access fee for Texas employees. Out-of-state employees will be accessed a charge of 6% of the discount per claim, not to exceed \$2,000 per claim. This claim charge will be included in your monthly BARS statement.



BlueCross BlueShield  
of Texas

## Hidalgo County

ASO Projection

January 1, 2015 - December 31, 2015

\$250K Spec Level

### CONDITIONS AND CAVEATS

Please refer to the ACA Disclaimer regarding benefits and final pricing.

Costs associated with special services or custom materials provided by BCBSTX will be billed separate and apart from the Administrative Charges outlined on this exhibit. The employer is responsible for any administrative services taxes due for benefits paid under this agreement.

If a non-preferred vendor is selected for automated eligibility processing, an additional charge will apply.

If a third party stop loss carrier is selected, an annual coordination fee will apply.

If a third party pharmacy benefit manager is selected, additional charges will apply.

Fees associated with Value Based Care models such as Intensive Medical Home (IMH), Extended Medical Home (EMH), Accountable Care Organizations (ACO), etc. are not included in the quoted administration fees(s).

**Summary of Benefits and Coverage Addendum  
To ASO Benefit Program Application (ASO BPA)**

Employer Name: Hidalgo County Account Number: 021185  
Effective/ First Date of Employer's Open Enrollment Period for the next Plan Year 11/05/2014-  
Renewal Date: 01/01/2015 (the "First Open Enrollment Date"): 12/19/2014

The Affordable Care Act ("ACA") requires group health plans to create and distribute a Summary of Benefits and Coverage (or alternate format permitted by ACA) (the "SBC"), to participants and beneficiaries in certain specified situations (the "SBC Requirements"). In accordance with the Employer's election indicated on the most current ASO BPA, to have Blue Cross and Blue Shield of Texas (BCBSTX) create and/or distribute the SBC, as of the First Open Enrollment Date, the Employer acknowledges and agrees:

1. BCBSTX's SBC services do not include the creation or distribution of coverage information for benefits it does not administer under the Agreement, unless otherwise agreed to in the ASO BPA or this Addendum.
2. Employer is responsible for the proper synthesizing of information from its various insurers and administrative service providers it uses for its group health plan (or providing multiple partial SBCs if permitted by law).
3. The Employer is responsible for SBC services performed by Employer's third party vendors.
4. The Employer must review and approve the SBC prior to distribution and is responsible for the content of the SBC. Nothing in this Addendum or in the ASO BPA relieves the Employer or its group health plan of their respective legal and regulatory obligations with respect to the SBC.
5. ACA and the SBC regulatory and sub-regulatory guidance (the "Guidance") are new (and subject to change) and the regulatory agencies and industry interpretations thereof are evolving; therefore, BCBSTX's operations shall not be considered to be in breach of the Agreement to the extent BCBSTX has worked diligently and in good faith to implement a reasonable interpretation of then-current SBC-related ACA provisions and Guidance, in a manner consistent with the SBC Requirements.
6. Employer agrees to furnish to BCBSTX in a timely manner all information necessary for the timely distribution of SBCs, including but not limited to names and addresses for: (i) any person currently enrolled in any plan administered or insured by BCBSTX, and (ii) any person the employer tells us is eligible or may become eligible. Employer's failure to furnish such information, to agree to an implementation plan or to promptly review/approve SBCs may substantially delay and/or jeopardize BCBSTX's SBC services and BCBSTX is relieved of its SBC obligations.
7. Employer shall indemnify and hold harmless BCBSTX and its directors, officers and employees against any and all loss, liability, damages, fines, penalties, taxes, expenses (including attorneys' fees and costs) or other costs or obligations resulting from or arising out of any claims, lawsuits, demands, governmental inquiries or actions, settlements or judgments brought or asserted against BCBSTX in connection with the SBC (and Employer's or its vendors' distribution of the SBC).

The table below indicates the approximate time needed for completion of the SBCs.

<b>After Final Benefits Received</b>	<b>Turnaround Time</b>
SBC Team sends SBC draft(s) to AE	5 business days
AE returns draft(s) with revisions to SBC Team	10 business days
SBC Team revises SBCs and returns final document(s) to AE for review	5 business days
AE gives approval to SBC Team	5 business days
SBC Team provides electronic version to client for distribution	1 business day

Spanish translations take additional 10-12 business days, after the English SBCs are finalized. Other languages may take additional time. The translations are done by an outside vendor, fees apply.

**Memorandum**

**TO:** Gary Looney  
Letty Garcia  
**FROM:** Tita Iruegas  
Account Executive  
**PHONE:** 956-581-5615  
**DATE:** November 3, 2014  
P 9/30/2014  
**FAX:** 312-540-3104  
**SUBJECT:** # 021185 Hidalgo County – Renewal Paperwork

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Attached will find paperwork for group executive signatures. Please review and secure signatures as soon as possible, paperwork is required in order for us to proceed with renewal for Hidalgo County.

- Renewal Addendum to Benefit Program Application
- Application for Stop Loss Coverage (CHANGE to \$250,000)
- Grandfathered Health Plan Form
- Hidalgo County ASO Exhibit
  - Total Projected Cost Page for Signature
- Summary of Benefit and Coverage (SBC) Timeline

If any questions, feel free to call me @ 956-581-5615 or 956-202-3163.

Sincerely

Tita Iruegas  
Account Executive  
Fax 312-540-3104  
email [tita\\_iruegas@bcbstx.com](mailto:tita_iruegas@bcbstx.com)

/ti  
Attachments,

The table below indicates the approximate time needed for completion of the SBCs.

<b>After Final Benefits Received</b>	<b>Turnaround Time</b>
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**AGENDA**  
**CC REGULAR**  
**HIDALGO COUNTY**  
**COMMISSIONERS COURT**  
**MEETING**  
**September 23, 2014**  
**9:30 A.M.**

**NOTICE is hereby given in accordance with Chapter 551, Texas Government Code, that a SPECIAL MEETING of the Commissioners' Court will be held at the Edinburg Council Chambers 415 W. University Drive, Edinburg, Hidalgo County, Texas. Discussion and possible action relating to the following business will be transacted:**

**1. Roll Call**

All members of the Court were counted present.

**2. Pledge of Allegiance**

Judge Garcia led the Court and Audience in reciting the Pledge of Allegiance.

**3. Prayer**

Virginia Townsend led the Court and Audience in Prayer.

**4. Approval of Consent Agenda**

The Court moved to approve the Consent Agenda for the exception of Item 3.O and 12.J to be pulled for discussion.

*At this time, the Court proceeded to Items 21.B, 21.A, 21.C - 21.F, 10.A & B, 14.A, 6.C.*

**5. Open Forum**

Fern McClaugherty commented on the increase of taxes by several entities and are helping create more poor people and questioned the decisions that are made by elected officials.

Virginia Townsend reminded the court that they adopted ethics and nepotism policies.

Opal Billman stated that she attends the Commissioners' Court meetings because she has been falsely imprisoned for 18 years and is unable to regain her community property.

Edward Estrada stated he will not vote in favor of a tax increase and feels the County should collect back taxes instead of increasing taxes.

Yvonne Ramon, Elections Administrator, wanted to remind everyone that today is National Voter Registration Day and that her department is at UTPA

22.

Purchasing Department - Marty Salazar:



Notes:

A. FOR ANY CONTRACT(S) AWARDED AND APPROVED UNDER THIS AGENDA, EXECUTED COPIES OF THE CONTRACT(S) WILL BE AVAILABLE ON THE COUNTY INTRA-NET WEBSITE AND WILL BE FOWARDED VIA E-MAIL, FAX OR HAND DELIVERED TO HIDALGO COUNTY AUDITOR'S OFFICE.

B. ANY AND ALL REQUESTS FOR PAYMENT(S) APPROVED WILL BE SUBJECT TO COUNTY AUDITORS PROCESSING PROCEDURES INCLUDING AUTHORITY FOR COUNTY TREASURER TO ISSUE PAYMENT(S)/CHECK(S).

A. Hidalgo County

1. AI-46554 A. Clarification purposes: On CC of 09-09-14 Purchasing reported that the method of procurement used in the solicitation of 2006 delinquent tax collection services project was through a RFQ w/P. However, the correct method of solicitation of Engagement of a Law Firm for the Collection of Delinquent Ad Valorem Taxes" was an RFP w/Q Request for Proposals with Qualifications);

Mr. Eufrazio asked what was the difference between an RFP w/Q and an RFQ w/P and Ms. Betancourt explained that the grading system for an RFQ w/P is selected based on Qualifications and an RFP w/Q places most emphasis on the fees. She explained that the scoring system will be the same as it was in 2006, but an adjustment to the points was made as recommended by the Chiefs of Staff. She listed the criteria on the proposed solicitation pursuant to the discussion that took place on Friday (9-19-14) and is as follows:

Firm Qualifications and Experience: 15 points  
Firm's Ability to Commit Resources: 20 points  
Methodology: 20 points  
Understanding of Project: 15 points  
Proposed Fee: 30 points

She reminded the Court that in 2006, all those criteria were at 20 points each; therefore, and the Court discussed that that is how they would like to keep the criteria and points for the current solicitation.

B. Acceptance and approval of the amended and restated Interlocal Agreement (as drafted by legal counsel) between Hidalgo County and HC-Drainage District No. 1 to include the procurement process by Hidalgo County for the: Engagement of a Law Firm for the Collection of Delinquent and Related Services; and,

On motion by COMMISSIONER PCT. 4, JOSEPH PALACIOS, seconded by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., the Court made a UNANIMOUS vote of approval.

**Vote:** 4 - 0 - Unanimously

C. As directed by CC members on HCCC meeting of 09-09-14, acceptance and approval of "updated 2006 version" Request for Proposal w/Qualifications

UNANIMOUS vote of approval.

**Vote:** 4 - 0 - Unanimously

WIC PROGRAM-Roma, Texas:

b. Requesting authority for Margarita Gonzalez, WIC Program, to set up account with contracted energy company Reliant Energy, for the lease of office space located at 2891 E Grant St., Roma, Texas;

On motion by COMMISSIONER PCT. 3, JOE M. FLORES, seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

**Vote:** 4 - 0 – Unanimously

c. Acceptance and approval of a short-term Amendment to the current lease between HCs WIC Program and Jose I. Ramirez with the amendment term commencing 06-02-14 through 12-31-14 in order to reimburse Lessor, Jose I. Ramirez for all incurred expenses for energy services, garbage disposal and city services (utilities) including the authorization for order, activation and conversion of all utilities and/or City services to WIC Program name/account;

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 3, JOE M. FLORES, the Court made a UNANIMOUS vote of approval.

**Vote:** 4 - 0 - Unanimously

d. Acceptance and approval of all invoices (from June 2014-December 2014) for the reimbursement of the following utility expenses to Lessor, Jose I. Ramirez including, but not limited to Our Energy; City of Roma; and Garbage Collection Co. with authority to issue reimbursement.

On motion by COMMISSIONER PCT. 4, JOSEPH PALACIOS, seconded by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., the Court made a UNANIMOUS vote of approval.

**Vote:** 4 - 0 – Unanimously

**G. Facilities Management:**

1. **AI-46565** Requesting approval to exercise County's authority to terminate contract with Loftin Equipment Company for the Service/Repair and Maintenance of County Generators by issuing a thirty (30) day termination notice as stipulated in the contract No. C-11-297-03-13.

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 3, JOE M. FLORES, the Court made a UNANIMOUS vote of approval.

**Vote:** 4 - 0 - Unanimously

**H.**

**Budget & Management**



1. **AI-46582** Presentation for discussion, consideration and action to renew current contract for a period of one (1) year with Blue Cross Blue Shield of Texas and Dearborn National for the "Third Party Administration, Individual Stop Loss for Self Funded Medical Plan, Group Term Life and Accidental Death and Dismemberment" for 2015. Presentation by Alamo Insurance Group, the County's health insurance consultant.

**APPROVED**

Mr. Gary Looney was present to request the renewal the insurance with Blue Cross Blue Shield of Texas and Dearborn National. There are no changes to premium rate of the Dearborn Insurance. The renewal with Blue Cross Blue Shield will be \$31.01 contribution per employee, per month for all Third party Administration Services and the Stop Loss premium is \$47.58 per employee, per month. Mr. Eufrazio had a concern that no contracts have been attached to the agenda and was not provided last year, as well. Judge Garcia requested for Mr. Looney to provide the Auditor with the contract.

On motion by COMMISSIONER PCT. 3, JOE M. FLORES, seconded by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., the Court made a UNANIMOUS vote of approval subject to Auditors' review.

**Vote:** 4 - 0 - Unanimously

**I. Sheriff's Office**

1. **AI-46329** a. Requesting exemption from competitive bidding requirements under Texas Local Government Code, Chapter 262.024, (a)(7) an item that can be obtained from only one source;

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

**Vote:** 4 - 0 - Unanimously

- b. Requesting approval of a "Sole Source Declaration" for Strong Watch Corporation"

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

**Vote:** 4 - 0 - Unanimously

- c. Requesting approval to purchase (2) FOTM mobile surveillance systems, customized for Hidalgo County Sheriff's Dept operational requirements in an amount not to exceed \$344,900.00, which includes a discount of \$25,000.00 but not limited to shipping, installation and training.

On motion by COMMISSIONER PCT. 4, JOSEPH PALACIOS, seconded by COMMISSIONER PCT. 3, JOE M. FLORES, the Court made a UNANIMOUS vote of approval.

**Vote:** 4 - 0 - Unanimously

**APPROVED**

**AI-46582**

Purchasing Department 22. H. 1.

**CC - REGULAR**

**Meeting Date:** 09/23/2014

**Submitted By:** Angelica M. Tapia, BUDGET & MANAGEMENT

**Department:** BUDGET & MANAGEMENT

Information

CAPTION ✓

Presentation for discussion, consideration and action to renew current contract for a period of one (1) year with Blue Cross Blue Shield of Texas and Dearborn National for the "Third Party Administration, Individual Stop Loss for Self Funded Medical Plan, Group Term Life and Accidental Death and Dismemberment" for 2015. Presentation by Alamo Insurance Group, the County's health insurance consultant.

BACKGROUND

2014 contract approved on CC 11/12/13.

Fiscal Impact

FISCAL YEAR: 2015

ACCT. #: 5-2201-415-00-115-010-0-350

FUNDS AVAILABLE Y/N?: Y

MATCHING FUNDS Y/N?: N/A

BUDGETARY IMPACT:

FISCAL YEAR: 2015

FUNDS AVAILABLE Y/N?: Y

MATCHING FUNDS Y/N?: N/A

BUDGETARY IMPACT:

FISCAL YEAR: 2015

ACC

FUNDS AVAILABLE Y/N?: Y

MATCHING FUNDS Y/N?: N/A

BUDGETARY IMPACT:

Pursuant to the 2015 Adopted Budget, object code 212 life in

E-14-412-09-23  
428  
CC-13-143-10/14

Attachments

Recommendation  
agreement

Form Review

Inbox  
Budget & Management  
Obdett Calzada  
Glinda Pacheco  
Purchasing Department

Reviewed By  
Debbie Tamez  
Debbie Tamez  
Glinda Pacheco  
Monica Badillo

Date  
09/18/2014 02:51 PM  
09/19/2014 11:25 AM  
09/19/2014 04:46 PM  
09/19/2014 06:02 PM