



Your Workforce is Unique.
Your Benefits Should Be Too.



City of San Luis Employee Benefit Trust
July 1, 2023
Third-Party Administration Contract

This Third-Party Administration Contract (“the Agreement”) is made by and between City of San Luis Employee Benefit Trust as Plan Sponsor and Plan Administrator (“Plan Sponsor”) and HealthComp Holding Company, LLC, and its subsidiaries including HealthComp Integrated Solutions, LLC and Gilsbar, L.L.C., 621 Santa Fe, Fresno, CA 93721 (“HEALTHCOMP”) with respect to the Benefit Plan issued by the Plan Sponsor to the eligible covered employees and dependents. This Agreement is to be in effect as of July 1, 2023 and shall continue until terminated as herein provided.

WHEREAS, Plan Sponsor has established a self-funded employee welfare benefit plan pursuant to ~~the Employee Retirement Income Security Act of 1974 as amended~~, (the “Plan”) for certain employees of Plan Sponsor and for certain dependents of such employees (“Participants”); and

WHEREAS, HEALTHCOMP is in the business of providing administrative services in conjunction with such Plans, and Plan Sponsor desires to engage HEALTHCOMP to perform the services enumerated herein below:

NOW, THEREFORE, in consideration of the premises and of the mutual promises and covenants contained therein, the parties agree as follows:

I. PLAN

1.1 Plan Document. All services to be provided by HEALTHCOMP hereunder shall be performed pursuant to the provisions of the Plan Documents, as amended by Plan Sponsor. A copy of the Plan Documents and any amendments thereto shall be deemed to form part of this Agreement for such purpose.

1.2 Interpretation of the Plan. Plan Sponsor shall be the final arbiter as to the interpretations of the Plan and as to the payment of benefits thereunder. HEALTHCOMP shall consult with Plan Sponsor in the event extraordinary benefit matters arise. In the event an exception is to be made, Plan Sponsor shall notify HEALTHCOMP in writing of such exception.

II. SCOPE OF RELATIONSHIP

2.1 Parties. This Agreement is between HEALTHCOMP and the Plan Sponsor, and does not create any rights or legal relationships between HEALTHCOMP and any of the Participants or Beneficiaries under the Plan, or to any other third party. In the event that the Plan Sponsor fails to comply with any federal or state law, mandatory filings, or the terms of the Plan, HEALTHCOMP shall not be liable in any action brought in regard thereto. HEALTHCOMP’s relationship with the Plan Sponsor shall be that of an independent contractor, and nothing in this Agreement shall be construed as creating the relationship of employer and employee, partnership, or joint venture between the parties. Plan Sponsor also acknowledges that HEALTHCOMP may not be a party to any contract entered into on behalf of Plan Sponsor for the purpose of obtaining discounts, network access, or other purposes which are intended primarily to benefit the Plan. Plan Sponsor assumes all contractual and financial obligations related thereto unless otherwise specified in writing in one of those contracts.

2.2 Fiduciary. HEALTHCOMP shall not be deemed to be a fiduciary of the Plan, nor shall HEALTHCOMP be considered to be the “Plan Administrator,” ~~for purposes of ERISA.~~ Rather, the duties of HEALTHCOMP hereunder are ministerial in nature, and this Agreement shall not be deemed to confer or delegate to HEALTHCOMP any discretionary authority or discretionary responsibility in the administration of the Plan. HEALTHCOMP shall exercise its obligations under the Agreement in accordance with and by applying industry-accepted (or commonly-accepted) standards and practices regarding the ordinary interpretation, definition, and application of the Plan Document provisions.

2.3 Communications. HEALTHCOMP shall be entitled to rely, without question, upon any written or oral communication from the Plan Sponsor or Plan Sponsor’s Representatives.

2.4 Plan Sponsor’s Representatives. Plan Sponsor, wherever referenced in the Agreement, includes its directors, officers, employees, human resource and benefit personnel, other authorized employees, agents/brokers and others retained to or acting on Plan Sponsor’s behalf.

2.5 HEALTHCOMP’s Representatives. HEALTHCOMP, wherever referenced in the Agreement, includes its directors, officers, employees, agents and others retained to or acting on HEALTHCOMP’s behalf.

III. DUTIES OF HEALTHCOMP

3.1 Documentation. HEALTHCOMP shall review the existing Plan Document, and assist in the review of any Plan Booklets describing the benefits of the Plan. Plan Sponsor understands that ~~ERISA requires that~~ its employee welfare benefit plan be established and be maintained pursuant to a written instrument(s), including plan and/or trust instruments. Plan Sponsor agrees that HEALTHCOMP shall have no responsibility with respect to such instrument(s) or with respect to the preparation, amendment or validity of such instrument(s).

3.2 Claims Services. HEALTHCOMP agrees to perform the following services with respect to the processing and payment of claims under the Plan:

- a) provide claim forms to Plan Sponsor for submission of claims to HEALTHCOMP;
- b) receive claims and claims documentation;
- c) correspond with the Participants and providers of services if additional information is deemed by HEALTHCOMP to be necessary to complete the processing of claims;
- d) coordinate benefits payable under the Plan with any other benefit plans;
- e) prepare disbursement checks for the amount of benefits determined to be payable under the Plan;
- f) provide notice to Participants as to the reason(s) for denial of benefits and provide for the review of denied claims including appeals in accordance with the terms of the Plan.

Such review shall be advisory to Plan Sponsor and shall not be deemed to be an exercise of discretion by HEALTHCOMP. HEALTHCOMP shall not be authorized or required to render legal advice to Plan Sponsor regarding the validity of any claim or denial of benefits under the Plan;

- g) use its commercially reasonable efforts in the normal course of its services hereunder to identify claims for which there is the potential for collection of amounts paid to, or on behalf of, Participants through subrogation of rights of Participants, except for those amounts paid prior to the Effective Date of this Agreement;
- h) use its commercially reasonable efforts in the normal course of its services hereunder to identify claims that may be subject to reimbursement based upon the existence of any Stop-Loss Policy. In no event shall HEALTHCOMP be held liable for any claims not covered by the Stop-Loss Carrier, irrespective of the reasons or bases provided as reason for the denial of those claims;
- i) use its commercially reasonable efforts in the normal course of its services hereunder to identify claims that contain fraudulent charges. In no event shall HEALTHCOMP be held liable for claims which are later determined to contain fraudulent charges.

3.3 Administrative Services. HEALTHCOMP agrees to perform the following services with respect to the administration of the Plan:

- a) maintain member enrollment for eligibility for payment of claims and census data;
- b) provide bookkeeping details of all billing and collections;
- c) maintain reinsurance reporting;
- d) provide experience reporting for coverages;
- e) provide enrollment forms and identification cards to the Plan Sponsor;
- f) provide any ancillary medical claim services selected by Plan Sponsor. In order to provide such services, HEALTHCOMP may enter into subcontracts with other service providers to perform all or some of the services. With respect to any separately stated fee charged to the Plan Sponsor for an ancillary medical claim service, HEALTHCOMP may retain a portion of such fee for discharging its duties and obligations, with the remainder paid to the ancillary medical claim service provider pursuant to the subcontract between HEALTHCOMP and the ancillary medical claim service provider. More information about the types of administrative and ancillary service fees retained by HEALTHCOMP is included in the Fee Schedule. HEALTHCOMP may also receive fees from various subcontractors for performance of services to assist the subcontractor perform their services.

- g) Obtain professional reviews, independent medical evaluations, and audits of hospital or other health care provider costs, expenses and credit balances in accordance with group health industry standards and practices to determine if hospital and physician charges are accurate, appropriate and necessary. The Plan Sponsor authorizes HEALTHCOMP to obtain such professional reviews, independent medical evaluations, and audits and Plan Sponsor shall be responsible for all fees or expenses, if any, of third parties in connection with such reviews, evaluations and audits. Further, Plan Sponsor will be responsible for all fees of medical, vocational, and dental consultants and any consulting attorney who may be consulted to assist in a determination of whether benefits are payable under the Plan.
- h) provide Enhanced Cost Containment for the Plan Sponsor. HealthComp or its retained professional may, on behalf of the Plan Sponsor, negotiate with providers, perform medical chart audits, pursue subrogation liens, reprice claims, participate in required arbitrations and negotiate settlements to obtain discounts, reductions or reimbursements on claims filed with and otherwise paid/payable by the Plan, and recovery of any overpayments made other than as a result of the sole negligence of HEALTHCOMP. As compensation for these services, HEALTHCOMP shall receive the fee set forth in the Fee Schedule of any discount, reduction, or reimbursement realized by the Plan as a result of these services. If the discount, reduction, or reimbursement, or any portion thereof, is subsequently changed by request of the Plan Sponsor or by any required arbitration process, HEALTHCOMP shall not be required to reimburse all or any portion of HealthComp's fee.
- i) provide a Dialysis Claims Management Program to the Plan Sponsor. HEALTHCOMP will provide the Plan amendment for HEALTHCOMP's Dialysis Claims Management program. On behalf of the Plan Sponsor, HEALTHCOMP will manage members dialysis claims; assist members with Medicare enrollment; determine the Medicare allowable for each claim; determine the payable Plan benefit at a defined percentage; and handle all appeals from providers. As compensation for these services HEALTHCOMP shall receive the fee set forth in the Fee Schedule of the savings realized by the Plan Sponsor.
- j) provide those additional services as selected by the Plan Sponsor in the Fee Schedule.

3.4 Records and Files. HEALTHCOMP shall establish and maintain a record keeping system concerning the services to be performed hereunder. All such records, including an accumulator report and member eligibility listing of such, and all hard copy files shall be the property of Plan Sponsor and shall be delivered to Plan Sponsor upon termination of the Agreement, subject to the right of HEALTHCOMP to copy and retain all or any of such records as it may be required by law to retain. All such records shall be available for inspection by Plan Sponsor upon reasonable prior written notice, and at any time during HEALTHCOMP's normal business hours.

3.5 Reports. HEALTHCOMP shall provide the following to Plan Sponsor:

- a) check register;
- b) report of claims paid identified as to Participants;
- c) statement of account;
- d) reports of claims incurred but not reported; and
- e) annual report of Plan's operation.

If HEALTHCOMP is not providing run-out services upon termination of this Agreement, HEALTHCOMP will charge \$2,500 for our Standard Termination Reporting Package.

3.6 Recovery of Payments. The parties will cooperate to make reasonable efforts to recover overpayments of benefits under the Plan. In the event that payment is made to or on behalf of an ineligible Participant or that a payment is made in excess of the amount properly payable, HEALTHCOMP will make a demand to the payee with respect to the Participant in writing for the return of such payment or overpayment. If that effort is unsuccessful in obtaining recovery, HEALTHCOMP may use an outside vendor, collection agency or attorney to pursue recovery. Overpayment recoveries made through third party recovery vendors, collection agencies or attorneys are credited to Plan Sponsor net of fees charged by them. HEALTHCOMP shall have no further obligation with respect to any such payment or overpayment, except that HEALTHCOMP is hereby authorized to offset such payment against any unpaid claim of such payee for any employee Participant or covered dependent unless advised otherwise by the Plan Sponsor.

3.7 Forms 5500. HEALTHCOMP shall not be responsible for the preparation of the annual Forms 5500 unless HEALTHCOMP contracts with Plan Sponsor in writing to perform that function. Filing of the Forms 5500 shall remain the responsibility of Plan Sponsor.

3.8 Confidentiality of Personal Information. HEALTHCOMP maintains a Privacy Policy. HEALTHCOMP shall take all reasonable precautions to prevent disclosure or use of the information for a purpose unrelated to administration of the Plan, except in the following instances:

- a) in response to a court order;
- b) for an examination conducted by the Commissioner of Insurance;
- c) for an audit or investigation conducted [under the ERISA by any governmental entity](#);
- d) to, or at the request of, Plan Sponsor or its stop-loss/reinsurance carrier; or
- e) with the written consent of the individual identified by the information, or his or her legal representative.

Nothing in this section is to be inconsistent with any Mutual Business Associate Agreement executed by and between Plan Sponsor and HEALTHCOMP, attached hereto as Exhibit A.

3.9 Run-Out Services. If requested, HEALTHCOMP will provide services under this Agreement for a “run-out period” not to exceed twelve months (12) following the date of termination (“Run-Out Services”). HEALTHCOMP shall provide the charge for Run-Out Services after receipt of termination with a Run-Out Services Agreement. All applicable provisions of this Agreement shall remain in effect with respect to the Run-Out Services notwithstanding the termination of this Agreement. Separate Run-Out Service fees may be charged from PPO vendors to utilize their services for discounts on claims or by other vendors to continue their services.

IV. DUTIES OF PLAN SPONSOR

4.1 Service Fee. Plan Sponsor agrees to pay to HEALTHCOMP the Service Fees as set forth in Exhibit B within fifteen (15) days of invoicing from HEALTHCOMP.

4.1.1 Change of Service Fees. HEALTHCOMP reserves the right to change the Service Fees applicable to the Agreement at any time, provided (a) that the then-current Service Fees have been applicable for a period of twelve (12) months, and provided that written notice of such change is furnished to the Plan Sponsor at least thirty (30) days prior to the effective date for the new Service Fees; or (b) any time there are changes to this Agreement or the Plan, which affect the Service Fees, and provided that written notice of such change is furnished to the Plan Sponsor at least thirty (30) days prior to the effective date for the new Service Fees; or (c) when there are changes in laws or regulations which affect, change or increase the Services HEALTHCOMP is providing or will be required to provide, and provided that written notice of such change is furnished to the Plan Sponsor at least thirty (30) days prior to the effective date for the new Service Fees .

4.1.2 Audit Fees. HEALTHCOMP recognizes that from time to time Plan Sponsor may wish to perform (or have performed) an audit for purposes of financial statements, performance standards, claims payment, or other purposes. Plan Sponsor shall provide reasonable written notice to HEALTHCOMP prior to such audits, and HEALTHCOMP shall make all requested information available to Plan Sponsor or their designated auditor within a reasonable time frame. Plan Sponsor agrees to pay HEALTHCOMP the Service Fee set forth in the Fee Schedule for services not previously listed for any HEALTHCOMP staff time required by such an audit. Plan Sponsor also agrees that HEALTHCOMP will have the right to submit written responses to any audit findings, and that such written responses will be included in any audit report which is prepared.

4.2 Liability for Benefits. It is understood and agreed that payment of benefits under the Plan is the sole liability of Plan Sponsor, and that HEALTHCOMP shall not have any liability for such benefits. Plan Sponsor shall be responsible for any damages, losses, liabilities, or expenses incurred by HEALTHCOMP which are related to claims by any Participant or a provider of health care services for benefits under the Plan. Both parties recognize that this includes claims or liabilities to which either Party is determined to be obligated either contractually or statutorily, regardless of whether such claims are allowed under the Plan Document, and specifically includes Medicare Secondary Payer Claims and contractual obligations under provider network agreements.

4.3 Taxes and Other Assessments. Plan Sponsor shall pay HEALTHCOMP within a reasonable time after assessment, any tax or charge assessed against HEALTHCOMP which may be incurred by reason of (a) a ruling or other determination by an Insurance Department or other governmental authority to the effect that any fees charged or payable under Section 4.1 or the amount of claim payments made in accordance with the Plan and Section III of this Agreement is an insurance premium and subject to the premium tax provisions of the applicable statutes, including any retroactive assessment; or (b) any sales tax imposed on or related to HealthComp's Services; or (c) a change in any charges relating to this Agreement and imposed on HEALTHCOMP by any public body exclusive of Federal or State Income Taxes.

4.3.1 Tax Collection. Plan Sponsor shall promptly pay to HEALTHCOMP all state and local taxes which may be imposed on Plan Sponsor or HEALTHCOMP as a result of the Agreement. HEALTHCOMP agrees to remit these to the proper authorities in a timely fashion.

4.3.2 Tax Liability. It is agreed that nothing in this Agreement shall be deemed to confer on HEALTHCOMP any responsibility for any federal, state or local tax liability, (excluding its own income and payroll taxes), which may be imposed upon HEALTHCOMP, Plan Sponsor, Trust, Administrator, Fiduciary or any Participant or Beneficiary of the Plan.

4.4 Plan Documents and Amendments. Plan Sponsor shall provide HEALTHCOMP with all Plan Documents at least thirty (30) days prior to the Effective Date of this Agreement. Plan Sponsor shall also notify HEALTHCOMP in writing of any changes in the Plan Documents at least thirty (30) days prior to the effective date of such changes. HEALTHCOMP shall have thirty (30) days following receipt of such notice of change to inform Plan Sponsor whether they can and will administer such proposed changes. HEALTHCOMP shall not be held responsible for any delay or errors in claims administration caused by Plan Sponsor's failure to timely provide Plan Documents or notice of changes to Plan Documents.

4.5 Census. Plan Sponsor agrees to promptly furnish HEALTHCOMP such information in writing as may be necessary or required by HEALTHCOMP from time to time to maintain adequate records for eligibility of Plan Sponsor's Participants.

4.6 Access to Online Service. Subject to Plan Sponsor's continuing compliance with the terms and conditions of this Agreement, Plan Sponsor may, on non-exclusive basis and during the term of this Agreement, access and use the Hosted Service solution ("Hosted Service") provided by HEALTHCOMP (the "**Hosted Service**"), solely for Plan Sponsor's internal business purposes as follows:

- a) Plan Sponsor will only permit the maximum number of individuals agreed upon in writing between the parties, if any, to utilize a user name and password ("**Account Information**"). Plan Sponsor will ensure the security and Confidentiality of its Account Information and is responsible for all activities

performed in the Hosted Service with its Account Information;

- b) Plan Sponsor will not (and Plan Sponsor will not permit any third party to): (i) make the Hosted Service available to any third party (via a services arrangement, service bureau, lease, sale, resale, or otherwise); (ii) modify, adapt, or otherwise create a derivative work of the Hosted Service; (iii) circumvent any usage or access limits on the use of the Hosted Service; (iv) damage, disable, overburden, impair, or disrupt the Hosted Service or attempt to gain unauthorized access to any systems or networks that connect thereto or otherwise interfere with the operation of the Hosted Service or in any way with the use or enjoyment of the Hosted Service by others; or, (v) use the Hosted Service in any unlawful manner or for any unlawful purpose or in any jurisdiction where any such use is illegal;
- c) Plan Sponsor will immediately notify HEALTHCOMP in writing of any unauthorized use of any Account Information or the Hosted Service, in each case, that comes to Plan Sponsor's attention. In the event of any such unauthorized use by any third party that obtained access to the Hosted Service through Plan Sponsor, Plan Sponsor will take all steps necessary to terminate such unauthorized use. Plan Sponsor will provide HealthComp with such cooperation and assistance related to any such unauthorized use as HEALTHCOMP may reasonably request;
- d) As between the parties, HEALTHCOMP owns all right, title and interest in the Hosted Service. Plan Sponsor hereby assigns to HEALTHCOMP all right, title and interest in and to any feedback, recommendations or ideas for improvements or enhancements to the Hosted Service submitted to HEALTHCOMP by Plan Sponsor or its personnel. Plan Sponsor will execute and deliver all documents and take other actions reasonable requested by HEALTHCOMP, to confirm, protect or defend the foregoing ownership rights at no additional cost to HEALTHCOMP. All rights not expressly granted to Plan Sponsor in this Agreement are hereby expressly reserved and retained by HEALTHCOMP and its licensors.

V. FUNDING OF MEDICAL BENEFIT PAYMENTS

5.1 Claims Funding. Plan Sponsor shall establish a Plan Sponsor Medical Claims Fund Account. The Plan Sponsor agrees to maintain a positive balance in such account at all times, to provide funds to cover all outstanding claims payments within one (1) business day of notice, and to:

- i. Deposit into the account on a weekly basis an amount sufficient to enable HEALTHCOMP to release all checks drawn on the account for payment of medical claims that week;
- ii. Institute check tracing for missing checks. The Plan Sponsor shall request from its financial institution a stop payment order for any outstanding check that is missing, and notify HEALTHCOMP of such a stop payment so that it may issue a replacement; and
- iii. Reconcile the account on a monthly basis.

VI. MEDICAL STOP LOSS INSURANCE SERVICES

6.01 Submission of Claims to Stop-Loss. HEALTHCOMP agrees to submit claims to and attempt to obtain reimbursement from the Plan Sponsor's medical stop-loss insurer.

6.02 Disclaimer – Not a Guarantee of Payment. Plan Sponsor acknowledges that HEALTHCOMP shall have no obligation to reimburse Plan Sponsor for any losses not covered by the medical stop-loss insurer. Plan Sponsor shall not be entitled to seek any damages or recovery against HEALTHCOMP resulting from, or relating to, any denial of reimbursement under any medical stop-loss insurance policy regardless of the reason for such denial (including but not limited to conflicting language between the Plan Document and the stop-loss policy concerning conditions or exclusions of benefits, or conflicting language between the Plan Document and the terms of any contract with a third-party vendor or service provider such as network provider agreements), with the sole exception being for denials based solely upon the reason that such reimbursement request was not timely submitted to the medical stop-loss insurer, and where HEALTHCOMP had possession of the claim and all documentation and information needed to process and submit the claim (including but not limited to network pricing, medical reviews, and medical records) at least fifteen (15) business days prior to the deadline for submitting claims to the stop-loss insurer under the then-applicable policy.

VII. GENERAL PROVISIONS

7.1 Entire Contract. This Agreement, together with any Exhibits, Attachments and Amendments appended hereto, constitutes the entire Agreement between the parties. No representation, understanding, or agreement which is not expressly contained herein shall be binding or enforceable. No modification of the terms or provisions of the Agreement shall be effective unless evidenced by written amendment signed by an authorized officer of both Plan Sponsor and HEALTHCOMP.

7.2 Choice of Law and Attorney's Fees. This Agreement shall ~~be deemed to have been made and entered into in the State of California, and shall be~~ construed and enforced according to the ~~internal~~ laws of the State of ~~California~~Arizona, ~~applicable to contracts entered into and performed solely within that state.~~ In the event suit is brought to enforce or interpret any part of this contract, the

prevailing party shall be entitled to recover reasonable attorney's fees as an element of their costs of suit. The "prevailing party" shall be the party who is entitled to recover costs of suit, whether or not the suit ends with a final judgment.

7.3 Fair Reading and Joint Construction. The Agreement is a result of negotiations between the parties, and will not be construed strictly against or in favor of any party hereto, but shall be considered to have been jointly drafted by the parties. The parties intend that the Agreement will be given a fair reading and reasonable construction in accordance with the intentions of the parties and without regard to, or aid of, §1654 of the California Civil Code.

7.4 Section Headings. The paragraph, section and article headings used in the Agreement are intended solely for convenience and reference and shall not in any manner amend, limit, modify or otherwise be used in the interpretation of any of the provisions of the Agreement.

7.5 No Waiver. No waiver of any breach of any term or provision of the Agreement shall be construed to be, or shall be, a waiver of any other breach of this the Agreement. No waiver shall be binding unless in writing and signed by the Party or Parties waiving the breach.

7.6 Severability. If any term or provision of the Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of the Agreement is stricken in accordance with the provisions of this section, then this stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

7.7 Successors. This Agreement shall inure to the benefit of each party hereto, its predecessors, successors, subsidiaries, affiliates, representatives, assigns, agents, officers, directors, employees and personal representatives, past, present and future.

7.8 Warranty of Authority. The parties signing below warrant they are authorized to enter into this Agreement on behalf of their designated party, and do so with that party's full consent and knowledge.

7.9 Indemnification of Plan Sponsor. In the event of any claim or cause of action against Plan Sponsor, HEALTHCOMP agrees to indemnify Plan Sponsor and hold it harmless from and against any and all resultant liabilities, damages and expenses incurred by Plan Sponsor, including court costs and attorneys' fees, to the extent that liabilities, damages or expenses arise as a result of the gross negligence of HEALTHCOMP or HEALTHCOMP's intentional, willful, or reckless acts or omissions in the performance of its duties under this Agreement.

7.10 Indemnification of HEALTHCOMP. In the event of any claim or cause of action against HEALTHCOMP by any Plan member, health care provider, or network claiming benefits or right to

payment under the Plan, Plan Sponsor agrees to indemnify HEALTHCOMP and hold it harmless from and against any and all resultant liabilities, damages and expenses incurred by HEALTHCOMP, including court costs and attorneys' fees, to the extent that liabilities, damages or expenses arise other than as a result of the gross negligence of HEALTHCOMP or HEALTHCOMP's reckless acts or omissions in the performance of its duties under this Agreement. Provided further, nothing in this Section or any other provision of this Agreement shall entitle HEALTHCOMP to be indemnified, reimbursed, or held harmless for any grossly negligent or wrongful acts or omissions of HEALTHCOMP, its employees, officers, directors, affiliates, or subcontractors.

7.11 Limitation of Liability. Any liability of HEALTHCOMP to Plan Sponsor for purposes of indemnification or other losses shall be limited to the greater of the previous twelve (12) months of claims administration fees as determined by the fees paid in the immediate twelve (12) months preceding the date of the act giving rise to the liability or the amount of its available insurance coverage, but not to exceed the limits of coverage available.

7.12 Statute of Limitations. Either party seeking indemnification or any other damages under the terms of the Agreements or the failure to properly perform services under this Agreement must ~~commence comply with the statutes of limitations of claims for the State of Arizona, not to exceed litigation within~~ twenty-four (24) months of the date of the act or acts giving rise to such liability ~~or when the party knew or should have known of the ,irrespective of when the Party learns~~ of such acts, or such litigation will be deemed barred as untimely. ~~This section does not apply to any willful misconduct or fraudulent activity committed by either party, such actions instead being controlled for statute of limitations purposes under then-current law in the state of California.~~

7.13 Notices. All written notices required by this Agreement shall be sent to HEALTHCOMP or Plan Sponsor as follows:

If to HealthComp:	With Copy To:	If to Plan Sponsor:
CEO	General Counsel	Director of Human Resources
HealthComp Holding Company, LLC	HealthComp Holding Company, LLC	City of San Luis Employee Benefit Trust
621 Santa Fe Avenue	621 Santa Fe Avenue	1090 East Union Street
Fresno, California 93721	Fresno, California 93721	San Luis, Arizona 85349 PO Box 1170
		San Luis, Arizona 85349

VIII. TERM OF AGREEMENT

8.1 Term. This Agreement shall commence on July 1, 2023 and shall remain effective for *thirty-six (36) months*, and shall remain in effect for subsequent twelve (12) month renewal periods unless written notice is provided by either party at least one hundred twenty (120) days prior to the next twelve (12) month renewal period, or unless otherwise terminated as provided herein.

8.1.1 Failure to Provide Required Notice. If Plan Sponsor fails to provide at least one hundred twenty (120) days' notice, it will be obligated to pay Late Termination Service fees for the equivalent of one hundred twenty (120) days and all Run-Out fees for a period of twelve months from the Notice of termination. The Late Termination Service fees shall be the current Claims Administration fee multiplied by four (4) months multiplied by the average number of Covered Employees on the first day of each month for the last (6) months of Services prior to the termination date. The Late Termination Service fees and Run-Out Service fees are not duplicative of the other. The Late Termination Service fees shall be due thirty (30) days from the Notice of Termination.

8.1.2 Early Termination Fees. If Plan Sponsor provides notice of a termination date prior to the end of the then current term it shall pay an Early Termination Service fee of the current Claims Administration fee multiplied by the remaining months of the current term multiplied by the average number of Covered Employees on the first day of each month for the last (6) months of Services prior to the termination date. The Early Termination Service fees shall be due thirty (30) days from the Notice of Termination.

8.2 Termination By Default. Should either party default in the performance of any of the terms or conditions of the Agreement, the other party shall deliver (personally or by certified mail) to the defaulting party written notice thereof specifying the matters in default. The defaulting party shall have ten (10) calendar days after its receipt of the written notice to cure such default. If the defaulting party fails to cure the default within such ten-day period, this Agreement shall terminate at 11:59 p.m. on the tenth day after the receipt of the notice by the defaulting party.

8.3 Termination By Law. If any state or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties hereunder, or if any law is interpreted by a court of competent jurisdiction or any governmental agency or instrumentality to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.

8.4 Termination via Bankruptcy. This Agreement shall automatically and immediately terminate if either party: (1) becomes insolvent, seeks bankruptcy protection, or is adjudicated as a bankrupt entity; (2) if their business or operations come into possession of or under the control of any trustee in bankruptcy; (3) a receiver is appointed for the party's business or operations; or (4) it makes a general assignment for the benefit of creditors. But this provision may be waived if the other party affirmatively elects in writing to waive said termination.

8.5 Effect of Termination. As of the effective date of termination of this Agreement, HEALTHCOMP shall have no further duties of performance hereunder. This period between notice of termination and the effective date of termination shall be used to facilitate an orderly transfer of records and funds, if any, from HEALTHCOMP to the Plan Sponsor or to such person as Plan Sponsor may designate in writing. Any record transfer shall be completed within fifteen (15) calendar days of

the termination date. HEALTHCOMP's obligation under Section 7.9 and Plan Sponsor's obligation under Section 7.10 and all payment obligations shall survive the termination of this Agreement.

City of San Luis Employee Benefit Trust

Name _____

Title _____

Signature _____

Date _____

HealthComp Holding Company, LLC

Name _____

Title _____

Signature _____

Date _____

EXHIBIT A
MUTUAL BUSINESS ASSOCIATE AGREEMENT

This Agreement is made between City of San Luis Employee Benefit Trust, and HealthComp Holding Company, LLC dba HealthComp, LLC. This Agreement is for the purpose of addressing the measures that the Parties will take to protect the confidentiality of certain health information that either Party may deliver to the other, or that one Party may receive on behalf of the other. This Agreement is to be in effect as of July 1, 2023, or the first day applicable data was exchanged or obtained, and shall continue until terminated as herein provided.

Whereas, the disclosure of certain health-related information is regulated by the provisions of 45 U.S.C. §§1171 et seq., enacted by (i) the *Health Insurance Portability and Accountability Act of 1996* and the regulations promulgated thereunder (collectively referred to as “HIPAA Implementing Regulations”); (ii) Title XIII of the *American Recovery and Reinvestment Act of 2009* (ARRA) entitled *Health Information Technology for Economic and Clinical Health Act* (“HITECH”) 42 U.S.C. §§17921, et seq.; and (iii) the requirements of the final modifications to the HIPAA Privacy, Security, Enforcement and Breach Notification Rules as issued on January 25, 2013 and effective March 26, 2013, 75 Fed Reg 5566, (“the Final Regulations”). The Implementing Regulations, the HITECH Act, and the Final Regulations are collectively referred to in this Agreement as “the HIPAA Requirements”.

Whereas, in performance of their contractual obligations to each other, or to other third parties, the Parties may exchange Protected Health Information (“PHI”, as that term is defined by the HIPAA Requirements) in connection with health benefit plans for which HealthComp provides third party administration services;

Whereas, one Party may receive or disclose PHI on behalf of the other Party in connection with those contractual obligations;

Whereas, the Parties desire that this Agreement accurately reflect the requirements of the HIPAA Requirements as they apply to the disclosure and breach of PHI; and

Whereas, the Parties agree to incorporate into this Agreement any regulations issued by the U.S. Department of Health & Human Services (“DHHS”) with respect to the HIPAA Requirements that relate to the obligations of either Party and that are required to be reflected in a Business Associate Agreement. The Parties recognize that they are obligated by law to meet the applicable HIPAA Requirements and that each Party has direct liability for any violation of the HIPAA Requirements.

Now, Therefore, the Parties agree as follows:

Definitions

Catch-all definition:

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Requirements: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information (“PHI”), Electronic Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions:

- (a) Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean both Parties, individually and jointly.
- (b) Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean both Parties, individually and jointly.
- (c) HIPAA Requirements. “HIPAA Requirements” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

Obligations and Activities of Parties

Parties agree to:

- (a) Not use or disclose PHI other than as permitted or required by the Agreement or as required by law;
- (b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;
- (c) Report to the other Party any known use or disclosure of PHI not permitted under the Agreement, including breaches of unsecured PHI as required at 45 CFR 164.410, and any security incident of which it becomes aware;
- (d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors or service suppliers that create, receive, maintain, or transmit PHI on behalf of the Party agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information and execute a written Business Associate Agreement reflecting same;
- (e) Make PHI available in a designated record set to the other Party or to the “individual or the individual’s designee” as necessary to satisfy either Party’s obligations under 45 CFR 164.524;
- (f) Make any amendment(s) to PHI in a designated record set as directed or agreed to by the other Party pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy the other Party’s obligations under 45 CFR 164.526;

(g) Maintain and make available the information required to provide an accounting of disclosures to the other Party or “individual” as necessary to satisfy either Party’s obligations under 45 CFR 164.528; and

(h) To the extent either Party is to carry out one or more of the other Party’s obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the other Party in the performance of such obligation(s).

Permitted Uses and Disclosures by Business Associate

(a) Each Party may use or disclose PHI only for any lawful purpose and as required for the performance of that Party’s obligations under any contract or agreement related the administration of or providing of services to, a health care plan, and only if the disclosure is in compliance with the HIPAA Requirements.

Except as otherwise limited in this Agreement, the Parties may disclose PHI to either Party’s other Business Associates or vendor of personal health records, provided that such use or disclosure would not violate any Privacy Rule and that the other entity has executed a written Business Associate Agreement with the Party.

(b) The Parties may use or disclose PHI as required by law.

(c) The Parties agree to make uses and disclosures and requests for PHI consistent with the other Party’s minimum necessary policies and procedures.

(d) Neither Party may use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by the other Party.

(e) Either Party may use PHI for the proper management and administration of that Party or to carry out the legal responsibilities of that Party.

(f) Each Party may disclose PHI for the proper management and administration of that Party or to carry out the legal responsibilities of that Party, provided the disclosures are required by law, or the Party obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies the Party of any instances of which it is aware in which the confidentiality of the information has been breached.

Provisions for Party to Inform Other Party of Privacy Practices and Restrictions

(a) Each Party shall notify the other Party of any limitation(s) in the notice of privacy practices of that Party under 45 CFR 164.520, to the extent that such limitation may affect the other Party’s use or disclosure of PHI.

(b) Each Party shall notify the other Party of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect that Party's use or disclosure of PHI.

(c) Each Party shall notify the other Party of any restriction on the use or disclosure of PHI that the Party has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect the Party's use or disclosure of PHI.

Permissible Requests by Parties

Neither Party shall request the other Party to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 (or any other HIPAA Requirements) if done by covered entity.

Investigations

The Parties shall make their internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services (the "Secretary") for purposes of determining the Parties' compliance with applicable law. A Party shall immediately notify the other Party in the event they receive or are otherwise notified of any request by the Secretary to conduct an investigation of the use or disclosure of PHI.

Audit Rights

- A. Right to Audit.** Either Party, or its representative, shall be entitled after ten (10) business days' prior written notice to the other Party, to audit that Party to verify their compliance with the terms of this Agreement. The auditing Party shall be entitled and enabled to inspect the records and other information relevant to the audited Party's compliance with the terms of this Agreement. The auditing Party shall conduct its review during the normal business hours of the audited Party, and shall have the right to conduct the audit in any reasonable manner which does not unreasonably interfere with the audited Party's normal operations.
- B. Obligation to Maintain Records.** The Parties shall produce and maintain accurate and complete records of all receipts, transmissions, uses, and disclosures of PHI subject to HIPAA and HITECH reporting standards, throughout the term of any contracts between the Parties, or for such longer period as may be Required By Law. The Parties shall maintain all records and other information in a safe and secure environment and in compliance with applicable laws. The Parties shall maintain all records and other information with a system of audit trails and controls sufficient to allow either Party to confirm the other Party's compliance with any requirements or regulations enforced by the Secretary.

Term and Termination

(a) Term. The Term of this Agreement shall terminate when all PHI exchanged between the Parties, or received by one Party on behalf of the other Party, is destroyed. Or, if it is not reasonably feasible

to destroy the PHI, all protections created by this Agreement shall be extended to that PHI, or the date either Party terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.

(b) Termination for Cause. Either Party may terminate this Agreement if that Party determines that the other Party has violated a material term of the Agreement

(c) Obligations of Parties Upon Termination.

Upon termination of this Agreement for any reason, each Party shall return to the other Party all PHI received from that Party, or created, maintained, or received by the Party on behalf of the other Party that the Party still maintains in any form. The Party shall retain no copies of the PHI.

Upon termination of this Agreement for any reason, each Party, with respect to PHI received from the other Party, or created, maintained, or received by the Party on behalf of the other Party, shall:

1. Retain only that PHI which is necessary for the Party to continue its proper management and administration or to carry out its legal responsibilities;
2. Return to the other Party the remaining PHI that the Party still maintains in any form;
3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as the Party retains the PHI;
4. Not use or disclose the PHI retained by the Party other than for the purposes for which such PHI was retained and subject to the same conditions which applied prior to termination; and
5. Return to the other Party the PHI retained by the Party when it is no longer needed by the Party for proper management and administration or to carry out its legal responsibilities.

(d) Survival. The obligations of both Parties under this Section shall survive the termination of this Agreement.

Miscellaneous

(a) Regulatory References. A reference in this Agreement to a section in the HIPAA Requirements means the section as in effect or as amended.

(b) Amendment. The Parties agree to take such action as is necessary to amend this Agreement as is necessary to allow the Parties to meet their contractual obligations to comply with the requirements of the Privacy Rule or any other HIPAA Requirement. In the event of any amendment to HIPAA or HITECH or any other Privacy-related Rule, this Agreement will be deemed by all Parties to concurrently adopt such amendments and incorporate them in this Agreement as necessary to comply with such regulation or amendment. Such modifications to this Agreement will immediately be effective without the necessity of a signed amendment.

(c) Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Requirements.

Indemnification

In the event a Party negligently allows the improper or unauthorized use, disclosure or breach of PHI, that Party agrees to defend and indemnify the other Party and hold it harmless from and against any and all claims, causes of action, losses, liabilities, damages and expenses, including court cost and attorneys' fees, to the extent that such claims, causes of action, losses, liabilities, damages and expenses which arise from such improper or unauthorized use or disclosure.

Obligations of Party's Subcontractors, Vendors and Other Third Parties

The Parties agree that as required by the HIPAA Requirements, each Party will enter into written Business Associate Agreements with all other Business Associates, or vendors or other third parties with access to PHI, that requires them to comply with Privacy and Security Rule provisions of this Agreement in the same manner as required of Parties, and notifies that Business Associate that they will incur liability under the HIPAA Requirements for non-compliance with such provisions. The Parties will assure that all other Business Associates provide written agreement to the same privacy and security restrictions, conditions and requirements that apply to the Parties regarding PHI.

Warranty of Authority

The Parties signing below warrant they are authorized to enter into this Agreement on behalf of their designated Party, and do so with that Party's full consent and knowledge.

City of San Luis Employee Benefit Trust

Name _____
Title _____
Signature _____
Date _____

HealthComp Holding Company, LLC

Name _____
Title _____
Signature _____
Date _____

EXHIBIT B
FEE SCHEDULE
City of San Luis Employee Benefit Trust
EFFECTIVE: July 1, 2023

All fees listed below are Per Employee, Retiree and COBRA participant Per Month unless stated otherwise.

Administrative Fees	
	Fee
Medical Claims Administration Enhanced Cost Containment Services – <i>30% of Savings</i> HIPAA administration included at no additional charge Appeals – includes external appeal review, independent review for medical necessity and federal external reviews, as necessary, and will be billed at cost	\$25.00*
Dental Claims Administration	\$2.50
COBRA Administration	\$1.50
Plan Renewal To be assessed beginning 7/1/2024	\$2,000 Annual Fee
Implementation To be assessed one-time 7/1/2023	\$4,000 One-time fee

Network Fees	
	Current
PHCS Wrap Network, when applicable, For Blue Cross Blue Shield of Arizona members receiving covered services outside of Arizona. (PHCS will receive 25% of which 5% will be paid to HealthComp for coordination and processing)	25% of Gross Savings

Network Fees	
	Current
SiarMed Network, when applicable,	
For members receiving covered services in Mexico.	
Medical	\$3.00
Dental	\$1.50

Care Management Services	
	Current
Utilization Review	\$3.16
Large Case Management	\$160 per hour

Other Administrative Services	
	Current
Hourly Rate for Services - Changes	\$200 per hour
Any changes to the TPA's standard processing methods	
Hourly Rate for Services - Requests	\$100 per hour
Any and all requests for services not specified in the Agreement	
Hourly Rate for Physician Review	\$150 per hour
Subrogation Recovery Services	33.33%
Amount recovered by the subrogation recovery firm in addition to all costs of litigation, excluding attorney's fees, is paid as compensation if the filing of suit and continued litigation is required to recover funds	

Other Administrative Services	
	Current
Consolidated Appropriations Act (CAA), No Surprises Act (NSA), and Transparency in Coverage Compliance Fees <ul style="list-style-type: none"> • Hosting of in-network machine-readable files • Creation and hosting of out-of-network allowed amount machine-readable files • Price transparency tool • Associated services related to continuity of care • Formatting of compliant ID cards • Provider directory maintenance (if necessary) 	Included in Medical Claims Administration Fee**

Plan Sponsor Broker Fees	
	Current
Broker Fee for medical plan participants	\$35.00

* The Medical Claims Administration fee of \$25.00 PEPM is effective July 1, 2023, through June 30, 2025. The Medical Claims Administration Fee will increase up to a maximum of 3% on July 1, 2025.

**The Consolidated Appropriations Act (CAA), No Surprises Act (NSA), and Transparency in Coverage Compliance Fees are billed at the current HealthComp rate of \$1.70 PEPM.

EXHIBIT C

DISCLAIMER

City of San Luis Employee Benefit Trust

EFFECTIVE: July 1, 2023

Plan Sponsor acknowledges that HEALTHCOMP has not been contracted by the Plan Sponsor to procure Stop Loss coverage. HEALTHCOMP therefore disclaims any losses related to that Stop Loss coverage and desires to be indemnified from any losses related to that Stop Loss coverage. Plan Sponsor shall assume all liability related to procurement and operation of any Stop Loss Coverage related to the Plan.

The parties therefore agree:

Plan Sponsor shall indemnify, hold harmless, and defend HEALTHCOMP (and their respective subsidiaries, officers, partners, employees, and agents, collectively "HEALTHCOMP's Indemnitees") from and against any and all claims or losses (including attorney's fees and costs); obligations; actions; or any causes of action whatsoever, which arise from any acts, failure to act, or the manner of performance of acts related to the Plan's Stop Loss coverage. The foregoing indemnity and hold harmless obligations of Plan Sponsor include and apply—without limitation—to any damages to HEALTHCOMP, HEALTHCOMP's Indemnitees, Plan Participants, or any other third party.

Plan Sponsor shall not seek to recover from HEALTHCOMP and will hold HEALTHCOMP harmless for any losses, expenses, or liabilities incurred by Plan Sponsor which are related to denial of reimbursement under any Stop Loss coverage and which arises from either: (1) conflicting language between the Plan Document and any Stop Loss Policy regarding conditions or exclusions of benefits; or (2) conflicting language between the Plan Document and the terms and conditions of any contract with a third-party vendor or service provider, including network pricing agreements.

Notwithstanding anything in the foregoing to the contrary, this disclaimer shall not apply to claims which are denied by the stop-loss carrier solely on the basis of untimely submission and where HEALTHCOMP had possession of the clean claim and all documentation and information needed to process and submit the claim (including but not limited to network pricing, medical reviews and medical records) at least fifteen (15) business days prior to the deadline for submitting claims to the stop-loss insurer under the then-applicable stop-loss policy, in which case Plan Sponsor may seek to recover from HEALTHCOMP in accordance with the applicable provisions of the Agreement.

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City of San Luis Employee Benefit Trust

Name

Title

Signature

Date
