

## **NOTICE OF SPECIAL MEETING**

In accordance with §38-431.02 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Employee Benefit Trust Board and to the general public that the Mayor and Trustees of the Employee Benefit Trust Board will hold an Employee Benefits Trust Board Meeting at 3:00PM. on May 29, 2024. The meeting will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 East Union Street, San Luis, Arizona 85349; (928) 341-8579.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 been waived.

THIS NOTICE IS APPROVED BY:

/s/ Maria Barajas, Human Resources Benefits Coordinator

## **AVISO DE JUNTA ESPECIAL**

De acuerdo con los Estatutos del Estado de Arizona A.R.S. §38-431.02, se le informa a los miembros de la Junta Fiduciaria de Beneficios para Empleados y al público en general que el Presidente y la Mesa Directiva de Fondo de Beneficios Medicos de San Luis, Arizona, tendrán una Junta Especial a las 3:00, el día 29 de Mayo, 2024. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349.

De acuerdo con el Acta de Americanos con discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para mas información referente a derechos y provisiones del Acta de Americanos con discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la ciudad, contactar al: Coordinador del Acta de Americanos con discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, 1090 Este Calle Unión, San Luis, Arizona, 85349; (928) 341-8579.

Por medio de este aviso y de acuerdo con los Estatutos Revisados del Estado de Arizona, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar o no dar el consentimiento antes que el Estado o alguna subdivision política grabe a un menor de edad, ya sea en audio o video. Las juntas del Concilio se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden solicitar por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo/hija menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad esta presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con el Estatuto Revisado del Estado de Arizona §1-602.A.9.

ESTE AVISO ES APROBADO POR:

/f/ Maria Barajas, Coordinadora de Beneficios de Recursos Humanos

**AGENDA**  
**Special Meeting**  
**City of San Luis Employee Benefit Trust**  
**Council Chambers – City Hall**  
**1090 E Union Street**  
**San Luis, AZ 85349**  
**Wednesday, May 29, 2024**  
**3:00PM**

**NOTE:** Some members of the Board of Trustees of the City of San Luis Employee Benefit Trust may attend the meeting telephonically. If authorized by majority vote of the Board of Trustees, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.

**AVISO:** Algunos miembros de la Junta de Fiduciaria de Beneficios para Empleados de la Ciudad de San Luis pueden asistir a la reunión por teléfono. Si se autoriza por mayoría de votos de la Junta de Síndicos, se llevará a cabo una sesión ejecutiva inmediatamente después de la votación de acuerdo con A.R.S. §38-431.03(A) y la reunión tendrá un receso temporal mientras la Junta se retira a la sesión ejecutiva que no estará abierta al público.

**1. CALL TO ORDER/ROLL CALL**

**2. CONSENT AGENDA**

**2. A. MINUTES OF:**

-Special meeting held on February 15, 2024

**3. DISCUSSION AND POSSIBLE ACTION ITEMS:**

**3. A.** Discussion and possible action on any and all matters regarding the Employee Benefits Plan changes effective July 1, 2024. (**Oscar Diaz, Vice President of CBIZ-Business Development**)

**3. B.** Discussion and action on any and all matters regarding the Stop Loss Insurance Plan renewal. (**Oscar Diaz, Vice President of CBIZ-Business Development**).

**3. C.** Discussion and possible action on any and all matters regarding the allocated budget for City's Wellness Program. (**Maria Munoz, Human Resources Analyst**)

**4. EXECUTIVE SESSION**

**4. A.** Discussion and possible action to hold an executive session pursuant to A.R.S. § 38-431.03(A)(2), (3), and (4) on any and all matters regarding certain claims under the Employee Benefits Plans and discussion or consultation for legal advice with the City Attorney. (**Kay Marion Macuil, City Attorney**)

**5. MOTION TO GO BACK INTO SPECIAL SESSION**

**6. ADJOURNMENT**



**Special Employee Benefit Trust Board Meeting**

**2. A.**

Meeting Date: 05/29/2024

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Summary

**MINUTES OF:**

-Special meeting held on February 15, 2024

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Attachments

EBT Minutes 02.15.2024

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**MINUTES**  
**Special Meeting**  
**City of San Luis Employee Benefit Trust**  
**Council Chambers - City Hall**  
**1090 E. Union Street**  
**San Luis, AZ 85349**  
**February 15, 2024**  
**4:30 p.m.**

**1. CALL TO ORDER/ROLL CALL**

Vice Chairwoman Emma Torres called the meeting to order at approximately 4:49 p.m.

**PRESENT:** Emma Torres, Vice Chairwoman  
Maria Gonzalez, Board Member  
Gustavo McGrew, Board Member  
Javier Vargas, Board Member  
Maria Sabori, Secretary

**OTHERS PRESENT:** Adela Cortez, Director of Human Resources  
Adriana Garcia, Human Resources Manager  
Antonio Maldonado, Video Production Specialist  
Kay Macuil, City Attorney  
Mary Barajas, Human Resources Coordinator  
Melissa Lopez, Deputy City Clerk  
Nieves Riedel, Mayor  
Ruben Lopez, I.T. Technician  
Tadeo Azael De La Hoya, Council Member

**2. DISCUSSION AND POSSIBLE ACTION ITEM:**

**2. A. Discussion and possible action on any and all matters regarding electing the Chair to the Board of Trustees for the City of San Luis Employee Benefit Trust and possibly electing a Vice Chair. (Kay Marion Macuil, City Attorney)**

Ms. Kay Macuil, City Attorney, explained this item is for the election of a chair for the Trust; she added that the vice chair is elected to the board as the vice chair and would recommend keeping also the vice chair. Currently, the Trust does not have a chairperson as the City Council-appointed Board Member Javier Vargas. The Declaration of Trust does not specify anyone in particular to be the chair; therefore, any of the five (5) board members can be appointed to be the chairperson.

**MOTION:** Board Member Maria Gonzalez/Board Member Javier Vargas to nominate Emma Torres to serve as the chairperson.

Vice Chairwoman Emma Torres stated she appreciated the nomination but declined it, as she feels someone else should be nominated and appointed due to time restrictions.

**MOTION:** Board Member Maria Gonzalez/Vice Chairwoman Emma Torres to nominate Board Member Javier Vargas to serve as the chairperson. Motion passed unanimously.

The vote was as follows:

Emma Torres, Vice-Chairwoman	Aye
Maria Gonzalez, Board Member	Aye
Gustavo McGrew, Board Member	Aye
Javier Vargas, Board Member	Aye
Maria Sabori, Secretary	Aye

### **3. CONSENT AGENDA**

#### **3. A. MINUTES OF**

##### **- Special meeting held on January 10, 2024**

**MOTION:** Chairman Javier Vargas/Secretary Maria Sabori to approve the Consent Agenda as presented. Motion passed unanimously.

The vote was as follows:

Chairman Tadeo Azael De La Hoya	Aye
Vice-Chairwoman Emma Torres	Aye
Board Member Maria Gonzalez	Aye
Board Member Gustavo McGrew	Aye
Maria Sabori, Secretary	Aye

### **4. DISCUSSION AND POSSIBLE ACTION ITEMS:**

#### **4. A. Discussion and possible action on any and all matters regarding an amendment to the Professional Services Agreement with CBIZ Benefits & Insurance Services, Inc. (Kay Macuil, City Attorney)**

Ms. Kay Macuil, City Attorney, stated that it was brought to the staff's attention that the original contract with CBIZ did not match the request for proposal and, to be fair to everyone who submitted a bid to match. The thing missing is whoever won the bid would disclose any permissions or any other funds contracted to the city. The city would either discount that amount, or they would submit their commissions or other monies to the city. That provision was amended and made part of the contract.

Mr. Oscar Diaz, Vice President of Business Development CBIZ Employee Benefits, added that they are not collecting any commissions and will notify the carriers that are paying commissions now to take commissions out of their rates. Hopefully, they

attempt to reduce the cost to the city for any additional commissions that have already been added to the rates.

He specified that they do not accept any override commissions, which are additional commissions that are paid by carriers for placing multiples of business with them. Mr. Diaz added that they have a practice of always disclosing the compensation they receive for their clients.

**MOTION:** Board Member Gustavo McGrew/Secretary Maria Sabori to approve the Amendment to the Contract with CBIZ Benefits and Insurance Services, Inc., as presented. Motion passed unanimously.

The vote was as follows:

Chairman Javier Vargas	Aye
Vice-Chairwoman Emma Torres	Aye
Board Member Maria Gonzalez	Aye
Board Member Gustavo McGrew	Aye
Maria Sabori, Secretary	Aye

**4. B. Discussion and possible action on any and all matters regarding amending and restating sections of the Agreement and Declaration of Trust for the City of San Luis Employment Benefit Trust. (Adela Cortez, Director of Human Resources)**

Ms. Adela Cortez, Director of Human Resources, explained that in the Council meeting held on February 7, 2024, staff was directed to look into the terms of Trustees to serve on the board. Staff contacted other municipalities that are also self-funded and have the same type of structure, and it was found that their Trustees serve a three (3) year term. Since there was concern about so many terms of five (5) years, staff is recommending that from now on, the term be for three (3) years and no more than two (2) consecutive terms. She added that in reviewing the Declaration of the Trust, they also found other areas that needed revision of the language. Exhibit A is the amendment to the Agreement and the Declaration of Trust, which entails the areas that are being revised.

There was some discussion among the City Attorney, staff, and Members of the Trust regarding the terms of office currently being served.

**MOTION:** Secretary Maria Gonzalez /Board Member Gustavo McGrew to approve the recommendation made by city staff and amend the Agreement and Declaration of Trust for the City of San Luis Employee Benefit Trust as outlined in the 2<sup>nd</sup> Amendment as presented. Motion passed unanimously.

The vote was as follows:

Chairman Javier Vargas	Aye
Vice-Chairwoman Emma Torres	Aye
Board Member Maria Gonzalez	Aye

Board Member Gustavo McGrew           Aye  
Maria Sabori, Secretary                Aye

**4. C. Discussion and possible action on any and all matters regarding an external annual audit as per Agreement and Declaration of Trust section 3.16. (Jenny Torres, Acting City Manager)**

Ms. Jenny Torres, Acting City Manager, stated that the City of San Luis Employee Benefit Trust's Agreement and Declaration of Trust, section 3.16, requires the Trustees to have an external annual audit and accounting of the Trust Fund. She added that throughout the years, only one (1) audit has been conducted in 2020 for the US and in 2022 for Mexico. She recommended that an audit be performed by a good center practice for both the US and Mexico as required by the Trust.

Mr. Oscar Diaz, Vice President of Business Development CBIZ Employee Benefits, commented that the audits conducted on trusts are just Annual Financial Audits. If the city is asking for a claim audit, they can find vendors to do it. However, the one concern they have is that the city recently changed Third Party Administrators in July 2023. He has inquired with claim auditors to see if there are sufficient numbers of claims for which to perform an audit; it is possible that they may want to wait until there is a full year's worth of claims. A fund audit can be done on a yearly basis. The city is currently working with the recommended auditor, Heinfeld Meech, and they are a client of CBIZ as well. It is prudent to have an annual audit of the trust.

Ms. Adela Cortez, Director of Human Resources, stated it would be different because the Declaration states a trust fund, so it would be an audit of the funds.

There was some discussion amongst the members of the Trust and members of the public regarding the audits.

**MOTION:** Board Member Gustavo McGrew/Board Member Maria Gonzalez to direct staff to conduct the yearly audit as stated in the Trust and to recommend a claim audit to be done at the end of the fiscal year. For the Trustees to authorize the Financial Fiscal Audit every year and to provide the information to the Trustees as information and to conduct a claims audit at the end of the fiscal year. Motion passed unanimously.

The vote was as follows:

Chairman Javier Vargas                Aye  
Vice-Chairwoman Emma Torres        Aye  
Board Member Maria Gonzalez        Aye  
Board Member Gustavo McGrew        Aye  
Maria Sabori, Secretary                Aye

#### 4. ADJOURNMENT

**MOTION:** Chairman Javier Vargas/Board Member Maria Gonzalez to adjourn the meeting at approximately 5:18 p.m. Motion passed unanimously.

The vote was as follows:

Chairman Javier Vargas	Aye
Vice-Chairwoman Emma Torres	Aye
Board Member Maria Gonzalez	Aye
Board Member Gustavo McGrew	Aye
Maria Sabori, Secretary	Aye

**APPROVED:**

\_\_\_\_\_  
Javier Vargas, Chairman

**ATTEST:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

**Certification**

I hereby certify that the foregoing minutes are a true and correct copy of the Special meeting for the Employee Benefit Trust Board of the City of San Luis, Arizona, held on February 15, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
Sonia Cornelio, City Clerk



## AGENDA ITEM REVIEW FORM

### Special Employee Benefit Trust Board Meeting

3. A.

**Meeting Date:** 05/29/2024

**Department Head:** Adela Cortez, Director Human Resources, Human Resources Department

**Submitted By:** Maria Barajas Gutierrez, Human Resources Coordinator, Human Resources Department

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#### ITEM:

Discussion and possible action on any and all matters regarding the Employee Benefits Plan changes effective July 1, 2024. (**Oscar Diaz, Vice President of CBIZ-Business Development**)

#### SUMMARY:

This is a presentation regarding the Employee Benefit Plan changes, and the savings to the Employee Benefit Trust (EBT) and the City.

At the meeting held on February 15, 2024, the City of San Luis (COSL) issued an amendment to the professional services agreement with CBIZ to align with the provisions in the Request for Qualifications and Request for Proposals. Such provision indicated that any other source of income, revenue, or compensation, including but not limited to commissions received by the Broker/Consultant in connection with the City's account must be disclosed and either remitted to the City, or subtracted from the fee received from the COSL. As a result of this provision, the contracts for the following vendors have been amended to remove broker commissions from the Per Employee Per Month (PEPM) fees resulting in the following savings to:

The Employee Benefits Trust:

- Teladoc Health, Inc. (Healthiest You) – savings of approximately \$4,400. PEPM was reduced from \$13.00 to \$11.80 by eliminating the broker commission.

The City:

- Basic Life insurance – savings of \$23,045
- Vision plan – savings of \$2,800

Teladoc Health Inc. (Healthiest You) contract requires approval from the Board of Trustees. The Basic Life insurance and Vision plan contracts require approval from the City.

Additionally, the BlueCross/BlueShield Network fee will increase from \$21.50 to \$22.00 PEPM as stipulated in their two-year agreement signed/approved by the EBT on April 5, 2023.

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE THE BENEFITS PLAN CHANGES AS PRESENTED.**

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Fiscal Impact

**Fiscal Impact:**

N/A

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**Attachments**

HY Renewal

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## TELADOC HEALTH SERVICES AGREEMENT

This Teladoc Health Services Agreement (“Agreement”) is entered into on July 1, 2024 (“Effective Date”), by and between Teladoc Health, Inc. (“Teladoc Health”) and City of San Luis Employee Benefit Trust (“Employer”). Teladoc Health and Employer shall be referred to herein as the “Parties” and each individually as a “Party”. This Agreement supersedes any prior agreements between the Parties.

### Introduction

A. Teladoc Health provides (i) a suite of telehealth services, (ii) a suite of expert medical information services, and (iii) a suite of online health coaching programs related to the management of chronic health conditions, as more fully described in the Exhibit(s) and/or Addendum(s) (collectively “Exhibits”) incorporated in this Agreement (such services and programs, the “Services”).

B. Employer desires to purchase the Services for use by certain of its employees (“Employees”) and their eligible dependents (“Eligible Dependents”) as an additional benefit in connection with Employer’s employee benefits program. “Eligible Dependent” means a “dependent,” as defined under the Internal Revenue Code, I.R.C. § 152, or as may be mutually agreed between the Parties. Employees and Eligible Dependents are referred to as “Member(s)”.

### Terms and Conditions

#### 1. Scope.

This Agreement sets forth the terms and conditions under which Teladoc Health will provide the Services to Employer. Employer agrees to provide access to the Services to all Members and to inform the Members regarding the availability of the Services as provided in this Agreement. The specific Services that Employer has engaged Teladoc Health to provide, as well as the specific terms and conditions applicable to the provisions of those Services, are described in the attached Exhibit(s), which are incorporated by reference and made a part of this Agreement.

Capitalized terms used but not separately defined in the Exhibits shall have the meanings assigned to them in this Agreement. In the event of a conflict between terms set forth in this Agreement and the terms of an Exhibit or Attachment to the Agreement, the terms of the Exhibit or Attachment will govern.

**2. Term and Termination; Survival.** This Agreement commences on the Effective Date and will continue in force until all Exhibits have terminated or expired (“Term”), unless terminated earlier as outlined below; *provided, however*, that the provisions of Section 3 (*Intellectual Property Rights*), Section 5 (*Protected Health Information; Confidential Information*), Section 7 (*Indemnification; Limitations of Liability*), and Section 11 (*Miscellaneous*), as well as any other provision that contemplates performance or observance subsequent to the expiration or termination of this Agreement shall survive any expiration or termination of the Agreement. Either Party may terminate this Agreement and/or any Exhibit (a) for the other Party’s material breach of the Agreement or an Exhibit, which breach has not been cured, or cannot reasonably be cured, within thirty (30) days after receipt of written notice by the non-breaching Party; or (b) for the other Party’s Insolvency. In addition, Teladoc Health may terminate this Agreement and/or any Exhibit if (i)

a change in law or regulation would, in the reasonable opinion of Teladoc Health, make the Services to be provided unlawful or impracticable and (ii) the Parties are unable to agree on amendments to this Agreement and/or the affected Exhibit to mitigate the effects of such change in law or regulation within thirty (30) days of Teladoc Health’s notice to Employer of its intent to terminate this Agreement and/or the applicable Exhibit. For the purposes of this Agreement, “Insolvency” means that the other Party files or is subject to any voluntary or involuntary bankruptcy, receivership, or assignment for the benefit of creditors or similar proceeding. Termination of an Exhibit will not affect any other Exhibit then in effect but termination of this Agreement will result in immediate termination of all Exhibits then in effect.

#### 3. Intellectual Property Rights.

**3.1** Employer acknowledges that all materials relating to the Services that are developed by or on behalf of Teladoc Health including those provided to Employer by Teladoc Health (including, without limitation, any software, systems, certain methods, devices, equipment and communication and/or Member engagement materials referred to in the attached Exhibit(s)) included as part of the Services, and all trade names, service marks, trademarks and logos that are owned by Teladoc Health, and such other trade names, trademarks and logos as may be used hereafter by Teladoc Health in connection with its business (the “Teladoc Health Marks”) are the unique intellectual property of Teladoc Health (the “Intellectual Property”), and Employer agrees that it will not: (a) duplicate the Services in any format that would, in whole or in part, infringe upon the intellectual property rights of Teladoc Health, and will not use the Intellectual Property in any manner other than pursuant to this Agreement; (b) distribute, rent, sell, lease, or grant a sublicense or otherwise display, disclose, transfer, or make available the Services to any parties other than Members;

(c) modify, change, reverse engineer, decompile or disassemble, the software underlying the Services or otherwise attempt to discover any such software source code or underlying Confidential Information; (d) work around any technical limitations, security devices or other restrictions in the Services; or (e) remove, efface, or obscure any copyright notices, logos, or other proprietary notices or legends (whether of Teladoc Health or its licensors) from the Services.

**3.2** Pursuant to the terms of this Agreement and only in a manner that has been approved by Teladoc Health in advance, Teladoc Health grants Employer a limited, non-exclusive, non-transferable, revocable license to use the Teladoc Health Marks in communications with its Employees regarding the Services during the Term. Teladoc Health agrees that, if applicable, Employer may describe the Services in its health benefits plan materials, provided that any such descriptions are approved in advance by Teladoc Health.

**3.3** Employer hereby grants to Teladoc Health a limited, non-transferable, fully-paid, worldwide, non-exclusive right and license to use, reproduce, adapt, incorporate, integrate, and distribute Employer's trade names, trademarks, and logos in connection with its promotion and delivery of the Services to Members, during the Term, solely as necessary to perform its obligations under this Agreement.

**4. No Joint Undertaking.** Teladoc Health and Employer are and shall at all times function as independent contractors under this Agreement, and neither Teladoc Health nor Employer is authorized to assume or create any obligations or liabilities, express or implied, on behalf of or in the name of the other Party, except to the extent otherwise specifically contemplated herein. The employees, agents, representatives, providers, methods, facilities and equipment of a Party shall at all times be under the exclusive direction and control of that Party.

## **5. Confidential Information.**

**5.1** For purposes of this Agreement, "**Disclosing Party**" shall mean the Party that discloses any Confidential Information, as defined below, to the other Party to this Agreement, and the "**Receiving Party**" shall mean the Party that receives any Confidential Information, as defined below, from the other Party to this Agreement.

- (a) For purposes of this Agreement, "**Confidential Information**" shall include information: (i) that is generally unavailable to the public; and (ii) that has actual or potential economic value to the Disclosing Party. Confidential Information shall include trade secrets, discoveries, developments, designs, improvements, inventions, concepts, formulas, software programs, processes, products, techniques, methods, know-how, research, technical

data (whether or not any of the foregoing are patentable or registerable under copyright or similar statutes, and including all rights to obtain, register, perfect, and enforce those proprietary interests) and any other Intellectual Property, customer and supplier lists, price lists, business plans, forecasts, analyses, contracts, and all program, marketing, sales, or other financial data or business information disclosed to the Receiving Party by the Disclosing Party, either directly or indirectly, in writing or orally or by drawings or observation, together with and any summaries, modifications or enhancements of the same, and any content related to the Disclosing Party's products and services in any medium (images, audio, video, etc.), and any other information that a reasonable party would conclude is confidential or proprietary in nature, regardless of whether it is marked as such. Confidential Information shall also include, without limitation, employee information not otherwise defined as Protected Health Information by 45 C.F.R. § 160.103

- (b) Notwithstanding the foregoing, Confidential Information shall not include any information to the extent it: (i) is or becomes a part of the public domain through no act or omission on the part of the Receiving Party; (ii) is disclosed to third parties by the Disclosing Party without restriction on such third parties; (iii) is in the Receiving Party's possession, without actual or constructive knowledge of an obligation of confidentiality with respect thereto, at or prior to the time of disclosure under this Agreement; (iv) is disclosed to the Receiving Party by a third party having no obligation of confidentiality with respect thereto; (v) is independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information; or (vi) is released from confidential treatment by written consent of the Disclosing Party.
- (c) Notwithstanding the foregoing, portions of Confidential Information may be disclosed pursuant to the request of a governmental agency or third party if such disclosure is required by operation of law, regulation or court order, provided the Receiving Party gives the Disclosing Party prompt written notice of such proposed disclosure in order to enable the Disclosing Party to obtain an appropriate protective order, if it so desires and the Receiving Party discloses only that portion of the Confidential Information that is legally required.
- (d) The Receiving Party shall hold and maintain the Confidential Information of the Disclosing Party in strictest confidence and, except as otherwise set forth in this Agreement, shall not (i) disclose such Confidential Information to third parties; or (ii) use such Confidential Information for any purpose other than the exercise of its rights or performance of its

obligations under this Agreement. Notwithstanding anything to the contrary in this Agreement, the Receiving Party shall have the right to disclose Confidential Information to those of its employees, contractors, advisors and agents who have a need to know such Confidential Information to perform their duties, provided that any such individuals are bound to maintain such information in confidence consistent with the terms of this Section.

- (e) The Receiving Party understands and acknowledges that any disclosure or misappropriation of any of the Confidential Information of the Disclosing Party in violation of this Agreement may cause the Disclosing Party irreparable harm, and that monetary damages may not be a sufficient remedy. Thus, the Receiving Party agrees that the Disclosing Party shall have the right to apply to a court of competent jurisdiction to seek an injunction or other equitable remedy respecting such violation or continued violation, in addition to any other remedies available to the Disclosing Party at law or in equity. If any action at law or in equity is brought to enforce or interpret the provisions of this Section, the prevailing Party in such action shall be entitled to reasonable attorneys' fees.
- (f) Upon request, the Receiving Party shall promptly return to the Disclosing Party any and all records, notes and other written, printed or tangible materials pertaining to the Confidential Information of the Disclosing Party and will destroy all records, notes and other materials containing Confidential Information stored in electronic or other non-tangible media (and provide certification of such destruction on Disclosing Party's request); provided that Receiving Party shall not be required to destroy any Confidential Information that is stored on automatic computer back-up or archiving systems pursuant or that is otherwise impractical to destroy, it being agreed that any such Confidential Information remains subject to the terms of this Section 5 so long as it is retained by Receiving Party.

## 6. Representations of the Parties; Disclaimer.

6.1 Each Party represents that (a) it has the necessary and actual right and authority to enter into and to perform its obligations under this Agreement, (b) it has taken all necessary corporate action to authorize the execution, delivery, and performance of this Agreement, (c) this Agreement constitutes a valid and binding obligation enforceable against the Party in accordance with its terms, and (d) it will perform its obligations under this Agreement in a manner that complies with all laws applicable to such Party.

6.2 Employer represents that (a) Employer has sought its own legal advice with respect to the use of the Services as

part of a wellness program, if applicable; and (b) Teladoc Health has not provided Employer with advice regarding the legality of any of Employer's wellness programs or use of the Services for such wellness programs.

6.3 Each Party represents that it will maintain such insurance coverage as is reasonably necessary to support its respective obligations under this Agreement, which, for Employer, shall be at least a commercially reasonable general liability policy and cyber liability insurance with commercially reasonable limits in proportion to Employer's cyber liability risks.

Specifically, Teladoc Health represents that during the Term, it will maintain the following minimum types and amounts of insurance in the provision of the Services, with carriers having an AM Best Rating of A- or better:

- (a) Workers Compensation Insurance in an amount satisfying statutory requirements;
- (b) General Liability coverage of \$1 million per occurrence/\$2 million aggregate;
- (c) Technology Errors and Omissions and Cyber Risk Liability coverage (including network security and privacy liability) of \$10 million per claim/annual aggregate; and
- (d) With respect to telehealth services, Teladoc Health will ensure that each physician is provided with the requisite medical malpractice insurance coverage, in all cases complying with the minimum requirements of the applicable jurisdiction but in no event less than \$1 million per occurrence and \$2 million annual aggregate.

Upon request, Teladoc Health will provide Employer with a certificate evidencing the above insurance coverage.

6.4 Employer acknowledges and agrees that except as explicitly set forth in this Agreement or any Exhibit, Teladoc Health EXPRESSLY DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY AS TO THE SERVICES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR TITLE.

## 7. Indemnification; Limitations of Liability.

7.1 Each Party agrees that it is solely liable for any breach, misrepresentation, error or omission by its employees, agents and representatives concerning the Services or otherwise made by such Party in fulfilling its obligations under this Agreement. Each Party agrees to indemnify and hold harmless the other Party and its affiliates, and their respective directors, officers, employees, agents, representatives, successors and assigns, from and against any loss, cost, damage or expense, including reasonable attorneys' fees and court costs, arising out of any third-party claim alleging (a) any error, omission, malfeasance or



breach of this Agreement by such Party, or (b) infringement, violation, or misappropriation of intellectual property rights of any third party.

**7.2** Teladoc Health's total liability (including the liability of any of its officers, employees, or agents) relating to claims for damages arising from or relating to the performance of this Agreement shall be limited to direct (reasonably foreseeable) and actual damages and shall in no event exceed the amount of Fees paid by Employer during the twelve (12) months immediately preceding the first event, action, or omission giving rise to Teladoc Health's liability; *provided, however, that:*

- (a) Teladoc Health's total obligation for any claim arising from (i) a breach of the Protected Health Information; Confidential Information Section of the Agreement or (ii) from a claim for liability asserted by a third party relating to the performance of this Agreement shall in no event exceed \$5 million; and
- (b) in the event of a decision of liability attributed to both Parties, each Party's obligation will be limited by its relative fault as compared to the other Party and/or any third party in such matter.

Client expressly waives any right to seek consequential, indirect, exemplary, punitive, or special damages for claimed losses arising from or relating to the performance of this Agreement from Teladoc Health including, without limitation, claims for loss of business, data, revenue, profits, or goodwill, even if the Parties had knowledge of the possibility of such damages and whether or not such damages were foreseeable.

**7.3 Defense of Indemnification Claims.** In claiming any right to indemnification under this Section, the indemnified party shall promptly provide the indemnifying party with notice of any claim that the indemnified party believes is within the scope of the obligation to indemnify. The indemnified party may, at its own expense, assist in the defense if it so chooses, but the indemnifying party shall have sole control of the defense and all negotiations relative to the settlement of any such claim. The indemnified party will provide the indemnifying party with reasonable assistance, at the indemnifying party's expense, in the defense, negotiations, and settlement of any claims. Any settlement intended to bind the indemnified party shall not be final without the indemnified party's written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

**7.4** In defending against any claim or action pursuant to Section 7.1 based upon an allegation that the Services infringe the intellectual property rights of a third party, Teladoc Health may at its option (a) procure for Employer the right to continue using the Services, or (b) modify or replace the Services so that it no longer infringes. If Teladoc

Health concludes in its sole judgment that neither of the foregoing options is commercially reasonable, then Teladoc Health may terminate this Agreement and cease providing the Services, upon which Employer will cease offering the Services. This Section 7.4 specifies Teladoc Health's entire liability and Employer's exclusive remedy for infringement.

**8. Data Transmission Security.** Data transmission security is the process of sending data from one computer system to another in a secure manner so that only the intended recipient of the data receives the data and the data sent is identical to the data received. When ePHI (Electronic Protected Health Information) is transmitted over an electronic communications network (i.e., "the internet"), transmissions of ePHI to and from Teladoc Health will utilize Secure File Transport Protocol (SFTP).

Employer and its representatives are expressly prohibited from indirectly or directly, knowingly violating or attempting to violate the security of Teladoc Health's web sites, including, without limitation, accessing data not intended for such user or logging into a server or account that such user is not authorized to access, attempting to probe, scan or test the vulnerability of the system or network or to breach security or authentication measures, scanning or testing the performance of the system or network, attempting to interfere with service to any user, host or network, including, without limitation, via means of submitting a virus or "trojan horse" to the Web site, overloading, "flooding", "mail bombing" or "crashing", or sending unsolicited electronic mail, including promotions and/or advertising of products or services. Violations of system or network security may result in civil or criminal liability. Teladoc Health will investigate occurrences that may involve such violations and may involve, and cooperate with, law enforcement authorities in prosecuting individuals involved in such violations.

**9. Publicity.** Teladoc Health may use Employer's trade name and logo on Teladoc Health's standard sales-deck and customer list(s) solely to indicate, during the Term, Employer's status as a customer of Teladoc Health, without other indications of endorsement. Any other use of Employer's trade name, trademark, service mark, or symbol in Teladoc Health's marketing, publicity or other promotional endeavors requires the prior consent of Employer.

**10. Dispute Resolution.** Except as provided in Section 5.1(e) or to protect a Party's Intellectual Property rights, prior to the institution of any formal court action, the Parties agree that any claim or controversy arising from this Agreement shall be considered and addressed by one representative from Teladoc Health and one representative from Employer at a meeting held upon at least five business days' advance notice from the complaining Party. Such meeting shall be held at a neutral location in the city where the non-complaining Party has its principal office or, if agreed by the Parties, may be conducted virtually by video conference. If



the claim or controversy is not resolved by the representatives at such meeting or within five business days thereafter, either Party may proceed with court action.

#### 11. Miscellaneous.

**11.1 Entire Agreement; Amendment; Severability.** This Agreement (including any Exhibits or attachments hereto) constitutes the entire agreement by and between Teladoc Health and Employer with respect to any of its subject matter, and any representation, warranty, covenant, understanding or agreement not contained or incorporated herein by reference shall be of no force or effect. This Agreement supersedes all prior proposals, discussions, writings, and agreements between the Parties relating to the subject matter hereof. This Agreement may only be modified in writing, signed by an authorized representative of each Party. If any provision of this Agreement is determined to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather this Agreement shall be construed as if not containing the particular invalid or unenforceable provision(s), and the rights and obligations of the Parties shall be construed and enforced accordingly.

**11.2 Waiver.** No waiver by either Party of a breach or default under this Agreement shall be effective unless in a writing signed by the Party to whom such compliance is owed. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision or of any subsequent breach or default.

**11.3 No Third-Party Beneficiaries.** No person other than the Parties and their respective successors and permitted assigns is intended to be a beneficiary of this Agreement. In executing this Agreement, the Parties do not intend to create third-party beneficiary rights in anyone not a Party to this Agreement.

**11.4 Force Majeure.** Neither Party shall have liability to the other as a result of a Force Majeure Event; *provided, however,* that the non-performing Party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and restore performance as soon as practicable. For purposes of this Agreement, "**Force Majeure Event**" means an event not reasonably foreseeable, beyond a Party's reasonable control, and occurring without its fault or negligence, including, without limitation (a) an act of nature, such as fire, flood, earthquake, storm, tornado, lightning, landslide, sink hole, or outbreak of disease, (b) a service failure caused by third parties, such as a power or utility outage or a labor dispute affecting suppliers or subcontractors, (c) a civil disruption such as war, invasion, insurrection, trade embargo, or activities by terrorists or public enemies, or (d) action by a governmental body that enjoins or prevents performance by a Party.

**11.5 Notices.** All notifications, consents, reports, requests, demands, and other communications required or permitted

to be given under this Agreement shall be in writing and shall be deemed given: (a) three (3) days after being mailed (with return receipt requested), (b) when emailed, or (c) one (1) day after being sent via a recognized overnight courier service, to the Parties at the following addresses, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

If to Teladoc Health:

Teladoc Health, Inc.  
Attn: Chief Legal Officer  
2 Manhattanville Road, Suite 203  
Purchase, NY 10577  
Email: [legalnotices@teladochealth.com](mailto:legalnotices@teladochealth.com)

With a Copy to: [clientservices@teladoc.com](mailto:clientservices@teladoc.com)

If to Employer:

City of San Luis Employee Benefit Trust  
ATTN:MARIA SABORI  
PO BOX 1170  
SAN LUIS, AZ 85349  
EMAIL:MSABORI@SANLUISAZ.GOV

**11.6 Governing Law; Jurisdiction; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles of such State. Jurisdiction and venue for any and all disputes under this Agreement shall be the state and/or federal courts of New York, New York.

**11.7 Assignment.** Neither Party may assign or otherwise transfer any of its rights, duties, or obligations under this Agreement, in whole or in part, by operation of law or otherwise, to any person or entity without the prior written consent of the other Party, except that a Party may assign its rights and obligations under this Agreement without the other Party's consent in the event of a corporate reorganization, consolidation with or merger into any person or a transfer of all or substantially all of its assets to any person. A party may also assign its rights and obligations under this Agreement to an entity it controls, is controlled by or is under common control with, provided that no such assignment shall relieve the transferring Party of its obligations under this Agreement without the consent of the other Party. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

**11.8 Taxes.** Employer shall be responsible for the payment of any taxes on amounts due to Teladoc Health, including, but not limited to, state and local sales, use, excise and value-added taxes. Any taxes due on Teladoc Health's income or gross receipts shall be the sole responsibility of Teladoc Health. Applicable taxes will be invoiced by Teladoc



Health to Employer unless Employer provides Teladoc Health with a valid applicable tax exemption certificate or a valid direct pay certificate from the appropriate State or States before an invoice is generated. Employer must promptly notify Teladoc Health if any such exemption certificate or direct pay certificate has been suspended, revoked or has expired.

If sales tax is not invoiced by Teladoc Health and a taxing jurisdiction subsequently imposes a sales tax on Teladoc Health as the remitting agent and Teladoc Health is compelled to pay such sales tax, Employer agrees to indemnify and/or reimburse Teladoc Health for any such payments.

If applicable law obligates Employer to withhold or deduct taxes from amounts payable to Teladoc Health, Employer shall provide Teladoc Health with Employer's tax registration number assigned by the relevant taxing authority and official

receipts or other documentary evidence of any such withholding, deduction or payment of tax.

**11.9 Joint Preparation.** This Agreement is deemed to have been prepared jointly by the Parties, and any uncertainty or ambiguity herein shall not be interpreted against either Party, but shall be interpreted according to the application of the rules of interpretation for arm's length agreements.

**11.10 Counterparts; Electronic Signatures.** This Agreement may be executed in any number of counterparts (and may be executed by way of email or electronic signature, any of which shall be considered an original) with the same effect as if the Parties had signed the same instrument. Each signatory represents that he/she has full authority to sign this Agreement on behalf of his/her respective Party and to bind and obligate such Party to the terms hereof.



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

Teladoc Health, Inc.		City of San Luis Employee Benefit Trust	
Print Name	Title	Print Name	Title
Signature	Date	Signature	Date

## HEALTHIESTYOU VIRTUAL CARE SERVICES EXHIBIT

This HealthiestYou Virtual Care Services Exhibit (the "Exhibit") is entered into on July 1, 2024 ("Effective Date"), by and between Teladoc Health, Inc. ("Teladoc Health") and City of San Luis Employee Benefit Trust ("Employer"), pursuant to the terms of the Teladoc Health Services Agreement entered into by the Parties, dated July 1, 2024 ("Agreement"), the terms and conditions of which are incorporated by reference into this Exhibit. Teladoc Health and Employer shall be referred to herein as the "Parties" and each individually as a "Party".

### I. Introduction

- A. Teladoc Health provides a suite of telehealth services, as more fully described below (collectively, the "HealthiestYou Virtual Care Services"), and has entered into a contract with one or more professional associations that employ and/or contract with physicians and other licensed providers and practitioners (collectively, the "Provider"), and for which Teladoc Health provides various operational and administrative services to the Provider. The physicians and other licensed providers and practitioners who are employed by, or under a contractual arrangement with, the Provider form a network that is designed to facilitate medical visits provided by a physician and other licensed providers and practitioners who provide patient care via electronic exchange ("Visit(s)") to individuals and groups desiring to purchase such Visits. In addition to General Medical Services outlined below, the suite of HealthiestYou Virtual Care Services consists of the following additional services:
1. Mental health services as more fully described below (the "MH Care Services"), whereby Teladoc Health has entered into a contract with one or more professional associations (collectively, the "MH Care Provider") that employ and/or contract with various mental health practitioners, including psychiatrists, psychologists, clinical social workers, licensed professional counselors, mental health counselors, and marital and family therapists (each, a "MH Care Practitioner"), and for which Teladoc Health provides various operational and administrative services to the MH Care Provider. The MH Care Practitioners who are employed by, or under a contractual arrangement with, the MH Care Provider form a network that is designed to facilitate the provision of mental health visits via electronic exchange ("MH Care Visit(s)").
  2. Dermatology services as more fully described below (the "Dermatology Services"), whereby Teladoc Health has entered into a contract with one or more professional associations (collectively, the "Dermatology Provider") that employ and/or contract with various practitioners, including licensed dermatologists (each, a "Dermatology Practitioner"), and for which Teladoc Health provides various operational and administrative services to the Dermatology Provider. The Dermatology Practitioners who are employed by, or under a contractual arrangement with, the Dermatology Provider form a network that is designed to facilitate the provision of dermatology visits via electronic exchange ("Dermatology Visit(s)").
  3. Self-directed back pain, neck pain, and other related musculoskeletal treatment services, as more fully described below (the "MSK Services"), whereby Teladoc Health has entered into a contract with a third party musculoskeletal telehealth company ("MSK Program Vendor"), that provides self-directed back pain, neck pain, and other related musculoskeletal treatment programs and access to live health coaching services via electronic exchange (each, an "MSK Program Vendor-certified Coach"). The MSK Program Vendor provides a network that is designed to facilitate the provision of back pain, neck pain, and other related musculoskeletal treatment programs via electronic exchange ("MSK Visits"), and Teladoc Health provides various operational and administrative services to the MSK Program Vendor with respect to the provision of MSK Visits.
  4. Nutritional coaching, as more fully described below (the "NTRN Services"), whereby Teladoc Health has entered into a contract with one or more professional associations (collectively, the "NTRN Provider"), that employ and/or contract with certified registered dietitians (each, a "NTRN Program Coach"), and for which Teladoc Health provides various operational and administrative services to the NTRN Provider. The NTRN Program Coaches who are employed by, or under a contractual arrangement with, the NTRN Provider form a network that is designed to facilitate the provision of nutritional coaching via electronic exchange to assess the clinical nutrition needs and concerns of a Member and provide a personalized nutrition plan (the "NTRN Visits").
- B. The arrangement between Teladoc Health and the various Providers permits Teladoc Health to offer a program to its customers that consists of: (a) a network of providers who provide medical visits via electronic exchange; and (b) support for the operation and administration of that network, as further described herein.
- C. Employer desires to purchase the HealthiestYou Virtual Care Services for use by certain of its employees ("Employees") and their eligible dependents ("Eligible Dependents") as an additional benefit in connection with Employer's employee benefits program. "Eligible Dependent" means a "dependent," as defined under the Internal Revenue Code, I.R.C. § 152, or as may be mutually agreed between the Parties. Employees and Eligible Dependents are collectively and each referred to as "Member(s)".

### II. Term and Termination

- A. Teladoc Health will provide the HealthiestYou Virtual Care Services to Employer commencing on July 1, 2024 ("Start Date"). This Exhibit commences on the Effective Date and will continue in force for an initial term that will end on the first anniversary of the Start Date ("Initial Term"), unless terminated earlier pursuant to Section II(B) below. Unless otherwise agreed by the Parties, at the expiration of the Initial Term, the Exhibit will be extended automatically on a year-to-year basis, unless either Party has given

written notice to the other at least sixty (60) days prior to the scheduled expiration of the Exhibit of its election not to extend the Exhibit. Any extensions of this Exhibit past the Initial Term are referred to as "**Renewal Term**". The Initial Term and any Renewal Terms of this Exhibit are collectively referred to as the "**Term**."

- B. In addition to the termination provisions outlined in **Section 2** of the Agreement, either Party may terminate this Exhibit for convenience on each anniversary of the Start Date by providing sixty (60) days' advance written notice to the other Party.

### **III. HealthiestYou Virtual Care Services**

- A. During the Term, Teladoc Health will provide the HealthiestYou Virtual Care Services described in this Exhibit, which consist of HealthiestYou Virtual Care Services to Members and HealthiestYou Virtual Care Services to Employer. As used in this Exhibit, the following terms shall have the following meanings:

"**Visit**" means a unit of the HealthiestYou Virtual Care Services for a Member (*for example, one General Medical Visit*).

"**General Medical Provider**" means a doctor or other provider or practitioner who is licensed to practice medicine and/or osteopathic medicine and is contracted with the Provider to provide General Medical Visits.

"**PEPM**" means "Per Employee Per Month," which the Parties recognize as a common term in the health care industry. For purposes of this Exhibit, PEPM is defined as the applicable rate paid by Employer to Teladoc Health for each Employee who is eligible to utilize the HealthiestYou Virtual Care Services each month.

- B. **HealthiestYou Virtual Care Services for Members.** Teladoc Health will provide the following HealthiestYou Virtual Care Services to Members:

1. **General Medical Services to Members.** The General Medical Services include access to the General Medical Providers, who are selected and engaged by the Provider to provide patient and Provider interaction, whereby the General Medical Provider may diagnose the patient's ailment, recommends therapy, and if necessary and appropriate, writes a prescription. The General Medical Services are designed to provide General Medical Provider access in the states where the Members live and travel. Each General Medical Provider shall be licensed to practice medicine and/or osteopathic medicine, be technologically proficient, trained in General Medical Visits, and covered by medical malpractice insurance having limits equal to or greater than the minimum required limits in the state where such General Medical Provider practices.

- i. It is understood by the Parties that the General Medical Providers will operate subject to applicable state regulations. Teladoc Health does not guarantee that a Member will receive a prescription, and only the Members who have completed the necessary steps to create the legally mandated provider/patient relationship (as described herein) will receive General Medical Visits. Those steps include, but are not limited to: (i) completing a comprehensive electronic health record ("**EHR**"), either online or by telephone with a designated Teladoc Health representative (it being understood that, in the event the Member fails to complete the EHR, the Member will not have access to the General Medical Providers, and Teladoc Health will so advise the Member when he/she seeks to access the General Medical Services); (ii) agreeing to Teladoc Health's Terms and Conditions confirming an understanding that a General Medical Provider is not obligated to accept the Member as a patient, and that the Member's participation in the General Medical Services may be cancelled at any time without recourse by the Member for reasons including but not limited to: abusive language, behavior, or conduct that is unlawful or illegal when participating in the General Medical Services; and (iii) the Member also understands and acknowledges that the General Medical Services provide Members with access to General Medical Visits only; if at any time a General Medical Provider or other provider determines that the Member's condition is a life-threatening emergency, he or she shall direct the Member to the nearest emergency facility.

- ii. The General Medical Services consist of the following:

a. **Included Services:**

- **General Medical Services:** Toll-free access to telephone or web-based video General Medical Visits provided by a General Medical Provider whereby the General Medical Providers diagnose common or routine conditions, recommend treatment or direct the Member to contact his/her primary care physician, and if necessary and where appropriate, write a prescription. General Medical Services access is available on-demand 24 hours, 365 days per year. Members also have the option to schedule General Medical Visits between the hours of 7AM to 9PM local time, seven days a week, subject to availability.

b. **Optional Services:**

- **Caregiving:** Allows Members to designate a third-party care recipient to receive a General Medical Visit. Applicable standard visit fees will apply. Employer may opt-out of Caregiving upon notice to Teladoc Health.

2. **MH Care Services for Members.** Teladoc Health will provide the following MH Care Services to Members:

i. **The MH Care Practitioners:**

- a. General: The MH Care Services include access to the MH Care Practitioners who provide MH Care Visits to Members by telephone or video conference in the MH Care Services' service area. The MH Care Services offer

Members ongoing access to mental diagnostic services, talk therapy, and prescription medication management, when appropriate. The MH Care Practitioners are selected and engaged by the MH Care Provider to provide mental health clinical intake assessments, ongoing talk therapy, and medication management in accordance with mental health protocols and guidelines that are tailored to the telehealth industry.

- b. **Types and Selection:** The MH Care Services are designed to allow the Member to select the type of MH Care Practitioner that will provide the MH Care Visit. The following types of MH Care Practitioners are available under the MH Care Services:
    - Psychiatrists (MD/DO);
    - Psychologists (PhD);
    - Counselors (Masters);
    - Clinical Social Workers (Masters); and
    - Therapists (Marriage and Family) (Masters).
  - c. **Requirements:** Each MH Care Practitioner is required to satisfy all applicable state licensing laws in his/her field of practice. Each MH Care Practitioner shall also be board certified in his/her field of practice as applicable, technologically proficient, trained in providing mental health counseling services, and covered by medical malpractice insurance or other applicable liability insurance having limits equal to or greater than the minimum required amounts in the state where the MH Practitioner practices.
- ii. **The MH Care Visits:**
- a. **Prerequisites:** In order for a Member to receive a MH Care Visit, the Member must complete a comprehensive medical history and an assessment that is specific to the MH Care Services. This medical history may be completed online or via the mobile app. If the Member fails to provide their comprehensive medical history, the Member will not have access to the MH Care Practitioners, and Teladoc Health will so advise the Member when he/she attempts to schedule a MH Care Visit. In order for a Member to receive a MH Care Visit, the Member must also agree to Teladoc Health's Informed Patient Consent and Release Form confirming an understanding that the MH Care Practitioner is not obligated to accept the Member as a patient, and that the Member's participation in the MH Care Services may be cancelled at any time without recourse by the Member.
  - b. **Scheduling:** Teladoc Health will provide the Member with information identifying each MH Care Practitioner's licensure, specialties, gender and language, and will provide sufficient biographical information on each MH Care Practitioner to allow the Member to select the MH Care Practitioner from whom the Member wishes to receive treatment. The Member may schedule MH Care Visits through Teladoc Health's website/mobile platform. When scheduling a subsequent MH Care Visit, the Member may choose to receive the MH Care Visit from a different MH Care Practitioner. Alternatively, a Member may choose the same MH Care Practitioner for any subsequent MH Care Visit. There are no limitations on the number of MH Care Visits a Member may receive.
  - c. **Individual Sessions:** The Initial MH Care Visit is expected to be 45 minutes in length on average, followed by requested subsequent visits. For visits conducted with a therapist other than a psychiatrist, subsequent requested visits are expected to be 45 minutes in length on average. Visits conducted by a Psychiatrist (subsequent to an initial visit with a Psychiatrist) will be shorter in length, for the purpose of a medication check-in (if applicable). Prior to each MH Care Visit, the Member will be required to complete a brief intake assessment. A MH Care Practitioner may determine that the treatment of a Member's particular mental health issue would be managed more appropriately through in-person therapy. In such a case, the MH Care Practitioner will encourage the Member to make an appointment for an in-person visit. Employer acknowledges that the terms of the MH Care Services do not apply to any in-person visits between a Member and a MH Care Practitioner.
  - d. **Clarifications:** Unlike General Medical Visits, the MH Care Visits:
    1. are not accessible 24 hours per day, 365 days per year. Rather, a Member must schedule a MH Care Visit with a MH Care Practitioner, and the MH Care Visit with a particular MH Care Practitioner must occur within a time period for which the MH Care Practitioner is scheduled to support the MH Care Services;
    2. are not intended to be provided in emergency situations. Rather, Teladoc Health will follow an internal emergency protocol that includes calling 911 in emergency situations; and
    3. are currently not available to Members who are minors, except as provided herein.
- iii. **Prescription Drug Formulary:** The MH Care Services include a customized formulary of commonly-prescribed mental health medications (e.g., antidepressants, anti-anxiety, etc...). Medications may be prescribed only by MH Care Practitioners who are psychiatrists. Such MH Care Practitioners will generally issue a 30-day prescription, but may, in their discretion, issue a 90-day prescription. MH Care Practitioners will not prescribe DEA controlled substances or narcotics under the MH Care Services.
3. **Dermatology Services for Members.** Teladoc Health will provide the following Dermatology Services to Members:
- i. **The Dermatology Practitioners:**
    - a. **General:** The Dermatology Services include access to the Dermatology Practitioners who provide Dermatology Visits to Members through an online message center using store-and-forward technology in the Dermatology

Services' service area. The Dermatology Services offer Members access to upload photographs of their dermatological conditions to licensed dermatologists, who provide treatment and prescription medication, when appropriate. The Dermatology Practitioners are selected and engaged by the Dermatology Provider to provide dermatological assessments in accordance with standard dermatology protocols and guidelines that are tailored to the telehealth industry

- b. **Requirements:** Each Dermatology Practitioner is required to satisfy all applicable state licensing laws in his/her field of practice. Each Dermatologist shall also be technologically proficient, trained in providing dermatology counseling services, and covered by medical malpractice insurance or other applicable liability insurance having limits equal to or greater than the minimum required amounts in the state where the Dermatology Practitioner practices.

ii. **The Dermatology Visits:**

- a. **Prerequisites:** In order for a Member to receive a Dermatology Visit, the Member must complete Teladoc Health's medical history disclosure form (if they have not previously completed it), as well as a comprehensive Dermatology Intake Form prior to a Dermatology Visit. The intake will consist of a Dermatology History section and an intake form for the condition for which the Member is seeking treatment describing the area of concern. This medical history may either be completed online or by telephone with a designated Dermatology Services representative. Additionally, the Member must upload at least three images of their condition prior to communicating with a Dermatology Practitioner. If the Member fails to complete the dermatology intake form or upload the required number of images, the Member will not have access to the Dermatology Practitioners, and Teladoc Health will so advise the Member when he/she attempts to schedule a Dermatology Visit. In order for a Member to receive a Dermatology Visit, the Member must also agree to Teladoc Health's Informed Patient Consent and Release Form and Teladoc Health's Terms and Conditions confirming an understanding that the Dermatology Practitioner is not obligated to accept the Member as a patient, and that the Member's participation in the Dermatology Services may be cancelled at any time without recourse by the Member. Members will be allowed to request more than one (1) Dermatology Visit at any given time.
- b. **Initial Dermatology Visit:** The Member will be able upload a minimum of three (3) images and a maximum of five (5) images for the Dermatology Practitioner to review. A Dermatology Practitioner will respond to the Member's image submission via the Teladoc Health Message Center within two (2) business days of such submission. The Dermatology Practitioner will either (a) determine that no additional information is required and provide a diagnosis and prescription, if appropriate; or (b) request additional information from the Member before making a diagnosis.
- c. **Member Follow-up:** The Member will have seven (7) days after diagnosis to respond to the Dermatology Practitioner with follow-up questions via the Teladoc Health Message Center. The Member will be able to respond only once and may upload up to five (5) additional images in the response. The Member will not be charged for a one-time follow-up Dermatology Visit question.
- d. **Subsequent Dermatology Visits:** For subsequent Dermatology Visits, the Member will have the option of selecting the same Dermatology Practitioner with whom they had a prior Dermatology Visit or a new Dermatology Practitioner licensed in their state.
- e. **Clarifications:** Unlike General Medical Visits, the Dermatology Visits:
  - 1. are not accessible 24 hours per day, 365 days per year. Rather, a Member must submit the required information for a Dermatology Visit and will receive a response from a Dermatology Practitioner within two (2) business days; and
  - 2. are not intended to be provided in emergency situations. Rather, Teladoc Health will follow an internal emergency protocol that includes calling 911 in emergency situations.

4. **MSK Services for Members.** Teladoc Health will provide the following MSK Services to Members:

i. **The MSK Program Vendor-certified Coaches:**

- a. **General:** The MSK Services include access to MSK Program Vendor-certified Coaches who provide MSK Visits to Members via electronic exchange. The MSK Services offer Members an automated and interactive web-based body of content that is wellness-oriented and guides Members through a personalized program of care that includes functional and pain data collection through onboarding surveys, video tutorials instructing Members in healthy MSK exercises and education, automated process and participation tracking, Member notifications and encouragement via the app and email communications, three subsequent functional and pain data surveys, and end of program reporting. MSK Program Vendor-certified Coaches are selected and engaged by the MSK Program Vendor to provide back pain, neck pain, and other related musculoskeletal treatment assessments in accordance with standard protocols and guidelines that are tailored to the telehealth industry.
- b. **Requirements:** Each MSK Program Vendor-certified Coach is required to have (i) a Master's degree in exercise physiology, kinesiology or health education, (ii) 1+ years of clinical experience working with patients with MSK pain under the direct supervision of a physical therapist, (iii) certification from American Council on Exercise

(ACE), and (iv) MSK Program Vendor certification. The MSK Program Vendor-certified Coach may also have professional certification(s) in areas such as fitness, yoga, Pilates or personal training.

ii. **The MSK Visits:**

- a. Prerequisites: In order for a Member to receive MSK Visits, the Member is required to complete a set of 6 Risk and Safety Assessments to determine the Member's suitability for the MSK Services. If suitability is determined, the Member is required to review and agree to the MSK Services Terms and Conditions, and completes an assessment, before the initial MSK Visit is initiated. If the Member is determined to be "high risk" (as determined based on the Member's responses to the 6 Risk and Safety Assessments), an MSK Program Vendor-certified Coach will also contact the Member to investigate the possibility of a more serious condition than those addressed by the MSK Services.
- b. Scheduling: The Initial MSK Visit is initiated upon the Member's successful completion of a set of 6 Risk and Safety Assessments to determine the Member's suitability for the MSK Services. If suitability is determined, the Member then completes an assessment, after which the initial MSK Visit is initiated. Subsequent MSK Visits are available On-Demand during normal business hours (9:00 a.m. to 5:00 p.m. MT). Members receive confirmation emails showing the date and time of scheduled MSK Visits.
- c. Clarifications: Unlike the General Medical Visits, the MSK Visits:
  - are not accessible 24 hours per day, 365 days per year. Rather, MSK Visits may be scheduled during normal business hours (9:00 a.m. to 5:00 p.m. MT), with chat being available during non-business hours;
  - are not intended to be provided in emergency situations. Rather, the MSK Services will follow an internal emergency protocol that includes calling 911 in emergency situations;
  - are currently not available to Members who are minors (who are under the age of 18); and
  - a Member's full use of the MSK Services may consist of multiple individual MSK Visits over the course of 4 to 8 weeks, collectively referred to as that Member's "MSK Case."

5. **NTRN Services for Members**. Teladoc Health will provide the following NTRN Services to Members:

i. **The NTRN Program Coaches:**

- a. General: The NTRN Services include access to NTRN Program Coaches who provide NTRN Visits to Members via electronic exchange. The NTRN Services offer Members access to the NTRN Program Coaches who assess and provide advice regarding the nutrition care of the Member. Each NTRN Visit provides a personalized nutrition guide to the Member, along with various nutritional guidance support tools. The NTRN Services utilize current science-based nutrition guidelines while also incorporating assessments in accordance with standard protocols and guidelines. The NTRN Services are currently also available to Members who are minors (who are under the age of 18) with adult supervision.
- b. Requirements: Each NTRN Program Coach is a registered dietitian, and is required to have:
  - earned a bachelor's degree;
  - received a verification statement from an Accreditation Council for Education in Nutrition and Dietetics ("ACEND")-accredited program verifying that program requirements have been met;
  - completed an ACEND-accredited supervised practice dietetic internship program;
  - passed the Commission on Dietetic Registration's dietetic registration exam;
  - gain licensure in their relevant State of practice, if applicable; and
  - maintain required continuing education.
  - The NTRN Program Coaches may have supplemental expert certifications in the areas of obesity and weight management, renal nutrition, pediatric nutrition, pediatric critical care nutrition, sports dietetics, gerontological nutrition, oncology nutrition, and/or be a Certified Diabetes Educator.

ii. **The NTRN Visits:**

- a. Prerequisites: In order for a Member to receive NTRN Visits, the Member is required to complete a medical history and nutrition questionnaire to provide clinical data to the NTRN Program Coach to review and assess prior to the NTRN Visit.
- b. Scheduling: Teladoc Health will provide the Member with information identifying each NTRN Program Coach's licensure, specialties, gender and language, and will provide sufficient biographical information on each NTRN Program Coach to allow the Member to select the NTRN Program Coach from whom the Member wishes to receive coaching. The Member may schedule NTRN Visits through Teladoc Health's website/mobile platform. The Initial NTRN Visit provides a complete personalized nutrition plan. Should the Member choose to initiate any

follow-up NTRN Visit(s), they will be scheduled accordingly. Members receive confirmation emails showing the date and time of scheduled NTRN Visits.

c. **Clarifications:** Unlike the General Medical Visits, the NTRN Visits:

- are not accessible 24 hours per day, 365 days per year. Rather, a Member must schedule a NTRN Visit with a NTRN Program Coach, and the NTRN Visit with a particular NTRN Program Coach must occur within a time period for which the NTRN Program Coach is scheduled to support the NTRN Services; and
  - are not intended to be provided in emergency situations. Rather, the NTRN Services will follow an internal emergency protocol that includes calling 911 in emergency situations.
6. Teladoc Health shall maintain up to date eligibility information as provided by Employer pursuant to this Exhibit and will confirm the Member's eligibility prior to the delivery of the HealthiestYou Virtual Care Services to the Member. Teladoc Health has the right to limit or restrict the HealthiestYou Virtual Care Services in any state or jurisdiction where the provision of such services is or would be contrary to applicable rule, law or regulation and shall provide Employer written notice of such limitation or restriction within thirty (30) days.
7. With respect to the delivery of the HealthiestYou Virtual Care Services and activities supporting the delivery of HealthiestYou Virtual Care Services, neither Teladoc Health nor the Provider is a business associate of Employer and is therefore providing such HealthiestYou Virtual Care Services as a covered entity. As such, Teladoc Health maintains compliance with the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), including but not limited to those changes adopted and incorporated by Section XIII of the American Recovery and Reinvestment Act of 2009 ("ARRA") known as Health Information Technology for Economic and Clinical Health ("HITECH").

C. **HealthiestYou Virtual Care Services for Employer.** Teladoc Health will provide the following services to Employer.

1. **Account Support.** Teladoc Health will be available to Employer to assist with the following:

- Implementing the HealthiestYou Virtual Care Services
- Launching the Member Engagement Package(s) described below, and monitoring its performance
- Providing assistance to Employer in answering questions and resolving issues
- Reviewing and explaining reporting
- Providing initial training for Employer's designated employees (e.g., HR personnel) at the time of implementation. Notwithstanding the foregoing, Employer acknowledges and agrees that if Employer requests Teladoc Health to attend any events such as, but not limited to, enrollment meetings, health fairs, etc., Teladoc Health will charge additional fees for attendance as mutually agreed by the Parties.

2. **Reporting.** Teladoc Health will provide Employer with the following reporting:

- **Monthly** standard utilization and savings reporting package\*
- **Monthly** standard portfolio performance reporting package\*
- If Employer requests that Teladoc Health prepare any non-standard reports that require information technology programming, Teladoc Health will charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary for such non-standard reporting program development.

\*The information included in any such report to Employer will be de-identified (i.e., aggregated). In accordance with applicable law, Teladoc Health will not share any personal identifiable information of any Member with Employer in such reports.

3. **Communications & Member Engagement.** Fees include the following Member Engagement Package(s):

i. **Member Engagement Package:**

- a. Teladoc Health will provide a template description of the HealthiestYou Virtual Care Services for use by the Employer to communicate the HealthiestYou Virtual Care Services to Employees. Any changes or modifications to such template description, and any and all materials used by the Employer or its agents to describe the HealthiestYou Virtual Care Services (other than the template descriptions provided by Teladoc Health), must be approved in advance in writing by Teladoc Health prior to distribution. Such communications include, but are not limited to, those that are in written form, on websites, on the radio, on television, sent by email, sent by fax, etc. In addition, the Employer hereby authorizes Teladoc Health to communicate directly with the Members for the purpose of: (i) promoting the HealthiestYou Virtual Care Services and ancillary services or products related to the provision of virtual care; and (ii) treatment, payment, and health care operations of Teladoc Health.
- b. Teladoc Health will partner with the Employer to educate its Employees on the HealthiestYou Virtual Care Services through the following:

- *Teladoc Health will provide Employer with standard HealthiestYou marketing assets through the Teladoc Health Engagement Center, a self-service digital repository of marketing communication assets for Employer-led marketing to Employees.*
- *Teladoc Health may conduct additional email and direct mail outreach with marketing communication assets created by Teladoc Health without customization by Employer and delivered at Teladoc Health's recommended cadence.*

Employer Responsibilities: *Provide the Teladoc Health approved description of the HealthiestYou Virtual Care Services to Employees. Cooperate with Teladoc Health in implementing the HealthiestYou Virtual Care Services. Provide consistent contextual placement of content and messaging related to the HealthiestYou Virtual Care Services across all appropriate Employee touch-points (e.g. Employee Benefits Portal, Direct Outreach, Open Enrollment, Newsletters, etc...) Provide Teladoc Health with timely and accurate contact information for Employees, including: Name (first, last, middle initial), mailing address, and email address.*

#### **IV. Eligibility and Fees**

- A. **Eligibility Files.** By the 1st day of each month, Employer, or its third party administrator, shall deliver to Teladoc Health an accurate file identifying the number of Employees eligible to utilize the HealthiestYou Virtual Care Services in that month (the "Eligibility File") and their applicable contact information (including name, street address, and email address), in a format approved by Teladoc Health. If Employer, or its third party administrator, fails to deliver the Eligibility File by the 1st day of the month, then the last valid Eligibility File delivered to Teladoc Health will be deemed to be the Eligibility File for that month. Alternatively and as applicable, Employer may either provide Eligibility File information via Teladoc Health's Client Site portal, or via a Real Time Eligibility (RTE) process, as mutually agreed by the Parties. If Employer subsequently requests a modification to their method of delivering Eligibility File information, Teladoc Health may charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary to effect such modification.
- B. **Fees.**
- Employer agrees to pay Teladoc Health the following fees (collectively, the "Fee"):
    - General Medical Services :**
      - a recurring PEPM Fee of US \$6.80 for each Employee eligible to utilize the General Medical Services each month.
      - The PEPM Fee includes an assumption of up to 50% annual utilization of the General Medical Services (the "Utilization Target"). If actual annualized utilization exceeds the current year's Utilization Target, the PEPM Fee shall increase for the next Renewal Term by \$0.30 for each 5% increment of utilization in excess of the Utilization Target. In addition, a new Utilization Target will be set for the next Renewal Term by rounding up the actual annualized utilization to the nearest 5%. For example, where the Utilization Target for the current year is 50%, if actual annualized utilization in that year is 56%, the Utilization Target for the following year will be increased to 60% and the PEPM Fee for the following year will increase by \$0.60.
    - MH Care Services:**
      - There will be no additional PEPM Fees charged to the Employer for the MH Care Services, unless subsequently increased pursuant to the Utilization Target outlined below.
      - The MH Care Services include an assumption of up to 25% annual utilization (the "Utilization Target"). If actual annualized utilization exceeds the current year's Utilization Target, the PEPM Fee shall increase for the next Renewal Term by \$0.60 for each 5% increment of utilization in excess of the Utilization Target. In addition, a new Utilization Target will be set for the next Renewal Term by rounding up the actual annualized utilization to the nearest 5%. For example, where the Utilization Target for the current year is 50%, if actual annualized utilization in that year is 56%, the Utilization Target for the following year will be increased to 60% and the PEPM Fee for the following year will increase by \$1.20.
    - Dermatology Services; MSK Services; NTRN Services:**
      - There will be no additional PEPM Fees charged to the Employer for the Dermatology Services, the MSK Services, or the NTRN Services, regardless of annual utilization.
  - The Fee is based on approximately 288 Employees in the Eligibility File each month ("Estimated Employees"). If the actual number of Employees in the Eligibility File as of the Start Date is less than ninety percent (90%) of the number of Estimated Employees, then Teladoc Health may increase the PEPM Fee by an additional \$2.00 PEPM.
  - With 60 days' advance written notice to Employer, the PEPM Fees set forth above may be increased on each anniversary of the Start Date by five (5%) percent rounded to the nearest penny if the Teladoc Health book of business pricing is being increased as a result of overall book of business results, even if actual utilization does not exceed the Utilization Target.
- C. **Payment of Fees.**
- Teladoc Health will submit an invoice to Employer on the 4th day of each month based on the Eligibility File delivered by Employer to Teladoc Health for that month ("Invoice"), and Employer agrees to pay such Invoice by the last day of that month. Notwithstanding the foregoing, should Employer determine an error was made in the Eligibility File, Employer may request a

credit, not to exceed 5% of the monthly PEPM Fees paid by Employer to Teladoc Health for the corresponding month, as soon as practicable and in no event later than ninety (90) days after the end of the month to which the PEPM Fee pertains.

2. If applicable, Teladoc Health will submit an Invoice to Employer for Provider Visit Fees on the 1<sup>st</sup> day of each month with respect to Visits that occurred within the prior thirty (30) day period, and Employer agrees to pay such Invoice by the last day of that month; *provided, however*, that if claims are sent via EDI 837 file transfer, Teladoc Health will submit an 837 transaction file for any Provider Visit Fee to the applicable healthcare payer.
3. Unless Employer directs otherwise in writing, Teladoc Health will deliver all Invoices for the HealthiestYou Virtual Care Services via email to the following email address: **msabori@sanluisaz.gov**.
4. If any Fees due to Teladoc Health become more than sixty (60) days delinquent, Teladoc Health may suspend provision of the HealthiestYou Virtual Care Services until such amounts have been paid.

## EXPERT MEDICAL SERVICES ADDENDUM

This **Expert Medical Services Addendum** (the "Addendum") is entered into on **July 1, 2024** ("Addendum Effective Date"), by and between **Teladoc Health, Inc.** ("Teladoc Health") and **City of San Luis Employee Benefit Trust** ("Employer"), pursuant to the terms of the Teladoc Health Services Agreement entered into by the Parties, dated **July 1, 2024**, which includes a HealthiestYou Virtual Care Services Exhibit (collectively, the "Agreement"), the terms and conditions of which are incorporated by reference into this Addendum. Teladoc Health and Employer shall be referred to herein as the "**Parties**" and each individually as a "**Party**". The Agreement shall be amended to include the additional provisions set forth below, and any capitalized terms not otherwise defined herein shall have the meanings given to them in the Agreement.

### **I. Introduction**

- A. Teladoc Health provides expert medical information services, as more fully described in **Section III(B)(2)** below (collectively, the "**Expert Medical Services**"), designed to improve the quality and decrease the cost of health care by connecting individuals and their treating physicians with specialists who can provide expert guidance and alternative treatment recommendations with respect to diagnoses and treatment plans.
- B. Employer desires to purchase the Expert Medical Services for use by its employees ("**Employees**") and their eligible dependents ("**Eligible Dependents**") as an additional benefit in connection with Employer's employee benefits program. "Eligible Dependent" means a "dependent," as defined under the Internal Revenue Code, I.R.C. § 152, or as may be mutually agreed between the Parties. Employees and Eligible Dependents are collectively and each referred to as "**Member(s)**".
- C. In accepting the Expert Medical Services, Employer acknowledges and agrees to the following:
  - (i) The Expert Medical Services do not provide medical care or treatment.
  - (ii) Teladoc Health may be unable to provide the Expert Medical Services to a Member if Teladoc Health does not receive the records it deems necessary, such as medical records and related test reports, radiology, pathology, and/or physician notes ("**Required Medical Information**"), or if Teladoc Health does not have the Member authorizations and/or consents it deems necessary to obtain such data.
  - (iii) Teladoc Health may refuse to provide or may terminate the provision of the Expert Medical Services to a Member if the Member declines to execute any required consents and/or authorizations, or if Teladoc Health determines, in its reasonable discretion, that a Member's use of any Expert Medical Services is or was for a purpose other than for the Member's treatment by his/her treating physician (e.g., for *litigation purposes*).
  - (iv) Teladoc Health does not and will not have any authority to make benefit determinations, and any such decisions will be made by Employer in accordance with Employer's benefits programs and/or plan documents. Use of the Expert Medical Services by the Members is not a condition of participation in or payment under Employer's program(s) of insurance. The Expert Medical Services may not be used for utilization review purposes.
  - (v) Teladoc Health will have no power or authority on behalf of Employer to waive, alter, or modify by estoppel or otherwise, any of the terms or conditions of any benefit program provided by Employer. Teladoc Health will have no power or authority to bind Employer to any insurance or other risk.
  - (vi) Teladoc Health is not responsible for the administration, development, or legal review of any program Employer uses to incentivize Members to use the Expert Medical Services. Teladoc Health may, in its own discretion, refuse to participate in any such program.
  - (vii) Employer represents that any Member contact information provided to Teladoc Health by Employer (or by a third party on behalf of Employer) may be used by Teladoc Health to contact the Members for the purposes of performing the Expert Medical Services, and that Employer has obtained any necessary consents, if applicable, for Teladoc Health to contact Members using the Member contact information.

### **II. Term and Termination**

- A. Teladoc Health will provide the Expert Medical Services to Employer commencing on the Addendum Effective Date. This Addendum commences on the Addendum Effective Date and will continue in force until the expiration of the HealthiestYou Virtual Care Services Exhibit to the Agreement ("**Term**").

### **III. Expert Medical Services**

- A. During the Term, Teladoc Health will provide the Expert Medical Services described in this Addendum, which consist of services to Members and services to Employer. As used in this Addendum, the following terms shall have the following meanings:

"**Expert Panel**" means Teladoc Health's network of medical specialists, who were selected based on peer reviews, and clinical and academic accomplishment to provide recommendations and opinions.

"**Physician**" means a physician who works with Teladoc Health to perform certain Expert Medical Services, is licensed in the state where the Member is located and has gone through Teladoc Health's specialized credentialing process. Physician also includes specialists who consult with and provide expertise and guidance relating to a member's needs.

**"Expert"** means an Expert on the Expert Panel who has contracted with Teladoc Health to perform certain Expert Medical Services and has gone through Teladoc Health's specialized verification process.

**"Business Day"** means the week days of Monday through Friday, except for the following Teladoc Health corporate holidays: New Year's Day (*January 1 or, if on a weekend, the following Monday*), Presidents Day (*third Monday in February*), Memorial Day (*last Monday in May*), Juneteenth (*June 19,, if on a weekend, the following Monday*); Independence Day (*July 4 or, if on a weekend, the following Monday*), Labor Day (*first Monday in September*), Thanksgiving (*fourth Thursday and Friday in November*), and Christmas (*December 25 or, if on a weekend, the following Monday*).

**"Business Hours"** means 8am to 9pm Eastern Time.

**"Care Team"** means a team of healthcare professionals including physicians, non-physician nurses, advance practitioner providers, and administrative support resources who support the Member throughout their case.

**"Case"** means a unit of the Expert Medical Services where a member of the Care Team facilitates the services to be performed for the Member.

**"Clinician"** means physicians and other licensed providers and practitioners as a member of the Care Team supporting the member.

**"PEPM"** means "Per Employee Per Month," which the Parties recognize as a common term in the health care industry. For purposes of this Addendum, PEPM is defined as the applicable rate paid by Employer to Teladoc Health for each Employee who is eligible to utilize the Expert Medical Services each month.

**B. Expert Medical Services for Members.**

1. Expert Medical Services for Members is comprised of:

- A toll free number
- Live coverage during Business Days and during Business Hours, with messages taken off-hours
- A Member Portal
- A Member App for both iOS and Android phones
- Confirming the Member's eligibility by checking the most current Eligibility File, if provided. Employer will provide Teladoc Health with a contact person who is available, via telephone on Business Days between 9am and 5pm EST or via email, to verify the eligibility of any individual not listed in the Eligibility File.
- A Clinician will provide Case oversight, navigational support and advice regarding the Member's specific needs.
- A Care Team supporting the assigned Clinician and available to the Member via email or phone during Business Hours
- The Clinician will identify, based on the intake with Member, the type of Case that is appropriate for the Member. The Clinician will initiate, coordinate, and manage the Case, with support from the Teladoc Health Clinical Operations Team and other clinical resources as necessary, who will be in communication with the Member throughout the course of the Case.

2. Teladoc Health's Expert Medical Services consist of the following services together or individually based on each Members' needs:

- i. Expert medical opinion including education, guidance and/or recommendations by highly rated Physicians in various specialties and subspecialties. An expert medical opinion may include:
  - a. Teladoc Health will collect the Member's medical records from the Member if available or from treating facilities/other sources on behalf of the Member, prepare a summary of the records, and provide the Member with written suggestions to address their health issues.
  - b. a written summary of the Member's applicable medical records and Required Medical Information with the goal of helping the Member to identify the right diagnosis and treatment plan
    - (i) In depth discussion with a verbal and documented response to a Member's question(s) related to an established diagnosis
    - (ii) guidance and/or education for Members' clinical questions related to a diagnosis or first opinion.
- ii. Coverage for inpatient support is available 24x7x365. Teladoc Health will address the immediate and highly complex needs of the Member. Care Team recommendations and support for Members who are in an in-patient medical setting experiencing a traumatic or catastrophic event such as traumatic brain injury, spinal cord injury, multi-organ failure, serious burns, or premature birth.

**C. Expert Medical Services for Employer.** Teladoc Health will provide the following services to Employer:

1. **Account Support.** Teladoc Health will be available to Employer to assist with the following:
  - Implementing the Expert Medical Services
  - Launching the Member Engagement Package(s) described below, and monitoring its performance
  - Providing assistance to Employer in answering questions and resolving issues
  - Reviewing and explaining reporting

Notwithstanding the foregoing, Employer acknowledges and agrees that if Employer requests Teladoc Health to attend any events such as, but not limited to, enrollment meetings, health fairs, etc., Teladoc Health will charge additional fees for attendance as mutually agreed by the Parties.

2. **Reporting.** Teladoc Health will provide Employer with the following reporting:
  - **Annual** standard utilization reporting package\*
  - **Monthly** standard portfolio performance reporting package\*
  - If Employer requests Teladoc Health to prepare any non-standard reports that require information technology programming, Teladoc Health will charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary for such non-standard reporting program development.

\*The information included in any such report will be de-identified (i.e., aggregated). In accordance with applicable law, Teladoc Health will not share any personal identifiable information of any Member with Employer in such reports.

3. **Communications & Member Engagement.** Fees include the following Member Engagement Package(s):

- i. **Member Engagement Package:**

- a. Teladoc Health will provide a template description of the Expert Medical Services for use by the Employer to communicate the Expert Medical Services to Employees. Any changes or modifications to such template description, and any and all materials used by the Employer or its agents to describe the Expert Medical Services (other than the template descriptions, materials or marketing assets provided by Teladoc Health directly or through its Engagement Center without changes or modifications by Employer), must be approved in advance in writing by Teladoc Health prior to distribution. Such communications include, but are not limited to, those that are in written form, on websites, on the radio, on television, sent by email, sent by fax, etc. In addition, the Employer hereby authorizes Teladoc Health to communicate directly with Employees for the purpose of (i) promoting the Expert Medical Services and ancillary services or products related to the provision of virtual care; and (ii) treatment, payment and healthcare operations of Teladoc Health.
- b. Teladoc Health will perform the following multi-channel enrollment outreach through its Optimized Enrollment Plan which includes:
  - i. Utilization of the full suite of Teladoc Health enrollment marketing assets including, but not limited to, emails and direct mail as created by Teladoc Health without customization by Employer and delivered at Teladoc Health's recommended cadence. Teladoc Health will conduct A/B marketing material testing to optimize enrollment.
  - ii. Teladoc Health will provide Employer with standard Expert Medical Services marketing assets. Employer will have access to the Teladoc Health Engagement Center, a self-service digital repository of marketing communication assets for Employer-led marketing to Employees.
- c. Employer shall provide Employee email and mailing addresses to Teladoc Health to the fullest extent possible;
- d. Outreach to non-enrolled Employees by both parties will cease upon termination of the Agreement

***Employer Responsibilities:** Provide the Teladoc Health approved description of the Expert Medical Services to Employees. Cooperate with Teladoc Health in implementing the Expert Medical Services. Provide consistent contextual placement of content and messaging related to the Expert Medical Services across all appropriate Employee touch-points (e.g. Employee Benefits Portal, Direct Outreach, Open Enrollment, Newsletters, etc...) Provide Teladoc Health with timely and accurate contact information for Employees, including: Name (first, last, middle initial), mailing address, and email address.*

#### **IV. Eligibility and Fees**

- A. **Eligibility Files.** By the 1st day of each month, Employer, or its third-party administrator, shall deliver to Teladoc Health an accurate file identifying the number of Employees eligible to utilize the Teladoc Services in that month (the "Eligibility File") and their applicable contact information, in a format approved by Teladoc Health. If Employer, or its third party administrator, fails to deliver the Eligibility File by the 1st day of the month, then the last valid Eligibility File delivered to Teladoc Health will be deemed to be the Eligibility File for that month. Alternatively and as applicable, Employer may either provide Eligibility File information via Teladoc Health's Client Site portal, or via a Real Time Eligibility (RTE) process, as mutually agreed by the Parties. If Employer subsequently

requests a modification to their method of delivering Eligibility File information, Teladoc Health may charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary to effect such modification.

**B. Fees.**

1. Employer agrees to pay Teladoc Health a recurring PEPM Fee of US \$5.00 (the "Fee") for each Employee eligible to utilize the Expert Medical Services each month.
2. The Fee is based on approximately 288 Employees in the Eligibility File each month. The Fee may be increased or decreased by Teladoc Health if the actual number of Employees in the Eligibility File decreases or increases by more than twenty percent (20%) of this number for a period of three (3) consecutive months. Should Employer determine an error was made in the Eligibility File, Employer may request a credit, not to exceed 5% of the monthly PEPM Fees paid by Employer to Teladoc Health, for the corresponding month as soon as practicable and in no event later than ninety (90) days after the end of the month to which the credit pertains.
3. During the Term and for a period of up to twelve (12) months after the expiration or termination of this Addendum, Teladoc Health may audit Employer's records upon request as may be reasonably necessary to verify the number of Employees reported in the Eligibility File. If any such audit identifies an inaccuracy in such Files, the Parties will adjust the Fees owed by Employer as necessary to correct for such inaccuracy.

**C. Payment of Fees.**

1. Teladoc Health will submit an invoice to Employer on the 4th day of each month based on the Eligibility File delivered by Employer to Teladoc Health for that month ("Invoice"), and Employer agrees to pay such Invoice by the last day of that month.
2. If applicable, Teladoc Health will submit an Invoice to Employer for Case rate Fees on the 1st day of each month with respect to applicable Cases that were completed within the previous calendar month, and Employer agrees to pay such Invoice by the last day of that month.
3. Unless Employer directs otherwise in writing, Teladoc Health will deliver all Invoices for the Expert Medical Services via email to the following email address: [msabori@sanluisaz.gov](mailto:msabori@sanluisaz.gov).
4. If any Fees due to Teladoc Health become more than sixty (60) days delinquent, Teladoc Health may suspend provision of the Expert Medical Services until such amounts have been paid.

**V. Other Terms & Conditions**

The terms and conditions set forth in the Agreement shall apply to the Expert Medical Services in the same manner that such sections apply to the HealthiestYou Virtual Care Services.

## MENTAL HEALTH COMPLETE SERVICES ADDENDUM

This **Mental Health Complete Services Addendum** ("Addendum") is entered into on **July 1, 2024** ("**Addendum Effective Date**"), by and between **Teladoc Health, Inc.** ("**Teladoc Health**") and **City of San Luis Employee Benefit Trust** ("**Employer**"), pursuant to the terms of the Teladoc Health Services Agreement entered into by the Parties, dated **July 1, 2024** ("**Agreement**") which includes a HealthiestYou Virtual Care Services Exhibit (collectively, the "**Agreement**"), the terms and conditions of which are incorporated by reference into this Addendum. Teladoc Health and Employer shall be referred to herein as the "**Parties**" and each individually as a "**Party**".

### **I. Introduction**

- A. Teladoc Health provides access to a suite of online health coaching programs, which includes the management of behavioral health, as more fully described below (the "**Mental Health Complete Services**"), and employs various coaches (each, a "**Chronic Condition Management Program Coach**"). The Mental Health Complete Services consist of the Included Products and Included Services as defined below. In providing the Mental Health Complete Services, Teladoc Health does not provide medical treatment, and the Mental Health Complete Services do not create or otherwise give rise to a physician-patient relationship.
- B. Employer desires to purchase the Mental Health Complete Services for use by certain of its employees ("**Employees**") and their eligible dependents ("**Eligible Dependents**") as an additional benefit in connection with Employer's employee benefits program. "Eligible Dependent" means a "dependent," as defined under the Internal Revenue Code, I.R.C. § 152, or as may be mutually agreed between the Parties. Employees and Eligible Dependents are collectively and each referred to as "**Member(s)**." A Member may enroll in the Mental Health Complete Services as described below, and upon enrollment the Member shall thereafter be defined as a "**Participant**."

### **II. Term and Termination**

- A. Teladoc Health will provide the Mental Health Complete Services to Employer commencing on the Addendum Effective Date. This Addendum commences on the Addendum Effective Date and will continue in force until the expiration of the HealthiestYou Virtual Care Services Exhibit to the Agreement ("**Term**").

### **III. Mental Health Complete Services**

- A. During the Term, Teladoc Health will provide the Mental Health *Complete* Services described in this Addendum.
- B. **Mental Health Complete Services for Participants.** Mental Health Complete Services is a virtual mental health product featuring a comprehensive personalized solution that addresses the full spectrum of mental health acuties. The innovative, evidence-based approaches incorporated into each level of care create an effective and scalable solution. Mental Health Complete Services include access to the web-based and mobile applications. Participants may follow guided pathways suggested in their personal plan or choose their own path of care. A wide range of evidence-based resources is available, from digital programs like short-form coping tools and condition-specific programs, to virtual care and licensed virtual care.
  1. **Mental Health Complete - Included Services:**
    - i. Access to the Teladoc Health mobile application and the Teladoc Health online platform. The platform will provide Participants aged 18 and above with access to a broad set of digital programs, and resources, as well as access to several human-led care options.
    - ii. Through the onboarding and reassessment process, Participants will access the following:
      - a. Digital assessment: a broad, clinically-based assessment incorporates validated clinical questionnaires supplemented with contextual personal information.
      - b. Personal plan: the personalized plan defines the mix of care for the Participant based on the digital assessments.
      - c. Ongoing measurement-based care: digital content is continually refined based on as the Participant uses the app.
    - iii. A wide range of digital programs and resources include the following:
      - a. In the moment tools: recommended to Participants based on their needs
      - b. Recommended digital content: a personalized mix of articles, videos, exercises - relevant to the plan's focus areas.
      - c. Structured digital courses: courses which utilize proven, evidence-based techniques to lead Participants through a defined curriculum. They cover the most common focus areas including depression and anxiety.
    - iv. Remote care, inclusive of the following:
      - a. 1:1 dedicated coach: asynchronous, chat-based guidance provides ongoing support and encouragement to optimize engagement
      - b. Crisis Outreach: Proactive outreach from trained crisis managers for Participants who endorse high levels of distress

- c. Live coaching session: A unique blend of live human guided coaching, supplemented with digital programming, with certified Chronic Condition Management coaches
- d. Virtual Care Services - Mental Health Care. Mental Health Complete Services have an additional component as well, connecting Participants to Teladoc Health's Mental Health Care Services.
  - Teladoc Health's provision of Mental Health Care Services will be governed by the terms of the HealthiestYou Virtual Care Services Exhibit entered into by the Parties.

**C. Mental Health Complete Services for Employer.** Teladoc Health will provide the following Mental Health Complete Services to Employer:

1. Account Support. Availability to Employer to assist with the following:
  - i. Implementing the Mental Health Complete Services;
  - ii. Launching the Member Engagement Package(s) described below, and monitoring its performance;
  - iii. Providing assistance to Employer in answering questions and resolving issues; and
  - iv. Reviewing and explaining reporting.
2. Reporting\*. Providing Employer with the following reporting, in a HIPAA-compliant format:
  - i. Monthly standard scorecard reporting package related to: Participant Enrollment, Clinical Outcomes, Portfolio Performance and Engagement.
  - ii. If Employer requests Teladoc Health to prepare any non-standard reports that require information technology programming, Teladoc Health will charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary for such non-standard reporting program development.

\*The information included in any such report will be de-identified (*i.e.*, aggregated). In accordance with applicable law, Teladoc Health will not share any personal identifiable information of any Member with Employer in such reports.

3. Communications & Member Engagement. Fees include the following Member Engagement Package(s):
  - i. **Member Engagement Package:**
    - a. Teladoc Health will provide a template description of the Mental Health Complete Services for use by Employer to communicate the Mental Health Complete Services to Employees. Any changes or modifications to such template description, and any and all materials used by Employer or its agents to describe the Mental Health Complete Services (other than the template descriptions, materials or marketing assets provided by Teladoc Health directly or through its Engagement Center without changes or modifications by Employer/Health Plan), must be approved in advance in writing by Teladoc Health prior to distribution. Such communications include, but are not limited to, those that are in written form, on websites, on the radio, on television, sent by email, sent by fax, etc. In addition, Employer hereby authorizes Teladoc Health to communicate directly with the Employees for the purpose of: (i) promoting the Mental Health Complete Services and ancillary services or products related to the provision of virtual care; and (ii) treatment, payment, and health care operations of Teladoc Health.
    - b. Teladoc Health will perform the following multi-channel enrollment outreach through its Optimized Enrollment Plan which includes:
      - i. Utilization of the full suite of Teladoc Health enrollment marketing assets including, but not limited to, emails and direct mail as created by Teladoc Health and delivered at Teladoc Health's recommended cadence. Teladoc Health will conduct A/B marketing material testing to optimize enrollment.
      - ii. Enablement of incentives to be sent from Teladoc Health to Members
      - iii. Teladoc Health will provide Employer with standard Mental Health Complete Services marketing assets. Employer will have access to the Teladoc Health Engagement Center, a self-service digital repository of marketing communication assets for Employer-led marketing to Employees.
    - c. Employer shall provide Employee email, phone numbers, and mailing addresses to Teladoc Health to the fullest extent possible;
    - d. Outreach to non-enrolled Employees by both parties will cease upon termination of the Agreement
4. Employer Responsibilities. Employer shall be responsible for and/or provide the following:
  - i. **Monthly Eligibility Information:** Within twenty (20) calendar days following the Addendum Effective Date and on a monthly basis thereafter, Employer, or its third-party administrator, shall deliver to Teladoc Health a complete list ("**Member Eligibility File**") of all eligible Employees in a format approved by Teladoc Health ("**Member Information**"). Employer understands it is the Employer's responsibility to secure Teladoc Health access to use such Member Information as set forth herein. Employer represents and warrants that it is authorized by Members to provide Member Information to Teladoc Health, and allow Teladoc Health to use the Member Information as follows: (i) pre-populate the Mental Health Complete Services enrollment system; (ii) assist Employer in marketing the Mental Health Complete Services to Members; and (iii) report to Employer to the extent set forth in this Addendum.
  - ii. In relation to Communications & Member Engagement, Employer shall provide the approved description of the Mental Health Complete Services to Employees; cooperate with Teladoc Health in implementing the Mental Health

Complete Services; provide consistent contextual placement of content and messaging related to the Mental Health Complete Services across all appropriate Employee touch-points (e.g. Employee Benefits Portal, Direct Outreach, Open Enrollment, Newsletters, etc...). Provide Teladoc Health with timely and accurate contact information for Employees including: name(first, last, middle initial, mailing address, email address and phone number.

- iii. If Employer subsequently requests a modification to their method of delivering the Member Eligibility File or Member Enrollment File, Teladoc Health may charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary to effect such modification.

#### **IV. Mental Health Complete Services Fees**

- A. "PEPM" means "Per Employee Per Month," which the Parties recognize as a common term in the health care industry. For purposes of this Addendum, PEPM is defined as the applicable rate paid by Employer to Teladoc Health for each Employee eligible to enroll in the Mental Health Complete Services each month.
- B. **Fees.** Employer agrees to pay Teladoc Health the following fees in connection with the Mental Health Complete Services.
  1. **Mental Health Complete Services Fees.** Employer agrees to pay Teladoc Health the following fees in connection with the Mental Health Complete Services:
    - i. There will be no additional PEPM Fees charged to the Employer for the Mental Health Complete Services.
    - ii. When accessing MH Care Visits related to the Mental Health Care Services, Participants will be subject to the applicable MH Care Visit Fees or Utilization Target, as set forth in the HealthiestYou Virtual Care Services Exhibit entered into by the Parties.
  2. The fee(s) for Mental Health Complete Services are based on approximately **288** Employees in the Eligibility File each month.

#### **V. Other Terms & Conditions**

The terms and conditions set forth in the Agreement shall apply to the Mental Health Complete Services in the same manner that such sections apply to the HealthiestYou Virtual Care Services.



## AGENDA ITEM REVIEW FORM

### Special Employee Benefit Trust Board Meeting

3. B.

**Meeting Date:** 05/29/2024

**Department Head:** Adela Cortez, Director Human Resources, Human Resources Department

**Submitted By:** Maria Barajas Gutierrez, Human Resources Coordinator, Human Resources Department

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#### ITEM:

Discussion and action on any and all matters regarding the Stop Loss Insurance Plan renewal. (**Oscar Diaz, Vice President of CBIZ-Business Development**).

#### SUMMARY:

Under a stop-loss policy, the insurance company becomes liable for losses that exceed certain limits called deductibles. There are two types of self-funded insurance:

- **Specific Stop Loss** (aka “individual stop loss” or ISL): Protects the employer against an excessive amount of claims being paid on behalf of any specific claimant during the plan year.
- **Aggregate Stop Loss** (ASL): Protects against the entire plan’s expenses far exceeding what is predicted to be the average expense per employee over the course of the plan year.

Currently, our stop-loss carrier policy consists of a specific deductible of \$50,000 per individual, and a laser of \$185,000. The laser is a secondary Specific Stop Loss level that has been set on an individual basis for a particularly high-risk claimant. Having this low deductible results in the City paying a significantly high amount of fixed costs. Customarily, agencies of our size are at a higher ISL level.

Annually, the benefits Broker/Consultant goes out to the market for competitive pricing when negotiating a renewal or before recommending a change to the stop-loss carrier. Additionally, CBIZ conducted a study to determine the appropriate ISL level to recommend to COSL.

Unlike other years, some challenges were encountered during this year’s bidding process as most of the carriers declined to submit a proposal. Out of 16 companies, only two submitted quotes, which came higher than the rate our existing stop-loss carrier (Matrix Group Benefits, LLC). Matrix Group Benefits provided a Renewal Proposal for Fiscal Year 2024-2025 – ISL of \$100,000 and 2 other lasers: one for \$135,000 and one for \$235,000.

Following the study and the bidding process, we believe that the following two options may be the most feasible:

1. Increase the ISL limit from \$50,000 to \$100,000 – Savings in the Annual Stop-Loss premiums of \$175,600 (-23.6%).
2. Increase the ISL limit from \$50,000 to \$100,000 and add an ASL deductible of \$50,000 – Savings in the Annual Stop-Loss premiums of \$226,000 (-30.4%).

It would be our recommendation to select option #2 which will provide the highest savings to the City.

Additionally, we are recommending maintaining the same employees' contribution and the Employee Benefit Trust funding level due to its favorable reserves position, and improved claims performance.

**RECOMMENDATION / SUGGESTED MOTION:**

**I MOVE TO APPROVE REMAINING WITH MATRIX GROUP BENEFITS, LLC AS OUR STOP-LOSS INSURANCE CARRIER AND SELECT POLICY OPTION #2 - AS PRESENTED.**

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**Fiscal Impact**

**Fiscal Impact:**

N/A

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**Attachments**

STOP-LOSS FIRM PROPOSAL

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Employer	<b>City of San Luis</b>	Quote 106473 Proposal 155476			
Issued To	<b>Arizona Benefit Plans, Inc.</b>	Census	Single	Family	Total
Effective Date	<b>7/1/2024</b>	All Cvgs	189	116	305
Carrier	<b>Nationwide Life Insurance Company</b>				
Underwriter	<b>Katy Beaulieu</b>				

SPECIFIC	Platinum Program	Platinum Program
<b>Specific Deductible</b>	<b>100,000</b>	<b>100,000</b>
<b>Treaty Year Maximum</b>	Unlimited	Unlimited
<b>Contract Basis</b>	<b>24/12</b>	<b>24/12</b>
<b>Covered Benefits</b>	Med,Rx	Med,Rx
<b>Aggr Spec Deductible</b>	n/a	50,000
<b>Specific Advance</b>	Included	Included
<b>Estimated Premium</b>	522,312	472,331
<b>Premium Rates</b>		
Single	75.74	68.85
Family	251.82	227.14
<b>AGGREGATE</b>		
<b>Covered Benefits</b>	Med,Rx	Med,Rx
<b>Contract Basis</b>	<b>24/12</b>	<b>24/12</b>
<b>Run In Limit</b>	n/a	n/a
<b>Maximum Benefit</b>	1,000,000	1,000,000
<b>Minimum Attachment Point</b>	3,091,720	3,091,720
<b>Estimated Premium</b>	16,690	16,690
<b>Aggregate Factors</b>		
Single	499.29	499.29
Family	1,654.35	1,654.35
<b>Premium Rate</b>		
Composite	4.56	4.56
<b>Aggregate Accommodation</b>	n/a	n/a
<b>Terminal Liability Option</b>	n/a	n/a
<b>RMS Fee</b>	7.80	7.80
<b>CONTRACT LENGTH</b>	12	12
<b>ESTIMATED MAX COST</b>	\$4,002,794	\$3,952,813
<b>COMMISSION</b>	0.00%	0.00%

**Underwriter's Notes**  
 \$235,000 | \$135,000



Employer **City of San Luis**  
Eff. Date **7/1/2024**

Quote ID 106473  
Proposal ID 155476

**The terms of this offer are tentative and subject to change based on receipt, review and approval of the following:**

- 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 All documentation provided for Disclosure is on file with AccuRisk Solutions, LLC

5C 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.

6C Reimbursement of savings fees will be limited to 25% of net realized savings

7C Rx rebates will be reduced from all aggregate reimbursement, regardless of how the plan appropriates them

8C 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.

9C Plan Document Mirroring-The Company hereby agrees to accept as Eligible Claims Payments all Plan benefit(s) Paid by the Policyholder, provided that such benefits are:

1. Paid in accordance with the terms of the Plan,
2. Incurred and Paid within the Contract's Benefit Period,
3. Paid under a covered benefit provided by the Stop Loss Insurance Contract, as shown on the Schedule.

Written notice of any change to the Plan must be provided to the Company as shown in the Miscellaneous Provisions, Amendment to the Plan. All other terms and conditions of the Stop Loss Insurance Contract remain unchanged.

10C 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.

- --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.

--Rates are not firm until all documentation is received and completed for Disclosure.



Employer	<b>City of San Luis</b>	Quote ID	106473
Eff. Date	<b>7/1/2024</b>	Proposal ID	155476

**The terms of this offer are tentative and subject to change based on receipt, review and approval of the following:**

--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.

--This proposal is not final until a proposal option has been selected and the required Disclosure Statement has been received, reviewed and approved.

--This proposal assumes a 90 day disclosure, and can be locked in advance of the effective date if the application process is completed as outlined below:

- a) Confirmation of acceptance of this proposal;
- b) Signing and returning the completed application, disclosure and Schedule of Insurance we provide you no later than May 15, 2024. After May 15th claims are subject to continued underwriting and the proposal is subject to change based on claims and precertification reported through April 30, 2024.

--Rates and/or factors may be recalculated if the enrollment of the group increases or decreases by 10% from the first month's enrollment of the current contract period or the 9th month of the prior contract period.

--Aggregate factors may be recalculated if the average claims in the last 4 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 Siamed (US and Mexico) and BCBS of Arizona (US only) PPOs, for In-Network and Out-of-Network benefits that apply according to plan.

--No claims will be reimbursed until all claims in excess of the specific attachment point exceed the specific aggregating corridor(s) noted on page 1 of the proposal.

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

--Marketing, sales, distribution activities and administrative support services are provided by Arizona Benefits on behalf of Accurisk Solutions a Ryan Specialty Benefits Company. Arizona Benefits may receive compensation for these services from Accurisk Solutions. If you have any questions regarding this arrangement, please contact Accurisk Solutions.

--The medical stop loss coverage is underwritten by Nationwide Life Insurance Company, Columbus, Ohio (CA COA #7032). Applicable to policy form GBSL AO L20 or state equivalent. In Hawaii, Louisiana and Oregon, the coverage is underwritten by Nationwide Mutual Insurance Company, Columbus, Ohio.

## 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 sponsors 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. **Neither MATRIX Group Benefits, LLC nor Matrix RMS are 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.



## AGENDA ITEM REVIEW FORM

### Special Employee Benefit Trust Board Meeting

3. C.

**Meeting Date:** 05/29/2024

**Department Head:** Maria Munoz, HR Benefits Coordinator, Human Resources Department

**Submitted By:** Maria Munoz, HR Benefits Coordinator, Human Resources Department

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#### ITEM:

Discussion and possible action on any and all matters regarding the allocated budget for City's Wellness Program. **(Maria Munoz, Human Resources Analyst)**

#### SUMMARY:

Wellness programs strengthen the physical, mental, and financial well-being of individuals. Therefore, the City of San Luis is committed to continually enhancing our Wellness Program to include activities that promote the mental and financial welfare of our employees.

Currently, the Wellness Program has budget allocations in two different areas: the Human Resources Department and the Employee Benefit Trust. This current practice has made it difficult to determine which service fees or items should be paid from which account. A sole allocation of funds under the Human Resources department will help us better track the budget for these activities and properly coordinate wellness activities and events.

#### REQUEST

The Human Resources Department requests to reallocate the \$18,000 currently allocated for the Wellness Program under the Employee Benefit Trust to the Human Resources Department.

#### RECOMMENDATION / SUGGESTED MOTION:

**I APPROVE REALLOCATING THE \$18,000 FROM THE EMPLOYEE BENEFIT TRUST AND ALLOCATE IT TO GL ACCOUNT 100-125-80005-SPECIAL SERVICES AS PRESENTED.**

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## AGENDA ITEM REVIEW FORM

### Special Employee Benefit Trust Board Meeting

4. A.

**Meeting Date:** 05/29/2024

**Department Head:** Adela Cortez, Director Human Resources, Human Resources Department

**Submitted By:** Maria Barajas Gutierrez, Human Resources Coordinator, Human Resources Department

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#### ITEM:

Discussion and possible action to hold an executive session pursuant to A.R.S. § 38-431.03(A)(2), (3), and (4) on any and all matters regarding certain claims under the Employee Benefits Plans and discussion or consultation for legal advice with the City Attorney. **(Kay Marion Macuil, City Attorney)**

#### SUMMARY:

The City Attorney can properly advise the Council by holding an Executive Session for the purposes described in the agenda item.

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO HOLD AN EXECUTIVE SESSION PURSUANT TO A.R.S. §§ 38-431.03(A)(3) and (4).**

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#### Fiscal Impact

#### Fiscal Impact:

N/A

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