



APPLIED EXPERTISE

190 U.S. Route One Box 365 Falmouth, ME 04105 Telephone: (207) 523-8408 Facsimile: (207) 846-8834

PROPOSAL FOR EXCESS LOSS REINSURANCE COVERAGE

Issuing Carrier **Fidelity Security Life Insurance Company**
 Requested By **Arizona Benefit Plans, Inc.**
 Underwriter **Katy Beaulieu**
 Group **City of San Luis**

Proposal No **19911**
 Proposal **04/19/2023** Valid Thru **07/11/2023**
 Effective **07/01/2023** Expiration **06/30/2024**
 All previous proposals are void and withdrawn.

SPECIFIC EXCESS LOSS COVERAGE

Simultaneous Reimbursement

Option 1

Coverages		Medical, Rx Card, Platinum Program
Contract Type		24/12
Annual Specific Deductible per Individual		50,000
except for		185,000
Maximum Annual Reimbursement		Unlimited
Rate Per Month	<u>Enrollment</u>	
Single	157 \$	103.95
Family	117 \$	332.48
Composite	274 \$	201.54
Estimated Annual Premium	\$	662,643
Rate(s) includes Commissions of		0.00%

FIXED COST ANALYSIS

Specific Premium Composite	201.54
Aggregate Premium	4.92
MATRIX RMS Fees per Emplo	7.50
Monthly Total Per Employee	213.96
Annual Total	703,480

AGGREGATE EXCESS LOSS COVERAGE

		<u>Option 1</u>	
Coverages		Medical, Rx Card	
Contract Type			24/12
Loss Limit per Individual			50,000
Maximum Annual Reimbursement		\$	1,000,000
Rate Per Month	<u>Enrollment</u>		
Composite	274	\$	4.92
Estimated Annual Premium		\$	16,177
Rate(s) includes Commissions of			0.00%
Annual Aggregate Deductible		\$	2,676,079
Minimum Aggregate Deductible		\$	2,408,471
Run In / Out Limited To		\$	401,412
Monthly Aggregate Claim Factors	<u>Enrollment</u>		
<u>Medical</u>			
Single	157	\$	285.19
Family	117	\$	1,002.44
Composite	274	\$	591.46
<u>Rx Card</u>			
Single	157	\$	131.56
Family	117	\$	344.37
Composite	274	\$	222.43
<u>Total</u>			
Single	157	\$	416.75
Family	117	\$	1,346.81
Composite	274	\$	813.89

Required fees for services not part of the excess loss rates illustrated above and performed by:

MATRIX RMS Fees per Emplo	\$	7.50
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CONDITIONS

We are pleased to present you with the attached proposal for Excess Loss Reinsurance Coverage provided for City of San Luis . Our proposed excess loss coverage including rates and terms of coverage is subject to modification based upon receipt and review of the following information:

1C Enrollment information up to the proposed Effective Date of coverage.

2C The proposed excess loss coverage requires minimum participation of 60% of the eligible group.

3C Actively at work provisions have been waived subject to Underwriter approval of signed complete Disclosure Statement.

4C Non-disclosure of any individual who should have been identified on the Disclosure Statement, on which the Company relies, or the incomplete or inaccurate disclosure of his/her true medical condition, may result in having this individual's claims being excluded from or limited in the calculation of the Aggregate and Specific Benefit.

5C This insurance does not apply to the extent that trade or economic sanctions or regulations prohibit the issuing carrier from providing insurance, including, but not limited to, the payment of claims.

6C If we have not received the Signed Plan Document and all Amendments within 60 days after the proposed effective date, we reserve the right to refund all premiums received, and the application will be null and void when signed. Therefore, coverage is not effective until receipt and acceptance of the signed plan document and all amendments.

7C If the proposal is accepted by the Plan Sponsor, please refer to the last page of this proposal.

QUALIFICATIONS

--This proposal is offered using our PLATINUM risk model initiated in 2001. This product is not a contractual provision or guarantee. This program strives to provide plan sponsors renewal minimum rate increases with maximum rate caps. Ongoing known cost specific claims will be semi pooled. References are available. Matrix RMS reports and consultative support will work proactively with the Plan Sponsors, and applicable parties. Matrix RMS is a separate fee for service company and required with the PLATINUM program. Matrix offers two other product platforms that differ in initial rating and renewal underwriting approach.

--This proposal requires employer due diligence report to identify employees on COBRA, FMLA, extended sick leave or short term disability, worker's compensation, or any other form of leave of absence, or who are known or believed to have an ongoing medical condition or to be pregnant.

--Rates and/or factors may be recalculated if the number of Covered Units under the Plan increases or decreases by 15% from the number of Covered Units on the first day of the Contract Period or by 15% in any Contract Month.

--Aggregate Run In is limited to 15% of the Aggregate Attachment Point.

--Aggregate factors may be recalculated if the average claims in the last 3 months of the current plan period vary by more than 10% from the information provided with the initial request for proposal.

--This contract is based on the utilization of the Blue Cross Blue Shield of Arizona and Siamed PPOs, for In-Network and Out-of-Network benefits that apply according to plan.

--This proposal requires MATRIX Risk Management Services, LLC as the LCM Oversight program.

--Marketing, sales, distribution activities and administrative support services are provided by, and at the expense of, U.S. Group & Pension, L.L.C. (USGP) and/or Arizona Benefits on behalf of MATRIX Group Benefits, LLC. USGP and Arizona Benefits may receive compensation for these services from Matrix Group Benefits, LLC. If you have any questions regarding this arrangement, please contact Matrix Group Benefits, LLC.

MATRIX RISK MANAGEMENT SERVICES

Matrix Risk Management Services, LLC (Matrix RMS) program is referenced within the body of the Excess Loss Reinsurance proposal by Matrix Group Benefits, LLC. It is listed within the Proposal because Matrix RMS is a completely separate fee for service company that is a required Qualification of a Matrix Group Benefits' Excess Loss Reinsurance proposal. Matrix RMS services may, be purchased independently from the Excess Loss Reinsurance when such services are desired by Plan Sponsor's.

The Plan Sponsor hereby accepts the services and support offered and provided by Matrix RMS and authorizes and directs its contracted service providers for:

- 1) medical utilization review, pre-admission certification, prior authorization, concurrent review discharge planning, outpatient service review, and medical case management; and
- 2) claims administration; and
- 3) prescription benefit management; and
- 4) disease management and wellness programs

to provide Matrix RMS with information on a regular monthly basis as requested by Matrix RMS and agrees to consider accessing and utilizing specialty service providers identified by Matrix RMS for oversight of a potentially catastrophic medical claims and review of provider bills that represent significant charges that can be expected to accumulate to over \$ 50,000.00, prior to their payment.

Resource assistance provided by Matrix RMS includes accessing a variety of specialty resources firms that provide services such as:

- 1) Neonatal case management and bill review, including accuracy of bill, appropriateness of coding and charges, and negotiation of allowable amounts;
- 2) Hemophilia case management and support services including drug acquisition for blood disorders;
- 3) Review of large hospital bills for accuracy of bill. Appropriateness of coding and charges, negotiation of allowable amounts and negotiation of patient specific discounts. Reviews of this scope require the UB -92 bill summary, the itemized billing statement and information related to the nature and amount of potential contract adjustments related to PPO's ;
- 4) Transplant networks for potential organ transplant cases;
- 5) Complete claim processing and payment audit for plan sponsor's to determine incorrect payments and recover overpayments;
- 6) Oncology case management and support services including chemotherapy drug acquisition for administration in outpatient settings.
- 7) Dialysis management program; and
- 8) Preferred PBM resources with participant education programs based on medical conditions to improve medication management outcomes

Charges for the services provided by these specialty resource companies are paid by the Plan Sponsor as part of the participant's claim and will be reimbursed by the medical stop loss contract if the benefit amount for the claimant exceeds the specific stop loss deductible amount in the contract of the Plan Sponsor. Matrix RMS makes these firms available to the Plan Sponsor and its contracted service providers to assist the Plan Sponsor in the management of its Plan. Matrix RMS is not compensated by these firms.

Matrix RMS will also provide the following services:

- 1) Administration of the Loss Adjustment Program, (a pre-approved Matrix Group Benefits, LLC program) that provides funds to Plan Sponsors to contract for independent specialists /consultants, Independent Review Organization (IRO's) or other resource services deemed necessary and appropriate by the Plan Sponsor to help make final adjudication decisions;
- 2) Administration of ICD-10 or ICD-9 notification information at the medical management level with follow up to identify the services being provided to a plan participant;
- 3) Directions for and assistance with completion of the employer due diligence disclosure process;
- 4) Assistance with out of network / state provider contracting on a patient specific basis;
- 5) Assistance with identification and contracting specialty hospitals / "centers of excellence" on a patient specific basis;
- 6) Administration of a management review process for coordination of medical management and claim adjudication processes for potential and actual large claims;
- 7) Assistance in the coordination of Risk Assessments with medical management processes and the receipt of Consent (when needed)for the use of Protected Health Information (PHI);
- 8) Access to any of the Excess Loss carriers' provider agreements and comparison of agreements for proposed providers of service.

The Risk Management Program does not:

- 1) Provide direct consulting to the Plan Sponsor or its employee benefit plan;
- 2) Provide pre-adjudication decisions or advice to administrators related to the Excess Loss contract;
- 3) Make medical decisions, financial decisions or perform medical review functions;
- 4) Replace other contracted services or adjudication services or consultants.

City of San Luis
Print Plan's Legal Name

City of San Luis
Company's Legal Name

By _____
(Officer's Signature)

Date _____

Print Name _____

Title _____

I have read all pages of this proposed excess loss coverage. I understand excess loss coverage is not effective until we provide all information required and an application is approved. Plan Sponsor appoints person named below as its authorized agent.

Applicant's Appointed Agent Susan Posada
Print Agent Name

Appointed Agency Name & Address Susan Posada Agency, Inc.
Print Agency Name

17 West Vernon Avenue Unit 105
Address

Phoenix, AZ 85012
City, State, Zip Code

** Please attach valid license (Insurance Agency and Agent) for appropriate state.

THIS IS NOT A CONTRACT OR BINDER OF INSURANCE

The persons presenting this proposal for excess loss coverage to the Plan Sponsor are agents of the Plan Sponsor and not of the insurer, reinsurer, or MGU. This proposal for excess loss coverage is non-occupational and the Excess Loss Policy will be issued when all required information has been submitted.

Applicant, its broker and/or TPA, being Agent of the Applicant, understand and expressly agree that all information material to the risk of insuring the Plan is under their control and is part of the inducement and consideration offered for coverage, and warrant that such information will be accurate in all material respects. MGU And Carrier will rely on the accuracy of the information in underwriting and setting rates and factors for the excess loss coverage applied for. Accordingly, the application is part of the contract. If we later learn of any material inaccuracy in such information, or failure or refusal to disclose any such information, including all claims or possible claims which you should know about, we may reject a claim to which such information applies, reject the application, change the terms, conditions, or premium rates and factors, or void coverage.

MONTHLY PREMIUM STATEMENT

FOR THE MONTH OF _____

NAMED INSURED: City of San Luis POLICY NUMBER: EL116-3307012023
ADMINISTRATOR: Healthcomp, LLC
POLICY PERIOD: July 1, 2023 through June 30, 2024 CHECK NUMBER: _____

A. SPECIFIC PREMIUM

	# Current Units	Adjust- Ments +/-	=	Total Units	X	Premium Rate	=	Gross Premium
Employee	_____	_____	=	_____	X	\$103.95	=	_____
Family	_____	_____	=	_____	X	\$332.48	=	_____
Composite	_____	_____	=	_____	X	\$201.54	=	_____

B. AGGREGATE PREMIUM

	# Total Units	X	Monthly Premium Rate	=	Gross Premium
Composite	_____	X	\$4.92	=	_____

C. TOTALS OF A & B ABOVE

Gross
Premium

<u>Matrix Risk Management Services Fee</u>	# Total Units	X	Monthly Fee per Unit	=	Total Fee Amount
Composite	_____		\$7.50		_____

Authorized Signature: _____ Date: _____

Mail this form with premium to:

Fidelity Security Life Insurance Company
c/o MATRIX Group Benefits, LLC
190 U.S. Route One PMB 365
Falmouth, Maine 04105
Phone: (207) 523-8408 Fax: (207) 846-8834

**Premium payments are due in advance on the first of each month.
Premium payments not received by the end of the month will expose the Policy to the Termination Provision.**



FIDELITY SECURITY LIFE INSURANCE COMPANY
 3130 Broadway
 Kansas City, Missouri 64111

**APPLICATION FOR
 EXCESS LOSS
 REIMBURSEMENT INSURANCE**

GENERAL INFORMATION

1. Full Legal Name of Applicant: City of San Luis
 Address of Applicant: 1090 East Union Street
 City: San Luis State: AZ Zip Code: 85349
2. Type of Entity: Corporation Labor Union
 Partnership Association
 Limited Liability Co. Trusteeship
 Proprietorship Other: _____
3. Requested Effective Date: July 1, 2023
4. Other Locations: _____
5. **Primary Contact at Applicant:** _____
6. Full Legal Name of Subsidiary or Affiliated Companies to be included: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____
7. Nature of Applicant's Business: Executive & Legislative Combined SIC Code: 9131
8. Full Name of Applicant's Plan: City of San Luis Employee Benefit Trust
 (A signed copy of such Plan must be attached to this Application.)
9. Name and Address of Plan Administrator or Third Party Administrator: Healthcomp, LLC
 Address: 621 Santa Fe Ave
 City: Fresno State: CA Zip Code: 93721
 Social Security No. or Tax ID: _____ Phone Number: (559)499-2450
10. Name and Address of Writing Agent: Susan Posada Agency, Inc. / Susan Posada
 (Attach a current copy of license(s) if not on file.) **Copy on File**
 Address: 17 West Vernon Avenue Unit 105
 City: Phoenix State: AZ Zip Code: 85012
 Social Security No. or Lic No: 2679435 Phone Number: (602)212-9400
11. Estimated initial enrollment:
 Employee/Member 157
 Family 117
 Employee/Member (Composite) 274
12. Other Covered Persons included in your Plan:

	Yes	No	Covered Units
Retired Employee/Member	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
COBRA Beneficiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____
Disabled Persons	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____
13. Actively At Work Limitation: Waived Applied
14. Deposit Premium: None

SPECIFIC EXCESS LOSS INSURANCE: Yes No

1. Plan Benefit Payments included in Your Plan to be covered by Specific Excess Loss Insurance:
 Medical Prescription Drug Expenses Other(s) _____
 Dental Vision
2. Contract Basis: 24 / 12 Covered Expenses Incurred from 07/01/2022 through 06/30/2024
Paid from 07/01/2023 through 06/30/2024
3. Run-in Period claims Incurred prior to the Effective Date will be limited to: \$ Not Applicable
4. Specific Deductible (per Covered Person): \$ 50,000
Specific Deductible/Contract Basis for the following Covered Persons:
_____ \$ 185,000
5. Specific Reimbursement Maximum per Contract Period: \$ Unlimited
(per Covered Person excess of Specific Deductible)
6. Specific Percentage Reimbursable (excess of Specific Deductible): 100%
7. Aggregating Specific Deductible: Yes No
If Yes, the Aggregating Specific Deductible is: \$ Not Applicable
8. Terminal Specific Liability: Yes No
If Yes, the Monthly Terminal Specific Liability Premium (per Covered Person): \$ Not Applicable
9. Specific Monthly Premium Rates:
Employee/Member \$ 103.95
Family \$ 332.48
Employee/Member (Composite) \$ 201.54

AGGREGATE EXCESS LOSS INSURANCE: Yes No

1. Plan Benefit Payments included in Your Plan to be covered by Aggregate Excess Loss Insurance:
 Medical Prescription Drug Expenses Other(s) _____
 Dental Vision
2. Contract Basis: 24 / 12 Covered Expenses Incurred from 07/01/2022 through 06/30/2024
Paid from 07/01/2023 through 06/30/2024
3. Run-in Period claims Incurred prior to the Effective Date will be limited to: \$ 401,412
4. Minimum Aggregate Annual Deductible: \$ 2,408,471
5. Aggregate Reimbursement Maximum (excess of Aggregate Annual Deductible): \$ 1,000,000
6. Aggregate Percentage Reimbursable (excess of Aggregate Annual Deductible): 100%
7. Aggregate Monthly Factor(s):
- | | Medical | Dental | Vision | Prescription Drug | Total |
|-----------------------------|--------------------|---------------|---------------|-------------------|--------------------|
| Employee/Member | \$ <u>285.19</u> | \$ <u>N/A</u> | \$ <u>N/A</u> | \$ <u>131.56</u> | \$ <u>416.75</u> |
| Family | \$ <u>1,002.44</u> | \$ <u>N/A</u> | \$ <u>N/A</u> | \$ <u>344.37</u> | \$ <u>1,346.81</u> |
| Employee/Member (Composite) | \$ <u>591.46</u> | \$ <u>N/A</u> | \$ <u>N/A</u> | \$ <u>222.43</u> | \$ <u>813.89</u> |
8. Loss Limit (per Covered Person): \$ 50,000
9. Terminal Aggregate Liability Option: Yes No
If Yes, Monthly Terminal Aggregate Liability Premium (per Covered Person): \$ Not Applicable
10. Monthly Aggregate Accommodation Option: Yes No
If Yes, Monthly Aggregate Accommodation Premium (per Covered Person): \$ Not Applicable
11. Monthly Aggregate Premium Rate (per Covered Person): \$ 4.92

MEDICAL DATA

The Company will rely on the data below to assist in approving the Application and underwriting the Contract. Note that without the Company's review and approval of each risk, the Applicant's Losses will not be reimbursable under the Excess Loss Reimbursement Contract; therefore, please answer the following questions:

1. Has an eligible employee/member or dependent received or is such individual expected to receive more than 50% of the Specific Deductible in expenses in the last 12 months? Yes No
2. Will any former employee/member or dependent be continuing coverage under the Plan in accordance with Federal, State, or Local law on the Effective Date of this Contract, if issued? Yes No

If Yes to questions 1 or 2, list name, status, prognosis, and amount of claim (attach, sign and date a separate sheet if needed):

Name: _____ DOB: _____ Sex: Male Female Status: _____
 (Ee/Mbr, Dep, COBRA, Retiree)

Diagnosis: _____
 Prognosis: _____
 Amount of Claim(s): _____

3. Are expected benefits available from the prior insurer for presently disabled eligible employees/ members and/or dependents? Yes No

4. Are any eligible employees/members or dependents presently disabled or confined in a hospital or similar facility? Yes No

Please explain any "Yes" answers to questions 3 or 4 (Please attach, sign and date a separate sheet if needed):

SPECIAL CONDITIONS/LIMITATIONS: _____

See attached Disclosure Statement.

The contract is based on the utilization of the Blue Cross Blue Shield of Arizona and Siamed PPOs, for In-Network and Out-of-Network benefits that apply according to plan.

Aggregate Run In is limited to 15% of the Aggregate Attachment Point.

SIGNATURE

Application is hereby made for Specific and/or Aggregate Excess Loss Insurance through Fidelity Security Life Insurance Company ("Company"). This Application must be accepted and approved by the Company or its authorized representative prior to any Contract being in existence.

It is understood and agreed by the Applicant that:

1. the Applicant is financially sound, with sufficient capital and cash flow to accept the risks inherent in a "self-funded" health care plan;
2. the Plan Administrator or Third Party Administrator retained by the Applicant will be considered the Applicant's Agent, and not the Company's Agent;
3. all documentation requested by the Company must be submitted prior to any approval of this Application and must be received by the Company within 90 days of the Effective Date;
4. the Company will evaluate the Applicant's risk, and may require adjustments of rates, factors, deductibles and/or Special Limitations to accommodate for abnormal risks;
5. premiums are not considered paid until the premium check or transfer is received by the Company and at the rates set forth in the Schedule;
6. this Application will be attached to and made a part of any Excess Loss Reimbursement Contract issued by the Company in connection with this Application;
7. the Applicant's Plan Document shall be the basis of any Excess Loss Insurance Reimbursement provided by the Company and such Plan Document conforms with applicable state and federal laws;
8. any reimbursement under the Excess Loss Reimbursement Contract provided by the Company shall be based on eligible Plan Benefits Paid in accordance with the Plan Document;
9. claims under the Plan Document for any employee/member who is not at his or her customary place of employment (or scheduled vacation) on the Effective Date of the Excess Loss Reimbursement Contract will not be eligible for reimbursement under the Contract until such employee/member returns to active, full-time employment for at least one full working day;
10. unless otherwise indicated above, claims under the Plan Document for any Covered Person who is confined in a medical facility on the Effective Date of the Excess Loss Reimbursement Contract will not be eligible for reimbursement under the Contract until such person is discharged from the hospital or similar facility; and

Application and Authorization for Services by MATRIX Risk Management Services, LLC

Plan Sponsor/Client: City of San Luis Effective Date: July 1, 2023

Application is hereby made to MATRIX Risk Management Services, LLC for services provided by MATRIX Risk Management Services, LLC.

1) Full Legal Name of Applicant: City of San Luis

2) Address: 1090 East Union Street San Luis, AZ 85349

3) Full name of Employee Benefit Plan: City of San Luis Employee Benefit Trust

4) Name, address, and contact person for the Designated Medical Management Firm (Utilization Firm):
Healthcomp, LLC 621 Santa Fe Ave. Fresno, CA 93721

5) Name, address, and contact person for the Claim Administrator for the Employee Benefit Plan:
Healthcomp, LLC 621 Santa Fe Ave. Fresno, CA 93721

6) Estimated enrollment for the Employee Benefit Plan and MATRIX RMS fee:

MATRIX RMS PEPM FEE: \$7.50

TOTAL ENROLLED: 274

RISK MANAGEMENT SERVICES

The Plan Sponsor hereby accepts the services and support offered and provided by MATRIX Risk Management Services, LLC (MATRIX RMS) and authorizes and directs its contracted service providers for:

- 1) Medical utilization review, pre-admission certification, prior authorization, concurrent review discharge planning outpatient service review, and medical case management; and
- 2) Claims administration; and
- 3) Prescription benefit management; and
- 4) Population health, disease management and wellness programs

to provide MATRIX RMS with information on a regular basis as requested by MATRIX RMS and to access specialty service providers identified by MATRIX RMS for the medical oversight of a potentially catastrophic medical claims and review of provider bills prior to their payment, that represent significant charges that can be expected to accumulate to over 50% of the specific deductible or \$50,000.00, whichever is less.

Resource assistance provided by MATRIX RMS includes accessing a variety of specialty resource firms that RMS has established relationships with for our clients, such as:

- 1) Neonatal case management and bill review, including accuracy of bill, appropriateness of coding and charges, and negotiation of allowable amounts;
- 2) Gene and cellular therapy services including, but not limited to, CAR-T and Hemophilia drug acquisition, preferred pricing and treatment through an access agreement with Emerging Therapy Solutions (ETS);
- 3) Review of large hospital bills for accuracy of bill, appropriateness of coding and charges, negotiation of allowable amounts and negotiation of patient specific discounts. Reviews of this scope require the UB-92 bill summary, the itemized billing statement and information related to the nature and amount of potential contract adjustments related to PPO's contracted by the Plan or on a per patient claim basis;
- 4) Access to national transplant networks including INTERLINK, LifeTrac, LifeSource and Optum for potential organ transplant cases;
- 5) Oncology treatment oversight and collaboration with treating Oncologist's and patient support services through the INTERLINK CancerCARE program, including drug review;
- 6) Dialysis management programs.

Initials _____

Application and Authorization for Services by MATRIX Risk Management Services, LLC

Charges for the services provided by these specialty resource companies for specific patient claim situations are paid by the Plan Sponsor as part of the participant's claim and will be considered for reimbursement by the medical stop loss contract if the benefit amount for the claimant exceeds the specific stop loss deductible amount in the contract of the Plan Sponsor. Services that are contracted on an annual basis and paid on a PEPM basis are administrative expenses and are not considered claim expenses.

MATRIX RMS makes these firms available to the Plan Sponsor and its contracted service providers to assist the Plan Sponsor in the management of its Plan. MATRIX RMS is not compensated by these firms.

MATRIX RMS will also provide the following services:

- 1) Coordination and oversight of specialty resource services recommended by RMS and selected by a Plan Sponsor;
- 2) Administration of the Loss Adjustment Program, (a pre-approved MATRIX Group Benefits, LLC program) that provides funds to Plan Sponsors to contract for independent specialists /consultants, Independent Review Organization (IRO's) or other resource services deemed necessary and appropriate by the Plan Sponsor to help make final adjudication decisions;
- 3) Administration of ICD-10 notification information at the medical management level with follow up to identify the services being provided to a plan participant;
- 4) Directions for and assistance with completion of the employer due diligence disclosure process;
- 5) Assistance with out of network / state provider contracting on a patient specific basis;
- 6) Assistance with identification and contracting specialty hospitals / "centers of excellence" on a patient specific basis;
- 7) Administration of a management review process for coordination of medical management and claim adjudication processes for potential and actual large claims;
- 8) Assistance in the coordination of Business Associate Agreements (BAA) to obtain medical claim information for disclosure and underwriting when necessary.

The Risk Management Program does not:

- 1) Provide direct consulting to the Plan Sponsor or its employee benefit plan;
- 2) Provide pre-adjudication decisions or advice to administrators related to the Excess Loss contract;
- 3) Make medical decisions, financial decisions or perform medical review functions;
- 4) Replace or duplicate other contracted services or adjudication services or consultants;
- 5) Contact plan participants.

Plan Sponsor/Client: City of San Luis hereby authorizes MATRIX Risk Management Services, LLC to obtain protected health information ("PHI") for the purpose of completing the services provided by this agreement.

The MATRIX Risk Management Program IS NOT a risk bearing program or a component of an excess loss rate but may be required by an excess loss carrier and is a required component of all MATRIX Group Benefits, LLC underwritten Excess Loss Proposals.

Acceptance of this MATRIX Risk Management Program Proposal is made this _____ day/Month of _____ by:

Signed: _____

Name: _____

Title: _____

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the "Agreement") is entered into on July 1, 2023 between MATRIX Risk Management Services, LLC (the "Business Associate") and City of San Luis, (the "Covered Entity").

RECITALS

Because the Covered Entity will make available and/or disclose to the Business Associate certain Protected Health Information (as defined below), in order to facilitate services that are being provided between the Business Associate to the Covered Entity; and

Because the Business Associate will have access to and/or receive from the Covered Entity certain Protected Health Information (as defined below), that can be used or shared only in compliance with this Agreement and the HIPAA Rules (as defined below).

The Covered Entity and Business Associate agree as follows:

I. Definitions.

The below capitalized terms shall have the following meaning in this Agreement:

- a. "Breach" shall mean the unauthorized acquisition, access, use or disclosure of Unsecured Protected Health Information (as defined below), which compromise the security or privacy of such information.
- b. "Designated Record Set" shall mean a group of records maintained by the Covered Entity that is either; (1) the medical records and billing records about individuals maintained by or for a covered health care provider; (2) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (3) used in part by or for the Covered Entity to make decisions about an Individual.
- c. "HIPAA Rules" shall mean the Privacy, Security, Notification, and Enforcement Rules at 45 CFR Part 150 and Part 164.
- d. "HHS Privacy Regulations" shall mean the Code of Federal Regulations ("CFR.") at Title 45, Sections 160 and 164.
- e. "Individual" shall mean the person who is the subject of the information, and has the same meaning as the term "individual" as defined by 45 CFR Section 164.501.
- f. "Parties" shall mean the Business Associate and the Covered Entity.

- g. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E, as amended by the HITECH Act.
- h. "Protected Health Information" shall have the same meaning as the term is defined in 45 CFR Section 160.103, but is limited to any such information created or received by the Business Associate from or on behalf of the Covered Entity.
- i. "Required by Law" has the same meaning as this term has in 45 CFR § 164.501.
- j. "Secretary" shall mean United States Department of Health and Human Services ("HHS") or his designate.
- k. "Unsecured Protected Health Information" shall mean Protected Health Information that is not secured through the use of technology or methodology specified by the Secretary in regulations or as otherwise defined in the §13402(h) of the HITECH Act.

Any term not defined in this Agreement but having a specific definition within the HHS Privacy Regulations shall have throughout this Agreement the meaning attributed to that term in the HHS Privacy Regulations. Further, any prospective amendment to the laws referenced in this definitional section prospectively amend this Agreement to incorporate said changes by congressional act or by regulation of the Secretary of HHS.

II. Relationship of the Parties.

The relationship of the Covered Entity and the Business Associate is that of independent contractors. All acts performed by the Business Associate shall be deemed to be performed in its capacity as an independent contractor.

III. Term.

The term of this Agreement shall begin **July 1, 2023** (the "Effective Date"), and shall terminate as provided in Articles VII and VIII.

IV. Limits on Use and Disclosure Established by this Agreement.

In carrying out this Agreement, the Business Associate agrees to comply with the HIPAA Rules. Therefore, the Business Associate agrees that it shall not use or disclose Protected Health Information, except as permitted or required by this Agreement or required by applicable law.

V. Permitted Disclosure by the Business Associate.

The Business Associate may use or disclose Protected Health Information for the following purpose(s):

- a. Use of Information for Management, Administration and Legal Responsibilities: The Business Associate is permitted to disclose Protected Health Information for the proper management and administration of the Business Associate or to carry out legal responsibilities of the Business Associate.
- b. Sharing of Information for Management, Administration and Legal Responsibilities: The Business Associate is permitted to disclose Protected Health Information for the proper management and administration. Specifically, when the disclosure is required by law or the Business Associate obtains reasonable promises from the person to whom the Protected Health Information is disclosed that it will be kept private and used or disclosed only as required by law or for the purposes for which it was disclosed. In such a case, the person will immediately notify the Business Associate if it is discovered that the confidentiality of the information is broken.
- c. Additional Activities of Business Associate: In addition, the Business Associate may combine the Protected Health Information with the information the Business Associate received by the Business Associate in its capacity as a business associate of other covered entities if the purpose of combining the information is to provide the Covered Entity with data analysis relating to the health care operations of the Covered Entity. The Business Associate may not share Protected Health Information of one covered entity with another covered entity without proper permission.

VI. Responsibilities of the Business Associates.

- a. Proper Safeguards: The Business Associate shall maintain proper safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic Protected Health Information in order to prevent any use or disclosure of Protected Health Information not permitted or required by this Agreement.
- b. Reports of Improper Use or Disclosure: The Business Associate shall report to Covered Entity within two (2) days of learning about any use or disclosure of Protected Health Information not permitted or required by this Agreement.
- c. Subcontractors and Agents: Business Associate agrees that any time Protected Health Information is provided or disclosed to any subcontractors or agents, the Business Associate shall enter into a subcontract with the subcontractor or agent that contains the same terms, conditions and restrictions on the use and disclosure of Protected Health Information as in this Agreement.
- d. Right of Access to Information: The Business Associate shall provide the Covered Entity with a right of access to any Protected Health Information within five (5) days of such request. In the event an Individual requests the Business Associate provide access to Protected Health Information, then the Business Associate shall contact Covered Entity and advise Covered Entity of the request. If Covered Entity determines that the Business Associate holds Protected Health Information in a Designated Record Set and the Individual is to be granted

access to the Protected Health Information, then the Business Associate shall cooperate with the Covered Entity to provide the Individual with the Protected Health Information requested. Further, if the Designated Record Set is available electronically and the Individual requests an electronic copy, then the Business Associate must provide access to the Covered Entity in the electronic form and format requested by the Individual, if it can be readily produced in that form. The Business Associate shall take no direct action on any Individual's request for access to Protected Health Information before notifying the Covered Entity and receiving instructions from the Covered Entity.

- e. **Making and Including Changes:** The Business Associate shall amend any Protected Health Information as requested by the Covered Entity. In the event an Individual requests the Business Associate to amend Protected Health Information, then the Business Associate shall contact the Covered Entity and advise the Covered Entity of the request. If the Covered Entity determines that the Business Associate holds Protected Health Information in a Designated Record Set and the Protected Health Information regarding the Individual is to be amended, then the Business Associate shall cooperate with the Covered Entity to amend the Protected Health Information. The Business Associate shall take no direct action on any Individual's request for amendment to Protected Health Information before notifying the Covered Entity and receiving instructions from the Covered Entity.
- f. **Provide Accounting:** The Business Associate shall maintain documentation of any disclosures of Protected Health Information made by the Business Associate as may be required to facilitate the Covered Entity's response to an Individual's request for an accounting of disclosures in accordance with 45 CFR Section 164.528. The Business Associate shall, within ten (10) days of a request from the Covered Entity, provide the Covered Entity with the information collected in accordance with this paragraph.
- g. **Performance of Covered Entity's Obligations:** To the extent, the Business Associate is to carry out one or more of the Covered Entity's obligations under Subpart E of 45 CFR Part 164, Business Associate shall comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligations.
- h. **Access to Books and Records:** The Business Associate agrees to make its internal practices, books, and records relating to use or disclosure of Protected Health Information, available to the Secretary for purposes of determining the Covered Entity's compliance with the HIPAA Rules.
- i. **Procedures to Reduce Damage:** The Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to the Business Associate and that arises from a use or disclosure of Protected Health Information by the Business Associate that is contrary to the provisions of this Agreement.

- j. Property Rights: The Protected Health Information is the sole and exclusive property of the Covered Entity. The Business Associate agrees that it has no ownership rights to the Protected Health Information.
- k. Obligations in Event of a Breach: In the event, the Business Associate commits a Breach, the Business Associate must notify the Covered Entity of the Breach in writing no later than ten (10) days after discovery of the breach. For purposes of this Agreement, a Breach will be deemed to be discovered on the earlier of the date the Breach first becomes known to the Business Associate or the date the Breach would have been known if the Business Associate exercised reasonable diligence. The written notice of the Breach must include a brief description of what happened (including the dates of the breach and its discovery), the types of Unsecured Protected Information involved, and what the Business Associate is doing to mitigate losses and protect against any further breaches.

VII. Material Breach or Violation of this Agreement.

If the Covered Entity knows of a material breach or violation by the Business Associate of this Agreement, the Covered Entity shall take reasonable steps to cause the breach to be cured or the violation to end. Those reasonable steps shall include written notification to the Business Associate of the exact material breach or violation and thirty (30) days to cure the material breach or violation. If the Covered Entity is unsuccessful in its efforts to obtain a cure or stop the violation within thirty (30) days of sending written notice of the material breach or violation to the Business Associate, the Covered Entity shall terminate this Agreement. The Business Associate specifically authorizes termination of this Agreement by the Covered Entity, if the Covered Entity determines the Business Associate has violated a material term of the Agreement and the Business Associate has not cured the breach or ended the violation within thirty (30) days of receiving written notice of the material breach from the Covered Entity. If termination is not feasible, the Covered Entity must report the material breach or violation to HHS. Upon notifying HHS, the Covered Entity shall provide the Business Associate with copy of its notification. The foregoing requirements equally apply if the Business Associate knows of a material breach or violation by the Covered Entity of this Agreement.

VIII. Termination of Agreement.

- a. Either party may terminate this Agreement upon thirty (30) day written notice.
- b. The Business Associate shall return or destroy all Protected Health Information, including any Protected Health Information in the possession of subcontractors or agents to the Business Associate. The Business Associate shall retain no copies of Protected Health Information. If the Business Associate determines that returning or destroying the Protected Health Information is not feasible, then the Business Associate shall provide the Covered Entity with a notice explaining the conditions that make return or destruction infeasible. The Business Associate shall then extend all the terms of this Agreement to such Protected Health Information for so long as the Business Associate maintains such Protected Health Information and shall limit further uses of such Protected

Health Information to those purposes that make return or destruction infeasible. The obligations of the Business Associate under this Section VII (b) shall survive the termination of this Agreement.

IX. Indemnification.

The Business Associate hereby indemnifies and holds Covered Entity harmless for, from and against all claims, demands, losses, damages, expenses and costs, including, but not limited to, reasonable attorneys' fees and expenses actually incurred, arising out of or in connection with the Business Associate's failure to observe, perform and discharge the Business Associate's obligations and responsibilities under this Agreement. Similarly, the Covered Entity hereby indemnifies and holds Business Associate harmless for, from and against all claims, demands, losses, damages, expenses and costs, including, but not limited to, reasonable attorneys' fees and expenses actually incurred, arising out of or in connection with the Covered Entity's failure to observe, perform and discharge the Covered Entity's obligations and responsibilities under this Agreement.

X. Notices.

Any notice or other communication required or permitted hereunder shall be in writing, shall be marked as confidential, and shall be deemed given and effective when: (a) delivered personally or (b) three (3) days after the postmark date if mailed by certified or registered mail, postage prepaid, return receipt requested, if to the Covered Entity, addressed to it in care of the Covered Entity's signatory to this Agreement at the address stated below his signature hereto, and if to the Business Associate, addressed to it at the address stated below its signature, or to such other address as such party may designate from time to time in a written notice to the other party or parties in accordance with the provisions of this Article X.

XI. Entire Agreement.

This Agreement constitutes the entire agreement between the Parties hereto relating to the disclosure and protection of Protected Health Information and Unsecured Protected Health Information and supersedes all prior oral and written agreements, negotiations, commitments and understandings of the Parties with respect to the contractual relationship between the parties.

XII. Amendment.

This Agreement may not be changed or amended except by writing executed by all the Parties.

XIII. Binding Effect, Assignment and Third Party Beneficiaries.

This Agreement shall be binding upon and injure to the benefit of the Parties and their heirs, legal representatives, successors and assigns (to the extent this Agreement is assignable). The Business Associate may not assign this Agreement or delegate any duties hereunder without the prior written consent of the Covered Entity. The Covered Entity may assign any of its rights

or benefits under this Agreement, in its sole discretion, to any affiliate, assignee or successor in interest, and such persons and entities shall have the same rights and assume the obligations of the Covered Entity hereunder. The Parties do not intend this Agreement to create any third party beneficiaries, including individuals who are subject of Protected Health Information.

XIV. Choice of Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, but without regard to those provisions in the law which construes ambiguities against the drafter and without regard to conflict of laws rules.

XV. Jurisdiction and Venue.

The Parties stipulate that jurisdiction shall lie exclusively in the Superior Court of Maricopa County, Arizona for any action arising from this Agreement including, but not limited to issues involving the validity, interpretation or enforcement of the Agreement. They expressly consent to the jurisdiction and venue of such Court.

XVI. Proceeding Expenses.

In any controversy, claim or dispute arising out of, or relating to, this Agreement the prevailing, party, as determined by the court (or as applicable the mediator, arbitrator, etc.), shall be entitled to and shall award, in addition to any other relief, proceeding expenses. If neither party wholly prevails, the party that substantially prevails, as determined by the court (or as applicable the mediator, arbitrator, etc.), shall be awarded proceeding expenses. In determining the award of proceeding expenses, attorneys' fees, proceeding costs, costs of investigation and other reasonable expenses shall be included. For the purposes of this provision, the term "proceeding," shall include mediation, arbitration, administrative, bankruptcy and judicial proceedings, including appeals therefrom.

XVII. Severability.

If any one or more of the provisions of this Agreement shall be held invalid, unenforceable or void, the remainder of this Agreement shall remain in full force and effect.

XVIII. Counterparts.

This Agreement may be executed and delivered in one or more counterparts, each of which when executed and delivered shall be an original, and all of which when executed shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes.

EXECUTED as of the date first set forth above.

"Covered Entity"

City of San Luis

By: _____

Print Name: _____

Title: _____

Address: 1090 East Union Street

San Luis, AZ 85349

"Business Associate"

MATRIX Risk Management Services, LLC

By: _____ 

Print Name: Timothy J. Paradis

Title: Chief Financial Officer

Address: 190 U.S. Route One, PMB 365

Falmouth, ME 04105

DISCLOSURE STATEMENT

GROUP NAME: City of San Luis

Participant(s) shall include active employees, COBRA beneficiaries, retirees and their dependents.

1. Please list any **Participant** who has paid or pending claims equal to or greater than \$10,000 (for specific deductible levels up to \$50,000) or equal to or greater than 50% of the specific deductible (for specific deductible levels in excess of \$50,000) during the past 12 months or could reasonably be expected to have claims in excess of this amount in the next 12 months.

<u>Participant</u>	<u>Diagnosis</u>	<u>Amount Paid/Pended/Expected</u>	<u>Prognosis/Status</u>
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See the attached report(s):

2. Other than those **Participants** listed above, regardless of amount paid and/or pended, please list any **Participant** known to have multiple hospital admissions with the same diagnosis or any "serious condition", including but not limited to, Cardiovascular Conditions; Chronic Respiratory Conditions; AIDS and AIDS related Conditions; Neurological Conditions (including, but not limited to, ALS, Idiopathic Polyneuropathy, Guillain Barre, Multiple Sclerosis (MS), Cystic Fibrosis, Rey's Syndrome, Meningitis, or Encephalitis); Newborns with complications; Congenital Defects; Cerebral Vascular Accident; Renal Problems (Kidney); Hepatitis C; Cancer or history of Cancer; Accidents which may lead to the following: Amputations, Brain Injuries, Burns causing hospital confinement, Multiple Crushing or Fractures, Spinal Cord Injuries; or known to have or scheduled to have Organ Transplants, including Bone Marrow Transplants.

<u>Participant</u>	<u>Diagnosis</u>	<u>Amount Paid/Pended/Expected</u>	<u>Prognosis/Status</u>
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See item 1 above

3. Other than those **Participants** already listed above, please list any **Participant** who is disabled or hospital confined.

<u>Participant</u>	<u>Diagnosis</u>	<u>Date of Disability/ Admission/Expected Discharge</u>	<u>Prognosis/Status</u>
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See item 1 above

4. Are expected benefits available from the prior insurer for presently disabled **Participants**? YES NO
5. Will any former **Participant** be continuing coverage under the Plan in accordance with Federal, State, or Local law on the Effective Date of this Contract, if issued? YES NO

Please explain any "YES" answers to questions 4 and 5:

Individuals who are continuing coverage under any Federal, State or local program are subject to and included in the disclosure information listed in item 1 above.

After a thorough review of the records maintained by the Employer, the Employer's Claims Payor/TPA and the Employer's utilization review, pre-certification and large case management vendors, we represent that the above information is complete and accurate to the best of our knowledge and belief. We understand that if the information is not complete and accurate, the Excess Loss coverage proposed may be reevaluated, rerated, rescinded or declined and **Participants** not disclosed may be denied coverage or individually underwritten retroactively to the Effective Date.

Plan Sponsor/Employer: City of San Luis

Claims MGA/Administrator: Healthcomp, LLC

Officer's Signature: _____

Signature: _____

Name & Title: _____

Name & Title: _____

Date: _____

Date: _____