

AMENDMENT TO
ADMINISTRATIVE SERVICES AGREEMENT
FOR JOINTLY ADMINISTERED ARRANGEMENTS
WITH
COUNTY OF MENDOCINO "CLIENT"

This Amendment is made part of the Administrative Services Agreement for Jointly Administered Arrangements (Agreement) and is effective January 1, 2018. This Amendment supplements and amends the Agreement between Client and Anthem Blue Cross Life and Health Insurance Company. If there are any inconsistencies between the terms of the Agreement or its Schedules and this Amendment, the terms of this Amendment shall govern.

1. Schedule A is replaced by the attached Schedule A.

Anthem Blue Cross Life and Health Insurance Company



By: J. Brian Ternan
Title: President CA Commercial
Date: February 19, 2018

**SCHEDULE A
TO
ADMINISTRATIVE SERVICES AGREEMENT
FOR JOINTLY ADMINISTERED ARRANGEMENTS
WITH
COUNTY OF MENDOCINO**

This Schedule A shall govern the Agreement Period from January 1, 2018 through December 31, 2018. For purposes of this Agreement Period, this Schedule shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedule A, and this Schedule A, the terms of this Schedule A shall control.

Section 1. Effective Date and Renewal Notice

This Agreement Period shall be from 12:01 a.m. January 1, 2018 to the end of the day of December 31, 2018.

Paid Claims shall be processed pursuant to the terms of this Agreement when incurred and paid as follows:

Incurred from 04/01/2013 through 12/31/2018 and
Paid from 01/01/2018 through 12/31/2018.

Any offer to renew this Agreement shall be provided by Anthem at least 60 days prior to the end of an Agreement Period.

Section 2. Broker or Consultant Base Compensation

Not Applicable

Section 3. Fees

A. Base Administrative Services Fee

<u>PPO1</u>	
Year 1	\$19.95 PSPM(Per Subscriber Per Month)

<u>PPO2</u>	
Year 1	\$19.05 PSPM(Per Subscriber Per Month)

In accordance with the provisions in Article 18(a), the Base Administrative Services Fee is not based on a minimum level of enrollment.

Article 3(a) Retroactive Adjustments to Enrollment

Anthem shall credit Administrative Services Fees for each retroactive deletion up to a maximum of 60 days and shall charge Administrative Services Fees for each retroactive addition up to a maximum of 60 days.

B. Other Services and Fees

ID Card Production
TPA Prepares

Article 2(j) Services – Health & Wellness
Not Applicable

Article 2(k) Managed Care Services - (Utilization Review, Case Management):

Included in Administrative Services Fee

Appeals

Not performed by Anthem

Subrogation

Not performed by Anthem

Fee for Provider Audit Performed by External Vendors. The charge to Client is 25% of the amount recovered from vendor audits of Provider activity, including but not limited to credit balance, hospital bill audits, DRG readmissions, and high-cost drug audits.

Medical Drug Rebates. Anthem shall retain rebates it receives directly from pharmaceutical manufacturers for Claims for Prescription Drugs administered by Anthem and covered under the medical benefit portion of the Plan(s) ("Medical Drug Rebates") for its own use and as reasonable compensation for its services.

TPA Transfer fee: \$5,000

Enhanced Personal Health Care Fee. A fee shall be charged for Anthem's oversight of Enhanced Personal Health Care with Providers or Vendors. Such fee shall be 25% of the per attributed Member per month amount charged to Client for the Provider performance bonus portion of the Enhanced Personal Health Care program. These charges are included in Paid Claims on the invoice and may accumulate towards any stop loss policy amounts.

Section 4. Claims Billing Cycle and Payment Method

A. Billing Cycle

Weekly

Anthem shall notify Client of the amount due to Anthem as a result of Claims processed and paid by Anthem according to the billing cycle described above. The actual date of notification of Paid Claims and the Invoice Due Date will be determined according to Anthem's regular business practices and systems capabilities.

B. Payment Method

Wire Transfer Reimbursement for Paid Claims. Client shall deposit the amount due in a designated Anthem bank account by the Invoice Due Date. The deposit shall be made in accordance with any policies and regulations of the bank necessary to assure that the deposit is credited to Anthem's account no later than the next business day.

Section 5. Administrative Services Fee Billing Cycle and Payment Method

A. Billing Cycle

Weekly

Anthem shall notify Client of the amount due to Anthem pursuant to Section 3 of Schedule A according to the billing cycle described above. The actual date of notification of amounts due and the Invoice Due Date will be determined according to Anthem's regular business practices and systems capabilities.

B. Payment Method

Check Reimbursement. Fund shall provide the amount due by check to Anthem through a designated lockbox address as designated on the Administrative fee billing coupon. The check shall be made in accordance with any policies and regulations of the bank necessary to assure that the deposit is credited to Anthem Blue Cross Life and Health's account no later than the next business day.

Section 6. Claims Runout Services

A. Claims Run-out Period

Claims Run-out Period shall be for the 12 month(s) following the date of termination of this Agreement.

B. Claims Run-out Administrative Services Fees

The fee for Claims Runout Services is included in the Base Administrative Services Fees in Section 3(A) of this Schedule A. Fees in Section 3(B) of this Schedule A that (i) are associated with Claims processed or reviewed during the Claims Runout Period including without limitation subrogation fees, recovery fees, network access fees; or (ii) apply to the Agreement Period but were not billed during the Agreement Period, will be billed and payable during the Claims Runout Period. Payment is due to Anthem by the Invoice Due Date.

Section 7. InterPlan Arrangements

Certain fees and compensation are charged each time a Claim is processed through the BlueCard Program and include, but are not limited to, Access Fees, Administrative Expense Allowance fees, Central Financial Agency Fees and ITS Transaction Fees. Other Inter-Plan Arrangements - related fees that Anthem may charge include, but are not limited to, a Toll-Free Number Fee and a fee for providing PPO healthcare Provider directories. These fees may be separately billed or included in Paid Claims. The extent to which these fees and compensation are (i) included in the Base Administrative Services Fee; or (ii) included in Paid Claims or separately billed to Client is as follows:

BlueCard Fees

Access Fees (Network Provider Claims only)

4.51% for fewer than 1,000 PPO traditional enrolled Blue Subscribers capped at \$2,000.00 per Claim

Administrative Expense Allowance Fees ("AEA") (Network Provider and Non-Network Provider Claims)

Network Provider - \$5.00 per professional Claim and \$11.00 per institutional Claim for fewer than 1,000 PPO or traditional enrolled Blue Subscribers.

Non-Network Provider - \$3.00 per Claim

Central Financial Agency Fee ("CFA") (Network Provider, Non-Network Provider and Blue Cross Blue Shield Global Core Claims)

\$0.16 per payment notice

ITS Transaction Fee ("ITS") (Network Provider, Non-Network Provider and BlueCard Worldwide Claims)

\$0.05 per transaction

Toll-Free Number Fees

Included in the Base Administrative Services Fee

Provider Directory Fees

Dependent upon page length and number ordered; includes shipping, taxes and system maintenance costs

Negotiated Arrangement Fees - Not Applicable

Blue Cross Blue Shield Global Core Fees

Administrative Expense Allowance Fee:


- \$3.75 per Member-submitted Claim;
- \$4.75 per professional Claim; and
- \$17.00 per institutional Claim.

All other fees associated with the Blue Cross Blue Shield Global Core program, except the CFA and ITS Fees described above, are included in the Base Administrative Services Fee.

Section 8. Other Amendments. The Administrative Services Agreement is otherwise amended as follows:

All references to BlueCard Worldwide are replaced by Blue Cross Blue Shield Global Core.

Anthem Blue Cross Life and Health Insurance Company



By: J. Brian Ternan
Title: President CA Commercial
Date: February 19, 2018

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

DEPARTMENT FISCAL REVIEW:

Heidi M. Dunham 3/12/18
HEIDI DUNHAM, HR DIRECTOR DATE

Budgeted: ☒ Yes ☐ No

Budget Unit: 0715

Line Item: 862189

Grant: ☐ Yes ☒ No

Grant No.: _____

COUNTY OF MENDOCINO

By: Dan Hamburg
DAN HAMBURG, Chair
BOARD OF SUPERVISORS

MAR 28 2018

ATTEST:

CARMEL J. ANGELO, Clerk of said Board

By: Karla Van Hagen
Deputy

MAR 28 2018

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

CARMEL J. ANGELO, Clerk of said Board

By: Karla Van Hagen MAR 28 2018
Deputy

INSURANCE REVIEW:

By: Carmel J. Angelo
Risk Management

EXECUTIVE OFFICE/FISCAL REVIEW:

APPROVAL RECOMMENDED

By: Donelle Rame
Deputy CEO

CONTRACTOR/COMPANY NAME:

By: electronic signature on pages 1 and 5

NAME AND ADDRESS OF CONTRACTOR:

Anthem Blue Cross of California

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

KATHARINE L. ELLIOTT,
County Counsel

By: K. Elliott
Deputy

Signatory Authority: \$0-25,000 Department; \$25,001-50,000 Purchasing Agent; \$50,001+ Board of Supervisors

Exception to Bid Process Required/Completed ☐

Mendocino County Business License: Valid ☐

Exempt Pursuant to MCC Section: _____