

## ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") between United HealthCare Services, Inc. ("United" in this Agreement) and Williamson County ("Customer" in this Agreement) is effective January 1, 2018 ("Effective Date"). This Agreement covers the services United is providing to Customer, either directly or in conjunction with one of United's affiliates, for use with Customer's Self-Funded employee benefit plan and apply to claims for Plan benefits that are incurred on or after the Effective Date.

United HealthCare Services, Inc. identifies this arrangement as Contract No.: 911463

By signing below, each party agrees to the terms of this Agreement.

Williamson County  
901 S Austin Avenue  
Georgetown, TX 78626

By: \_\_\_\_\_

Authorized Signature

Print Name: DAVID GATTLI

Print Title: County Judge

Date: 06-12-2017

United HealthCare Services, Inc.  
185 Asylum Street  
Hartford, CT 06103-3408

By: \_\_\_\_\_

Authorized Signature

Print Name: Holly Durinick

Print Title: Regional Contract Mgr.

Date: 6/15/2017

ASA 2Q 2016

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## Section 1 – Definitions

When these terms are capitalized in the Agreement they have the meanings set forth below. The words may be singular or plural.

**Bank Account:** Bank Account maintained for the payment of Plan benefits, expenses, fees and other Customer financial obligations.

**Employee:** A current or former employee of Customer or its affiliated employer.

**IRC:** The United States Internal Revenue Code of 1986, as amended from time to time.

**IRS:** The United States Internal Revenue Service.

**Network:** The group of Network Providers United makes available to the Plan who have entered into or are governed by contractual arrangements under which they agree to provide health care services to Participants and accept negotiated fees for these services.

**Network Pharmacy:** A retail pharmacy, mail order pharmacy, specialty pharmacy or other facility that is duly licensed to operate as a pharmacy at its location and to dispense prescription drugs to Participants, and has entered into a Network Pharmacy agreement. An affiliate of United, in its capacity as a mail order pharmacy or specialty Pharmacy, is a Network Pharmacy of the Customer.

**Network Provider:** The physician, or medical professional or facility which participates in a Network. A provider is only a Network Provider if they are participating in a Network at the time services are rendered to the Plan Participant.

**Overpayments:** Payments that exceed the amount payable under the Plan. This term does not include overpayments caused by untimely or inaccurate eligibility information.

**Participant:** Employee or dependent who is covered by the Plan.

**PHI:** Any information United receives or provides on behalf of the Plan which is considered Protected Health Information as the term is defined in the privacy regulations of the Health Insurance Portability and Accountability Act of 1996.

**Plan:** The plan to which this Agreement applies, but only with respect to those provisions of the plan relating to the Self-Funded health benefits United is administering, as described in the Summary Plan Description.

**Plan Administrator:** The current or succeeding person, committee, partnership, or other entity designated the Plan Administrator who is generally responsible for the Plan's operation.

**Proprietary Business Information:** Nonpublic information, trade secrets, and other data including, but not limited to, sales and marketing information, management systems, strategic plans and other information about the disclosing party's business, industry, products and services, plans, specifications, operation methods, pricing, costs, techniques, manuals, know-how and other intellectual property, in written, oral, electronic or other tangible form, provided by one party to another or its representative; and all information, documents, technology, products, and services containing or derived from Proprietary Business Information which was or may have been transmitted, given or made available to or viewed by one party or another in the course of the receiving party's relationship. United's Proprietary Business Information shall include, but not be limited to, discounts and other financial provisions related to United's contracted healthcare providers and claims data from which those financial provisions can be derived and financial provisions related to prescription drug products covered under the medical benefit, the Prescription Drug List, reimbursement rates, compensation arrangements, and all other financial provisions related to the pharmacy benefits contained in this Agreement. While the Prescription Drug List is considered United's Proprietary Business Information, it may be disclosed in the limited circumstances outlined in this Agreement. This information is collectively known as "United's Financial PBI".

**Rebate:** Any discount, rebate administration fees, price concession or other direct or indirect remuneration United receives from a drug manufacturer under a rebate agreement that is contingent upon and related directly to Participant use of a prescription drug under the Plan's pharmacy benefit or the medical benefit during the Term. Rebate does not include any discount, price concession or other direct or indirect remuneration United receives from a drug manufacturer for direct purchase of a prescription drug.

**Self-Fund or Self-Funded:** Means that Customer, on behalf of the Plan, has the sole responsibility to pay, and provide funds, to pay for all Plan benefits. United has no liability or responsibility to provide these funds. This is true even if United or its affiliates provides stop loss insurance to Customer.

**Summary Plan Description or SPD:** The document(s) Customer provides to Plan Participants describing the terms and conditions of coverage offered under the Plan.

**Systems:** Means the systems United owns or makes available to Customer to facilitate the transfer of information in connection with this Agreement.

**Tax or Taxes:** A charge imposed, assessed or levied by any federal, state, local or other governmental entity.

**Term or Term of the Agreement:** The period of twelve (12) months commencing on the Effective Date and automatically continuing for additional 12-month periods until the Agreement is terminated.

Following the Effective Date and after Customer has provided three (3) months' worth of funds for the processing of claims and/or the payment of administrative fees, this Agreement is deemed executed by the parties.

**Urgent Care Claims:** A claim for medical services and supplies which meets ERISA's definition of Urgent Care Claim.

## **Section 2 – Customer Responsibilities**

**Section 2.1 Responsibility for the Plan.** United is not the Plan Administrator of the Plan. Any references in this Agreement to United "administering the Plan" are descriptive only and do not confer upon United anything beyond certain agreed upon claim administration duties. Except to the extent this Agreement specifically requires United to have the fiduciary responsibility for a Plan administrative function, Customer accepts total responsibility for the Plan for purposes of this Agreement including its benefit design, the legal sufficiency and distribution of SPDs, and compliance with any laws that apply to Customer or the Plan, whether or not Customer or someone Customer designates is the Plan Administrator. The Customer represents and warrants that the Plan has the authority to pay fees due under this Agreement from Plan assets.

**Section 2.2 Plan Consistent with the Agreement.** Customer represents that Plan documents, including the Summary Plan Description as described in Exhibit A – Statement of Work, are consistent with this Agreement. Nevertheless, before distributing any communications describing Plan benefits or provisions to Participants or third parties, Customer will provide United with such communications which refer to United or United's services prior to distributing these materials to Employees or third parties. Customer will amend them if United reasonably determines that references to United are not accurate, or any Plan provision is not consistent with this Agreement or the services that United is providing.

**Section 2.3 Plan Changes.** Customer must provide United with notice of any changes to the Plan and/or Summary Plan Description within a reasonable period of time prior to the effective date of the change to allow United to determine if such change will alter the services United provides under this Agreement. Any change in the services to be provided by United under this Agreement which would be caused by any aforementioned changes must be mutually agreed to in writing prior to implementation of such change. United will notify Customer if (i) the change increases United's cost of providing services under this Agreement or (ii) United is reasonably unable to implement or administer the change. If the parties cannot agree to a new fee within (30) thirty days of the notice of the new fee or if United notifies Customer that United is unable to reasonably implement or administer the change, United shall have no obligation to implement or administer the change, and Customer may terminate this Agreement upon (60) sixty days written notice.

**Section 2.4 Affiliated Employers.** Customer represents that together Customer and any of its affiliates covered under the Plan make up a single “controlled group” as defined by the IRC. Customer agrees to provide United with a list of Customer’s affiliates covered under the Plan upon request.

**Section 2.5 Information Customer Provides to United.** Customer will tell United which of Customer’s Employees, their dependents and/or other persons are Participants. This information must be accurate and provided to United in a timely manner. United will accept eligibility data from Customer in the format described in Exhibit A – Statement of Work. Customer will notify United of any change to this information as soon as reasonably possible.

United will be entitled to rely on the most current information in United’s possession regarding eligibility of Participants in paying Plan benefits and providing other services under this Agreement. United will not be required to process or reprocess claims, but if United agrees to do so, additional fees may apply.

United shall be entitled to rely upon any written or oral communication from Customer, its designated employees, agents or authorized representatives.

**Section 2.6 Notices to Participants.** Customer will give Participants the information and documents they need to obtain benefits under the Plan within a reasonable period of time before coverage begins. In the event this Agreement is discontinued, Customer will notify all Participants that the services United is providing under this Agreement are discontinued.

**Section 2.7 Escheat.** Customer is solely responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports.

### **Section 3 – Fees**

**Section 3.1 Fees.** Customer will pay fees to United as compensation for the services provided by United. In addition to the fees specified in Exhibit B, Customer must also pay United any additional fee that is authorized by a provision elsewhere in this Agreement or is otherwise agreed to by the parties.

**Section 3.2 Changes in Fees.** United can change the fees on each Term anniversary (“Renewal Term”), subject to the provisions of Exhibit B. United will provide Customer with thirty (30) days prior written notice of the revised fees for subsequent Renewal Terms. Any such fee change will become effective on the later of the first day of the new Renewal Term or thirty (30) days after United provides Customer with written notice of the new fees. United will provide Customer with a new Exhibit B that will replace the existing Exhibit B for the new Renewal Term.

United also can change the fees (i) any time there are changes made to this Agreement or the Plan, which affect the fees including the termination of the Shared Savings, (ii) when there are changes in laws or regulations which affect or are related to the services United is providing, or will be required to provide, under this Agreement, including the Taxes and fees noted in Section 5 Taxes And Assessments (iii) if the number of Employees covered by the Plan or any Plan option changes by ten percent (10%) or more or (iv) if the average contract size, defined as the total number of enrolled Participants divided by the total number of enrolled Employees, varies by 10% or more from the assumed average contract size set forth in Exhibit B. Any new fee required by such change will be effective as of the date the changes occur, even if that date is retroactive.

If Customer does not agree to any change in fees, Customer may terminate this Agreement upon thirty (30) days written notice after Customer receives written notice of the new fees. Customer must still pay any amounts due for the periods during which the Agreement is in effect.

**Section 3.3 Due Dates, Payments, and Penalties.** For the Standard Medical Service Fees described in Exhibit B, United will provide Customer with an on-line invoice in advance of the first of each month, typically no later than the 18<sup>th</sup> of each month. The Due Date for payment of the invoiced amounts is on the first day of the next full calendar month. Such invoices are provided on an eligibility-based format, and therefore payment must be made as billed (no adjustments are allowed to the invoice).

Late Payment: If amounts owed are not paid within in accordance with the timing specified in Texas Government Code Chapter 2251 (“Grace Period”), Customer will pay United interest on these amounts in accordance with Texas Government Code Chapter 2251.

**Section 3.4 Reconciliation.** For each Renewal Term, United will reconcile the total amounts Customer paid with the total amounts Customer owed. If the reconciliation indicates that United owes Customer money, Customer’s next fee invoice will be credited. If the reconciliation indicates that Customer owes United money, United will invoice Customer for the amount due. The Due Date for these amounts is the first day of the next calendar month. Customer will pay United, within thirty (30) days of the due date, the amounts that Customer owes United. For payments made after this thirty (30) day period, Customer will pay United interest on these amounts at the interest rate that United charges to its other self-funded customers.

If the Agreement is terminated, United will pay Customer the amount owed within thirty (30) days after United performs a final reconciliation. If the final reconciliation indicates that Customer owes United money, Customer will pay United within thirty (30) days after receiving notice of the amount owed.

For payments Customer makes after thirty (30) days of receiving notice of the amounts that Customer owes United, United will charge interest at the interest rate that United charge its other self-funded customers.

## **Section 4 – Records, Information, Audits**

**Section 4.1 Records.** United will keep records relating to the services it provides under this Agreement for as long as United is required to do so by law.

**Section 4.2 Proprietary Business Information.** Each party will limit the use of the other's Proprietary Business Information to only the information required to administer the Plan, to perform under this Agreement, or as otherwise permitted under this Agreement. Neither party will disclose the other's Proprietary Business Information to any person or entity other than to the disclosing party's employees, subcontractors, or authorized agents needing access to such information to administer the Plan, to perform under this Agreement, or as otherwise permitted under this Agreement, except that United’s Financial PBI cannot be disclosed by Customer to any third party without United’s express written consent. This provision shall survive the termination of this Agreement.

**Section 4.3 Access to Information.** Other than as provided for in Section 4.4, if Customer needs United’s Proprietary Business Information in order to administer the Plan, United will allow Customer to use United’s Proprietary Business Information, if it is legally permissible, the information relates to United’s services under this Agreement, and Customer gives United reasonable advance notice and an explanation of the need for such information. Such use is subject to the terms of this Agreement.

If Customer is subject to a Freedom of Information Act (FOIA) or a Texas Public Information Act (PIA) request and the request includes United’s Proprietary Business Information, Customer will contact United prior to releasing any information and give United the opportunity to review, respond and/or object to the FOIA/PIA request.

United will provide information only while this Agreement is in effect and for a period of twelve (12) months after the Agreement terminates, unless Customer demonstrates that the information is required by law or for Plan administration purposes.

United also will provide reasonable access to information to an entity providing Plan administrative services to Customer, such as a consultant or vendor, if Customer requests it. Before United provides PHI to that entity, the parties must sign a mutually agreed-upon confidentiality agreement, and the parties must agree as to what information is minimally necessary to accomplish the Plan administrative service.

**Section 4.4 Audits.** During the term of the Agreement, and at any time within twelve (12) months following its termination, a mutually agreeable entity may audit United once each calendar year to determine whether United is fulfilling the terms of this Agreement. Prior to the commencement of this audit, United must receive a signed, mutually agreeable confidentiality agreement.

Without limiting the foregoing, with respect to audits regarding the payment of Rebates by pharmaceutical manufacturers, the audit must be conducted solely by a “big four” public accounting firm that maintains a separate and stand-alone audit department and is not providing support in conjunction with any litigation pending against United or its affiliates. However, if no “big four” public accounting firm is qualified to perform the audit due to the above requirements, another mutually agreeable firm meeting such requirements may be used.

Customer must advise United in writing of its intent to audit. The place, time, type, duration, and frequency of all audits must be reasonable and agreed to by United. All audits will be limited to information relating to the calendar year in which the audit is conducted, and/or the immediately preceding calendar year. With respect to United’s transaction processing services, the audit scope and methodology will be consistent with generally acceptable auditing standards, including a statistically valid random sample or other acceptable audit technique as approved by United (“Scope”).

Customer will pay any expenses that it incurs in connection with the audit. In addition, Customer will be charged a reasonable per claim charge and a \$1,000 charge per day for audits outside of the following parameters: (1) more than one audit per calendar year; (2) any on-site audit visit that is not completed within five (5) business days; (3) sample sizes exceeding the Scope specified above; or (4) any audit initiated after this Agreement has terminated. The additional fees cover the additional resources, facility fees, and other incremental costs associated with an audit that exceeds the Scope.

In addition to Customer’s expenses and any applicable fees, Customer will also pay any extraordinary expenses United incurs in connection with the audit. For any audit initiated after this Agreement is terminated, Customer will pay all expenses incurred by United.

Customer will provide United with a copy of any audit reports within thirty (30) days after Customer receives the audit report(s) from the auditor.

**Section 4.5 Service Auditor Reports.** United may make its Type II service auditor report (“Report”) available to United’s self-funded customers each year for Customer’s review in connection with Plan administrative purposes only. The Report will be issued under the guidance of Statement on Standards for Attestation Engagements #16 (SSAE16). Should new guidelines covering service auditor reports be issued, United may make the equivalent of, or any successor to, the SSAE16 Type II Report available to United’s self-funded customers. The Report is United’s Proprietary Business Information and shall not be shared with any third parties without United’s prior written approval; provided, however, that Customer can share the Report with: (i) Customer’s independent public accounting firm; and/or (ii) Customer’s consultants, provided that such consultants are not in any way a competitor of United’s and that Customer informs its consultants that the report was not prepared for their use. To the extent that Customer does provide the Report to its independent public accounting firm or a consultant as permitted herein, Customer shall require that they retain the Report as confidential and that they not disclose such Report to any other persons or entities.

**Section 4.6 PHI.** The parties’ obligations with respect to the use and disclosure of PHI are outlined in the Business Associate Addendum attached to this Agreement.

## **Section 5 – Taxes and Assessments**

**Section 5.1 Payment of Taxes and Expenses.** In the event that any Taxes are assessed against United as a claim administrator in connection with United’s services under this Agreement, including all topics identified in Section 5.3 Customer will reimburse United through the Bank Account for Customer’s proportionate share of such Taxes (but not Taxes on United’s net income). United has the authority and discretion to reasonably determine whether any such Tax should be paid or disputed. Customer will also reimburse United for a proportionate share of any cost or expense reasonably incurred by United in disputing such Tax, including costs and reasonable attorneys’ fees and any interest, fines, or penalties relating to such Tax, unless caused by United’s unreasonable delay or unreasonable determination to dispute such Tax.

**Section 5.2 Tax Reporting.** In the event that the reimbursement of any benefits to Participants in connection with this Agreement is subject to Plan or employer based tax reporting requirements, Customer agrees to comply with these requirements.

**Section 5.3 State and Federal Surcharges, Fees and Assessments.** The Plan is responsible for state or Federal surcharges, assessments, or similar Taxes imposed by governmental entities or agencies on the Plan or United, including, but not limited to, those imposed pursuant to The Patient Protection and Affordable Care Act of 2010 (“PPACA”), as amended from time to time. This includes the funding, remittance and determination of the amount due for PPACA required taxes and fees.

## **Section 6 – Indemnification**

**Section 6.1 Customer Indemnifies United.** To the extent authorized under Texas law Customer will indemnify United and hold United harmless against any and all losses, liabilities, penalties, fines, costs, damages, and expenses, United incurs, including reasonable attorneys' fees, which arise out of (i) Customer or its vendors', subcontractors' or authorized agents' gross negligence or willful misconduct in the performance of Customer or its vendors', subcontractors' or authorized agents' obligations under this Agreement or any other agreements entered into with such third parties on Customer's behalf (ii) Customer's material breach of this Agreement (iii) a breach of any other agreements United enters into with such third parties on Customer's behalf, all as determined by a court or other tribunal having jurisdiction of the matter (iv) third party claims brought against United as the claims administrator (e.g. a claim raised by the federal government based on the federal Medicare Secondary Payor laws). This provision shall survive the termination of this Agreement.

**Section 6.2 United Indemnifies Customer.** United will indemnify Customer and hold Customer harmless against any and all losses, liabilities, penalties, fines, costs, damages, and expenses, that Customer incurs, including reasonable attorneys' fees, which arise out of (i) United or its vendors', subcontractors' or authorized agents' gross negligence or willful misconduct in the performance of United or its vendors', subcontractors' or authorized agents' obligations under this Agreement or (ii) United's material breach of this Agreement, all as determined by a court or other tribunal having jurisdiction of the matter. Notwithstanding the foregoing, Customer will remain responsible for payment of benefits and United's indemnification will not extend to indemnification of Customer or the Plan against any claims, liabilities, damages, judgments or expenses that constitute payment of Plan benefits. This provision shall survive the termination of this Agreement.

## **Section 7 – Plan Benefits Litigation**

**Section 7.1 Litigation Against United.** If a demand is asserted, or litigation or administrative proceedings are begun by a Participant or healthcare provider against United to recover Plan benefits related to its duties under this Agreement (“Plan Benefits Litigation”), United will select and retain defense counsel to represent its interest.

**Section 7.2 Litigation Against Customer.** If Plan Benefits Litigation is begun against Customer and/or the Plan, Customer will select and retain counsel to represent its interest.

**Section 7.3 Litigation Against United and Customer.** If Plan Benefits Litigation is begun against the Plan and United jointly, and provided no conflict of interest arises between the parties, the parties may agree to joint defense counsel. If the parties do not agree to joint defense counsel, then each party will select and retain separate defense counsel to represent their own interests.

**Section 7.4 Litigation Fees and Costs.** All reasonable legal fees and costs United incurs will be paid by Customer (except as provided in Sections 3.3 and 6) if United gives Customer reasonable advance notice of United's intent to charge Customer for such fees and costs, and United consults with Customer in a manner consistent with United's fiduciary obligations on United's litigation strategy.

**Section 7.5 Litigation Cooperation.** Both parties will cooperate fully with each other in the defense of Plan Benefits Litigation.

**Section 7.6 Payment of Plan Benefits.** In all events, Customer is responsible for the full amount of any Plan benefits paid as a result of Plan Benefits Litigation.

**Section 7.7 Survival.** This provision shall survive the termination of this Agreement.



## Section 8 – Mediation

Except in the case of United's termination due to Customer's failure to provide funds for benefits or fees, in the event that any dispute, claim, or controversy of any kind or nature relating to this Agreement arises between the parties, the parties agree to meet and make a good faith effort to resolve the dispute. If the dispute is not resolved within thirty (30) days after the parties first met to discuss it, and either party wishes to pursue the dispute further, that party will refer the dispute to non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association ("AAA"). In no event may the mediation be initiated more than one year after the date one party first gave written notification of the dispute to the other party. A single mediator engaged in the practice of law, who is knowledgeable about employee benefit plan administration, will conduct the mediation under the then current rules of the AAA. The mediation will be held in a mutually agreeable site. Nothing herein is intended to prevent either party from seeking any other remedy available at law including seeking redress in a court of competent jurisdiction. This provision shall survive the termination of this Agreement.

## Section 9 – Termination

**Section 9.1 Services End.** United's services under this Agreement stop on the date this Agreement terminates, regardless of the date that claims are incurred. However, United may agree to continue providing certain services beyond the termination date, as provided in Exhibit A – Statement of Work.

**Section 9.2 Termination Events.** This Agreement will terminate under the following circumstances: (i) The Plan terminates, (ii) Both parties agree in writing to terminate the Agreement, (iii) After the initial Term, either party gives the other party at least sixty (60) days prior written notice, (iv) United gives Customer notice of termination because Customer did not pay the fees or other amounts Customer owed United when due under the terms of this Agreement, (v) United gives Customer notice of termination if Customer fails to provide the required funds for payment of benefits under the terms of this Agreement, (vi) Either party is in material breach of this Agreement, other than by non-payment or late payment of fees owed by Customer or the funding of Plan benefits, and does not correct the breach within thirty (30) days after being notified in writing by the other party, (vii) United may terminate this Agreement in the event of a filing by or against the Customer of a petition for relief under the Federal Bankruptcy Code, (viii) Any state or other jurisdiction prohibits a party from administering the Plan under the terms of this Agreement, or imposes a penalty on the Plan or United and such penalty is based on the administrative services specified in this Agreement. In this situation, the party may immediately discontinue the Agreement's application in such state or jurisdiction. Notice must be given to the other party when reasonably practical. The Agreement will continue to apply in all other states or jurisdictions, or (ix) As otherwise specified in this Agreement.

## Section 10 – Miscellaneous

**Section 10.1 Subcontractors.** United can use its affiliates or subcontractors to perform United's services under this Agreement. United will be responsible for those services to the same extent that United would have been had it performed those services without the use of an affiliate or subcontractor.

**Section 10.2 Assignment.** Except as provided in this paragraph, neither party can assign this Agreement or any rights or obligations under this Agreement to anyone without the other party's written consent. That consent will not be unreasonably withheld. Nevertheless, United can assign this Agreement, including all of its rights and obligations to United's affiliates, to an entity controlling, controlled by, or under common control with United, or a purchaser of all or substantially all of United's assets, subject to notice to Customer of the assignment.

**Section 10.3 Governing Law.** This Agreement is governed by the applicable laws of the State of Texas. The venue of this contract shall be Williamson County, Texas. This provision shall survive the termination of this Agreement.

**Section 10.4 Entire Agreement.** This Agreement, with its exhibits, Williamson County Request for Proposal RFP# 1702-144 and United's response, constitutes the entire agreement between the parties governing the subject matter of this Agreement, in the order of precedence identified below. This Agreement replaces any prior written or oral communications or agreements between the parties relating to the subject matter of this Agreement. The headings and titles within this Agreement are for convenience only and are not part of the Agreement.

The Agreement documents shall include the following, in order of precedence:

1. This Agreement for Administrative Services, including:
  - Exhibit A – Statement of Work
  - Exhibit B – Service Fees
  - Exhibit C – Performance Guarantees
  - Exhibit D – Business Associate Agreement
2. Attachment A – United’s Response to Williamson County Request for Proposal RFP# 1702-144 including BAFO
3. Attachment B – Williamson County Request for Proposal RFP# 1702-144

**Section 10.5 Amendment.** Except as may otherwise be specified in this Agreement, the Agreement may be amended only by both parties agreeing to the amendment in writing, executed by a duly authorized person of each party.

**Section 10.6 Waiver/Estoppel.** Nothing in this Agreement is considered to be waived by any party, unless the party claiming the waiver receives the waiver in writing. No breach of the Agreement is considered to be waived unless the non-breaching party waives it in writing. A waiver of one provision does not constitute a waiver of any other. A failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any option which is herein provided in this Agreement, will in no way be construed to be a waiver of such provision of this Agreement.

**Section 10.7 Notices.** Any notices, demands, or other communications required under this Agreement will be in writing and may be provided via electronic means or by United States Postal Service by certified or registered mail, return receipt requested, postage prepaid, or delivered by a service that provides written receipt of delivery.

**Section 10.8 Use of Name.** The parties agree not to use each other's name, logo, service marks, trademarks or other identifying information without the written permission of the other; provided, however, Customer grants United permission to use Customer’s name, logo, service marks, trademarks or other identifying information to the extent necessary for United to carry out its obligations under this Agreement (e.g. on SPDs and ID cards).

**Section 10.9 Compliance with Laws and Regulations.** The parties agree to comply with all applicable federal, state and other laws and regulations with respect to this Agreement.

**Section 10.10 No Third Party Beneficiaries.** Nothing in this Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

**Section 10.11 Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision. However, it is intended that a court of competent jurisdiction construe any invalid or unenforceable provision of this Agreement by limiting or reducing it so as to be valid or enforceable to the extent compatible with applicable law.

**Section 10.12 No Waiver of Sovereign Immunity of Powers.** Nothing in this agreement will be deemed to constitute a waiver of sovereign immunity of powers of Williamson County, the Williamson County Commissioners Court, or the Williamson County Judge.

## EXHIBIT A – STATEMENT OF WORK

The following are the administrative services United has agreed to provide to Customer. Customer may request that United provide services in addition to those set forth in this Agreement. If United agrees to provide them, those services will be governed by the terms of this Agreement and any amendments to this Agreement. Customer will pay an additional fee, determined by United, for these additional services. The Services described in this Exhibit will be made available to Customer's eligible Participants consistent with the Summary Plan Description under which the Participant is covered.

### Section A1 Network

**Network Access, Management and Administration.** United will provide access to Networks and Network Providers, as well as related administrative services including physician (and other health care professional) relations, clinical profiling, contracting and credentialing, and network analysis and system development. The make-up of the Network can change at any time. Notice will be given in advance or as soon as reasonably possible.

United generally does not employ Network Providers and they are not United's agents or partners, although certain Network Providers are affiliated with United. Otherwise, Network Providers participate in Networks only as independent contractors. Network Providers and the Participants are solely responsible for any health care services rendered to Participants. United is not responsible for the medical outcomes or the quality or competence of any provider or facility rendering services, including Network Pharmacies and services provided through United's affiliates' networks, or the payment for services rendered by the provider or facility.

**Value Based Contracting Program.** United's contracts with some Network Providers may include withholds, incentives, and/or additional payments that may be earned, conditioned on meeting standards relating to utilization, quality of care, efficiency measures, compliance with United's other policies or initiatives, or other clinical integration or practice transformation standards. Customer shall fund these payments due the Network Providers as soon as United makes the determination the Network Provider is entitled to receive the payment under the Network Provider's contract, either upfront or after the standard has been met. For upfront funding, if United makes the determination that the Network Provider failed to meet a standard, United will return to Customer the applicable amount. United shall provide Customer reports describing the amount of payments made on behalf of Customer's Plan.

Only the initial claims based reimbursement to Network Providers will be subject to the Participant's copayment, coinsurance or deductible requirements. Customer will pay the Network Provider the full amount earned or attributable to its Participants, without a reduction for copayments or deductibles and agree that there will be no impact from these payments on the calculation of the Participant's satisfaction of their annual deductible amount.

### Section A2 Recovery Services

**Claim Recoveries.** United will provide recovery services for Overpayments, but United will not be responsible for recovery costs except as otherwise stated in this section. United will be responsible for recovery costs and reimbursement of any unrecovered Overpayment only to the extent the Overpayment was due to United's gross negligence.

In some instances, United may be able to obtain Overpayment recoveries by applying (or offsetting) the Overpayment against future payments to the provider made by United. In effectuating Overpayment recoveries through offset, United will follow its established Overpayment recovery rules which include, among other things, the prioritization of Overpayment credits based on the age of the Overpayment in United's system and funding type. In United's application of Overpayment recovery through offset, timing differences may arise in the processing of claims payments, disbursement of provider checks, and the recovery of Overpayments. As a result, the Plan may in some instances receive the benefit of an Overpayment recovery before United actually receives the funds from the provider. Conversely, United may receive the funds before the Plan receives the credit for the Overpayment. It is hereby understood that the parties may retain any interest that accrues as a result of these timing differences. Details

associated with Overpayment recoveries made through offset will be identified in the monthly reconciliation report provided to the designated representative for Customer's Plan.

**Subrogation.** United will also provide services to recover Plan benefits that were paid and are recoverable by the Plan because payment was or should have been made by a third party for the same medical expense (other than in connection with coordination of benefits, Medicare, or other Overpayments). This is referred to as "Third Party Liability Recovery" (or "subrogation"). Customer will not engage any entity except United to provide the services described herein without United's prior approval.

**Recovery Fees.** Customer will be charged fees when any of the services described herein are provided by United through a subcontractor or affiliate. The fees are deducted from the actual recoveries. Customer will be credited with the net amount of the recovery.

**Recovery Process.** Customer delegates to United the discretion and authority to develop and use standards and procedures for any recovery, including but not limited to, whether or not to seek recovery, what steps to take if United decides to seek recovery, and the circumstances under which a claim may be compromised or settled for less than the full amount of the claim. Customer acknowledges that use of United's standards and procedures may not result in full or partial recovery for any particular case. United will not pursue any recovery if it is not permitted by any applicable law, or if recovery would be impractical. United may initiate litigation to recover payments, but United has no obligation to do so. If United initiates litigation, Customer will cooperate with United in the litigation.

If this Agreement terminates, or, if United's recovery services terminate, United can continue to recover any payments United is in the process of recovering. The appropriate fees will continue to be deducted from the actual recovery, when and if a recovery is obtained.

**Fraud and Abuse Management.** United or its affiliate will provide services related to the detection, prevention, and recovery of abusive and fraudulent claims. United's Fraud and Abuse Management processes will be based upon United's proprietary and confidential procedures, modes of analysis and investigations.

United will use these procedures and standards in delivering Fraud and Abuse Management services to Customer and United's other customers. These procedures and standards include, but are not limited to: whether or not to seek recovery, what steps to take if United decides to seek recovery, and under what circumstances to compromise a claim or settle for less than the full amount.

Customer delegates to United the discretion and authority to use such procedures and standards, including the authority to undertake actions, including legal actions, which have the largest impact for the largest number of customers. Customer acknowledges that the use of these procedures and standards may not result in full or partial recovery or in full recovery for any particular case. United does not guarantee or warranty any particular level of prevention, detection, or recovery. United agrees to perform Fraud and Abuse Management services pursuant to the industry standards for such services. If this Agreement terminates, or if United's claim recovery services terminate, United can elect to continue fraud and abuse recoveries that are in progress, and the fees will continue to apply.

Services include all work to identify recovery opportunities, research, conduct data analysis, investigate, negotiate settlements without the use of outside counsel, and draft legal documents. If outside counsel is retained for a group of payers seeking the recovery, a proportionate amount of the outside legal fees, equal to the payer's exposure in the case to the total exposure in the case, will be deducted from the gross recovery amount, after the fee has been deducted. Customer will be given the option to participate or decline participation in the settlement.

### **Section A3 Providing Funds**

**Responsibility for Payment of Plan Benefits.** The Plan is Self-Funded. Customer is solely responsible for providing funds for payment for all Plan benefits except when Customer is recognized as both the provider of covered services and the payee and check suppression services apply.

**Bank Account.** United, on Customer's behalf, will open and maintain a Bank Account at the Bank under United's sole control ("Bank") to provide United the means to access Customer's funds for the purpose of payment of Plan benefits, Plan expenses (such as state surcharges or assessments), or other Customer financial obligations and, when authorized by Customer, fees. The Bank Account will be a part of the network of accounts that have been established at the Bank for United's self-funded customers. The funds in the Bank Account are Customer's and will not be comingled with any other customer funds.

**Balance In Account.** Customer shall not be required to maintain a minimum balance in the Bank Account.

The allowance not to maintain a minimum balance is based on Customer maintaining compliance with the material financial obligations specified in this Agreement. In the event United determines, based on reasonable information and belief, that Customer continues to fail to comply with the material financial obligations specified in this Agreement, United may require Customer to maintain a minimum balance effective five (5) days from the date of notice to Customer.

**Issuing and Providing Funds for Checks and Non-Draft Payments.** Checks and/or non-draft payments will be written on and/or issued from one or more common accounts that are a part of the network of accounts maintained at the Bank for United's self-funded customers. When the checks for Plan benefits are presented to the Bank, the Bank will notify United and United will direct the Bank to either reject the checks or to withdraw funds from the Bank Account to fund the checks that are cashed.

**Transfers of Funds.** Funds will also be withdrawn from the Bank Account when a transfer of funds has been made electronically. United will direct the Bank to withdraw funds from the Bank Account to fund the non-draft payments or expenses as they are issued.

**Calls for Funds.** The withdrawals from the Bank Account are paid for by the balance Customer maintains in the Bank Account. This balance will be drawn down each banking day to satisfy the previous day's liability.

Every business day, United will notify Customer of the funding amounts that are due by providing a funding notification and an associated detail report to Customer, via electronic mail, by 9:30 am CST/10:30 am EST. The daily funding notification shall reflect the aggregated claims charges that United has processed and has paid electronically, or if paid by check has cleared through United's omnibus check writing bank account for payment for the prior daily Bank days' period ending on the prior business day. The detail report identifies the payments by structure.

If United does not provide the daily funding notification to Customer by 9:30 am CST in accordance with this Section, Customer shall not be required to fund the amount of the funding notification due until the following business day.

If the day that the funding notice is provided pursuant to this Section is a Bank holiday (where the Bank is closed), United shall provide the daily funding notification on the immediately preceding business day that is not a Bank holiday.

If the day that the funding notice is provided pursuant to this Section is a County Holiday or Staff Development day United shall provide the daily funding notification and the County will process the payment funding on the next business day.

Upon notice to Customer of the amount due, Customer will fund the designated amount(s) within one business days via wire transfer to the designated Bank Account for payment of Plan benefits. Customer will initiate the fund transfers unless United determines that Customer fails to comply with the material funding and financial obligations specified in this Agreement. If such a condition occurs, Customer agrees to authorize United to initiate the transfers. The number of days between transfers and the method of transfer are based Customer's compliance with material financial obligations. United reserves the right to increase the frequency of such fund transfers and/or change the method of transfer if United determines, based on reasonable information and belief, that Customer continues to fail to comply with the material financial obligations specified in this Agreement.

**Underfunding.** If Customer does not provide the amounts sufficient to maintain the required minimum balance in the Bank Account, or to cover Bank Account withdrawals: (1) Customer must immediately correct the deficiency and provide prompt notice to United. (2) If United learns of the funding deficiency, United will notify Customer within one business day so Customer can correct the deficiency. (3) United may stop issuing checks and non-draft payments and suspend any of its other services under this Agreement for the period of time Customer does not provide the required funding. (4) If Customer does not correct the funding deficiency within three banking days of United's notice to Customer, United may terminate this Agreement as otherwise set forth in this Agreement, such termination to be effective the first day such funding deficiency began. Customer will pay interest on the amount of underfunding in accordance with Texas Government Code Chapter 2251.

**Stop Payments on Outstanding Checks.** At Customer's expense, United may place stop payments on checks if United determines that Customer has insufficient funds in its own designated funding bank account to honor such checks. United will send a search letter to the payee on all checks that have not been cashed within six (6) months. United will automatically stop payment on all checks that have not been cashed within twelve (12) months and provide Customer with reports Customer needs for the purposes of performing escheat. Customer is solely responsible for determining to file and/or filing unclaimed property once notified, or for making unclaimed payee payments directly.

**Funding After Termination.** When this Agreement terminates, the funding method will remain in place for the length of the run-out period. After the run-out period has ended, that funding method will cease and Customer will deposit and maintain in the Bank Account sufficient funds to cover all checks for Plan benefits that have been issued but not cashed. This balance will remain in the Bank Account for a limited period of time to fund the outstanding checks and other funding obligations. This period will be reasonable, as determined by United. United will stop payment on all checks that remain uncashed at the end of this period and Customer will request in writing to close the Bank Account and recover any funds remaining in it. United will provide bank statements and Bank Account reconciliation reports, including reports Customer needs for the purposes of performing escheat.

#### **Section A4 Medical Benefit Drug Rebate Payments**

**Allocation and Payment of Rebates.** From time to time, United or a subcontractor may negotiate with drug manufacturers regarding the payment of medical benefit Rebates on applicable prescription drug products dispensed to Participants under the Plan's medical benefit. Customer will receive 80% of the medical benefit Rebates United receives. United will retain the balance of such medical benefit Rebates as part of United's compensation. When United negotiates directly with drug manufacturers for the payment of medical benefit Rebates to United, United will pay Customer the agreed upon Rebates within thirty (30) calendar days of United's receipt of such Rebates from the drug manufacturer. If United is not able to make payment to Customer within thirty (30) calendar days, United will pay interest on such Rebates from the date of receipt until United makes payment to Customer, less approximately thirty (30) days for processing. United will retain interest earned during this processing timeframe. United will pay medical benefit Rebates to Customer in the agreed upon amount no less than annually. Interest will be paid at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month.

Customer will only receive Customer's medical benefit Rebates to the extent that medical benefit Rebates are actually received by United. Thus, for example, if a government action or a major change in pharmaceutical industry practices prevents United from receiving medical benefit Rebates, the amount Customer receives may be reduced or eliminated.

Customer agrees that during the term of this Agreement, neither Customer nor the Plan will negotiate or arrange or contract in any way for medical benefit Rebates on or the purchase of prescription drug products from any manufacturer under the Plan's medical benefit. If Customer or the Plan does, United may, without limiting United's right to other remedies, immediately terminate Customer's and Plan's entitlement to medical benefit Rebates (including forfeiture of any medical benefit Rebates earned but not paid). In addition, Customer agrees to reasonably cooperate with United in order to obtain medical benefit Rebates.

**Subcontractor Compensation.** If a subcontractor is involved in negotiating with drug manufacturers regarding the payment of medical benefit Rebates, it may retain a portion of the gross amounts received from drug manufacturers in connection with such products. United will provide information on the amount, if any, retained by the subcontractor as compensation for its services, in advance of Customer's execution of this Agreement. In addition, United will provide Customer with thirty (30) days advance notice of any material increase in or method for subcontractor compensation. If at any time Customer does not find the subcontractor compensation acceptable, Customer may terminate the medical benefit Rebates services after thirty (30) days advance written notice to United.

## Section A5 Claims Determinations and Appeals

**Claim Procedures.** Customer appoints United a named fiduciary under the Plan with respect to (i) performing initial benefit determinations and payment, and (ii) performing the fair and impartial review of first level internal appeals and (iii) performing the fair and impartial review of second level internal appeals. As such, Customer delegates to United the discretionary authority to (i) construe and interpret the terms of the Plan, (ii) to determine the validity of charges submitted to United under the Plan, and (iii) make final, binding determinations concerning the availability of Plan benefits under the Plan's internal appeal process, all in compliance with applicable law and regulation. If United denies a Plan benefit claim, in whole or in part, United will notify the claimant of the adverse benefit determination and the claimant shall have the appeal rights set forth in the Summary Plan Description, and/or those which are required under applicable law. If after the exhaustion of the two levels of internal appeal, United determines that the Plan benefit is still not payable, United will notify the claimant that the adverse benefit determination has been upheld. This determination will be final and binding on the claimant, and all other interested parties, except as otherwise provided under the external review program described in this Section.

**Appeals of Urgent Care Claims.** Notwithstanding the foregoing, with respect to Urgent Care Claims, United will conduct one review of a denied Urgent Care Claim and issue a final determination as soon as possible, in accordance with applicable law.

**External Review Program.** United will notify claimants of the option to request an external review of adverse benefit determinations following the required internal appeal process. United will, in accordance with applicable law: (i) provide claimant with the necessary procedures to obtain the review (ii) coordinate submission of the claimant's case to an independent review organization, and (iii) direct the independent review organization to notify the claimant of the final external review decision. A fee will apply beyond the maximum number of free reviews, as listed in Exhibit B, Fees.

## Section A6 Systems Access

**Access.** United grants Customer the nonexclusive, nontransferable right to access and use the functionalities contained within the Systems, under the terms specified in this Agreement. Customer agrees that all rights, title, and interest in the Systems and all rights in patents, copyrights, trademarks, and trade secrets encompassed in the Systems will remain United's. To obtain access to the Systems, Customer will obtain, and be responsible for maintaining, at no expense to United, the hardware, software, and Internet browser requirements United provides to Customer, including any amendments thereto. Customer will be responsible for obtaining an Internet Service Provider or other access to the Internet. Customer will not (i) access Systems or use, copy, reproduce, modify, or excerpt any Systems documentation provided by United in order to access or utilize Systems, for purposes other than as expressly permitted under this Agreement or (ii) share, transfer or lease Customer's right to access and use Systems, to any other person or entity which is not a party to this Agreement. Customer may designate any third party, with prior approval from United, to access Systems on Customer's behalf, provided the third party agrees to these terms and conditions of Systems access and Customer assumes joint responsibility for such access.

**Security Procedures.** Customer will use commercially reasonable physical and software-based measures to protect the passwords and user IDs provided by United for access to and use of any web site provided in connection with the services. Customer shall use commercially reasonable anti-virus software, intrusion detection and prevention system, secure file transfer and connectivity protocols to protect any email and confidential communications provided to United, and maintain appropriate logs and monitoring of system activity. Customer shall notify United within a reasonable timeframe of any (a) unauthorized access or damage, including damage caused by computer viruses resulting from direct access connection, and (b) misuse and/or unauthorized disclosure of passwords and user IDs provided by United which impact the System.

**Termination.** United reserves the right to terminate Customer's System access (i) on the date Customer fails to accept the hardware, software and browser requirements provided by United, including any amendments thereto or (ii) immediately on the date United reasonably determines that Customer has (i) breached, or allowed a breach of, any applicable provision of this Section or (ii) materially breached or allowed a material breach of, any other applicable provision of this Agreement. Customer's System Access will also terminate upon termination of this Agreement, provided however that if run-out is provided in accordance with Exhibit A - Services, Customer may continue to access applicable functionalities within the Systems during the run-out period. Upon any of the

termination events described in this Agreement, Customer agrees to cease all use of Systems, and United will deactivate Customer's identification numbers, passwords, and access to the System.

### **Section A7 Pharmacy Benefit Services**

**Pharmacy Network.** United or its affiliate will provide the Pharmacy Benefit Services described in this Section. United will make Network Pharmacies available to Customer Participants, through United's affiliate. United will determine which pharmacies are Network Pharmacies. Network Pharmacies can change at any time. United will make a reasonable effort to provide Customer with advance notice if any material changes occur to the network. Upon request, United will provide Customer information on the reimbursement rate to United's affiliated Network Pharmacies.

**Mail Order Pharmacy Services.** United will provide, through its affiliate, mail order pharmacy services for Customer's Participants. Customer's pricing terms for mail order pharmacy services are based on the actual package dispensed and at least a 46 day supply. Prescriptions filled through the mail order pharmacy that are less than a 46 day supply will be processed at retail pricing and will be counted with retail utilization.

**Prescription Drug List (PDL).** Customer has adopted one or more of United's PDLs for use with Customer's benefit plans. Customer agrees not to copy, distribute, sell, or otherwise provide the PDL to another party without United's prior written approval, except to Participants as described below. On termination of this Agreement or if Customer terminates the Pharmacy Benefit Services portion of this Agreement, Customer will stop all use of the PDL.

While Customer is the ultimate decision-maker on selecting the design of Customer's PDL(s), Customer has requested that United supply and assist Customer with, certain PDL development and management functions including but not limited to drug tiering decisions. United's intent is to provide Customer with the same PDL and management strategies that United develops and employs in the management of United's fully insured business.

United makes the final classification of an FDA-approved prescription drug product to a certain tier of the PDL by considering a number of factors including, but not limited to, clinical and economic factors. Clinical factors may include, but are not limited to, evaluations of the place in therapy, relative safety or relative efficacy of the prescription drug product, as well as whether supply limits or notification requirements should apply. Economic factors may include, but are not limited to, the prescription drug product's acquisition cost including, but not limited to, available Rebates, and assessments on the cost effectiveness of the prescription drug product.

United may periodically down-tier the placement of a prescription drug product among the tiers. These changes may occur without prior notice. Once a year, United may also up-tier the placement of a prescription drug product among the tiers and/or recommend specific prescription drug product exclusions from coverage. United will provide notice to Customer of material changes to the PDL, United's drug tier classification procedures, coverage exclusions, and clinical programs. If Customer chooses not to implement a particular coverage exclusion or clinical program change, Customer needs to inform United in writing sixty (60) days prior to the effective date of the exclusion or change. Current drug placement and related information may be obtained from the website, or by calling customer service.

**Claims Processing.** United will process the claims received from a Network Pharmacy in accordance with the Summary Plan Description, as well as the pricing and other terms of the Network Pharmacy's participation agreement. On mail order and retail pharmacy services, United will retain the difference between what we reimburse the Network Pharmacy and Customer payment for a prescription drug product or service.

United maintains systems for processing pharmacy claims and may receive access fees as compensation for services United provides to Network Pharmacies.



## Section A8 Pharmacy Benefit Rebates

**Allocation and Payment of Rebates.** United will negotiate with drug manufacturers for the payment of Rebates to United. The amount of Rebates that is available depends on many factors including whether Customer has an incentive benefit design, arrangements with drug manufacturers, the volume of prescription drug claims and the structure of the PDL. United will pay Customer an amount equal to 100% of the Rebates United receives (and United may pay interest on this amount as described in this Section). Customer agrees that all payments associated with Rebates and any related interest are not due and owing to Customer until United actually pays them to Customer pursuant to this Agreement.

Customer will only receive Rebates to the extent that Rebates are actually received by United. For example, if a government action or a major change in pharmaceutical industry practices eliminates or materially reduces manufacturer Rebate programs, Customer's payment amount may be reduced or eliminated. In such event, United shall promptly notify Customer and revise or eliminate such payment effective with the date of the reduction or elimination in Rebate payments. In addition, reduction or elimination of Rebates in this event shall constitute a change in the Agreement as described in the Fees Section such that United has the right to increase the fees for the Pharmacy Benefits Management services or increase the percentage of Rebate dollars retained by United.

United will pay Customer the agreed upon Rebates within thirty (30) calendar days of United's receipt of such Rebates, generally four times per year. For any Rebates not paid to Customer within thirty (30) calendar days of United's receipt, United will pay Customer interest on such Rebates from the date of receipt until United makes payment to Customer, less approximately thirty (30) days for processing. United will retain interest earned during this processing timeframe. United will pay Rebates to Customer in the agreed upon amount no less than annually. Interest will be paid at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month.

**Payments to Pharmacies.** In connection with prescription drug claims, there may be a timing difference between when United withdraw funds from Customer claims account and when United issues payments to pharmacies and other payees. United may retain interest earned on these amounts during this time. Interest is expected to be paid at overnight deposit rates by United's banking institution.

**Customer Compliance.** Customer agrees that during the term of this Agreement, neither Customer nor the Plan will negotiate or arrange or contract in any way for Rebates on or the purchase of prescription drug products from any manufacturer with respect to the pharmacy benefits. If you or the Plan does, United may, without limiting United's right to other remedies, immediately terminate Customer and Plan's entitlement to Rebates (including forfeiture of any Rebates earned but not paid) and/or terminate the pharmacy benefit services. Termination of pharmacy benefit services shall constitute a change in the Agreement as described in the Fees Section such that United has the right to increase the fees for medical management services under this Agreement. In addition, Customer agrees to reasonably cooperate with United in order to obtain Rebates. Customer will encourage Customer Participants to use a Network Pharmacy. Customer will also encourage Customer Participants to electronically access the PDL on United's website, and encourage Participants to share the PDL with their physicians or refer their physicians to the PDL on United's website.

## Schedule of Services

### A. ACCOUNT MANAGEMENT SERVICES

Service	Comments
<b>Implementation and maintenance of account.</b>	
<b>Enrollment meetings and support</b> for locations that meet United's criteria.	Minimum six weeks notice of meeting.
<b>Standard initial enrollment kit.</b>	
<b>Bulk mailing of initial enrollment kits</b> to Customer based on United's criteria.	
<b>Ongoing account management</b> including: <ul style="list-style-type: none"><li>• Designated account resources.</li><li>• Ongoing management and review of benefits and data.</li></ul>	

Service	Comments
<b>Standard accounting structure based on United's criteria:</b> <ul style="list-style-type: none"> <li>Suffixes to accommodate separate claims reporting for different benefit plans.</li> <li>Claim accounts to accommodate separate claims data for different locations and groups.</li> </ul>	
<b>Maintenance of benefit plans.</b> <b>Electronic Bill Presentment and Payment (EBPP),</b> which provides capabilities to: <ul style="list-style-type: none"> <li>View invoices online.</li> <li>Sort and search enrollee information.</li> <li>Download billing information.</li> <li>Remit payment online.</li> </ul>	
<b>Online administration services accessed through United's Employer eServices Web site</b> including online eligibility maintenance and claim status inquiry.	Customer reporting is included to the extent indicated in Section D. eServices Customer Reporting Services.
<b>Summary Plan Description (SPD) Assistance.</b> United will prepare a customized draft of an SPD, either for each plan or multiple plans, as mutually agreed upon with one additional draft, in response to Customer's comments, and a final draft SPD. "Plan", for purposes of this paragraph, means each individual plan design administered by United. The SPD will be in English.	<p>If the SPD is not finalized sufficiently in advance of the Effective Date of United's services, United will either (i) utilize the summary of Plan benefits and exclusions that United has created based on its understanding of Customer's Plan design and which Customer has reviewed and approved or (ii) create, at United's discretion, an operational SPD which will be based upon the summary of Plan benefits that Customer has reviewed and approved. United will administer claims and otherwise provide its services in accordance with this summary of Plan benefits and exclusions or operational SPD, as the case may be, and it will govern and remain in full force and effect until a final SPD is provided to United.</p> <p>Printing of SPDs is available at an additional cost.</p>
<b>Summary of Benefits and Coverage:</b> <ul style="list-style-type: none"> <li>Electronic version in United's standard format.</li> <li>For medical Plans administered by United.</li> <li>Initial request and up to 1 amendment per year.</li> </ul>	

## B. ELIGIBILITY MANAGEMENT SERVICES

Service	Comments
<b>Standard ID Card production and issuance.</b>	United has assumed the addition of Customer's logo in an acceptable format to the ID card.
<b>Alternative member ID numbers generated by United</b> (not based on SSN).	
<b>Electronic Eligibility Processing</b>	
<b>Electronic Enrollment processing:</b> <ul style="list-style-type: none"> <li>Each submission to be a single consolidated file. Separate eligibility submissions for COBRA.</li> <li>Initial load of primary physician data (when applicable) to be supplied electronically.</li> </ul>	

Service	Comments
<b>Submission format:</b> <ul style="list-style-type: none"> <li>UnitedHealth Group® Standard 3005 Format; HIPAA 834 Compliant Format; or HR-XML format.</li> <li>Single data source required.</li> </ul> <b>Submission frequency:</b> <ul style="list-style-type: none"> <li>Changes file daily in combination with a full population file on a monthly schedule.</li> </ul> <b>Or</b> <ul style="list-style-type: none"> <li>Changes file weekly or bi-weekly in combination with a full population file on a monthly or quarterly schedule.</li> </ul> <b>Or</b> <ul style="list-style-type: none"> <li>Full file weekly or bi-weekly.</li> </ul> <b>Transmission method:</b> <ul style="list-style-type: none"> <li>FTP with United's approved encryption or direct connect.</li> </ul>	

## C. UNDERWRITING AND FINANCIAL SERVICES

Service	Comments
<b>Overall program accounting</b> (year-end reconciliation).	
<b>Claim projections.</b>	
<b>Annual Projection of cost impact for benefit design changes.</b>	
<b>Annual Projection of conventional premium equivalent rates.</b>	
<b>Annual Reserve estimates.</b>	
<b>Annual government filings of 1099 reports</b> to the IRS regarding payments made to physicians and other health care professionals.	
<b>Provide required data necessary to enable Customer to file Form 5500.</b>	

## D. E SERVICES® CUSTOMER REPORTING SERVICES

Service	Comments
<b>An online customer reporting system</b> including up to five customer IDs.	
<b>Reporting Access Levels:</b> <ul style="list-style-type: none"> <li><u>Standard</u> – Basic report package of “subscription” financial and utilization information produced on a pre-scheduled basis.</li> <li><u>Select</u> – In addition to the Standard features, interactive access to eCR tools allowing the user to customize report parameters to facilitate detailed views of the data. Includes a broad array of membership and utilization reports.</li> <li><u>Expanded</u> – In addition to the Select features, allows the user greater ad-hoc and customizable capabilities to obtain detailed performance information.</li> </ul>	<p>Customer's access level is based upon its election.</p> <p>Expanded Level reports are available to customers with Select Level reporting on an ad hoc basis for an additional charge per report.</p>
<b>Non-standard or ad hoc reports</b>	Fees are determined on a report-specific basis
<b>Interface with third party stop loss vendor.</b> United provides claim statistical reports, designed to meet the requirements of most insurers, to support Customer's filing of Individual Stop Loss (ISL) claims.  The report includes the total dollars paid for any claimant exceeding 50 percent of the Individual Stop Loss (ISL) threshold for policy year to date claims paid through the end of the previous month.	<p>Customer and its third party stop loss carrier must execute United's standard nondisclosure and indemnification agreement prior to United's providing any of the information.</p> <p>Customer understands that it is its responsibility to detect claims that may be covered by a third party stop loss carrier policy purchased by Customer.</p>
United reserves the right, from time to time, to change the content, format and/or type of its reports.	

## E. CLAIMS ADMINISTRATION SERVICES

Service	Comments
Claims for Plan benefits must be submitted in a form that is satisfactory to United in order for it to determine whether a benefit is payable under the Plan's provisions. Customer delegates to United the discretion and authority to use United's claim procedures and standards for Plan benefit claim determination.	
<b>Implementation of Customer's benefit plans.</b>	
<b>Claim history load from one prior carrier</b> using United's standard process.	
<b>Standard claims processing including:</b> <ul style="list-style-type: none"> <li>• Re-pricing and payment of claims.</li> <li>• Auto and manual adjudication using proprietary software.</li> <li>• Claim edit/review and cost containment program</li> <li>• Pending and subsequent claim review.</li> </ul>	
<b>Standard claim forms (when applicable).</b>	
<b>Medical claim review</b> of specific health care claims to promote coding accuracy, benefit interpretation, and apply reimbursement policy.	
<b>Standard coordination of benefits</b> for all claims with automated investigation once every 12 months.	
<b>Production and distribution of monthly Health Statements.</b>	
<b>Processing of run-out claims</b> (meaning claims incurred prior to the termination date) for six (6) months following termination.	<p>If the Agreement terminates because Customer fails to pay United fees due, fails to provide the funding for the payment of benefits, or United terminates for any other material breach, run-out will not apply. Run-out fees may apply to partial terminations at United's discretion.</p> <p>The fees associated with providing six (6) months run-out claims processing are included in United's monthly administrative fees as described in Exhibit A. No additional fee will apply to run-out claims processing, provided, however, if the Agreement is terminated prior to the end of the initial Term for any reason, there will be an additional fee, determined by United, for the remaining months of the run-out claims processing term.</p> <p>The fee for run-out services, should Customer elect run-out coverage at time of full or partial cancellation, will be provided by United.</p> <p><b>Suspension of Run-out Processing</b> If Customer does not pay the run-out fees it owes United when due as set forth above, United will notify Customer. If Customer does not make the required payment within five (5) business days of United's notice to Customer, United may stop issuing checks and non-draft payments and suspend its run-out claims processing under this Agreement, such suspension to apply to all claims regardless of dates of service and shall remain in effect until such date when Customer makes the required payment.</p> <p><b>Termination of Run-out Processing</b> Run-out claims processing will terminate if Customer fails to provide the required funds for payment of benefits under the terms of this Agreement. Such termination shall apply to all claims regardless of dates of service.</p> <p><b>Additional six (6) months of run-out claims processing</b> United will provide claim processing services in excess of six</p>

Service	Comments
	(6) months included in United's monthly administrative fees, for up to twelve (12) months, upon Customer's request at the time either party provides notice of termination. The fee for the run-out services that are in addition to the aforementioned six (6) months are described in Exhibit B.
<b>Subrogation Services.</b>	
<b>Fraud and Abuse Management Recovery Program.</b>	
<b>Hospital Bill Audit Program.</b>	
<b>Credit Balance Recovery Program.</b>	
<b>Advanced Analytics and Recovery Services</b>	United or its affiliate will use a combination of large scale analytics, information and analysis to identify post-adjudication claims for additional overpayment opportunities.

## F. MEMBER SERVICES

Service	Comments
<b>Toll-free access to a customer care unit</b> using a dedicated number	
<b>Employee access to a member website</b> enabling Participants to: <ul style="list-style-type: none"> <li>• Check claim status.</li> <li>• Check eligibility information.</li> <li>• Search for providers and online health information.</li> </ul>	

## G. MEDICARE SERVICES

Service	Comments
<b>Medicare Secondary Payer Reporting.</b> United shall provide to applicable parties the applicable reports in a time and manner as required according to the Medicare Secondary Payer Mandatory Reporting Provisions (the Reporting Requirements) in Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007. United shall not be responsible for any noncompliance penalties in connection with the Reporting Requirements that are related to the Customer's failure to provide the required data.	Customer agrees to provide to United in a timely manner and in an agreed upon format any and all data that United requires to comply with the Reporting Requirements.

## H. NETWORK SERVICES

Service	Comments
<b>Network access, management and administrative activities</b>	Standard on all network plans.
<b>UnitedHealth Premium<sup>SM</sup> Designation Program</b>	Available in designated markets.
<b>Network access to chiropractic and complementary alternative medicine providers</b>	
<b>Physical Health Clinical Support Program</b> for Chiropractic and Complementary Alternative providers.	
<b>Transplant Solutions (TS) Services</b> <ul style="list-style-type: none"> <li>• Transplant Network via Centers of Excellence (COE)</li> <li>• Transplant Access Program (TAP) Network</li> <li>• Extra-Contractual Services - contracting on a case-by case basis for transplant care outside of the COE or TAP Networks for a standard negotiating fee.</li> </ul>	
<b>Reasonable and customary charge guidelines</b> for out of network surgical, medical, lab and x-ray claims.	
<b>Maximum Non-Network Reimbursement Program (MNRP)</b> for non-emergency non-network claims.	
<b>Shared Savings Program Standard</b> Application of the Shared Savings Program provides additional savings on select 1) non-Network facility and 2)	The services under this program provide access to provider discounts only and do not include credentialing of providers or other Network services. United is not responsible for the

Service	Comments
physician claims that are not eligible for standard network discounts. Program provides access to discounted charges made available to United from health care providers who contract or will negotiate with, a third party to provide such discounted charges.	medical outcomes or the quality or competence of any provider or facility rendering services under the Shared Savings Program.  United can terminate the Shared Savings Program at any time for any reason.
<b>Access to Extended Networks</b> (leased networks)	Available at an additional charge.

## I. CARE MANAGEMENT AND OUTREACH SERVICES

Service	Comments
<b>Personal Health Support</b> , an integrated personal health management program using a designated team of nurses and incorporating elements of care management core activities such as case management and support around specific treatment decisions. A pregnancy program, consumer engagement notification program including gaps in care messaging, and a predictive model specific to Customer are also included.	Coordination with external vendors is subject to an additional fee.
<b>Emergency Room Decision Support</b>	
<b>Medical policy functions</b> , as guided by a medical director.	Standard on all managed plans.
<b>Disease Management Programs</b>	Coordination with external vendors is subject to an additional fee.
<b>Complex Medical Conditions:</b> <ul style="list-style-type: none"> <li>• Cancer Resource Services</li> <li>• Congenital Heart Disease Resource Services</li> <li>• Healthy Pregnancy</li> <li>• Kidney Resource Services</li> <li>• Parent Steps Infertility Discount Program</li> </ul>	
<b>Alternate Care Proposals (ACP)</b> which provide appropriate and cost effective health care services and supplies alternatives that would otherwise not be covered by the Plan.	Customer consents to United's use and administration of the ACP program and delegate to United the discretion and authority to develop and revise ACPs.
<b>Activation programs to engage Participants including</b> , monthly health statements member call services, and access to member portal with consumer messaging	
<b>Predictive modeling</b> , using data from a proprietary system, to identify individuals at risk and offer proactive programs to improve their health status.	Additional charges apply for integrating an outside vendor's pharmacy data.

## J. UNITED BEHAVIORAL HEALTH — MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES

Service	Comments
<b>Behavioral Health Solutions, Full Care Management</b> <ul style="list-style-type: none"> <li>• Network access, development and maintenance.</li> <li>• Ongoing case management.</li> <li>• Outpatient care management.</li> <li>• Inpatient care management.</li> <li>• Outcomes measurement.</li> <li>• Claims processing, adjudication and member services.</li> <li>• Account management, reporting and communication materials.</li> <li>• Interface with employee assistance program (EAP) vendors.</li> </ul>	

## K. EMPLOYEE HEALTH EDUCATION AND MEDICAL SELF-CARE PROGRAM SERVICES

Service	Comments
<b>NurseLine<sup>SM</sup></b> - provides 24-hour access to registered nurses.	
<b>Health Content</b> – providing members with access to online services which may include but are not limited to health and wellness content, health assessments, health coaching, personal health records and/or automated messaging, available through myuhc.com and other online resources.	

## L. UNITEDHEALTH ALLIES<sup>®</sup> DISCOUNT PROGRAM

Service	Comments
<b>UnitedHealth Allies<sup>®</sup> Discount Program</b> enabling plan participants to access pre-negotiated savings on certain out-of-pocket health care purchases. The discount value program is not a health insurance plan.	UnitedHealth Allies <sup>®</sup> Discount Program can be made available to non-covered employees or employees participating in plans not administered by United for an additional fee.

## M. MANAGED PHARMACY SERVICES

Service	Comments
<b>Integrated Pharmacy Services</b> including: <ul style="list-style-type: none"> <li>• <b>Claims processing</b></li> <li>• <b>Eligibility management</b></li> <li>• <b>Benefits management</b></li> <li>• <b>Reporting</b> (available through eServices)</li> <li>• <b>Retail Pharmacy Network Management</b></li> <li>• <b>Mail Order Services.</b></li> <li>• <b>Customer Care Center Services</b> - Toll-free access to customer care voice response unit (for location of network pharmacies), and a pharmacist</li> <li>• <b>Specialty Pharmacy</b></li> <li>• <b>Support staff and account management</b></li> </ul>	Postage paid return envelopes are <u>not</u> included and are not available.
<b>Standard Clinical programs</b> such as standard notification, quantity level limits, and quantity per duration.	
<b>Additional programs</b> such as dispense as written (DAW) interventions, retail flags and edits, maximum allowable cost pricing (retail), and generic and mail order programs.	



## N. VISION SERVICES

Service	Comments
United, through its specialty services affiliate, will process claims for covered services (vision services and materials that are eligible for reimbursement under Customer's vision Plan). Claims for reimbursement of vision Plan benefits must be submitted in a form that is satisfactory to United. United will determine whether a benefit claim is reimbursable under the vision Plan provisions including an initial determination as to whether a claim is considered a covered service. Customer delegates to United the discretion and authority to use United's claim procedures and standards for benefit claim determination and reimbursement.	
<ul style="list-style-type: none"> <li>As United's affiliate's negotiated rate schedule may vary from participating provider to participating provider, United's affiliate will: (1) absorb any financial loss, without additional charge to Customer, in the event that the amount that United's affiliate pays the participating provider, or, in the case of materials, United's affiliate's optical laboratory, exceeds the amount that Customer pays United's affiliate for that covered service; and (2) retain, as part of its compensation, the difference in the event that the amount that Customer pays United's affiliate for arranging for the provision of a covered service exceeds the amount that United's affiliate pays the participating provider, or, in the case of materials, United's affiliate's optical laboratory, for providing that covered service.</li> <li>In the case of non-covered service(s) or material(s) United's affiliate expressly reserves the right to retain, as part of its compensation, without additional charge to Customer, any amount(s) collected from a Participant pursuant to the Participant's vision Plan, that exceeds the payment to participating provider for such non-covered service(s) or material(s) under the applicable negotiated rate schedule.</li> </ul>	<p>The following sections of the Agreement do not apply to vision services:</p> <ul style="list-style-type: none"> <li>Subrogation Hospital Bill Audit Program</li> <li>Credit Balance Recovery Program</li> <li>External Review Program</li> <li>SSAE16 Reports</li> </ul>

## O. DENTAL SERVICES

Service	Comments
<b>Dental Services</b> , includes Customer's access to a dedicated dental representative, Customer's Participants' access to a dental customer service unit, claim processing by UnitedHealthcare Dental and Customer's Participant's access to the national dental network.	
<b>Processing of run-out claims</b> (meaning claims incurred prior to the termination date) for twelve (12) months following termination.	<p>If the Agreement terminates because Customer fails to pay United fees due, fails to provide the funding for the payment of benefits, or United terminates for any other material breach, run-out will not apply. Run-out fees may apply to partial terminations at United's discretion.</p> <p>The fees associated with providing twelve (12) months run-out claims processing are included in United's monthly administrative fees as described in Exhibit A. No additional fee will apply to run-out claims processing, provided, however, if the Agreement is terminated prior to the end of the initial Term for any reason, there will be an additional fee, determined by United, for the remaining months of the run-out claims processing term.</p> <p><b>Suspension of Run-out Processing</b> If Customer does not pay the run-out fees it owes United when due as set forth above, United will notify Customer. If Customer does not make the required payment within five (5) business days of United's notice to Customer, United may stop issuing checks and non-draft payments and suspend its run-out</p>



Service	Comments
	claims processing under this Agreement, such suspension to apply to all claims regardless of dates of service and shall remain in effect until such date when Customer makes the required payment.
	<b>Termination of Run-out Processing</b> Run-out claims processing will terminate if Customer fails to provide the required funds for payment of benefits under the terms of this Agreement. Such termination shall apply to all claims regardless of dates of service.

## P. FLEXIBLE SPENDING ACCOUNT (FSA) SERVICES

Service	Comments
United will process claims for eligible Expenses (any treatment amount, service or supply paid or incurred by a Participant and eligible for reimbursement under the FSA Plan and pursuant to applicable sections of IRC). Claims for reimbursement of FSA Plan benefits must be submitted in a form that is satisfactory to United. United will determine whether a benefit claim is reimbursable under the FSA Plan provisions including an initial determination as to whether a claim is considered an Expense. Customer delegates to United the discretion and authority to use United's claim procedures and standards for benefit claim determination and reimbursement.	
The following sections of the Agreement do not apply to FSA services: <ul style="list-style-type: none"> <li>• Claim Recovery Services</li> <li>• Fraud and Abuse Management</li> <li>• Service Auditor Reports</li> </ul>	
<b>Standard FSA services</b> including:	
• Initial supply of standard employee brochures	
• Single claim submission with automatic roll-over from established feeds	
• Check minimum \$25	
• Daily payment cycle	
• Customer care professional representation during normal business hours.	
• Eligibility information processed via electronic file submission (FTP or EDT)	Two files per month
• Standard FSA banking arrangements using a separate bank account for FSA plan.	
• Direct deposit of payments to employee bank accounts including online administration.	Includes direct deposit administration and auto rollover election.
• Online account information	For participants enrolled in health plans administered by United.
<b>Standard FSA reports</b> including:	
• Monthly Participant Detail Reports	Detailed account status for each participant.
• Monthly Customer Change Reports	Details on all changes to program participation.
• Utilization Reports	Information on program utilization for participants with change in status.
• Executive Summary Report	Summarizing all detail on the Participant Detail Report and providing detail in current month being reported..
Monthly online account statements. .	

## Q. COBRA SERVICES

Service	Comments
<p>Specific to COBRA Administrative Services United is not a “Named Fiduciary” of the Plan as defined by the IRC. For Section 1 Definitions, the term “Plan” will include health benefits which are subject to the continuation requirements of COBRA. In addition, the following sections of the Agreement do not apply to the COBRA Program services:</p> <ul style="list-style-type: none"> <li>• Claim Recovery Services and Third Party Liability Recovery</li> <li>• Fraud and Abuse Management</li> <li>• Benefit Determinations and Appeals</li> <li>• Service Auditor Reports</li> </ul> <p>Any reference to Summary Plan Description (SPD) assistance does not apply.</p> <p><b>Customer Responsibilities.</b> Customer will have final authority to decide all COBRA questions, including matters of clerical error concerning Qualified Beneficiaries' eligibility for continued coverage under Customer's Plan. Customer will assume sole responsibility for compliance with Customer obligations under COBRA, including establishing the amount the Qualified Beneficiary must contribute to continue coverage under the Plan (“Monthly Contribution Amounts”).</p> <p><b>United's Responsibilities.</b> Unless otherwise notified in writing, United will be entitled to conclusively presume that a Qualified Beneficiary's eligibility for COBRA continuation of coverage under the Plan has not terminated. In the event the Qualified Beneficiary's coverage terminates prior to the maximum continuation of coverage period (including termination for non-payment of the Monthly Contribution Rate), United will provide the Qualified Beneficiary with a written notice of early termination.</p> <p>United must be given written notice of any changes in Monthly Contributions Rates pursuant to federally mandated COBRA time frames. United may accept amounts sent by Qualified Beneficiaries which are less than the Monthly Contribution Rate and partial payments may, at our discretion, be returned to the Qualified Beneficiary.</p>	
<b>COBRA Administration Manual</b>	
<b>Customer Service</b> representatives will be available to respond to inquiries from Qualified Beneficiaries.	
<b>Reporting.</b> COBRA reports containing aggregated information will be available through United's web site.	
<b>Conversion privilege.</b> United will notify Qualified Beneficiaries regarding any available conversion privilege prior to the conclusion of the maximum continuation period as required by COBRA. At the expiration of the continuation period, (depending on the State), United will provide state continuation conversion enrollment materials to Qualified Beneficiaries.	
<b>Appeals.</b> United will provide the first level of appeal review in accordance with COBRA to communicate approval or denial of the first level appeal.	Customer will have final authority to decide discrepancies, including matters of clerical error, concerning Qualified Beneficiaries' eligibility for continued coverage under Customer's Plan.
<b>Termination.</b> United will return all amounts collected from Qualified Beneficiaries but not distributed as provided herein as of the date of termination to Customer, less any amounts owed by Customer to United under this Agreement or any other agreement to which Customer and United are parties.	
<b>COBRA &amp; Retiree/Direct Billing Set Up &amp; Maintenance</b>	
<b>COBRA Services</b>	
<ul style="list-style-type: none"> <li>• COBRA/Direct Bill Continuant Takeover Administration</li> <li>• COBRA Ongoing Continuant Maintenance</li> <li>• Qualifying Event Notification, including timely distribution of election form with instructions, processing of enrollment forms, and premium billing services.</li> <li>• Notices: COBRA / HIPAA Initial Rights Notification WHCRA (Women's Health Cancer Rights Act)</li> <li>• Retro COBRA / HIPAA Initial Rights Notification WHCRA (Women's Health Cancer Rights Act)</li> <li>• HIPAA Privacy Notices</li> <li>• Active HIPAA Certificates - UHC Plan Only</li> <li>• Post COBRA / HIPAA Certificates of Coverage, UHC Plans; Non-UHC Plans</li> </ul>	

Service	Comments
<b>Open Enrollment Services, including rate change notices, collection and processing of enrollment forms.</b> <ul style="list-style-type: none"> <li>Partial Open Enrollment</li> <li>Full Open Enrollment/Fulfillment and Distribution</li> </ul>	
<b>Retiree/Direct Bill Services</b> <ul style="list-style-type: none"> <li>Retiree / Direct Bill Ongoing Participant Services</li> <li>Past Due Notices to Participants</li> </ul>	
<b>Additional Services</b> <ul style="list-style-type: none"> <li>Texas State Continuation Notice/Cobra Expiration notice with Continuation</li> <li>Outside (non-UHC) Carrier Eligibility Feeds</li> <li>Premium Remittance</li> <li>COBRA Past Due Notices to Participants</li> </ul>	

## R. OPTIONAL SERVICES

As of the Effective Date United is not providing the service identified in this Section P. Customer may request that United provide the following services in addition to those set forth above. If elected, the service it will be governed by the terms of this Agreement and any amendments to this Agreement. Customer will pay an additional fee outlined in Exhibit B for these additional services as of the effective date of the service.

Service	Comments
<b>Onsite Services Coordinator</b>	<p>United will provide an Onsite Wellness Coordinator to deliver onsite Plan program support and coaching</p> <p>United shall be responsible for hiring, training, and educating the Onsite Wellness Coordinator. The services shall be performed in compliance with local, state and federal laws, rules and regulations.</p>
<b>Diabetes Health Plan Administration</b>	Administration of a Plan that provides Participants with 100% coverage for diabetes related office visits.
<b>Cardiology and Radiology Prior Authorization Programs</b>	The prior authorization program provides for a medical necessity review for certain cardiology and radiology procedures to ensure the provider's recommended services are consistent with evidence-based medicine guidelines.
<b>Onsite Wellness Coordinator</b>	The Onsite Wellness Coordinator will deliver onsite Plan program support and coaching United shall be responsible for hiring, training, and educating the Onsite Wellness Coordinator,. The services shall be performed in compliance with local, state and federal laws, rules and regulations.
<b>Rally Engaged</b>	<p>The Rally tools learn about Participants as they share details about themselves and their health status. An intuitive Health Survey gathers health and lifestyle information are used to personalize health trackers, suggestions, clinical or wellness programs.</p> <p>Strong engagement strategies help create a culture of health through a highly personalized digital wellness experience.</p>
<b>Personal Rewards w/Flex Outcomes</b>	Consumer incentive program with flexible solutions providing greater flexibility to tailor program design. Health actions, reward values, reward types and earning maximums are determined by Customer.
<b>Telephonic Health Coaching</b>	Telephonic Health Coaching provides personal coaching to effect positive behavior change. Participants are assisted to identify health risks, set goals, and develop personalized strategies that help empower them to make positive lifestyle changes and improve their health and well-being.
<b>Smoking Cessation Services (Quit4Life)</b>	United will provide Smoking Cessation Services for Customer eligible Participants. These services are designed to

Service	Comments
	proactively (i) identify Participants for outreach, (ii) provide coaching including telephonic call, web-portal programs and mail outreach, (iii) provide behavior modification that supports and reinforces lifestyle changes with respect to Participants' tobacco use, and (iv) integrate with Customer's other benefit offerings to ensure appropriate placement of Participants.

## EXHIBIT B –FEES

This exhibit lists the fees Customer must pay United for its services during the term of the Agreement. These fees apply for the period from January 1, 2018 through December 31, 2022. Customer acknowledges that the amounts paid for administrative services are reasonable. If authorized by Customer pursuant to this Agreement or by subsequent authorization, certain fees will be paid through a withdrawal from the Bank Account.

### Standard Medical Service Fees

The Standard Medical Service Fees described below, excluding optional and non-standard fees, are adjusted as set forth in the applicable performance standard(s).

The Standard Medical Fees listed below are based upon an estimated minimum of 1,502 enrolled Employees

#### **The Standard Medical Service Fees are the sum of the following:**

- \$50.76<sup>1, 2</sup> per Employee per month covered under the Choice Plus portion of the Plan, including vision, and COBRA PEPM charges.  
(Combined total of the following service fees: \$48.96 pepm medical administration, \$1.25 pepm vision administration, and \$.55 pepm COBRA administration)
- \$53.38<sup>1, 2</sup> per Employee per month covered under the Choice portion of the Plan , including vision, and COBRA PEPM charges.  
(Combined total of the following service fees: \$51.58 pepm medical administration, \$1.25 pepm vision administration, and \$.55 pepm COBRA administration)

The Standard Medical Service Fees escalator for years 2021 and 2022 is 3%.

**Average Contract Size: 2.28**

### Pharmacy AWP Contract Rate

Customer's contract rate for prescription drugs is as provided in Exhibit C. United uses Medi-Span's national drug data file as the source for average wholesale price (AWP) information. United reserves the right to revise the pricing and adopt a new source or benchmark if there are material industry changes in pricing methodologies.

### Other Fees

Service Description	Fee
Fraud and Abuse Management	Fee equal to thirty-two and five-tenths percent (32.5%) of the gross recovery amount
Hospital Audit Program Services	Fee not to exceed thirty-one percent (31%) of the gross recovery amount
Credit Balance Recovery Services	Fee not to exceed ten percent (10%) of the gross recovery amount.
Standardized Summary of Benefits and Coverage (SBC) as established under The Patient Protection and Affordable Care Act of 2010	United will provide, at no additional charge, standard format, electronic copies of the SBC documents (twice per year) for medical benefit plans administered by United. Customer logos can be included on the SBC at no additional charge. Additional fees will apply for other services. United will not create SBCs for medical plans it does not administer.
Third Party Liability Recovery (Subrogation) Services	Fee equal to thirty-three and one-third percent (33.3%) of the gross recovery amount
Advanced Analytics and Recovery Services	Fee equal to twenty four percent (24%) of the gross recovery amount

Shared Savings Program	<p>Customer will pay a fee equal to twenty-nine percent (29%) of the Savings Obtained as a result of the Shared Savings Program, to be paid through a withdrawal from the Bank Account.</p> <p>The fee per individual claimant for Shared Savings will not exceed \$50,000.</p> <p>Savings Obtained means the amount that would have been payable to a health care provider, including amounts payable by both the Participant and the Plan, if no discount were available, minus the amount that is payable to the health care provider, again, including amounts payable by both the Participant and the Plan, after the discount is taken.</p>
External Reviews	For each subsequent external review beyond 5 total reviews per year, a fee of \$500 will apply per review.
Standard Dental Administrative Service Fees <sup>3</sup>	<p>The Standard Dental Service Fees are the sum of \$3.12 per Employee per month covered under the Passive PPO portion of the Plan.</p> <p>The Standard Dental Service Fees escalator for years 2021 and 2022 is 3%.</p>
Standard Vision Administrative Service Fees <sup>3</sup> Customer will pay to United an administrative fee for administration of Customer's vision plan, and United shall pass through such received fees to its specialty services affiliate.	<p><sup>1</sup>\$1.25 per Employee per month is included in the Standard Medical Service Fees identified above.</p> <p>The Standard Vision Administrative Service Fees escalator for years 2021 and 2022 is 3%.</p>

### **Flexible Spending Account Administrative Fees**

Service Description	Fee
FSA Administration	\$4.22 Per Enrollee Per Month (PEPM)
<b>Additional FSA Fees</b>	
External Rollover – Set up charge per customer per vendor	\$1,765
Eligibility feeds – Per file in excess of 52 per year	\$235
Healthcare Spending Account Card	\$0.50 PEPM
Nondiscrimination testing (NDT)	\$500 per testing occurrence

### **COBRA Administrative Fees**

		January 1, 2018 through December 31, 2022
<i>The following COBRA Services are included in the Standard Medical Service Fee identified above:</i>		
<b>COBRA and/or Direct Billing Set Up and Maintenance</b>		<sup>2</sup> <b>\$0.55 PEPM</b> is included in the Standard Medical Service Fees above
Group Setup Fee (one time fee at implementation)		Included
COBRA Continuant Takeover Charge (one-time charge per current continuant from previous COBRA administrator)		Included
On-going Maintenance Fee (annual fee in subsequent years after implementation)		n/a

<b>COBRA Services</b>	
Ongoing COBRA Continuant Per Month Charge	Included
Qualifying Event Notifications:	
Qualifying Event Services (fee per Qualifying Event -- includes distribution of Qualifying Event notices and election forms via proof of mail with instructions, and processing of enrollment forms returned)	Included
Outside Carrier Eligibility Feeds and Premium Remittance (per carrier per month)	Included
COBRA / HIPAA Initial Rights Notifications (per notice) AKA New Hire Notification	Included
Women's Health Cancer Rights Act (WHCRA) Notices (per notice)	Included
Texas State Continuation Notification (per notice)	Included
Past Due Notices to Continuant (per notice, upon request)	Included
<b>Note: The 2% COBRA administration portion from premium collected from continuants is remitted to the customer.</b>	
<b>The following Optional Services are billed independently of the Standard Medical Service Fee:</b>	
<b>Retiree Billing Services</b>	
Retiree Direct Billing (per continuant per month)	\$4.50
Past Due Notices to Continuant (per notice, upon request)	Included
<b>The following are Optional Services Available to customers purchasing COBRA/Direct Bill Services</b>	
<b>Employee Notification Services</b>	
Retro COBRA / HIPAA Initial Rights Notices (per notice)	\$3.00
Post-COBRA HIPAA Certificates of Coverage on <u>outside</u> COBRA members (per certificate)*	\$3.00
HIPAA Privacy Notices (per notice)	\$3.00
Medicare-D Notifications	\$0.95
<b>Open Enrollment Services</b>	
Open Enrollment Service (per person)	\$8.00
Includes packaging and distribution of all related benefit materials and/or informational documents as designated by and provided by the client	Plus Postage
<i>*There is a \$100 minimum for Open Enrollment Services</i>	
<i>*United provides these certificates through its internal processes as part of standard services for UnitedHealthcare members.</i>	

### **Optional Service Fees**

As of the Effective Date United is not providing the service identified below. If Customer requests United provide the service, Customer will pay the additional fee outlined below as of the effective date of the service.

<b>Service Description</b>	<b>Fee</b>
Onsite Services Coordinator	\$5.55 per Employee per month
Diabetes Health Plan	\$1.31 PEPM
Cardiology and Radiology Prior Authorization Programs	\$1.07 PEPM
Onsite Wellness Coordinator	\$7.77 PEPM
Rally Engaged	\$0.46 PEPM
Personal Rewards w/Flex Outcomes	\$1.64 PEPM
Telephonic Health Coaching	\$2.71 PEPM
Smoking Cessation Services (Quit4Life)	\$0.48 PEPM
Processing of run-out claims for twelve (12) months following termination	<p>The Standard Medical Service Fees identified above include six (6) months of run-out claims processing.</p> <p>The fee for run-out claims processing for an additional six (6) months is equal to the last one months' Standard Medical Service Fees in effect at the time of termination. If Customer terminates this Agreement at the end of the initial Term, a matured Standard Medical Service Fee will be used as the basis for the run-out fee.</p>

### **Credits**

#### **Wellness Allowance**

United will provide a wellness allowance so Customer may enhance Customer medical benefits during the term of the Agreement. This credit is available during the first five years.

Pursuant to Customer's request, the Wellness Allowance amount may be used to pay for reasonable wellness-related programs or activities the County receives from United or Customer's third-party vendors incurred annually through December 31, 2022, provided the Agreement is not terminated. The wellness allowance may be used for wellness related programming and services such as wellness fairs, biometric screenings, and on site flu vaccinations. These annually allotted funds will be available as of the Effective Date, and on each anniversary of the Effective Date.

For Customer's third-party vendor provided wellness services, at Customer's written direction, United will pay wellness-related expenses directly to a Customer third-party vendor once the invoice is sent outlining the expenses Customer has incurred. Customer agrees that United is not responsible for the services Customer's third-party vendor provides, and Customer's third-party vendor is solely responsible for any services rendered to Customer or Participants. The invoices should be submitted within 60 days of the service being incurred. Expenses must be for wellness-related programs or activities that are designed to promote the health and wellbeing of Participants, or to educate Participants about healthy lifestyles and choices.

Any wellness-related allowance amounts must comply with these conditions.

In the event that there is a dispute between Customer and Vendor over continuing to make the Vendor Fee payment, the Vendor Fee amount or frequency of the Vendor Fee payment, Customer and Vendor shall be the parties to resolve such dispute and shall hold United harmless in such disputes. In the event of any change whatsoever in the Vendor Fee, Customer shall immediately notify United of such change.



\$40,000 Wellness allowance in 2018

\$40,000 Wellness allowance in 2019

\$40,000 Wellness allowance in 2020

\$40,000 Wellness allowance in 2021

\$40,000 Wellness allowance in 2022

### **Fee Waiver**

United will provide a 1-month fee waiver in the 1st month of years 1-3 (2018 , 2019, and 2020) for all United medical services sold on a PEPM Basis (excluding commissions).

Conditions:

- Requires a three year agreement. Early termination is subject to the early termination penalty outlined below.
- Assumes an enrolled Employee count within 15% of the quoted subscriber count of 1,502.
- 1-month fee waiver is calculated after any credits are applied.

Fee Waiver Early Termination Penalty:

- Termination prior to 1/1/2019 = 100% of fees waived
- Termination prior to 1/1/2020 = 50% of fees waived
- Termination prior to 1/1/2021 = 25% of fees waived

### **<sup>3</sup>Packaged Savings Program**

The Packaged Savings Program is a \$2.00 per-employee per-month (PEPM) credit to the Dental and Vision service fees based upon the medical administration and the Dental and Vision line of specialty coverage Customer has with United.

Packaged Savings Program credit is available effective January 1, 2018 for the initial 12 months that the eligible medical administration and the Dental and Vision line of specialty coverage remain in-force.

United reserves the right to revise or revoke this Packaged Savings Program credit under the following circumstances:

- The benefits requested and/or quoted change.
- Changes in federal, state or other applicable legislation or regulation require changes to the Packaged Savings Program.
- Specialty products can be added off-cycle from the medical product effective date. However, if the medical or specialty coverage terminates prior to December 31, 2018, any remaining Packaged Savings administrative credits will be forfeited.

## EXHIBIT C – PERFORMANCE STANDARDS FOR HEALTH BENEFITS

The Standard Medical Service Fees (excluding Optional and Non-Standard Fees and that portion of the Standard Medical Service Fees attributable to Commission Funds, if applicable, as described in Exhibit B), (hereinafter referred to as “Fees in this Exhibit”) payable by Customer under this Agreement will be adjusted through a credit to its fees in accordance with the performance guarantees set forth below unless otherwise defined in the guarantee. Unless otherwise specified, these guarantees apply to medical benefits and are effective for the period January 1, 2018 through December 31, 2018, or as otherwise indicated (each twelve month period is a “Guarantee Period”). With respect to the aspects of United's performance addressed in this exhibit, these fee adjustments are Customer's exclusive financial remedies.

These guarantees will become effective upon the later of (1) the effective date of the Guarantee Period; or (2) the date this Agreement is signed by both parties. In the event these guarantees become effective later than the effective date of the Guarantee Period: (1) quarterly guarantees will become effective beginning with the next calendar quarter following signature of this Agreement by both parties and (2) annual guarantees will become effective commencing with the Term of the Agreement during which this Agreement is signed by both parties.

United shall not be required to meet any of the guarantees provided for in this Agreement or amendments thereto to the extent its failure is due to Customer's actions or inactions or if United fails to meet these standards due to fire, embargo, strike, war, accident, act of God, acts of terrorism or United's required compliance with any law, regulation, or governmental agency mandate or anything beyond United's reasonable control.

Prior to the end of the Guarantee Period, and provided that this Agreement remains in force, United may specify to Customer in writing new performance guarantees for the subsequent Guarantee Period. If United specifies new performance guarantees, United will also provide Customer with a new Exhibit that will replace this Exhibit for that subsequent Guarantee Period.

Claim is defined as an initial and complete written request for payment of a Plan benefit made by an enrollee, physician, or other healthcare provider on an accepted format. Unless stated otherwise, the claims are limited to medical claims processed through the UNET claims systems. Claims processed and products administered through any other system, including claims for other products such as vision, dental, flexible spending accounts, health reimbursement accounts, health savings accounts, or pharmacy coverage, are not included in the calculation of the performance measurements. Also, services provided under capitated arrangements are not processed as a typical claim; therefore capitated payments are not included in the performance measurements.

The maximum penalty payout across all guarantees for the Guarantee Period shall in no circumstances exceed 50% of total fees at risk across all guarantees.

Implementation -- Applies to First Year Only			
A formal implementation plan, which defines key tasks, dependencies and completion dates will be developed and agreed to by both parties. The lack of a mutually agreeable formal implementation plan will nullify these implementation guarantees in total. Failure on the customer's part to complete, by the agreed upon dates, the key dependent tasks associated with the implementation guarantees outlined below will also nullify that guarantee.			
Initial ID Card Issuance			
Definition	ID cards will be postmarked within the parameters set forth after the final eligibility data has been system loaded, passed a quality assurance check, passed a system load test and has been released to the ID card production area.		
Measurement	Percentage of cards issued		99%
	Issuance time frame, business days or less	business days	10
Criteria	Calculated on a pro-rated basis, based on the actual number of late cards as a percent of the total number of cards. ID card turnaround time guarantees are based on United's performance during the implementation process.		
Level	Customer specific		
Period	Initial implementation timeframe		
Payment Period	Annually		

Fees at Risk	Total Dollars at Risk for this metric	\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
<b>Claim Ready Date</b>		
Definition	Ready to pay electronic claims by the later of the effective date or within the designated number of days following the completion of key implementation tasks: (i) Account structure and benefit plan details are defined and written approval has been provided by the customer; (ii) final eligibility has been received and successfully tested by United; and (iii) if so negotiated, deductibles and lifetime maximums from the previous carrier received in a mutually agreed upon format, accurate, and loaded electronically.	
Measurement	Electronic claim ready by effective date or the later of business days or less	business days 18
Criteria	If any additional changes are received or requested after written approval is received, 10 additional business days will be required for changes affecting up to ten benefit plans (sets); 20 additional days will be required for changes affecting ten or more benefit plans (sets).	
Level	Customer specific	
Period	Initial implementation timeframe	
Payment Period	Annually	
Fees at Risk	Total Dollars at Risk for this metric	\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
<b>Eligibility Loading</b>		
Definition	Initial implementation electronic eligibility files will be loaded within the timeframe set forth following receipt of clean eligibility file.	
Measurement	Files loaded, in business days or less	business days 3
Criteria	Clean eligibility file once approved by Customer and/or its designee and United, which must be: a) error free; b) formatted per United's standards; and c) received by 12:00 p.m., EST on the scheduled date, or the guarantee period starts the following business day.	
Level	Customer specific	
Period	Initial implementation timeframe	
Payment Period	Annually	
Fees at Risk	Total Dollars at Risk for this metric	\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
<b>Claim Operations</b>		
<b>Time to Process in 10 Days</b>		
Definition	The percentage of all claims United receives will be processed within the designated number of business days of receipt.	
Measurement	Percentage of claims processed	94%
Criteria	Time to process, in business days or less after receipt of claim	business days 10
Level	Standard claim operations reports	
Period	Site Level	
Payment Period	Annually	
Fees at Risk	Total Dollars at Risk for this metric	\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	20%
Gradients	11 business days 12 business days 13 business days 14 business days 15 business days or more	

Dollar Accuracy (DAR)			
Definition	Dollar accuracy rate of not less than the designated percent in any quarter.		
Measurement	Percentage of claims dollars processed accurately		99%
Criteria	Statistically significant random sample of claims processed is reviewed to determine the percentage of claim dollars processed correctly out of the total claim dollars paid.		
Level	Office Level		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	98.99% - 98.50%		
	98.49% - 98.00%		
	97.99% - 97.50%		
	97.49% - 97.00		
	Below 97.00%		
Procedural Accuracy			
Definition	Procedural accuracy rate of not less than the designated percent.		
Measurement	Percentage of claims processed without procedural (i.e. non-financial) errors		97%
Criteria	Statistically significant random sample of claims processed is reviewed to determine the percentage of claim dollars processed without procedural (i.e. non-financial) errors.		
Level	Office Level		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	96.99% - 96.50%		
	96.49% - 96.00%		
	95.99% - 95.50%		
	95.49% - 95.00%		
	Below 95.00%		
Member Phone Service			
Phone service guarantees and standards apply to Participant calls made to the customer care center that primarily services Customer's Participants. If Customer elects a specialized phone service model the results may be blended with more than one call center and/or level. They do not include calls made to care management personnel and/or calls to the senior center for Medicare Participants, nor do they include calls for services/products other than medical, such as mental health/substance abuse, pharmacy (except when United is Customer's pharmacy benefit services administrator), dental, vision, Health Savings Account, etc.			
Average Speed to Answer			
Definition	Calls will sequence through United's phone system and be answered by customer service within the parameters set forth.		
Measurement	Percentage of calls answered		100%
	Time answered in seconds, on average	seconds	30
Criteria	Standard tracking reports produced by the phone system for all calls		
Level	Team that services Customer's account		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	32 seconds or less		
	34 seconds or less		
	36 seconds or less		
	38 seconds or less		
	Greater than 38 seconds		

Abandonment Rate		
Definition	The average call abandonment rate will be no greater than the percentage set forth	
Measurement	Percentage of total incoming calls to customer service abandoned, on average	2%
Criteria	Standard tracking reports produced by the phone system for all calls	
Level	Team that services Customer's account	
Period	Annually	
Payment Period	Annually	
Fees at Risk	Total Dollars at Risk for this metric	\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	20%
Gradients	2.01% - 2.50% 2.51% - 3.00% 3.01% - 3.50% 3.51% - 4.00% Greater than 4.00%	
Call Quality Score		
Definition	Maintain a call quality score of not less than the percent set forth	
Measurement	Call quality score to meet or exceed	93%
Criteria	Random sampling of calls are each assigned a customer service quality score, using United's standard internal call quality assurance program.	
Level	Office that services Customer's account	
Period	Annually	
Payment Period	Annually	
Fees at Risk	Total Dollars at Risk for this metric	\$10,200
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	20%
Gradients	92.99% - 91.00% 90.99% - 89.00% 88.99% - 87.00% 86.99% - 85.00% Below 85.00%	
Satisfaction		
Employee (Member) Satisfaction		
Definition	The overall satisfaction will be determined by the question that reads “Overall, how satisfied are you with the way we administers your medical health insurance plan?”	
Measurement	Percentage of respondents, on average, indicating a grade of satisfied or higher	80%
Criteria	Operations standard survey, conducted over the course of the year; may be customer specific for an additional charge.	
Level	Office that services Customer's account	
Period	Annually	
Payment Period	Annually	
Fees at Risk	Total Dollars at Risk for this metric	\$5,100
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	
Customer Satisfaction		
Definition	The overall satisfaction will be determined by the question that reads “How satisfied are you overall with UnitedHealthcare?”	
Measurement	Minimum score on a 10 point scale	score 5
Criteria	Standard Customer Scorecard Survey	
Level	Customer specific	
Period	Annually	
Payment Period	Annually	
Fees at Risk	Total Dollars at Risk for this metric	\$5,100
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient	N/A
Gradients	Not applicable	

**Pharmacy Financials**  
**January 1, 2018 through December 31, 2020**

Definition	Contracted pharmacy rates that will be delivered to You.			
Measurement and Criteria	01/01/2018		01/01/2019	01/01/2020
	Combined Discount Guarantee			
-	Retail Brand, Average Wholesale Price (AWP) less		18.3%	18.3%
	Retail Brand -- 90 Day Supply, AWP less		21.7%	21.7%
	Retail Generic - 30 and 90 Day, AWP less		77.0%	77.1%
	Mail Order Brand, AWP less		23.2%	23.3%
	Mail Order Generic, AWP less		80.0%	80.1%
	The Guaranteed Discount amount will be determined by multiplying the AWP by the guaranteed discount off AWP by each component and adding the amounts together.			
	Dispensing Fees			
	Retail Brand		\$1.00	\$0.95
	Retail Brand -- 90 Day Supply		\$0.57	\$0.57
	Retail Generic		\$1.00	\$0.95
Retail Generic -- 90 Day Supply		\$0.57	\$0.57	
Dispensing fee totals are calculated by multiplying the actual scripts for each type by the contracted rate for that script type.				
-	Minimum Rebate Guarantee (Traditional PDL)			
	Rebate Sharing Percentage		100.0%	100.0%
	Basis, per script		Brand	Brand
	Retail		\$124.24	\$161.57
	Mail Order		\$219.50	\$232.52
	Specialty		Included In Retail	Included In Retail
				Included In Retail
Level	Customer Specific			
Period	Annually			
Payment Period	Annually			
Payment Amount -- Discounts	The amount the actual discounts are less than the combined contracted discount amount.			
Payment Amount -- Dispensing Fees	The amount the combined actual dispensing fee exceeds the combined contracted dispensing fee.			
Payment Amount -- Rebates	The amount the combined actual Rebate amount are less than the combined guaranteed Rebate amount.			
Conditions	Discount Specific Conditions			
-	• Discounts are based on actual Network Pharmacy brand and generic usage of retail and mail order drugs			
-	The guaranteed discount amount will be determined by multiplying the AWP by the contracted discount rate off AWP by component.			
	• Does not apply to items covered under the Plan for which no AWP measure exists.			
	• Discounts calculated based on AWP less the ingredient cost; discount percentages are the discounts divided by the AWP. Discounts for retail and mail order generic prescriptions represent the average AWP based on savings off Maximum Allowable Cost (MAC) pricing for MAC generics and percentage discount savings off AWP for non-MAC generics. All other discounts represent the percentage discount savings off of AWP.			
	• The arrangement excludes all specialty drugs, generic medications launched as an 'at-risk' product, generic medication with pending litigation, compound drugs, retail out of network claims, mail order drugs (for dispensing fee arrangement) and non-drug items.			

- The retail and mail order generic discounts exclude any generic drug that has two or fewer generic manufacturers; the retail and mail order brand discounts include any generic drug that has two or fewer generic manufacturers.

- The 90 day supply Retail guarantee includes drugs dispensed for 84 days or greater.

#### **Rebate Specific Conditions**

- Assumes implementation of United's Traditional PDL

United reserves the right to modify or eliminate this arrangement as follows based upon changes in Rebates:

- if changes made to United's PDL, for the purpose of achieving a lower net drug cost for Customer and United's other ASO customers, result in significant reductions to the Rebate level

- in the event that there are material deviations to the anticipated timing of drugs that will come off patent and no longer generate Rebates

- if Customer changes or does not elect an Incented plan design

- United will pay Rebates consistent with the Agreement. A reconciliation of the Rebate amounts will occur after the end of each annual contract period and when Rebate payments are substantially complete. The reconciliation calculates the minimum rebate amount by multiplying the actual number of scripts filled by the applicable rebate amount for that script type.

- Specialty rebates are included in the guaranteed retail per-script rebates above.

- **Rebate Administrative Fee:** United maintains systems and processes necessary for managing and administering Rebate programs. As consideration for these efforts, pharmaceutical manufacturers pay United administrative fees in addition to Rebates. These administrative fees are included in the guaranteed per-script rebates above.

#### **General Conditions**

- On mail order drugs and retail pharmacy drugs and services including dispensing fees, United will retain the difference between what United reimburses the Network Pharmacy and Customer's payment for a prescription drug product or service.

- A minimum of 1,352 Employees and 3,078 Participants enrolled in the pharmacy plan is required.

- The lessor of three logic (non-ZBL) will apply to Participant payments. Participants pay the lessor of the discounted price, the usual and customary charge or the cost share amount.

- All pricing guarantees require the selection of United as the exclusive mail provider and a mail benefit design as applicable to the historical data provided for the purpose of this cost proposal. All rates and fees are subject to change otherwise.

- United reserves the right to revise or revoke this arrangement if: a) changes in federal, state or other applicable law or regulation require modifications; b) there are material changes to the AWP as published by the pricing agency that establishes the AWP as used in these arrangements; c) Customer makes benefit changes that impact the arrangements; d) there is a material industry change in pricing methodologies resulting in a new source or benchmark; e) it is not accepted within ninety (90) days of the issuance of our initial quote;

- f) if Customer changes their mail service benefit.

TRRX  
(05/2015)

Specialty Pharmacy					
Specialty Pharmacy Discount Guarantee					
Definition	Specialty drug discount level based on actual specialty drug utilization for the specialty drugs dispensed through United's specialty Pharmacy Network				
Measurement	Discount targets for individual drugs dispensed through United's specialty Pharmacy Network. See chart below.				
Criteria	Actual utilization, using Average Wholesale Price (AWP) in dollars, using our data, of specialty drugs through Our specialty Pharmacy Network will be multiplied against the discount targets for the individual drugs to determine the overall discount target dollars. This total will be compared to actual discounts achieved for these drugs during the Guarantee Period.				
Level	Customer Specific				
Period	Annual				
Payment Period	Annual				
Payment Amount	The amount the combined actual specialty drug discounts are less than the sum of the individual specialty drug discount targets as computed above.				
Conditions	<ul style="list-style-type: none"> <li>Discounts calculated based on the AWP less the ingredient cost; discount percentages are the discounts divided by the AWP. Discounts for retail generic prescriptions represent the average savings off AWP based on Maximum Allowable Cost (MAC) pricing for MAC generics and percentage discount savings off AWP for non-MAC generics. All other discounts represent the percentage discount savings off of AWP.</li> <li>Specialty drugs dispensed outside United's specialty Pharmacy Network, drugs for which no AWP measure exists and non-drug items are excluded.</li> <li>United reserves the right to revise or revoke this guarantee if: a) changes in federal, state or other applicable law or regulation require modifications; b) there are material changes to the AWP as published by the pricing agency that establishes the AWP as used in this guarantee; c) Customer makes benefit changes that impact the guarantee; d) there is a material industry change in pricing methodologies resulting in a new source or benchmark</li> </ul>				
Specialty Drug Category	Brand Name	Guarantee Pricing (AWP-%)	Specialty Drug Category	Brand Name	Guarantee Pricing (AWP-%)
ANEMIA	ARANESP	13.0%	HIV	TIVICAY	12.5%
ANEMIA	EPOGEN	13.2%	HIV	TRIUMEQ	13.5%
ANEMIA	PROCRT	13.6%	HIV	TRIZIVIR	14.2%
ANTIHYPERLIPIDE MIC	JUXTAPID	14.2%	HIV	TRUVADA	13.4%
ANTIHYPERLIPIDE MIC	KYNAMRO	11.4%	HIV	TYBOST	13.5%
ANTIHYPERLIPIDE MIC	PRALUENT	13.5%	HIV	VIDEX	14.3%
ANTIHYPERLIPIDE MIC	REPATHA	13.5%	HIV	VIDEX EC	14.3%
ANTI-INFECTIVE	DARAPRIM	12.5%	HIV	VIRACEPT	14.2%
CARDIOVASCULAR	NORTHERA	13.5%	HIV	VIRAMUNE	14.2%
CNS AGENTS	HETLIOZ	13.5%	HIV	VIRAMUNE XR	14.2%
CNS AGENTS	SABRIL	14.3%	HIV	VIREAD	14.2%
CNS AGENTS	TETRABENAZINE	14.5%	HIV	ZERIT	14.3%
CNS AGENTS	XENAZINE	14.5%	HIV	ZIAGEN	14.2%
CNS AGENTS	XYREM	5.5%	HIV	ZIDOVUDINE	13.5%
CYSTIC FIBROSIS	BETHKIS	13.5%	IMMUNE MODULATOR	ACTIMMUNE	14.0%
CYSTIC FIBROSIS	CAYSTON	14.0%	IMMUNE MODULATOR	ARCALYST	14.0%
CYSTIC FIBROSIS	KALYDECO	11.8%	INFERTILITY	BRAVELLE	13.2%
CYSTIC FIBROSIS	KITABIS PAK	12.1%	INFERTILITY	CETROTIDE	13.5%



CYSTIC FIBROSIS	ORKAMBI	13.5%	INFERTILITY	CHORIONIC GONADOTROPIN	10.0%
CYSTIC FIBROSIS	PULMOZYME	12.1%	INFERTILITY	FOLLISTIM AQ	13.2%
CYSTIC FIBROSIS	TOBI	12.1%	INFERTILITY	GANIRELIX ACETATE	10.0%
CYSTIC FIBROSIS	TOBI PODHALER	13.5%	INFERTILITY	GONAL-F	22.8%
CYSTIC FIBROSIS	TOBRAMYCIN	12.1%	INFERTILITY	GONAL-F RFF	22.8%
ENDOCRINE	BUPHENYL	13.5%	INFERTILITY	HUMAN CHORIONIC GONADOTROPIN	10.0%
ENDOCRINE	CARBAGLU	7.9%	INFERTILITY	MENOPUR	10.0%
ENDOCRINE	CHENODAL	9.4%	INFERTILITY	NOVAREL	12.1%
ENDOCRINE	CUPRIMINE	12.7%	INFERTILITY	OVIDREL	13.5%
ENDOCRINE	CYSTADANE	10.0%	INFERTILITY	PREGNYL	10.0%
ENDOCRINE	CYSTARAN	7.3%	INFLAMMATORY CONDITIONS	ACTEMRA	13.5%
ENDOCRINE	EGRIFTA	13.5%	INFLAMMATORY CONDITIONS	CIMZIA	12.6%
ENDOCRINE	FIRMAGON	13.5%	INFLAMMATORY CONDITIONS	COSENTYX	12.2%
ENDOCRINE	GATTEX	13.5%	INFLAMMATORY CONDITIONS	ENBREL	12.4%
ENDOCRINE	H.P. ACTHAR	12.0%	INFLAMMATORY CONDITIONS	HUMIRA	14.6%
ENDOCRINE	KEVEYIS	10.9%	INFLAMMATORY CONDITIONS	KINERET	13.1%
ENDOCRINE	KORLYM	11.4%	INFLAMMATORY CONDITIONS	ORENCIA	13.6%
ENDOCRINE	KUVAN	12.6%	INFLAMMATORY CONDITIONS	OTEZLA	11.4%
ENDOCRINE	MYALEPT	0.3%	INFLAMMATORY CONDITIONS	SIMPONI	12.6%
ENDOCRINE	NATPARA	12.5%	INFLAMMATORY CONDITIONS	STELARA	11.7%
ENDOCRINE	OCTREOTIDE ACETATE	13.7%	INFLAMMATORY CONDITIONS	XELJANZ	13.5%
ENDOCRINE	PROCYSBI	7.3%	INFLAMMATORY CONDITIONS	XELJANZ XR	13.5%
ENDOCRINE	RAVICTI	11.9%	IRON OVERLOAD	EXJADE	11.9%
ENDOCRINE	SAMSCA	12.6%	IRON OVERLOAD	FERRIPROX	12.5%
ENDOCRINE	SANDOSTATIN	13.7%	IRON OVERLOAD	JADENU	13.0%
ENDOCRINE	SIGNIFOR	7.9%	MULTIPLE SCLEROSIS	AMPYRA	11.7%
ENDOCRINE	SODIUM PHENYLBUTYRATE	13.5%	MULTIPLE SCLEROSIS	AUBAGIO	12.5%
ENDOCRINE	SOMATULINE DEPOT	11.9%	MULTIPLE SCLEROSIS	AVONEX	12.2%
ENDOCRINE	SOMAVERT	10.6%	MULTIPLE SCLEROSIS	BETASERON	13.5%
ENDOCRINE	SYPRINE	12.7%	MULTIPLE SCLEROSIS	COPAXONE	13.5%
ENDOCRINE	THIOLA	11.4%	MULTIPLE SCLEROSIS	EXTAVIA	12.6%
ENZYME DEFICIENCY	CHOLBAM	4.2%	MULTIPLE SCLEROSIS	GILENYA	13.5%
ENZYME DEFICIENCY	ORFADIN	-3.0%	MULTIPLE SCLEROSIS	GLATOPA	13.5%

ENZYME DEFICIENCY	STRENSIQ	11.3%	MULTIPLE SCLEROSIS	PLEGRIDY	13.5%
ENZYME DEFICIENCY	SUCRAID	10.9%	MULTIPLE SCLEROSIS	REBIF	13.3%
ENZYME DEFICIENCY	ZAVESCA	10.9%	MULTIPLE SCLEROSIS	REBIF REBIDOSE	13.3%
GAUCHERS DISEASE	CERDELGA	13.5%	MULTIPLE SCLEROSIS	TECFIDERA	13.5%
GROWTH HORMONE DEFICIENCY	GENOTROPIN	13.9%	NEUTROPENIA	LEUKINE	13.7%
GROWTH HORMONE DEFICIENCY	HUMATROPE	14.2%	NEUTROPENIA	NEULASTA	13.5%
GROWTH HORMONE DEFICIENCY	INCRELEX	12.6%	NEUTROPENIA	NEUPOGEN	13.5%
GROWTH HORMONE DEFICIENCY	NORDITROPIN	14.2%	NEUTROPENIA	ZARXIO	13.5%
GROWTH HORMONE DEFICIENCY	NUTROPIN AQ	12.4%	ONCOLOGY - INJECTABLE	INTRON A	13.0%
GROWTH HORMONE DEFICIENCY	NUTROPIN AQ NUSPIN	12.4%	ONCOLOGY - INJECTABLE	SYLATRON	13.5%
GROWTH HORMONE DEFICIENCY	OMNITROPE	13.8%	ONCOLOGY - INJECTABLE	SYNRIBO	11.4%
GROWTH HORMONE DEFICIENCY	SAIZEN	16.2%	ONCOLOGY - ORAL	AFINITOR	12.6%
GROWTH HORMONE DEFICIENCY	SEROSTIM	11.2%	ONCOLOGY - ORAL	AFINITOR DISPERZ	12.6%
GROWTH HORMONE DEFICIENCY	ZOMACTON	13.5%	ONCOLOGY - ORAL	ALECENSA	13.5%
GROWTH HORMONE DEFICIENCY	ZORBTIVE	13.0%	ONCOLOGY - ORAL	BEXAROTENE	13.5%
HEMATOLOGIC	BERINERT	5.5%	ONCOLOGY - ORAL	BOSULIF	13.5%
HEMATOLOGIC	CINRYZE	7.8%	ONCOLOGY - ORAL	CAPECITABINE	13.2%
HEMATOLOGIC	FIRAZYR	13.5%	ONCOLOGY - ORAL	CAPRELSA	8.3%
HEMATOLOGIC	MOZOBIL	12.6%	ONCOLOGY - ORAL	COMETRIQ	10.6%
HEMATOLOGIC	PROMACTA	12.6%	ONCOLOGY - ORAL	COTELLIC	13.5%
HEMATOLOGIC	RUCONEST	12.5%	ONCOLOGY - ORAL	ERIVEDGE	12.5%
HEMOPHILIA	ADVATE	38.7%	ONCOLOGY - ORAL	FARYDAK	13.5%
HEMOPHILIA	ADYNOVATE	13.5%	ONCOLOGY - ORAL	GILOTRIF	13.5%
HEMOPHILIA	ALPHANATE/VON WILLEBRAND	36.8%	ONCOLOGY - ORAL	GLEEVEC	14.2%
HEMOPHILIA	ALPHANINE SD	30.5%	ONCOLOGY - ORAL	HYCAMTIN	14.8%
HEMOPHILIA	ALPROLIX	13.5%	ONCOLOGY - ORAL	IBRANCE	13.5%
HEMOPHILIA	BEBULIN	12.7%	ONCOLOGY - ORAL	ICLUSIG	12.5%
HEMOPHILIA	BENEFIX	7.3%	ONCOLOGY - ORAL	IMBRUVICA	13.5%
HEMOPHILIA	COAGADEX	30.0%	ONCOLOGY - ORAL	INLYTA	13.5%
HEMOPHILIA	CORIFACT	13.5%	ONCOLOGY - ORAL	IRESSA	13.5%

HEMOPHILIA	ELOCTATE	24.8%	ONCOLOGY - ORAL	JAKAFI	12.5%
HEMOPHILIA	FEIBA	31.1%	ONCOLOGY - ORAL	LENVIMA	13.5%
HEMOPHILIA	FEIBA NF	31.1%	ONCOLOGY - ORAL	LONSURF	14.5%
HEMOPHILIA	HELIXATE FS	36.9%	ONCOLOGY - ORAL	LYNPARZA	11.9%
HEMOPHILIA	HEMOFIL M	41.9%	ONCOLOGY - ORAL	MATULANE	12.5%
HEMOPHILIA	HUMATE-P	24.3%	ONCOLOGY - ORAL	MEKINIST	11.4%
HEMOPHILIA	IXINITY	7.3%	ONCOLOGY - ORAL	MESNEX	13.5%
HEMOPHILIA	KOATE-DVI	40.9%	ONCOLOGY - ORAL	NEXAVAR	12.5%
HEMOPHILIA	KOGENATE FS	39.9%	ONCOLOGY - ORAL	NINLARO	13.5%
HEMOPHILIA	MONOCLATE-P	29.6%	ONCOLOGY - ORAL	ODOMZO	13.5%
HEMOPHILIA	MONONINE	29.6%	ONCOLOGY - ORAL	POMALYST	13.0%
HEMOPHILIA	NOVOEIGHT	24.8%	ONCOLOGY - ORAL	REVLIMID	9.6%
HEMOPHILIA	NOVOSEVEN RT	34.1%	ONCOLOGY - ORAL	SPRYCEL	14.5%
HEMOPHILIA	NUWIQ	13.5%	ONCOLOGY - ORAL	STIVARGA	13.5%
HEMOPHILIA	PROFILNINE	13.4%	ONCOLOGY - ORAL	SUTENT	13.5%
HEMOPHILIA	PROFILNINE SD	13.4%	ONCOLOGY - ORAL	TAFINLAR	11.4%
HEMOPHILIA	RECOMBINATE	37.4%	ONCOLOGY - ORAL	TAGRISSO	13.5%
HEMOPHILIA	RIXUBIS	7.3%	ONCOLOGY - ORAL	TARCEVA	13.5%
HEMOPHILIA	TRETTEN	13.5%	ONCOLOGY - ORAL	TASIGNA	13.5%
HEMOPHILIA	WILATE	13.5%	ONCOLOGY - ORAL	TEMODAR	14.2%
HEMOPHILIA	XYNTHA	13.5%	ONCOLOGY - ORAL	TEMOZOLOMIDE	14.2%
HEPATITIS B	ADEFOVIR DIPIVOXIL	13.2%	ONCOLOGY - ORAL	THALOMID	14.0%
HEPATITIS B	BARACLUDE	13.2%	ONCOLOGY - ORAL	TRETINOIN	18.1%
HEPATITIS B	ENTECAVIR	13.2%	ONCOLOGY - ORAL	TYKERB	14.0%
HEPATITIS B	EPIVIR HBV	12.2%	ONCOLOGY - ORAL	VENCLEXTA	13.5%
HEPATITIS B	HEPSERA	13.2%	ONCOLOGY - ORAL	VOTRIENT	12.6%
HEPATITIS B	LAMIVUDINE HBV	12.2%	ONCOLOGY - ORAL	XALKORI	13.5%
HEPATITIS B	TYZEKA	13.2%	ONCOLOGY - ORAL	XELODA	13.2%
HEPATITIS C	DAKLINZA	13.5%	ONCOLOGY - ORAL	XTANDI	13.5%
HEPATITIS C	HARVONI	14.5%	ONCOLOGY - ORAL	ZELBORAF	12.2%
HEPATITIS C	OLYSIO	13.5%	ONCOLOGY - ORAL	ZOLINZA	14.2%
HEPATITIS C	PEGASYS	16.4%	ONCOLOGY - ORAL	ZYDELIG	13.5%
HEPATITIS C	PEGINTRON	14.2%	ONCOLOGY - ORAL	ZYKADIA	13.0%
HEPATITIS C	SOVALDI	13.5%	ONCOLOGY - ORAL	ZYTIGA	13.5%
HEPATITIS C	TECHNIVIE	13.5%	ONCOLOGY - TOPICAL	TARGRETIN	13.5%
HEPATITIS C	VIEKIRA PAK	13.5%	ONCOLOGY - TOPICAL	VALCHLOR	7.8%
HEPATITIS C	ZEPATIER	13.5%	OSTEOPOROSIS	FORTEO	13.2%
HIV	ABACAVIR	14.2%	PARKINSONS DISEASE	APOKYN	11.5%
HIV	ABACAVIR SULFATE/LAMIVUD INE/ZIDOVUDINE	14.2%	PULMONARY DISEASE	ESBRIET	13.5%
HIV	APTIVUS	14.3%	PULMONARY DISEASE	OFEV	12.5%
HIV	ATRIPLA	13.3%	PULMONARY HYPERTENSION	ADCIRCA	12.7%
HIV	COMBIVIR	13.5%	PULMONARY HYPERTENSION	ADEMPAS	12.5%

HIV	COMPLERA	13.5%	PULMONARY HYPERTENSION	LETAIRIS	12.7%
HIV	CRIVAN	14.3%	PULMONARY HYPERTENSION	OPSUMIT	12.7%
HIV	DIDANOSINE	14.3%	PULMONARY HYPERTENSION	ORENITRAM	12.5%
HIV	EDURANT	13.5%	PULMONARY HYPERTENSION	REVATIO	12.7%
HIV	EMTRIVA	14.3%	PULMONARY HYPERTENSION	SILDENAFIL	12.7%
HIV	EPIVIR	13.2%	PULMONARY HYPERTENSION	SILDENAFIL CITRATE	12.7%
HIV	EPZICOM	13.5%	PULMONARY HYPERTENSION	TRACLEER	12.7%
HIV	EVOTAZ	13.5%	PULMONARY HYPERTENSION	TYVASO	3.7%
HIV	FUZEON	12.1%	PULMONARY HYPERTENSION	UPTRAVI	14.0%
HIV	GENVOYA	13.5%	PULMONARY HYPERTENSION	VENTAVIS	+10.4%
HIV	INTELENCE	12.6%	TRANSPLANT	ASTAGRAF XL	10.9%
HIV	INVIRASE	14.3%	TRANSPLANT	CELLCEPT	12.5%
HIV	ISENTRESS	11.7%	TRANSPLANT	CYCLOSPORINE	51.8%
HIV	KALETRA	13.5%	TRANSPLANT	CYCLOSPORINE MODIFIED	51.8%
HIV	LAMIVUDINE	13.2%	TRANSPLANT	ENVARUS XR	13.5%
HIV	LAMIVUDINE/ZIDOVUDINE	13.5%	TRANSPLANT	GENGRAF	17.6%
HIV	LEXIVA	14.2%	TRANSPLANT	HECORIA	13.4%
HIV	NEVIRAPINE	14.2%	TRANSPLANT	MYCOPHENOLATE MOFETIL	11.7%
HIV	NEVIRAPINE ER	14.2%	TRANSPLANT	MYCOPHENOLIC ACID	13.5%
HIV	NORVIR	13.2%	TRANSPLANT	MYCOPHENOLIC ACID DR	13.5%
HIV	PREZCOBIX	13.5%	TRANSPLANT	MYFORTIC	13.5%
HIV	PREZISTA	14.2%	TRANSPLANT	NEORAL	13.2%
HIV	RESCRIPTOR	14.3%	TRANSPLANT	PROGRAF	13.4%
HIV	RETROVIR	13.5%	TRANSPLANT	RAPAMUNE	13.5%
HIV	REYATAZ	13.5%	TRANSPLANT	SANDIMMUNE	26.0%
HIV	SELZENTRY	12.6%	TRANSPLANT	SIROLIMUS	13.5%
HIV	STAVUDINE	12.6%	TRANSPLANT	TACROLIMUS	12.1%
HIV	STRIBILD	13.0%	TRANSPLANT	TACROLIMUS MONOHYDRATE	12.1%
HIV	SUSTIVA	14.2%	TRANSPLANT	ZORTRESS	13.5%

\*Includes Nebulizer

NOTE: Can only dispense Anemia and Neutropenia drugs where they are adjunct therapy to Hepatitis-C.

## **EXHIBIT D – BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (“BAA”) is incorporated into and made part of the Administrative Services Agreement (“Agreement”) between United HealthCare Services, Inc. on behalf of itself and its affiliates (“Business Associate”) and Williamson County (“Covered Entity”) and is effective on 1/1/2018 (Effective Date).

The parties hereby agree as follows:

### **1. DEFINITIONS**

- 1.1 Unless otherwise specified in this BAA, all capitalized terms used in this BAA not otherwise defined have the meanings established for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations as amended from time to time (collectively, “HIPAA”).
- 1.2 “Privacy Rule” means the federal privacy regulations, as amended from time to time, issued pursuant to HIPAA and codified at 45 C.F.R. Parts 160 and 164 (Subparts A & E).
- 1.3 “Security Rule” means the federal security regulations, as amended from time to time, issued pursuant to HIPAA and codified at 45 C.F.R. Parts 160 and 164 (Subparts A & C).
- 1.4 “Services” means, to the extent and only to the extent they involve the receipt, creation, maintenance, transmission, use or disclosure of PHI, the services provided by Business Associate to Covered Entity as set forth in the Agreement, including those set forth in this BAA in Section 4, as amended by written agreement of the parties from time to time.

### **2. RESPONSIBILITIES OF BUSINESS ASSOCIATE**

With regard to its use and/or disclosure of Protected Health Information (PHI), Business Associate agrees to:

- 2.1 not use and/or disclose PHI except as necessary to provide the Services, as permitted or required by this BAA and/or the Agreement, and in compliance with each applicable requirement of 45 C.F.R. 164.504(e), or as otherwise Required by Law; provided that, to the extent Business Associate is to carry out Covered Entity’s obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of those obligations.
- 2.2 implement and use appropriate administrative, physical and technical safeguards and comply with applicable Security Rule requirements with respect to Electronic Protected Health Information, to prevent use or disclosure of PHI other than as provided for by this BAA and/or the Agreement.
- 2.3 without unreasonable delay, report to Covered Entity (i) any use or disclosure of PHI not provided for by this BAA and/or the Agreement, of which it becomes aware in accordance with 45 C.F.R. 164.504(e)(2)(ii)(C); and/or (ii) any Security Incident of which Business Associate becomes aware in accordance with 45 C.F.R. 164.314(a)(2)(i)(C).
- 2.4 with respect to any use or disclosure of Unsecured PHI not permitted by the Privacy Rule that is caused solely by Business Associate’s failure to comply with one or more of its obligations under this BAA, Covered Entity hereby delegates to Business Associate the responsibility for determining when any such incident is a Breach. In the event of a Breach, Business Associate shall (i) provide Covered Entity with written notification, and (ii) provide all legally required notifications to Individuals, HHS and/or the media, on behalf of Covered Entity, in accordance with 45 C.F.R. 164 (Subpart D). Business Associate shall pay for the reasonable and actual costs associated with those notifications.
- 2.5 in accordance with 45 C.F.R. 164.502(e)(1)(ii) and 45 C.F.R. 164.308(b)(2), ensure that any subcontractors of Business Associate that create, receive, maintain or transmit PHI on behalf of Business Associate agree, in writing, to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate with respect to that PHI.
- 2.6 make available its internal practices, books and records relating to the use and disclosure of PHI to the Secretary for purposes of determining Covered Entity’s compliance with the Privacy Rule.

- 2.7 after receiving a written request from Covered Entity or an Individual, make available an accounting of disclosures of PHI about the Individual, in accordance with 45 C.F.R. 164.528.
- 2.8 after receiving a written request from Covered Entity or an Individual, provide access to PHI in a Designated Record Set about an Individual, in accordance with the requirements of 45 C.F.R. 164.524.
- 2.9 after receiving a written request from Covered Entity or an Individual, make PHI in a Designated Record Set about an Individual available for amendment and incorporate any amendments to the PHI, all in accordance with 45 C.F.R. 164.526.

### **3. RESPONSIBILITIES OF COVERED ENTITY**

In addition to any other obligations set forth in the Agreement, including in this BAA, Covered Entity:

- 3.1 shall provide to Business Associate only the minimum PHI necessary to accomplish the Services.
- 3.2 shall notify Business Associate of any limitations in the notice of privacy practices of Covered Entity under 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- 3.3 shall notify Business Associate of any changes in, or revocation of, the permission by an Individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- 3.4 shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 C.F.R. 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
- 3.5 In the event Covered Entity takes action as described in this Section, Business Associate shall decide which restrictions or limitations it will administer. In addition, if those limitations or revisions materially increase Business Associate's cost of providing Services under the Agreement, including this BAA, Covered Entity shall reimburse Business Associate for such increase in cost.

### **4. PERMITTED USES AND DISCLOSURES OF PHI**

Unless otherwise limited in this BAA, in addition to any other uses and/or disclosures permitted or required by this BAA or the Agreement, Business Associate may:

- 4.1 make any and all uses and disclosures of PHI necessary to provide the Services to Covered Entity.
- 4.2 use and disclose PHI, if necessary, for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that the disclosures are Required by Law or any third party to which Business Associate discloses PHI for those purposes provides written assurances in advance that (i) the information will be held confidentially and used or further disclosed only for the purpose for which it was disclosed to the third party or as Required by Law, and (ii) the third party promptly will notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached.
- 4.3 de-identify PHI received or created by Business Associate under this BAA in accordance with the Privacy Rule.
- 4.4 provide Data Aggregation services relating to the Health Care Operations of the Covered Entity in accordance with the Privacy Rule.
- 4.5 use and disclose PHI and data as permitted in 45 C.F.R 164.512 in accordance with the Privacy Rule.
- 4.6 use PHI to create, use and disclose a Limited Data Set in accordance with the Privacy Rule.

## **5. TERMINATION**

- 5.1 **Termination.** If Covered Entity knows of a pattern of activity or practice of the Business Associate that constitutes a material breach or violation of this BAA then the Covered Entity shall provide written notice of the breach or violation to the Business Associate that specifies the nature of the breach or violation. The Business Associate must cure the breach or end the violation on or before thirty (30) days after receipt of the written notice. In the absence of a cure reasonably satisfactory to the Covered Entity within the specified timeframe, or in the event the breach is reasonably incapable of cure, then the Covered Entity may terminate the Agreement and/or this BAA.
- 5.2 **Effect of Termination or Expiration.** After the expiration or termination for any reason of the Agreement and/or this BAA, Business Associate shall return or destroy all PHI, if feasible to do so, including all PHI in possession of Business Associate's subcontractors. In the event that Business Associate determines that return or destruction of the PHI is not feasible, Business Associate may retain the PHI and shall extend any and all protections, limitations and restrictions contained in this BAA to Business Associate's use and/or disclosure of any PHI retained after the expiration or termination of the Agreement and/or this BAA, and shall limit any further uses or disclosures solely to the purposes that make return or destruction of the PHI infeasible.
- 5.3 **Cooperation.** Each party shall cooperate in good faith in all respects with the other party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation, complaint, action or other inquiry.

## **6. MISCELLANEOUS**

- 6.1 **Construction of Terms.** The terms of this BAA to the extent they are unclear shall be construed to allow for compliance by Covered Entity and Business Associate with HIPAA.
- 6.2 **Survival.** Sections 5.2, 5.3, 6.1, 6.2, and 6.3 shall survive the expiration or termination for any reason of the Agreement and/or of this BAA.
- 6.3 **No Third Party Beneficiaries.** Nothing in this BAA shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.