

## FIRST AMENDMENT TO THE MASTER SERVICES AGREEMENT NO. MSA-866349

**THIS FIRST AMENDMENT** is entered into effective as of November 1, 2014 between Aetna Life Insurance Company, a Connecticut corporation located at 151 Farmington Avenue, Hartford, Connecticut, its affiliated HMOs, if indicated in Appendix V, its other affiliates and subsidiaries (collectively "Aetna") and Williamson County, a political subdivision of the State of Texas and a body politic duly organized and existing under the laws of the State of Texas, with its principal place of business located at 710 Main Street, Suite 101, Georgetown, Texas 78626 ("Customer").

**WHEREAS**, Aetna and Customer entered into a Master Services Agreement as of November 1, 2014 (the "Agreement"), wherein Customer wishes to make available one or more products offered by Aetna ("the Products"), as specified in the SASS; and

**WHEREAS**, the parties seek to amend the Agreement to include the Seton Health Alliance attachment reflecting the Seton Health Alliance ACO Arrangement;

**NOW, THEREFORE**, in consideration of the mutual covenants, terms and conditions herein contained, the parties agree as follows:

1. Effective November 1, 2014 the Service and Fee Schedule to the Agreement is amended and restated in its entirety to read as set forth in Attachment A to this First Amendment.
2. Except as amended by this First Amendment, the Agreement remains in full force and effect. All references to the Agreement in any other agreement or document shall hereinafter be deemed to refer to the Agreement as amended by this First Amendment.
3. In the "HMO Based Medical Service and Fee Schedule" attached, the fees have been revised to include the additional two programs added as follows:

### Self-Funded Medical Administrative Fee Exhibit

November 1, 2014 through October 31, 2015,

Mature

Administrative Fees Per Employee Per Month	Choice POS II	Seton ACO Open Access Aetna Select
Assumed Enrollment	489	910
Total Per Employee Per Month	\$46.06	\$49.48

4. In the "HMO Based Medical Service and Fee Schedule" attached, the list of programs have been revised to include two additional programs for Medquery and Simple Steps Incentives Tracking as follows:

▪ MedQuery <sup>SM</sup> with Member Messaging	Included
▪ MedQuery <sup>SM</sup> without Member Messaging	Included

HMO Based Medical SFS

▪ Simple Steps To A Healthier Life <sup>®</sup>	Included
▪ Simple Steps Incentive Tracking	Included

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the date first set forth above.

WILLIAMSON COUNTY

By: 

Name: DAN A GATTI

Title: County Judge

AETNA LIFE INSURANCE COMPANY on behalf of itself and its affiliates and subsidiaries:

By: 

Name: Darren Bruton

Title: Sr. Director of Sales & Service

Attachment A

**SERVICE AND FEE SCHEDULE**

The corresponding Service Fees effective for the period beginning November 1, 2014 and ending October 31, 2015 are specified below. They shall be amended for future periods, in accordance with Section 6 of the Master Services Agreement. Any reference to "Member" shall mean a Plan Participant as defined in the Master Services Agreement.

Product	Per Employee* Per Month Fee -
	*A person within classes that are specifically described in Appendix I, including employees, retirees, COBRA continues and any other persons including those of subsidiaries and affiliates of Customer who are reported, in writing, to Aetna for inclusion in the Services Agreement.

**Self-Funded Medical Administrative Fee Exhibit**

November 1, 2014 through October 31, 2015, Mature

Administrative Fees Per Employee Per Month	Choice POS-II	Seton ACO Open Access Aetna Select
Assumed Enrollment	489	910
Total Per Employee Per Month	\$46.06	\$49.48

Our fees are based on the total number of employees enrolled in Aetna medical, pharmacy and vision products.

Please refer to the Financial Assumptions document for a detailed description of the services, terms, and conditions associated with our self-funded proposal.

We guarantee that the second-year fees will increase over the first-year mature fees by no more than 3%. We also guarantee that the third-year fees will increase over the second-year fees by no more than 3%. We also guarantee that the fourth-year fees will increase over third-year fees by no more than 4%. We also guarantee that the fifth-year fees will increase over fourth-year fees by no more than 4%.

Please note: The following fees are not included in the per-employee, per-month fees quoted above.

- \* National Advantage™ Program is based on a percentage of savings achieved.
- \* Subrogation Resolution service is a percentage of the recovered amount.
- \* Institutes of Excellence™ transplant network is charged on a per-transplant basis.

Included Services / Programs in Above Administrative Fees	Choice POS II	Seton ACO Open Access Aetna Select
<b>Implementation &amp; Communications</b>		
\$25,000 Transition Allowance (Year 1 Only)	Included	Included
\$50,000 Wellness Allowance	Included	Included
\$7,500 Post Implementation Audit Allowance (Year 1 Only)	Included	Included
Designated Implementation Manager	Included	Included
Open Enrollment Marketing Material (noncustomized)	Included	Included
Onsite Open Enrollment Meeting Preparation	Included	Included
Standard ID Cards	Included	Included
<b>Claims and Member Services</b>	Included	Included
24-Hour Nurse Line (Informed Health <sup>®</sup> Line toll-free number)	Included	Included
Integrated Voice Response	Included	Included
Plan Sponsor Liaison	Included	Included
Claim Processing and Adjudication	Included	Included
Special Investigations / Zero Tolerance Fraud Unit	Included	Included
<b>Total Health Management</b>		
Case Management	Included	Included
Patient Management	Included	Included
Inpatient Precertification	Included	Included
Outpatient Precertification	Included	Included
Utilization Management - Concurrent Review	Included	Included
Utilization Management - Discharge Planning	Included	Included
Utilization Management - Retrospective Review	Included	Included
Managed Behavioral Health	Included	Included
Compassionate Care Program	Included	Included
National Medical Excellence	Included	Included
Health Risk Assessment (Simple Steps To A Healthier Life <sup>®</sup> )	Included	Included
<b>Plan Sponsor Services</b>		
Experienced Service Team: Executive Sponsor, Account Executive, Account Manager, Account Coordinator	Included	Included
Designated Billing, Eligibility and Plan Set Up	Included	Included
SPD Review and Drafting	Included	Included
<b>Administrative Services</b>		
Claim Fiduciary - Option 1 (Aetna fiduciary for both levels of appeals)	Included	Included
External Review	Included	Included
Claim Fiduciary—Alternative Option 6 (Aetna fiduciary only for level 1 appeals)	Included Decrement of (\$1.15)	Included Decrement of (\$1.15)
<b>Network</b>		
Network Access / Full National Reciprocity	Included	Included
Online Directories (DocFind)	Included	Included
Paper Provider Directories (Doc Find)	Included	Included
<b>Web Tools</b>		
Aetna Navigator <sup>®</sup> - Member Self Service Web Portal	Included	Included
Web-Chat Technology - Virtual Assistant Ann	Included	Included

Health Improvement Decision Support Tools	Included	Included
Surgery Decision Support (Welvie) – Online Program Only	Included	Included
Aetna IntelliHealth™	Included	Included
<b>Reporting</b>		
5 Hours of Ad Hoc Reports, Annual Restoration	Included	Included
Quarterly Utilization Reports - Aetna Informatics Level A	Included	Included
Quarterly Utilization Reports - Aetna Informatics Level B	Included	Included
Monthly Financial Claim Detail Reports	Included	Included
<b>Claim Funding</b>		
Standard Daily Wire Process	Included	Included
Additional fee for weekly wire	Additional \$0.34	Additional \$0.34
Additional fee for one additional day beyond normal due date	\$250	\$250
<b>Other</b>		
Aetna Vision <sup>SM</sup> Discount Program	Included	Included
Aetna Fitness <sup>SM</sup> Discount Health Club Program	Included	Included
Aetna Natural Products and Services <sup>SM</sup> Program	Included	Included
<b>Claim Wire Billing</b>		
Enhanced Clinical Review	Charged through the claim wire. Not included in the PEPM fees above.	
Optional Buy-Up Services / Programs	Choice POS II	Seton ACO Open Access Aetna Select
HIPAA Certificates	\$0.29	\$0.29
Patient Safety (MedQuery™)	\$1.80	\$1.80
Disease Management (Aetna Health Connections <sup>SM</sup> ) <sup>1</sup>	\$2.40	\$2.40
Designated Disease Management <sup>2</sup>	\$0.52	\$0.52
Teladoc <sup>5</sup>	\$0.95	\$0.95
Medical Psychiatric High Risk Case Management Program	\$0.31	\$0.31
Member Messaging (Standard) <sup>3</sup>	\$0.20	\$0.20
Member Messaging (Expanded - All Members)	\$0.20	\$0.20
Preventive Care Considerations (Electronic) <sup>4</sup>	\$0.00	\$0.00
Preventive Care Considerations (Paper)	\$0.20	\$0.20
Personal Health Record (PHR) <sup>1</sup>	\$0.50	\$0.50
Simple Steps Incentive Reporting	\$0.10	\$0.10
Lifestyle Management (Healthy Lifestyle Coaching)	\$2.20	\$2.20
Lifestyle Management (Healthy Lifestyle Coaching) - Lite	\$0.72	\$0.72
Lifestyle Management (Healthy Lifestyle Coaching) - Healthy Weight	\$1.03	\$1.03
Lifestyle Management (Healthy Lifestyle Coaching) - Tobacco Free	\$1.15	\$1.15
Maternity Management (Beginning Right™)	\$0.65	\$0.65
Behavioral Health Disease Management (Depression, Alcohol, Anxiety)	\$0.76	\$0.76
Surgery Decision Support (Welvie) – Online Program with Comprehensive Engagement Plan, Incentive Administration, and Reporting	\$0.35	\$0.35

Mindfulness at Work (Cost of Program varies by Class Type)	\$0.60 - \$1.10	\$0.60 - \$1.10
Aetna Health Connections Get Active <sup>SM</sup> (Standard)	\$0.70	\$0.70
Aetna Health Promise	\$3.50	\$3.50
Aetna Strategic Desktop (ASD) (Per User Per Month)	\$53.00	
EOS Health (Per Participant Per month)	\$22.00	
Pharmacy Integration to Support Benefit Accumulators (Set-up)**	\$5,000.00	
Pharmacy Integration to Support Benefit Accumulators (Ongoing)**	\$0.60	
Pharmacy Integration to Support Aetna Health Connections (Annual Charge)	\$5,000.00	
Monthly Reports to 3rd Party Stop Loss Vendor	\$4,600.00	
Viniyoga Stress Reduction - 1 class (12 weeks, 25-30 students)	\$5,200	

<sup>1</sup> MedQuery\* must be purchased in conjunction with Aetna Health Connections<sup>SM</sup> Disease Management and PHR

<sup>2</sup> Requires the purchase of Aetna Health Connections<sup>SM</sup> Disease Management

<sup>3</sup> Included at no additional charge with the purchase of Aetna Health Connections<sup>SM</sup> Disease Management

<sup>4</sup> Included at no additional charge with the purchase of Personal Health Record

<sup>6</sup> Teladoc - In addition to the per employee per month fee as outlined above, there is also a \$40 per Teladoc consult that is charged through the claim wire.

\*Seton Health Alliance Charge is part of Option 2 and would be applicable to subscribers in the SHA designated plan(s).

\*\*Aetna can only integrate with the following PBM's: Medco/ESI, Catamaran and CVS/Caremark on a realtime basis. Other's would require a manual integration where additional costs would apply.

\*\*\*The base PEPM fee reflects Aetna's fiduciary Option 1, meaning that Aetna serves as full appeal fiduciary for Level 1 and Level 2 appeals. Customer may alternatively elect Aetna's fiduciary Option 6, meaning that Aetna would serve as appeal fiduciary for Level 1 appeals only. If Customer were to elect Option 6, the base PEPM fee would be reduced by \$1.15.

Services applicable and included in above PEPM fees (except where indicated otherwise)	
I. <u>Administration Services</u>	Included
II. <u>Aetna Health Connections<sup>SM</sup> Services</u>	
▪ Utilization Management Inpatient and Outpatient Precertification	Included
▪ Utilization Management Concurrent Review	Included
▪ Utilization Management Discharge Planning	Included
▪ Utilization Management Retrospective Review	Included
▪ Case Management Program	Included
▪ Infertility Case Management	Included

▪ National Medical Excellence/ Institutes of Excellence (with) transportation and lodging expense	Included
▪ MedQuery <sup>SM</sup> with Member Messaging	Included
▪ MedQuery <sup>SM</sup> without Member Messaging	Included
▪ Preventive Care Consideration (PCC) paper copy	Optional – Additional Cost
▪ Aetna Health Connections <sup>SM</sup> Disease Management	Optional – Additional Cost
▪ Beginning Right <sup>SM</sup> Maternity Program	Optional – Additional Cost
▪ Informed Health Line as follows Nurseline 1-800# Only	Included
▪ Wellness Counseling	Optional – Additional Cost
▪ Healthy Body, Healthy Weight	Optional – Additional Cost
▪ Healthy Insights Member Newsletter	Optional – Additional Cost
▪ Preventive Mailings	Optional – Additional Cost
▪ Onsite Health Screening Services	Optional – Additional Cost
▪ Simple Steps To A Healthier Life <sup>®</sup>	Included
▪ Simple Steps Incentive Tracking	Included
▪ Personal Health Record CareEngine <sup>®</sup> -Powered PHR PHR Health Tracker Incentive	Optional – Additional Cost
▪ Focused Psychiatric Review	Not Applicable
▪ Managed Behavioral Health	Included

▪ Intensive Case Management (Behavioral Health)	Optional – Additional Cost
▪ Medical/Psychiatric Case Management	Optional – Additional Cost
▪ Depression Disease Management	Optional – Additional Cost
▪ Anxiety Disease Management	Optional – Additional Cost
▪ Alcohol Disease Management	Optional – Additional Cost
▪ Enhanced Clinical Review	Optional – Additional Cost
▪ Flexible Medical Model Flex Option 1 Flex Option 2 Flex Option 3 Frequent ER Visits Informed Health Line Call Backs Pharmacy Non-Compliance Multiple Visits to Providers Outpatient Cancer Program	Optional – Additional Cost
▪ Aetna's Compassionate Care <sup>SM</sup> Program	Included
▪ ACCP Enhanced Hospice Benefits Package	Included
▪ Designated Team ▪ Designated Team ▪ CAT (Care Advocate Team)	Optional – Additional Cost
Aetna Health Connections Get Active <sup>SM</sup> as follows: Shape up competition/tracking multi-week program (without) pedometer Stay in Shape Year-round Program (without) pedometer	Optional – Additional Cost

HMO Based Medical SFS



Aetna Benefits Advisor	Optional – Additional Cost
▪ Healthy Lifestyle Coaching Tobacco Free	Optional – Additional Cost
▪ Healthy Lifestyle Coaching	Optional – Additional Cost
Member Health Engagement Plan (MHEP) Progress Bar Incentive Administration	Optional – Additional Cost
Mindfulness at Work™	Optional – Additional Cost
The Aetna Fitness <sup>SM</sup> Reimbursement Program	Optional – Additional Cost
Aetna Concierge	Optional – Additional Cost

IV. <u>Aetna Subrogation Program</u>	30% of recovered amount will be retained
V. <u>Group Health Certification Services</u>	Optional – Additional Cost of \$0.29 per employee per month

VI. <u>National Advantage Program (NAP)</u>		National Advantage Access Fee:
National Advantage - Facility Charge Review (NAP-FCR)	Included	50% of Aggregate Savings – Fee will be included in Plan Benefit Funding Request from Bank
National Advantage- Itemized Bill Review (IBR)	Included	

VII. <u>Draft SBC</u>	Included at a charge of \$1,500 per draft SBC, with an annual charge not to exceed \$15,000.
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Aetna also may adjust Service Fees effective as of the date on which any of the following occurs.

(1) If, for any product, there is a:

- 10% decrease in the number of Employees from the number assumed by Aetna below.

Total Employees

1,399

#### **Late Payment Charges**

In addition to any termination rights under the Services Agreement which may apply, if the Customer fails to provide funds on a timely basis to cover Plan benefit payments as provided in Section 8 of the Master Services Agreement, and/or fails to pay Service Fees on a timely basis as provided in Section 6 of the Master Services Agreement, Aetna will assess interest as a late payment charge. Interest charges for any late payments shall be paid by Customer in accordance with Texas Government Code Section 2251.025. More specifically, the rate of interest that shall accrue on a late payment is the rate in effect on September 1 of Customer's fiscal year in which the payment becomes due. The said rate in effect on September 1 shall be equal to the sum of one percent (1%) and the prime rate published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday.

In addition, Aetna will assess a charge to recover its costs of collection including reasonable attorneys' fees.

### Seton Health Alliance ACO Arrangement

For all Williamson County members enrolled in the Aetna Whole Health - Seton Health Alliance product, there will be a performance based compensation program that is based on both quality and efficiency.

#### Accountable Care Payments

There is no Accountable Care Payment in the first policy year.

#### Illustrative Cost Share Target Methodology

Step	Seton Healthcare ACO Service Area Membership	5,000	As of December, 2013
1.	Net Total Incurred Claims PMPM	\$320.00	Williamson County claims experience for the most recent 12 months trended to contract year 2013(baseline). To be updated for experience period of 11/1/13-10/31/14 in March of 2015.
2.	Pooled Claim Removal	(\$20.00)	Removes amount of claims above \$100,000 for each member in the baseline year, also to be updated in March of 2015
3.	Net Adjusted Non-Pooled Incurred Claims PMPM	\$300.00	Total of Step 2 subtracted from Step 1
4.	Annual Trend	9.5%	2014 Seton Healthcare ACO service area trend applied
5.	Months to Trend Experience	12	Used to trend the baseline experience forward to reflect the 11/1/2014-10/31/2015 policy period.
6.	Trended Experience Incurred Claims PMPM	\$328.50	Projected Aetna pre-ACO claims for contract year 2014.
7.	Plan Design Adjustment	0%	While the ACO plan design can be a buy-up or buy-down plan as compared to current designs, for this example, we've assumed a design that is cost neutral to current. Seton Healthcare expects a single tier concentric design.
8.	ACO Savings	-8.9%	Expected savings for the Seton Healthcare ACO. Assumes plan design is Concentric and provides proper steerage.
9.	ACO Cost Share Target PMPM	<u>\$299.26</u>	Projected claims for contract year 2014 for which the Seton Healthcare ACO will be measured against.

### **Cost Share Reconciliation**

Upon completion of the policy year, there will be a reconciliation of the Cost Share. This reconciliation will be completed specifically for Williamson county. The actual claims experience PMPM for 11/1/14 – 10/31/15, with the same pooled claim removal used above, will be compared to the Medical Cost Share Target PMPM.

- **Cost Share Savings** – Medical Cost Share Target PMPM minus actual claims experience PMPM
  - **Adjusted Cost Share Savings** – Adjustments made based on the below:
    - **Cost Share Cap** – If the cost share savings is greater than 15% above or below the Medical Cost Share Target PMPM then the cost share savings will be capped at 15% of the Medical Cost Share Target PMPM.
    - **Minimum Savings Rate (MSR)** – If the cost share savings is within 5% above or below the Medical Cost Share Target PMPM then the cost share savings will be zero.
    - **Quality Adjustments** – If Seton Health Alliance does not meet quality metrics, once the baseline has been set, the amount of the Seton Health Alliance bonus opportunity may be reduced.
  - **AWH Share Percentage** – Williamson County and the Seton Health Alliance will each share 50% in the Adjusted Cost Share Savings.
- Timing**
- **Year End Reconciliation** – The amount of any refund or bonus payment will be calculated and communicated to Williamson County and to Seton Health Alliance. Any funds due are expected to be paid within 30 days of the communication. The year end reconciliation is completed based on Williamson County's contract period. Reconciliations include 3 months of runoff. Williamson County's 2014 year end reconciliation will be completed in April 2016.

### **Aetna Whole Health – Administration Fees**

A fee of \$1.50 PMPM will be assessed for administration of the Aetna Whole Health - Seton Health Alliance. This administration fee is not considered part of the medical cost.

**Cost Share Reconciliation Examples (not tied to Williamson County specific claims)**

	Example 1	Example 2	Example 3
	Actual claims below target	Actual claims below target	Actual claims above target
Projected Claims without AWH	\$330.00	\$330.00	\$330.00
AWH Medical Cost Share Target PMPM	\$300.00	\$300.00	\$300.00
Actual Claims PMPM	\$280.00	\$294.00	\$320.00
Difference from Target	\$20.00	\$6.00	(\$20.00)
Adjusted Difference from Target*	\$20.00	\$0.00	N/A
50% Share	\$10.00	N/A	N/A
Bonus Earned by AWH	\$10.00	\$0.00	\$0.00
Total Savings to Plan Sponsor	\$40.00	\$36.00	\$10.00

\*Adjusted for the minimum savings rate (5%), cost share cap (15%).

**Conditions**

- This arrangement is conditional on approval by Seton Health Alliance on the arrangement specifics, including the methodology used to calculate the Cost Share Target/Reconciliation.
- Williamson County will position the Aetna Whole Health – Seton Health Alliance product at a more favorable pricing position for Williamson County employees than the Aetna broad market option to drive membership into the Seton Health Alliance offering.
- AWH product benefit design will have amounts for deductible, coinsurance, and out of pocket maximums materially more favorable to employees than the broad network offering in order to drive a high enrollment into the Seton AWH plan.
- This cost share arrangement only applies to claims incurred from November 1, 2014 through October 31, 2015 with 3 months of run out for the Aetna Whole Health – Seton Health Alliance product for full-time active associates only (does not apply to associates enrolled in COBRA)
- Plan design must be a single tier with Aetna Whole Health – Seton Health Alliance. No other tiers can be offered.
- Aetna's Savings Plus Plan or an AWH plan which is not affiliated with Seton, will not be offered to Williamson County employees.

- Prior to final target being calculated, all plan designs from prior carriers will be required, along with monthly claim utilization for policy year 2013, and a listing of all claims in excess of \$50,000 for policy year 2013.
- Certain catastrophic claims will be excluded from the total incurred claims of both the base year and the effective period to "normalize" the incurred claims.
- Appropriate changes may be applied to this cost share arrangement if there are any changes to the current or proposed benefit plans, if there are significant changes in the enrolled population (i.e. geographic, demographic, or eligible mix), if there is a significant change in the portion of members who purchase Pharmacy coverage, or if there is a change in government laws or regulations which have a significant impact on claim costs.

#### **Performance Guarantee**

Seton Health Alliance agrees to put \$10,000 at risk for its ability to build an adequate network for Williamson County. If after one year, Williamson County is not satisfied with the Seton Health Alliance network, Seton Health Alliance agrees to pay the County \$10,000. Seton Health Alliance recognizes that the determination of network adequacy is at the discretion of the County.

#### **Unit Cost Concession**

Seton Health Alliance agrees to provide a unit cost concession to Williamson County only to be applicable if specific membership goals are met. The following percentage enrollment of Williamson county employees applies:

65% enrollment ...	17.25% unit cost concession
60% enrollment ...	13.25% unit cost concession
55% enrollment ...	9.25% unit cost concession
50% enrollment ...	6.25% unit cost concession
40% enrollment ...	3.25% unit cost concession
30% enrollment ...	1.25% unit cost concession

This unit cost concession applies to facility charges only.