

LEVEL FUNDING ASO SETUP CHECKLIST



Kansas City

Step 1 – Required to Finalize ASO Rates

Must be completed and received by Blue KC by the 5th of the month PRIOR to the plan effective date.

- Complete and submit applications
(included in this PDF packet and available on BlueKC.com – Broker portal)
 - Group Application for Level Funding ASO
 - Group Application for Insured Dental and/or Life (must indicate if declining coverage)
 - Submit Completed Member Applications for Level Funding ASO (available on the BlueKC.com – Broker portal or through EasyApps)

Step 2 – Required for Final Sale and Group Setup

Must be completed by the 20th of month PRIOR to plan effective date.

- Complete Level Funding ASO Options Application and Agreement Package.
Scan and submit to Blue KC. From Step 1:
 - Group Application for Level Funding ASO
 - Group Application for Dental and/or Life (must indicate if declining coverage)
 - Administrative Services Agreement
 - Complete plan sponsor information, sign and date
 - Exhibit B – Attach Rate Card from the Blue Q proposal packet, initial page
 - Excess Health and Accident Coverage Agreement (Stop Loss)
 - Complete Coverage Effective Dates and Plan Sponsor Information
 - Complete plan sponsor information, sign and date
 - Complete Auto-Pay Authorization form (required for Level Funding ASO)

Complete the Spira Care Disclosure form (if offering a Spira Care product)

All responses to information requests and updates for underwriting and group setup.

All finalized employee plan selections.

EFT payment for 100% of 1st month's remittance (Claims + Administrative Fees + Stop Loss Premium) (Check NOT required)

- Based on final quote and census
- EFT Draft will occur on the 1st of the month
- Will be applied to 1st month's invoice due

- Submit Employer Group Size Survey (available on BlueKC.com – Broker portal)

Important – If signed applications, agreements and employee plan selections are not received by the 20th, coverage WILL be delayed until the first of the following service period (30+ days out).

Note:

- First automatic withdrawal for 100% of amount due will take effect on the first day of the second service period (month 2).
- Notify Blue KC immediately of any banking changes that will impact your automatic withdrawal.

Group Application

FOR LEVEL FUNDING ADMINISTRATIVE SERVICES ONLY
Please Complete All Boxes LEGIBLY (Print) IN BLUE OR BLACK INK and Sign.

I Group Information

1. COMPANY NAME (FULL LEGAL NAME)			2. REQUESTED EFFECTIVE DATE	
3. STREET ADDRESS			4. P.O. BOX	
5. CITY	6. STATE	7. ZIP	8. COUNTY	
9. CONTACT NAME		10. TITLE	11. FEDERAL TAX ID NUMBER	
12. PHONE NUMBER	13. FAX NUMBER	14. E-MAIL ADDRESS		
15. NAME OF PREVIOUS HEALTH INSURANCE CARRIER				
16. DATE BUSINESS ESTABLISHED	17. NATURE OF BUSINESS, INCLUDING SUBSIDIARIES		18. SIC CODE (IF KNOWN)	
20. DOES BLUE KC CURRENTLY PROVIDE OR ADMINISTER YOUR COMPANY'S HEALTH INSURANCE COVERAGE? <input type="checkbox"/> YES <input type="checkbox"/> NO				
If "Yes," please provide your group number: _____				

II Type of Coverage to be Administered

21. APPLICATION FOR Medical Coverage to be Administered	
<p style="text-align: center;">Preferred-Care Blue</p> <p><u>Preferred-Care Blue (PPO)</u></p> <p><input type="checkbox"/> \$500 (OOPM \$1,500) <input type="checkbox"/> \$500 (OOPM \$3,500)</p> <p><input type="checkbox"/> \$1,000 (OOPM \$2,500) <input type="checkbox"/> \$1,000 (OOPM \$4,000)</p> <p><input type="checkbox"/> \$1,500 (OOPM \$4,500) <input type="checkbox"/> \$1,500 (OOPM \$6,000)</p> <p><input type="checkbox"/> \$2,000 <input type="checkbox"/> \$2,700 <input type="checkbox"/> \$3,000 (OOPM \$3,000)</p> <p><input type="checkbox"/> \$3,000 (OOPM \$5,000) <input type="checkbox"/> \$4,000 <input type="checkbox"/> \$5,000</p> <p><u>AffordaBlue (PPO)</u> <u>BlueSaver (For use with an HSA)*</u></p> <p><input type="checkbox"/> \$5,500 <input type="checkbox"/> \$2,800 <input type="checkbox"/> \$4,000 <input type="checkbox"/> \$5,000</p> <p><u>Personal Blue PPO HRA</u></p> <p><input type="checkbox"/> \$3,000</p>	<p style="text-align: center;">BlueSelect Plus[†]</p> <p><u>BlueSelect Plus (PPO)[†]</u></p> <p><input type="checkbox"/> \$1,000 <input type="checkbox"/> \$2,000</p> <p><input type="checkbox"/> \$3,000 (OOPM \$3,000) <input type="checkbox"/> \$3,000 (OOPM \$5,000)</p> <p><input type="checkbox"/> \$4,000 <input type="checkbox"/> \$4,000 (EPO)</p> <p><u>BlueSelect Plus BlueSaver (For use with an HSA)**</u></p> <p><input type="checkbox"/> \$3,000 (PPO) <input type="checkbox"/> \$5,000 (PPO) <input type="checkbox"/> \$5,000 (EPO)</p> <p><u>Spira Care with BlueSelect Plus[†]</u></p> <p><input type="checkbox"/> \$1,500 (EPO) <input type="checkbox"/> \$3,500 (EPO) <input type="checkbox"/> \$7,000 (EPO)</p> <p><u>Spira Care with BlueSelect Plus BlueSaver (For use with an HSA)**[†]</u></p> <p><input type="checkbox"/> \$3,000 (EPO)</p>
<p>* Do you plan to establish a relationship with a Blue KC preferred bank if electing an HSA offering?</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>† Must meet county requirements to select this plan option.</p>	

III Eligibility/Participation/Contribution

22. Are you aware of any disabled dependents? YES (Give details on a separate page) NO

23. Are any individuals not actively at work (excluding scheduled vacation)? YES (Give details on a separate page) NO

24. Are there any owners/partners to be excluded from Worker's Compensation? YES NO If yes, please list names: _____

25. Effective date for new employees and their dependent(s) is: Date of hire First of the month following date of hire
 First of the month following the completion of 30 days First of the month following the completion of 60 days

26. Total number of full-time employees: _____ Total number of part-time employees: _____
 Full-time is defined as working at least 30 hours per week.

27. Total number of eligible full-time employees applying: _____

28. Are there any eligible employees in their new hire waiting period? YES NO If yes, please list names and submit applications: _____

29. Are there any employees/dependents on Continuation of Coverage/COBRA? YES NO If yes, please list names: _____

30. ARE ANY EMPLOYEES OF ANY SUBSIDIARY OR AFFILIATED COMPANIES TO BE COVERED UNDER THIS PLAN?
 YES NO (If yes, complete information) Company Name(s) _____
 _____ Federal Tax ID Numbers of Each Subsidiary _____
 No. of Employees _____ Address _____
 City _____ State _____ Zip _____ County _____

31. Will coverage be offered to employees of one or more non-affiliated companies? YES NO

IV IMPORTANT - Please Read Carefully

The Company represents that the information provided above is complete and accurate and can be substantiated by business records maintained by the Company. The Company understands that the information provided herein shall be the basis of any coverage administered and that this application will be attached to and incorporated into any agreement that may be entered into hereunder by Blue Cross and Blue Shield of Kansas City ("Blue KC"). The Company agrees to provide the documentation requested by Blue KC, which establishes that, all eligibility, underwriting and participation requirements of the service agreement are met.

The Company agrees that providing incomplete, inaccurate, or untimely information may affect the administration of the individual's or group's coverage. The Company shall notify Blue KC promptly of any changes in this information that may affect the eligibility of employees or their dependents, including the addition of any newly eligible employees or dependents. Blue KC shall be entitled to rely on the most current information in its possession regarding eligibility of employees and their dependents in providing coverage.

During and after termination of the service agreement, the Company grants Blue KC permission to use and/or transfer to third parties for research and analysis purposes the claims and related medical data in Blue KC's possession. The parties shall maintain the confidentiality of any information relating to Covered Persons in accordance with any applicable laws. Neither party shall disclose any confidential business information of the other party without the prior written consent of that party. The Company's canceled check is a receipt for the deposit. The deposit will be applied to the first contribution due if the application is approved. The deposit is not refundable after the service agreement has been approved and issued.

DO NOT CANCEL EXISTING MEDICAL COVERAGE UNTIL YOU RECEIVE WRITTEN NOTIFICATION OF APPROVAL.

Employer Signature _____ Date _____
 Title _____

Agent Information		Blue KC Office Use Only	
AGENT NAME (PLEASE PRINT)	AGENT NUMBER	COMMISSION ARRANGEMENT HEALTH	COMMISSION ARRANGEMENT DENTAL
PHONE NUMBER		COMMISSION ARRANGEMENT LIFE	COMMISSION ARRANGEMENT VISION
AGENCY NAME		BLUE KC GROUP NUMBER	BLUE KC PARENT NUMBER
AGENT OFFICE CONTACT E-MAIL		SALES REP NUMBER	RISK CLASS
AGENT SIGNATURE _____		DATE _____	



Kansas City

An Independent Licensee of the Blue Cross and Blue Shield Association

Group Dental, Life, and Vision Application

BlueKC.com • One Pershing Square, 2301 Main, P.O. Box 419169, Kansas City, MO 64141-6169 • 816-395-2222

GROUPS WITH 2 TO 99 EMPLOYEES

Please Complete All Boxes LEGIBLY (Print) IN BLUE OR BLACK INK and Sign.

I Group Information

1. COMPANY NAME (FULL LEGAL NAME)			2. REQUESTED EFFECTIVE DATE	
3. STREET ADDRESS			4. P.O. BOX	
5. CITY	6. STATE	7. ZIP	8. COUNTY	
9. CONTACT NAME		10. TITLE	11. FEDERAL TAX ID NO. (INCLUDE A # FOR EACH SUBSIDIARY)	
12. PHONE NUMBER	13. FAX NUMBER	14. E-MAIL ADDRESS		
15. NAME OF PREVIOUS CARRIER				
16. DATE BUSINESS ESTABLISHED	17. NATURE OF BUSINESS, INCLUDING SUBSIDIARIES		18. SIC CODE (IF KNOWN)	
19. DOES BLUE KC CURRENTLY PROVIDE OR ADMINISTER YOUR COMPANY'S HEALTH INSURANCE COVERAGE? <input type="checkbox"/> YES <input type="checkbox"/> NO				
If "Yes," please provide your group number: _____				

II Coverage Selection: Vision

20. APPLICATION FOR Vision Coverage *Groups with 10 or more employees enrolled in a vision product may choose two (2) vision plans.*

<input type="checkbox"/> Blue Vue Base	<input type="checkbox"/> Blue Vue 0/130	<input type="checkbox"/> Blue Vue 0/150	<input type="checkbox"/> Blue Vue 0/200
<input type="checkbox"/> Blue Vue 10/100	<input type="checkbox"/> Blue Vue 10/130	<input type="checkbox"/> Blue Vue 10/150	<input type="checkbox"/> Blue Vue 10/200

Select this box if your group declines vision coverage

III Coverage Selection: Dental

21. Application for Dental Coverage Choose to offer your employees Dental coverage by selecting one base plan. Standard plan details may not be a complete description of all plan features. Type IV services are available only for eligible groups with ten (10) or more employees enrolled in a dental product. Blue KC does not provide Exchange-certified standalone pediatric dental benefits compliant with the Federal Patient Protection and Affordable Care Act (PPACA) and does not satisfy the "reasonable assurance" requirement.

Group Dental Yes No

No.	Blue Dental (Type I / Type II)	\$50 Individual Deductible / \$150 Family Deductible
1	<input type="checkbox"/> 100% Type I / 80% Type II	\$1,000 Calendar Year Maximum
Blue Dental Plus (Type I / Type II / Type III)		\$50 Individual Deductible / \$150 Family Deductible
2	<input type="checkbox"/> 100% Type I / 80% Type II / 50% Type III	\$1,000 Calendar Year Maximum
3	<input type="checkbox"/> 100% Type I / 80% Type II / 50% Type III	\$1,500 Calendar Year Maximum
4	<input type="checkbox"/> 100% Type I / 90% Type II / 60% Type III	\$1,000 Calendar Year Maximum
5	<input type="checkbox"/> 100% Type I / 90% Type II / 60% Type III	\$1,500 Calendar Year Maximum
Blue Dental Preferred (Type I / Type II / Type III / Type IV)		\$50 Individual Deductible / \$150 Family Deductible With Orthodontics \$1,000 Lifetime Maximum
6	<input type="checkbox"/> 100% Type I / 80% Type II / 50% Type III / 50% Type IV	\$1,000 Calendar Year Maximum
7	<input type="checkbox"/> 100% Type I / 80% Type II / 50% Type III / 50% Type IV	\$1,500 Calendar Year Maximum
8	<input type="checkbox"/> 100% Type I / 90% Type II / 60% Type III / 50% Type IV	\$1,000 Calendar Year Maximum
9	<input type="checkbox"/> 100% Type I / 90% Type II / 60% Type III / 50% Type IV	\$1,500 Calendar Year Maximum

IV Coverage Selection: US Able Life Insurance

22. APPLICATION FOR Life Insurance Coverage Select one Package only. Dependent life coverage for spouses (\$5,000) and children (\$2,000) ages 6 months up to 26 years included in all packages. Package summary may not be a complete description of all plan features. For custom life quotes on groups with 10 or more employees, a separate application must be requested. Please contact a US-Able representative at 816-360-1018. Employee participation must be 100% if Employer contributes 100% of the cost of the premium.

Select this box if your group declines life insurance coverage

If you have 2 or more employees enrolled in Life insurance, you may select Packages 5 through 8. If you contribute less than 100% of the premium, 100% participation is required if 3 or fewer Employees are enrolled; if 4 or more Employees are enrolled, at least 75% participation is required.

<input type="checkbox"/> Package 5	<input type="checkbox"/> Package 6	<input type="checkbox"/> Package 7	<input type="checkbox"/> Package 8
\$25,000 Life Employee	\$25,000 Life Employee	\$35,000 Life Employee	\$35,000 Life Employee
No Long-Term Disability Coverage.	Includes Package 6 Long-Term Disability Coverage.	No Long-Term Disability Coverage.	Includes Package 8 Long-Term Disability Coverage.

If you have 5 or more employees enrolled in Life insurance, you may select from Packages 5 through 8 above, or from Packages 9 and 10 below. Employer contribution must be at least 75% if Package 9 or 10 is selected.

<input type="checkbox"/> Package 9	<input type="checkbox"/> Package 10
\$50,000 Life Employee	\$50,000 Life Employee
No Long-Term Disability Coverage.	Includes Package 10 Long-Term Disability Coverage.

23. Employer Contribution for Life/Accident & Disability Coverage (either in percentage or dollar amounts): _____

Employer contribution must be a minimum of 25% for employee coverage.

24. Will the following coverages be replacing similar coverage from a prior carrier? If yes, please provide a copy of the prior plan.

Coverage	If Yes, Prior Carrier Information	Termination Date
<input type="checkbox"/> YES <input type="checkbox"/> NO Life/Accident & Disability		

IV Coverage Selection: USAbLe Life Insurance (continued)

25. APPLICATION FOR Long-Term Disability Coverage *Select one Package only. Package summary may not be a complete description of all plan features. Employee participation must be 100% if Employer contributes 100% of the cost of the premium.*

If you have 2 or more employees enrolled in Life insurance, you may select Packages 5 through 8. If you contribute less than 100% of the premium, 100% participation is required if 3 or fewer Employees are enrolled; if 4 or more Employees are enrolled, at least 75% participation

<input type="checkbox"/> Package 5	<input type="checkbox"/> Package 6	<input type="checkbox"/> Package 7	<input type="checkbox"/> Package 8
No Employee Long-Term Disability.	\$500 Employee Long-Term Disability.	No Employee Long-Term Disability.	\$1,000 Employee Long-Term Disability.
Includes Package 5 Life Coverage.	Includes Package 6 Life Coverage.	Includes Package 7 Life Coverage.	Includes Package 8 Life Coverage.

If you have 5 or more employees enrolled in Life insurance, you may select from Packages 5 through 8 above, or from Packages 9 and 10 below. Employer contribution must be at least 25% if Package 9 or 10 is selected.

<input type="checkbox"/> Package 9	<input type="checkbox"/> Package 10
No Employee Long-Term Disability.	\$1,500 Employee Long-Term Disability.
Includes Package 9 Life Coverage.	Includes Package 10 Life Coverage.

26. W-2 Service Options for Long-Term Disability

Option 1: Withhold Federal Income Taxes and the Employee's portion of FICA. Prepare and File W-2 Forms.

Option 2: Withhold Federal income Taxes and the employee's portion of FICA. Policyholder waives W-2 Forms Services.

A detailed description of the W-2 services elected by the Policyholder pursuant to this application will be sent to the Policyholder by mail. Such services will be performed in accordance with the above election and established standard procedures.

27. Employer Contribution for Life/Accident & Disability Coverage (either in percentage or dollar amounts):

28. Will the following coverages be replacing similar coverage from a prior carrier? If yes, please provide a copy of the prior plan.

Coverage	If Yes, Prior Carrier Information	Termination Date
<input type="checkbox"/> YES <input type="checkbox"/> NO Long-Term Disability		

V Eligibility/Participation/Contribution

29. Are you aware of any disabled dependents? YES (Give details on a separate page) NO

30. Are any individuals not actively at work (excluding scheduled vacation)? YES (Give details on a separate page) NO

31. Are there any owners/partners to be excluded from Worker's Compensation? YES NO If yes, please provide names.

32. Effective date for new employees and their dependent(s) is:

- Date of hire
- First of the month following date of hire
- First of the month following 30 days
- First of the month following 60 days

33. Total number of full-time employees: _____ **Total number of part-time employees:** _____
 Full-time is defined as working at least 30 hours per week (if there are only 2 full-time eligible employees, 100% participation is required).

34. Total number of eligible full-time employees applying: _____

35. Are there any eligible employees in their new hire waiting period? YES NO If yes, please provide names and submit applications.

36. Will any present or former employees/dependents be electing COBRA/State Continuation on this new BlueKC group policy? YES NO
 If yes, please provide names.

37. ARE ANY EMPLOYEES OF ANY SUBSIDIARY OR AFFILIATED COMPANIES TO BE COVERED UNDER THIS PLAN?

YES NO (If yes, complete all information) Company Name(s) _____
 _____ Federal Tax ID Number of Each Subsidiary _____
 No. of Employees _____ Address _____ City _____
 State _____ Zip _____ County _____

38. Will coverage be offered to employees of one or more non-affiliated companies? YES NO

VI USAbLe Life Insurance Information

It is agreed that the group insurance, subject to the terms and conditions of the policies applied for, will take effect as of the effective date requested, provided that this application is approved by USAbLe Life in writing, insurance shall not become effective unless a minimum of eligible individuals have enrolled. Changes in benefit amounts will become effective on the policy anniversary date coincident with or next following the date of change. If this application for insurance is not approved, insurance shall not become effective and any advance payment, whether required or voluntary, will be refunded. Approval of this application is not guaranteed. The employer should not cancel any other coverage until notified by USAbLe Life in writing that this application is approved. NO AGENT OR BROKER IS AUTHORIZED TO BIND COVERAGE, APPROVE APPLICATIONS, MODIFY POLICIES OR ALTER OR WAIVE ANY RIGHTS OR REQUIREMENTS OF USAbLe Life. USAbLe Life is not affiliated with Blue Cross and Blue Shield of Kansas City, does not offer Blue Cross or Blue Shield products or services, and is solely responsible for the life insurance coverage.

VII IMPORTANT - Please Read Carefully

The Company represents that the information provided above is complete and accurate and can be substantiated by business records maintained by the Company. The Company understands that the information provided herein shall be the basis of any coverage issued and that this application will be attached to and incorporated into any policy that may be issued hereunder by Blue Cross and Blue Shield of Kansas City ("Blue KC"). The Company agrees to provide the documentation requested by insurer, which establishes that, all applicable eligibility and participation requirements of the Group Contract are met. The Company agrees that providing incomplete, inaccurate, or untimely information may affect the individual's or group's coverage or may affect the rates. The Company shall notify insurer promptly of any changes in this information that may affect the eligibility of employees or their dependents, including the addition of any newly eligible employees or dependents. Insurer shall be entitled to rely on the most current information in its possession regarding eligibility of employees and their dependents in providing coverage.

During and after termination of the Group Contract, the Company grants insurer permission to use and/or transfer to third parties for research and analysis purposes the claims and related medical data in insurer's possession. The parties shall maintain the confidentiality of any information relating to Covered Persons in accordance with any applicable laws. Neither party shall disclose any confidential business information of the other party without the prior written consent of that party.

It is understood and agreed that insurance will be effective only on the date specified by insurer after the application has been approved by the insurer and after the first full premium has been paid. The Company's canceled check is a receipt for the deposit. The deposit will be applied to the first premium due if the application for group coverage is approved. The deposit is not refundable after the group coverage has been approved and issued.

DO NOT CANCEL EXISTING COVERAGE UNTIL YOU RECEIVE WRITTEN NOTIFICATION OF APPROVAL.

Employer Signature _____ Date _____

Title _____

Agent Information

Blue KC Office Use Only

AGENT NAME (PLEASE PRINT)	AGENT NUMBER	COMMISSION ARRANGEMENT HEALTH	COMMISSION ARRANGEMENT DENTAL
PHONE NUMBER		COMMISSION ARRANGEMENT LIFE	COMMISSION ARRANGEMENT VISION
AGENCY NAME		BLUE KC GROUP NUMBER	BLUE KC PARENT NUMBER
AGENT OFFICE CONTACT E-MAIL		SALES REP NUMBER	RISK CLASS

AGENT SIGNATURE _____ DATE _____



Excess Health and Accident Stop-Loss Coverage Application

[BlueKC.com] • One Pershing Square, 2301 Main, P.O. Box 419169, Kansas City, MO 64141-6169 • 816-395-2222

Please Complete All Boxes LEGIBLY (Print) IN BLUE OR BLACK INK and Sign.

I Group Information

1. COMPANY NAME (FULL LEGAL NAME)				2. REQUESTED EFFECTIVE DATE	
3. STREET ADDRESS				4. P.O. BOX	
5. CITY		6. STATE	7. ZIP	8. COUNTY	
9. CONTACT NAME		10. TITLE		11. TAX ID NO. (INCLUDE A # FOR EACH SUBSIDIARY)	
12. PHONE NUMBER		13. FAX NUMBER		14. E-MAIL ADDRESS	
16. DATE BUSINESS ESTABLISHED	17. NATURE OF BUSINESS, INCLUDING SUBSIDIARIES			18. SIC CODE (IF KNOWN)	
19. ARE ANY EMPLOYEES OF ANY SUBSIDIARY OR AFFILIATED COMPANIES TO BE COVERED UNDER THIS PLAN?					
<input type="checkbox"/> YES <input type="checkbox"/> NO (If yes, complete information) Company Name(s) _____ _____ No. of Employees _____ Address _____ City _____ State _____ Zip _____ County _____					

II Coverage Selection

Excess health and accident stop-loss coverage is only provided for the group for the group's liability under a group health plan it sponsors. MVLH has no liability to group participants or beneficiaries under the health care plan solely by virtue of any stop-loss coverage.

20. TYPE OF STOP-LOSS COVERAGE:

Specific and Aggregate

21. BENEFIT ELIGIBILITY BASIS:

Claims are incurred in 12 months and paid in 24 months for Specific and Aggregate.

III IMPORTANT - Please Read Carefully

The Company represents that the information provided above is complete and accurate and can be substantiated by business records maintained by the Company. Company agrees to provide the documentation requested by Missouri Valley Life and Health ("MVLH") related to eligibility, underwriting, and participation in order to prepare a quote. Company agrees that providing incomplete, inaccurate, or untimely information may affect the excess health and accident stop-loss coverage or may effect the rates. Company shall notify MVLH promptly of any changes in this information that may affect the eligibility of employees or their dependents, including the addition of any newly eligible employees or dependents. MVLH shall be entitled to rely on the most current information in its possession regarding eligibility of employees and their dependents in providing coverage.

It is understood and agreed that excess health and accident stop-loss coverage will be effective only on the date specified by MVLH after the application has been approved by MVLH and after the first full premium has been paid. The Company's cancelled check is a receipt for the deposit. The deposit will be applied to the first premium due if the application for group coverage is approved. The deposit is not refundable after the group coverage has been approved and issued.

To avoid processing delays, make sure you:

1. Answer all questions completely and accurately.
2. DO NOT CANCEL YOUR EXISTING COVERAGE UNTIL YOU RECEIVE WRITTEN NOTIFICATION OF APPROVAL.

Employer Signature _____ Date _____
 Title _____ Amount of deposit \$ _____

Agent Information

AGENT NAME (PLEASE PRINT)		AGENT NUMBER	
AGENCY NAME		AGENT OFFICE CONTACT E-MAIL	
PHONE NUMBER	ADDRESS		
CITY	STATE	ZIP CODE	
AGENT SIGNATURE _____		DATE ____/____/____	

Employer Size Survey

Group #: _____

See the attached *Medicare Secondary Payer (“MSP”) Definitions* pages for more information on terms shown in italics.

Employer Name _____

Employer Address _____

Employer TIN _____

Part A – Employer Information

NOTE: When answering numbers 1 and 2 below, include ALL employees within any CONTROLLED GROUP OF CORPORATIONS¹ to which you belong.

1. The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law which regulates employee welfare benefit plans. **Is your health plan subject to ERISA?** Most private-sector employers are subject to ERISA. This includes, but not limited to corporations, partnerships (either limited or unlimited liability) and sole proprietorships. Governmental plans (public utilities, public schools, etc.) and church plans (churches, schools affiliated with churches, etc.) are **not** subject to ERISA.

yes no

2. Did you have 20 or more *employees* for 20 or more calendar weeks (this includes full-time, *part-time*, intermittent, *leased* and/or seasonal *employees excluding self-employed individuals*) during the previous or current calendar year?

yes no

If yes, please provide the date that this threshold was reached ____/____/____

3. Did you have 100 or more *employees* during 50 percent of your business days (full-time, *part-time*, intermittent, *leased* and/or seasonal *employees excluding self-employed individuals*) during the previous calendar year?

yes no

4. Will any employees of another employer be covered under your BCBSKC health plan?

yes no

If yes, is there common ownership between your company and the other employer?

yes no

Part B- Employee Information

Please provide the names of individuals who will be enrolling in BCBSKC health plan who are: 1) 65 years of age or older and actively working for the employer, 2) retired; or 3) not actively working due to disability. Please check the appropriate box to indicate the current status of the employee and provide the date the employee retired or the date the employee no longer actively worked for the employer due to disability.

Name (Last, First)	Actively working for the employer at least 30 hours per week	Retired from the employer		Not actively working for the employer due to disability	
	(✓)	(✓)	Retirement Date	(✓)	Disability Date

¹ Section 52 (Controlled Group Corporations) of the Internal Revenue Codes (“IRC”) should be reviewed to determine whether employees of related companies should be included in your employee count. Generally, two or more individuals or corporations are considered to be separate employers under Section 52 of the IRC if they file separate income tax returns. Two or more individuals or corporations are considered to be a single employer if they file a consolidated tax return. Thus, employees of both should be included in the employee count.

Part C – Certification

On behalf of the employer referenced above, I certify that the information provided above is accurate and truthful. I understand that this information will be used to help identify the MSP status of Medicare enrolled *employees*. The ability to make primary and secondary determinations involving such individuals and thus to assist in the processing of MSP claims properly in the first instance depends on the breadth and accuracy of the information provided by the employer to Blue Cross and Blue Shield of Kansas City (“BCBSKC”) concerning individuals covered by BCBSKC’s group health insurance plans. To ensure continuing accuracy, the employer referenced above acknowledges its responsibility to notify BCBSKC promptly of any changes in the size of its work force or the status of *employees* or their dependents that might affect the order of payment under the MSP rules.

Name (please print)

Phone Number

Title

Signature

Date

**Medicare Secondary Payer Definitions
Definitions of Terms Used in the Employer Size Survey**

The definitions listed below are intended to help you better understand the questions asked in the Employer Size Survey form. The definitions below are not intended to serve as legal advice and any additional questions should be directed to your legal counsel. Please see the CMS Medicare Secondary Payer Manual available at http://www/CMS.gov/manuals/105_msp/msp105index.asp.

Employee

For purposes of the MSP rules, an employee is an individual who works for an employer, whether on a full-time or part-time basis, and receives payment for his/her work. In general, your employees are individuals for whom a W-2 form was filed under your Employer Identification Number. In addition, employees may be paid under lease agreements. Employers must include controlled group corporations when counting the number of employees for MSP purposes.

Group Health Plan

Any plan of, or contributed to by, an employer (including a self-insured plan) to provide health care (directly or otherwise) to the employer’s employees, former employees, or the families of such employees or former employees.

Leased Employee

Any person who is an employee of a personnel leasing organization who has provided services on a leased basis to another entity pursuant to a contract with the leasing organization on a substantially full-time basis for a period of at least one year. The services provided by a leased employee must be performed under the primary direction or control of the entity which leases the services from the leasing organization.

Part-Time Employee

Part-time employment for a particular employee is less than whatever hours the employer considers as full-time employment.

Self Employed Person

An individual is considered to be self-employed during a particular tax year only if, during the preceding tax year, the individual’s self-employment income, as determined by the IRS, from work related to the employer that offers the group health coverage was at least equal to the amount specified in §211(b)(2) of the Act, which defines self-employment income for Social Security purposes. Self-employed individuals include persons such as consultants, owners of businesses, directors of corporations, and members of the clergy and religious orders who are paid for their services by a religious body or other entity.

Reduce Taxes With a Premium Only Plan

Call Total Administrative Services Corporation (TASC), a third-party administrator with expertise in Section 125 administration, to assist you in establishing a POP and complying with the requirements governing these plans.

POPs reduce payroll taxes on the premium contributions of participating employees. Money is saved by converting premiums from an after-tax expense to a pre-tax expense. Employers do not have to pay Social Security and Medicare (FICA) taxes or federal unemployment (FUTA) taxes on income when employees elect to pay their premiums on a pre-tax basis through a POP. In addition, employees do not have to pay federal income taxes on these amounts.

POPs can be set up for an annual fee for any single employer or certain “related employers,” including members of a controlled group of corporations, members of a group or commonly controlled trades or business or members of an affiliated service group. Certain individuals are prohibited from participating in POPs such as sole proprietors and partners within a partnership, but their employees can participate.

Interested? Contact Total Administrative Services Corporation (TASC) at 1-800-422-4661 (press 7) to receive a brochure and application, or visit them online at www.tasconline.com.

Total Administrative Services Corporation is an independent company that does not provide BCBSKC products or services. Total Administrative Services Corporation is solely responsible for the POP services described above.

EXCESS HEALTH AND ACCIDENT COVERAGE AGREEMENT

This EXCESS HEALTH AND ACCIDENT COVERAGE AGREEMENT (this “Agreement”) is made and entered into effective as of _____ (“Effective Date”) by and between Missouri Valley Life and Health Insurance Company, a Missouri life and health insurance company, (“Company”) and _____ (“Plan Sponsor”). This Agreement includes the Schedule of Coverage and Exhibits A and B attached hereto and incorporated herein by reference.

RECITALS:

A. Plan Sponsor desires to engage Company to provide excess health and accident stop-loss coverage for the benefit of the Plan Sponsor in the event that eligible beneficiaries under the health benefit plan sponsored by Plan Sponsor incur covered expenses in excess of those for which the Plan Sponsor is prepared to be financially responsible.

B. Company is willing to provide such excess health and accident stop-loss coverage on a specific and an aggregate basis, all as hereinafter provided.

AGREEMENT:

NOW, THEREFORE, in consideration of the Recitals, mutual promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

I. DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the meanings ascribed to them below.

1.1 Covered Individual. “Covered Individual” means any individual who is properly enrolled to receive specified health care services and supplies under the Plan in accordance with the terms of the Plan at the time services are provided.

1.2 Eligible Expenses. “Eligible Expenses” for purposes of the specific stop-loss coverage described in Section 3.1 of this Agreement means the benefits payable under the terms and conditions of the Plan for health care services provided to Covered Individuals, including any Medical Value Payments, as such term is defined in the Administrative Services Agreement, associated with providing such services. Eligible Expenses include only expenses associated with benefits described in the Plan Document and Summary Plan Description/Benefit Booklet, attached hereto as Exhibit A. “Eligible Expenses” for purposes of the aggregate stop-loss

coverage described in Section 3.2 of this Agreement means the benefits payable under the terms and conditions of the Plan for health care services provided to Covered Individuals, including any Medical Value Payments, as such term is defined in the Administrative Services Agreement, associated with providing such services. Eligible Expenses include only expenses associated with benefits described in the Plan Document and Summary Plan Description/Benefit Booklet, attached hereto as Exhibit A.

Specific Stop-Loss for:

Medical

Prescription Drug

Aggregate Stop-Loss for:

Medical

Prescription Drug

1.3 Initial Term. “Initial Term” means the one-year period beginning on the Effective Date.

1.4 Loss. “Loss” or “Losses” for purposes of the specific stop-loss coverage described in Section 3.1 of this Agreement mean(s) Eligible Expenses that were incurred during the applicable one-year Term of this Agreement, provided if terminated earlier (other than as a result of MVLH’s material breach of this agreement) “Loss” or “Losses” means Eligible Expenses that were incurred prior to such termination, and paid within twenty-four (24) months from the first day of such applicable Term. “Loss” or “Losses” shall not include, in any manner whatsoever, any amounts paid for services/supplies that are not specifically covered under the terms of the Plan, court costs, interest upon judgments, any amount awarded claimants as punitive damages and/or legal expenses or attorney’s fees. “Loss” or “Losses” for purposes of the aggregate stop-loss coverage described in Section 3.2 of this Agreement mean(s) Eligible Expenses that were incurred during the applicable one-year Term of this Agreement, provided if terminated earlier (other than as a result of MVLH’s material breach of this agreement) “Loss” or “Losses” means Eligible Expenses that were incurred prior to such termination, and paid within twenty-four (24) months from the first day of such applicable Term. “Loss” or “Losses” shall not include, in any manner whatsoever, any amounts paid for services/supplies that are not specifically covered under the terms of the Plan, court costs, interest upon judgments, any amounts awarded claimants as punitive damages and/or legal expenses or attorney’s fees.

1.5 Monthly Aggregate Stop-Loss Limit. “Monthly Aggregate Stop-Loss Limit” means the maximum amount of Eligible Expenses that Plan Sponsor shall be responsible for during any given month during the term of this Agreement and shall be determined as set forth in Section 7.A. of the Schedule of Coverage.

1.6 Plan. “Plan” means the health benefit plan(s) adopted and sponsored by the Plan Sponsor for the benefit of Covered Individuals and for which Plan Sponsor has made premium payments to Company pursuant to this Agreement for excess health and accident stop-loss coverage.

1.7 Renewal Term. “Renewal Term” means each one-year term of this Agreement after the Initial Term.

1.8 Specific Stop-Loss Limit. “Specific Stop-Loss Limit” means the threshold dollar amount per Covered Individual specified in Section 6 of the Schedule of Coverage. The Plan shall be responsible for all amounts paid on behalf of a Covered Individual for Eligible Expenses up to and including the Specific Stop-Loss Limit.

1.9 Term. “Term” means the Initial Term or a Renewal Term, as applicable.

II. APPLICATION OF AGREEMENT

2.1 Engagement. Plan Sponsor hereby agrees to purchase, and Company hereby agrees to provide, excess health and accident stop-loss coverage subject to all the terms and provisions of this Agreement. The provisions of this Agreement shall apply only to the covered benefits set forth in Section 5 of the Schedule of Coverage. Notwithstanding anything to the contrary contained in this Agreement, the Company shall provide no coverage hereunder in connection with expenses for Losses paid prior to the Effective Date. Losses shall be deemed paid on the date actually paid by Plan, regardless of the date on which the underlying Eligible Expenses were incurred.

2.2 Stop-Loss Provisions. Company will provide stop-loss coverage to the Plan on a specific and aggregate stop-loss basis as hereinafter provided. Subject to the terms and conditions of this Agreement, Company will pay and indemnify the Plan Sponsor for Losses that are in excess of: (i) the Specific Stop-Loss Limit for a Covered Individual, and (ii) the Monthly Aggregate Stop-Loss Limit.

2.3 Coverage. Plan Sponsor hereby acknowledges and agrees that this Agreement shall only cover and apply to Losses associated with the benefits selected in Section 5 of the Schedule of Coverage.

III. SPECIFIC AND AGGREGATE STOP-LOSS COVERAGE

3.1 Specific Stop-Loss. Subject to Section 3.3 below, Company shall pay the Plan Sponsor any Loss paid during the term of this Agreement attributable to a Covered Individual that is in excess of the Specific Stop-Loss Limit as set forth in Section 6 of the Schedule of Coverage.

3.2 Aggregate Stop-Loss. Subject to Section 3.3 below, Company shall be responsible for all Losses in excess of the sum of the Monthly Aggregate Stop-Loss Limit for each month of the applicable Term. This amount shall be reduced by the amount paid by Company under Section 3.1 above.

3.3 Limit of Company Liability.

(a) With respect to specific stop-loss coverage described in Section 3.1 above, Company shall have no obligation to pay Plan Sponsor or the Plan any amounts related to Losses paid on behalf of any Covered Individual in excess of 100% of Losses above the Plan's Specific Stop-Loss Limit.

(b) With respect to aggregate stop-loss coverage described in Section 3.2 above, Company shall have no obligation to pay Plan Sponsor or the Plan any amounts in excess of the Company's limit of liability specified in Section 7.B. of the Schedule of Coverage.

3.4 Recoveries. If MVLH's parent company, Blue Cross and Blue Shield of Kansas City ("BCBSKC"), obtains, directly or through a third-party subcontractor, recoveries (e.g., class action recoveries, etc.) on behalf of Plan Sponsor, and part or all of any recovery made relates to amounts paid by MVLH under this Agreement, then Plan Sponsor shall promptly reimburse MVLH (or BCBSKC may return directly to MVLH) a pro rata portion of such recovery, net of any recovery fees, based upon the amount paid by MVLH and, if applicable, Plan Sponsor, related to such recovery.

IV. PREMIUM PAYMENTS

4.1 Amount of Premium. In connection with the stop-loss coverage provided hereunder, Plan Sponsor shall pay Company a monthly premium in an amount equal to the monthly premium rate for the applicable for each coverage class and product type combination in Exhibit B, multiplied by the number of such coverage class and product type combinations in the respective covered units under the Plan for each month for which payment is being made; provided, that if Company or Plan Sponsor terminates this Agreement prior to the expiration of the applicable Term (other than as a result of MVLH's material breach of this agreement), then the monthly premium shall be the monthly premium rate for the applicable covered unit in Exhibit B, multiplied by the greater of: (a) ninety percent (90%) of the number of such coverage class and product type combinations in effect as of the first day of the first month of the applicable Term; or (b) the number of such coverage class and product type combinations in effect as of the first day of the month prior to such termination.

4.2 Payment of Premiums.

(a) Plan Sponsor shall pay all monthly premiums to Company on or before the first day of each month.

(b) If any premium is not paid when due, a grace period of ten (10) days following the applicable premium due date shall be granted for the payment of such premium. The applicable stop-loss coverage under this Agreement shall continue in full force and effect during the grace period. However, if the premium due is not paid within the grace period, all stop-loss coverage under this Agreement shall cease to be effective as of the last day of the month for which the premium was fully paid. In such event, Company shall have no liability with respect to any claim paid during the grace period and Plan Sponsor shall indemnify Company for any amounts paid during such period.

4.3 Adjustment of Premium Amounts. Company has the right to change the premium after this Agreement has been in effect for one (1) year. Company will give Plan Sponsor written notice of any such change. The notice will state the amount of the new charges and the effective date of the change. The notice will be made no less than thirty (30) days before the effective date of the change. Notwithstanding the foregoing, Company has the right to change the premium upon the occurrence of any of the following:

(a) On the date a change is made in the Plan which materially increases BCBSKC's duties or obligations under this Agreement; or

(b) On the date the number of employees covered by the PPO Plan has changed by ten percent (10%) or more since the date the then current charges were effective; or

(c) On the date any change in law or regulations imposes greater duties or obligations on BCBSKC than contemplated by the Agreement in force at the time of such change.

V. ADMINISTRATION OF CLAIMS

The Plan Sponsor, or its designated agent approved by Company, shall be responsible for the investigation, settlement, and/or defense of any claim made, suit brought, and/or proceeding instituted against the Plan by a Covered Individual.

VI. INSPECTION OF RECORDS

During normal business hours, Company and its representatives shall have the right, without charge, to access, inspect and copy the books, records of Plan Sponsor and the Plan pertaining to this Agreement. Plan Sponsor shall take the necessary actions to procure such records.

VII. INSOLVENCY OF PLAN

In the event of the insolvency of the Plan, Company shall pay the amounts and only the amounts that would have been due hereunder had the Plan not become insolvent. Such amounts

shall be paid to the Plan or its liquidator, receiver or other statutory successor, as directed by the court appointed decision maker for the Plan.

VIII. TERM AND TERMINATION

8.1 Term. This Agreement shall be effective as of the Effective Date stated herein and shall continue in force until the end of the Initial Term and shall be automatically renewed for successive Renewal Terms unless terminated in accordance with the provisions of this Agreement. The monthly premium may change for each Renewal Term.

8.2 Termination.

(a) **Without Cause.** Either party may terminate this Agreement without cause by giving the other party thirty (30) days' written notice of its intent to terminate this Agreement upon the expiration of the Initial Term or any Renewal Term, as applicable.

(b) **With Cause.** Either party may terminate this Agreement for cause upon written notice if the other party materially defaults in the performance of a provision of this Agreement and such default continues for a period of thirty (30) days after written notice to the defaulting party from the aggrieved party stating the default (or such shorter time as set forth in this Agreement in the event of Plan Sponsor's failure to pay amounts due hereunder). Further, BCBSKC may immediately terminate this Agreement upon the occurrence of any of the following:

- i. Plan Sponsor amends the Plan without prior written acknowledgment of BCBSKC;
- ii. The PPO Plan or the Plan of Benefits subject to this Agreement are terminated;
- iii. Plan Sponsor becomes insolvent or bankrupt or subject to liquidation, receivership or conservatorship; or
- iv. Upon written notice from either party of the enactment or interpretation of a law or regulation, or an action or investigation by any regulatory body, which would prohibit or adversely or materially affect this Agreement, the relationship between the parties, or the operations of either party with regard to this Agreement; provided, however, that the parties first shall attempt in good faith for a period of 30 days to modify this Agreement so that this Agreement is not prohibited by law.

Plan Sponsor acknowledges that the performance by Plan Sponsor of the obligations set forth in this Agreement is essential for the adequate protection of BCBSKC. As further consideration for the Services provided by BCBSKC, Plan Sponsor agrees that in the event of a proceeding under

Title 11 of the United States Bankruptcy Code commenced by or against Plan Sponsor, Plan Sponsor will not object to any motion by BCBSKC for relief from the automatic stay of 11 U.S.C. § 362(a).

8.3 Effect of Expiration or Termination. Plan Sponsor shall be fully responsible for Eligible Expenses incurred during the term of this Agreement, and which are paid within 12 months of the expiration of this Agreement. Company shall have no responsibilities or obligations, financial or otherwise, for any such unpaid Eligible Expenses. The provisions of this Section 8.3 shall survive the expiration of this Agreement for any reason.

IX. GENERAL PROVISIONS

9.1 Amendment or Waiver. The terms and conditions of this Agreement shall not be modified, amended, or waived except by written agreement signed by both parties hereto. Any amendment of this Agreement shall be without prejudice to any Loss arising prior to the date of change.

9.2 Legal Action. No action at law or in equity shall be brought to recover under the terms of this Agreement until sixty (60) days after written proof of claim for benefit payments has been furnished in accordance with the requirements of this Agreement. Any such action must begin within three (3) years for Missouri or five (5) years for Kansas of the date a claim is required to be filed with Company pursuant to the provisions of this Agreement.

9.3 Notices. All notices shall be in writing and shall be addressed to the respective parties at their principal office set forth below by first class certified mail, return receipt requested, postage prepaid.

Company: Missouri Valley Life and Health Insurance Company
One Pershing Square
2301 Main, P.O. Box 419169
Kansas City, Missouri 64141-6169

Plan Sponsor: _____

9.4 Entire Agreement. All provisions in this Agreement (including all attachments and exhibits hereto), and any amendments and endorsements included on the Effective Date or added at a later date, are part of this Agreement. This Agreement controls over any conflicting or inconsistent prior agreement between Plan Sponsor and/or the Plan and Company.

IN WITNESS WHEREOF, Plan Sponsor and Company have caused this Agreement to be executed the day and year first above written.

(Plan Sponsor)

**MISSOURI VALLEY LIFE AND
HEALTH INSURANCE COMPANY**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

**EXCESS HEALTH AND ACCIDENT STOP-LOSS COVERAGE
SCHEDULE OF COVERAGE**

1. Name of Plan(s):

2. Effective Date:

3. Specific Stop-Loss:

<u>Claims Incurred Period</u>	<u>Claims Paid Period</u>
12 months*	24 months

4. Aggregate Stop-Loss:

<u>Claims Incurred Period</u>	<u>Claims Paid Period</u>
12 months*	24 months

*Unless this Agreement is terminated prior to the end of the applicable Term, as set forth in the definition of “Loss” in Section 1.4.

5. Eligible Expenses for Stop-Loss Coverage:

Specific Stop-Loss for:

Aggregate Stop-Loss for:

Medical

Medical

Prescription Drug

Prescription Drug

6. Individual Excess Health and Accident Coverage (Plan’s Specific Stop-Loss Coverage)

\$20,000 per Covered Individual for all Occurrences

7. Aggregate Excess Health and Accident Coverage (Aggregate Stop-Loss Coverage)

A. Monthly Aggregate Stop-Loss Limit:

The Monthly Aggregate Stop-loss Limit for any given month during the term of this Agreement shall be determined by multiplying the each coverage class and product type

combination (as set forth in Exhibit B) by the number of such coverage class and product type combinations in effect as of the first day of such month; provided, that if Company or Plan Sponsor terminates this Agreement prior to the expiration of the applicable Term (other than as a result of MVLH's material breach of this agreement), then the Monthly Aggregate Stop-Loss Limit shall be the amount set forth in Exhibit B for each coverage class and product type combination, multiplied by the greater of: (a) ninety percent (90%) of the number of such coverage class and product type combinations in effect as of the first day of the first month of the applicable Term; or (b) the number of such coverage class and product type combinations in effect as of the first day of the month prior to such termination.

B. Company Limit of Liability:

100% of Losses paid in excess of the Monthly Aggregate Stop-Loss Limit.

8. Percentage Change in Enrollment (i.e. all Covered Individuals): 10%

**EXHIBIT A - PLAN DOCUMENT AND SUMMARY PLAN DESCRIPTION/BENEFIT
BOOKLET**

See attached.

EXHIBIT B - FEES

See attached.

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (this "Agreement") is entered into effective as of _____, (the "Effective Date"), by and between Blue Cross and Blue Shield of Kansas City ("BCBSKC") and _____, on behalf of itself and the Plan (as defined below) (collectively, the "Plan Sponsor").

WHEREAS, Plan Sponsor is the plan sponsor and/or plan administrator of one or more employee welfare benefit plans for certain of its employees and other eligible individuals (collectively, the "Plan"); and

WHEREAS, Plan Sponsor desires to engage BCBSKC to provide certain services with respect to the Plan, and BCBSKC desires to provide such services, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Plan Sponsor and BCBSKC agree as follows:

1. **Definitions.** Capitalized terms used in this Agreement and not otherwise defined shall have the following meanings:

"Access Fee" means a portion of the Savings (defined below) realized on Paid Claims to providers each month, determined on a per covered employee, per month basis. This fee may also include the BlueCard Program access fee, which is an amount that may be charged separately each time a claim is processed through the BlueCard Program. If one is charged, it will be a percentage of the discount/differential BCBSKC receives from the Host Blue, based on the current rate in accordance with the BlueCard Program's standard procedures for establishing the access fee rate. "Savings" are calculated by taking the total amount of providers' billed charges for covered services and subtracting the total of the benefits payable for claims incurred in that same period, after applying the applicable Discounts. Total benefits payable are the amounts paid by BCBSKC plus the deductible, coinsurance and copayments owed by the PPO/EPO Participant.

"Administrative Fee" means that portion of the Monthly Payment Amount consisting of compensation to BCBSKC for providing certain of the Services under this Agreement, including such services as claims processing and investigation, production and distribution of member identification cards, agent commissions and fees, and other general services, and including the Access Fee. This Administrative Fee may include all BlueCard Program-related fees except for fees for provider directories and the BlueCard Program access fees (where applicable), as described below. If the BlueCard Program access fee is included in the Administrative Fee, then any BlueCard Program access fees charged do not exceed \$2,000 for any claim. This fee also includes any fees related to the processing of claims for Non-Participating Providers Outside the Service Area.

"COBRA" means those provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, P.L. 99-272, as amended, which require certain employers to offer continuation of health care coverage to employees and dependents of employees who would otherwise lose coverage.

“Confidential Information” means all proprietary, non-public information disclosed to a party to this Agreement by the other party. Confidential Information includes but is not limited to: the terms of this Agreement (including all exhibits); all PPO/EPO Participant information; all information relating to the disclosing party’s business methods, processes, policies, finances, strategies, budgets, pricing terms or other financial information, records, notes, memoranda, summaries or other materials in whatever form maintained, whether prepared by the disclosing party or others, that contain or otherwise reflect or are based upon, in whole or in part, any of the disclosing party’s proprietary, non-public information. The term Confidential Information does not include information which: (a) is or becomes generally available to the public other than as a result of disclosure by the owner of the Confidential Information; (b) becomes available to either party on a non-confidential basis from a third party; provided, that the receiving party under this Agreement is not aware that such third party is bound by a confidentiality agreement with respect to the Confidential Information; or (c) is identified by the disclosing party as not being Confidential Information.

“Deferred Administrative Fee” means an amount equal to one third (1/3) of the Surplus, if any, for the applicable Term.

“Discount” means the amount of the initial reduction from a provider’s billed charges which a provider has agreed to accept as payment in full at the time of claim payment for covered services provided to PPO/EPO Participants. “Discount” does not mean or include any affiliation fees, administration fees, network management fees, provider and pharmaceutical rebates, incentive arrangements, or any other reductions or credits a provider may periodically give BCBSKC or any other amount that a provider may pay BCBSKC for services such as administration, marketing, managed care or quality improvement programs performed by BCBSKC for the provider. BCBSKC retains these amounts and they are not included in the Discount that BCBSKC makes available to Plan Sponsor.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Fiduciary” as used in this Agreement means Fiduciary as defined in ERISA at 29 U.S.C. 1002 (21)(A) and has no other meaning at law or in equity.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended.

“Initial Term” means the one-year period beginning on the Effective Date.

“Maximum Monthly Claims Amount” means that portion of the Monthly Payment Amount consisting of amounts used to cover benefit payments under the Plan of Benefits. The Maximum Monthly Claims Amount shall equal the amounts set forth in the Claims section of Exhibit B for each coverage class and product type combination, multiplied by the number of such coverage class and product type combinations in effect as of the first day of such month.

“MVLH” means BCBSKC’s wholly-owned subsidiary, Missouri Valley Life and Health Insurance Company.

“Paid Claims” means, with respect to claims incurred during the applicable one-year Term of this Agreement and paid within twenty-four (24) months from the first day of such applicable Term, the amounts paid to a provider, which the provider has agreed to accept as payment in full at the time of claim payment, for delivery of covered services provided to PPO/EPO Participants (including capitation payments and Medical Value Payments, as defined below; provided, that capitation payments and Medical Value Payments will not accumulate toward any *specific* attachment points under Plan Sponsor’s stop-loss policies, if any). Paid Claims are not reduced by any affiliation fees, administration fees, network management fees, incentive arrangements, or any other reductions or credits a provider may periodically give BCBSKC, or any other amounts that a provider may pay BCBSKC, for services such as administration, marketing, managed care or quality improvement programs performed by BCBSKC for the provider. BCBSKC retains these amounts and they do not reduce the amount of Paid Claims.

“Plan Administrator” as used in this Agreement means “administrator” as defined in ERISA at 29 U.S.C. (16)(A) and has no other meaning at law or in equity.

“Plan Document” means the written agreement adopted and executed by the Plan Sponsor to provide the Plan.

“Plan of Benefits” means the Benefit Booklet provided by BCBSKC to Plan Sponsor which reflects BCBSKC’s understanding of the benefits offered under the PPO/EPO Plan.

“Plan Participants” means employees of Plan Sponsor and certain other individuals eligible to participate in the Plan (which may include dependents of employees and retirees).

“Plan Sponsor” as used in this Agreement means Plan Sponsor as defined in ERISA at 29 U.S.C. (16)(B) and has no other meaning at law or in equity.

“PPACA” the Patient Protection and Affordable Care Act of 2010, as amended.

“PPO/EPO Plan” means the self-insured PPO/EPO plan which is made available to Plan Participants as part of the Plan adopted by Plan Sponsor and set forth in the Plan and any amendments (as provided to BCBSKC).

“PPO/EPO Participants” means those Plan Participants who elect coverage under the PPO/EPO Plan.

“Preferred Provider” or “PPO/EPO Provider” means any health care provider that has entered into a contract with BCBSKC to provide health care services as part of a Preferred Provider Organization (PPO/EPO) utilized by the Plan. Providers may include, but are not limited to, hospitals, physicians, dentists, and allied providers such as pharmacies, durable medical equipment suppliers, skilled nursing facilities and home health providers.

“Renewal Term” means each one-year term of this Agreement after the Initial Term.

“Service Area” means the area served by BCBSKC.

“Services” means the services BCBSKC shall provide to Plan Sponsor under this Agreement, as set forth in Exhibit A.

“Stop-Loss Insurance” means the insurance procured by Plan Sponsor that insures Plan Sponsor against the financial exposure of claims made in excess of certain amounts.

“Stop-Loss Premiums” means the premiums payable by Plan Sponsor for Stop-Loss Insurance coverage, which BCBSKC will collect from Plan Sponsor on behalf of the Stop-Loss Insurance carrier, MVLH.

“Surplus” means the amount by which the sum of the Maximum Monthly Claims Amount for the applicable Term exceeds the actual Paid Claims for such applicable Term, less any Stop-Loss Insurance reimbursements for such applicable Term. If this Agreement terminates prior to the end of the applicable Term, then the Maximum Monthly Claims Amount shall be equal to the Maximum Monthly Claims Amounts actually paid by Plan Sponsor to BCBSKC during such applicable Term.

“Term” means the Initial Term or a Renewal Term, as applicable.

2. **Services; Out of Scope.** BCBSKC will provide the Services set forth in Exhibit A in respect of the PPO/EPO Plan. BCBSKC shall not perform any services other than those expressly stated in this Agreement. If Plan Sponsor desires to have BCBSKC perform any services that are not included in the Services set forth in Exhibit A, Plan Sponsor shall submit a request to BCBSKC for such services, and, if BCBSKC, in its sole discretion, desires to provide such services, the parties shall determine the services to be performed and the additional fees to be charged for such services. In conjunction therewith, the parties may amend Exhibit A and Exhibit B to reflect such additional services and fees.

3. **Monthly Payment; Reconciliation; Other Fees; Deposit.**

3.1 **Monthly Payment Amount.** Each month during the applicable Term, Plan Sponsor shall pay to BCBSKC the Monthly Payment Amount. Unless otherwise specifically stated, Plan Sponsor agrees to pay the Monthly Payment Amount on the first day of each month via debit authorization or via wire transfer to a bank account designated by BCBSKC. The Monthly Payment Amount is comprised of the Administrative Fees, Stop-Loss Premiums and the Maximum Monthly Claims Amount as set forth in Exhibit B for each coverage class and product type combination, multiplied by the number of such coverage class and product type combinations in effect as of the first day of such month.

Plan Sponsor understands that during the course of an applicable Term the year-to-date Maximum Monthly Claims Amount may exceed the actual year-to-date Paid Claims (“Year-to-Date Excess”). The Year-to-Date Excess will be held by BCBSKC and used to pay subsequent Paid Claims. Plan Sponsor also understands that during the course of an applicable Term the year-to-date Monthly Claims amount may be less than the year-to-date Paid Claims (“Year-to-Date”).

Shortfall”). Plan Sponsor requests that BCBSKC advance payments (without interest) to fund Paid Claims to the extent of such Year-to-Date Shortfall. Plan Sponsor authorizes BCBSKC to be reimbursed for any such advancement out of any excess of the Maximum Monthly Claims Amount over Paid Claims in subsequent months of the applicable Term.

3.2 Deferred Administrative Fee. For each applicable Term, Plan Sponsor shall also pay to BCBSKC, if applicable, a Deferred Administrative Fee fifteen (15) months after the end of the applicable Term, or, if sooner, the date that BCBSKC makes a payment under Section 3.3 to Plan Sponsor for the applicable Term.

3.3 Reconciliation. Within fifteen (15) months after the end of the applicable Term (even if this Agreement is terminated prior to the expiration of the applicable Term), BCBSKC shall conduct a reconciliation process to determine if a Surplus exists. If so, BCBSKC shall pay to Plan Sponsor the amount of the Surplus, less any Deferred Administrative Fee and any other fees owed by Plan Sponsor to BCBSKC.

3.4 Recoveries. Recoveries are as described below and as set forth in more detail in Exhibit A:

A. Subrogation. A percentage of subrogation amounts recovered, payable when such recoveries are made.

B. Group Litigation Fee. A percentage of amounts recovered. Court costs, attorney’s fees and expenses incurred in respect of third party litigation are not included in the Group Litigation Fee and will be deducted from any gross recovery and will be payable when such recoveries are made.

3.5. COBRA. A percentage of COBRA premiums.

3.6 Mindful by Blue KC Fee. Plan Sponsor acknowledges that Service Organization will assess \$.75 per member per month for the Mindful by Blue KC behavioral health initiative. The Mindful by Blue KC initiative provides a set of tools and resources to promote whole person wellness, including a limited number of well-being resource visits and access to Mindful Advocates. The well-being resource visits help with major life events (divorce, adoption, loss), stress, financial issues, childcare, and other everyday challenges through lifestyle coaching. These visits are limited to 3 per issue for each Blue KC member every calendar year. Well-being resource visits are not considered Covered Services and will not be billed (or paid) as claims. Mindful Advocates are licensed clinicians and social workers who match members to providers and guide care plans. They act as a single point of contact for listening, connecting, crisis management, benefits guidance, navigating care, and follow-up. Mindful initiatives include improved network access to providers trained in crisis support, employer education focused on mental health first aid, and resources to support behavioral health integration into our primary care provider practices.

3.7 Changes in Monthly Payment Amount. BCBSKC has the right to change the Monthly Payment Amount after this Agreement has been in effect for one (1) year. BCBSKC will give Plan Sponsor written notice of any such change. The notice will state the amount of the new charges and the effective date of the change. The notice will be made no less than thirty (30) days

before the effective date of the change. Notwithstanding the foregoing, BCBSKC has the right to change the Monthly Payment Amount upon the occurrence of any of the following:

A. On the date a change is made in the Plan which materially increases BCBSKC's duties or obligations under this Agreement; or

B. On the date the number of employees covered by the PPO/EPO Plan has changed by ten percent (10%) or more since the date the then current charges were effective; or

C. On the date any change in law or regulations imposes greater duties or obligations on BCBSKC than contemplated by the Agreement in force at the time of such change.

3.8 Benefit Payments. Plan Sponsor authorizes BCBSKC to pay PPO/EPO Plan benefits in accordance with the terms of the PPO/EPO Plan and this Agreement, after sufficient funds are provided by Plan Sponsor via the Monthly Payment Amount. BCBSKC shall not be required to bear any risk or responsibility for the funding of benefit payments.

3.9 Medical Value Payments. Plan Sponsor acknowledges that BCBSKC may have value-based payment arrangements with providers participating in certain health care delivery programs, including patient-centered medical homes, accountable care organizations or episode-based medical management. These providers are known as "Blue Distinction Total Care Program" providers. Pursuant to such health care delivery programs, Blue Distinction Total Care Program providers may be eligible for alternative payments, in lieu of or in addition to, traditional fee-for-service reimbursement, including but not limited to, withholds, bonuses, incentive payments, provider credits and member management fees (collectively, "Medical Value Payments"). The amount of Medical Value Payments Blue Distinction Total Care Program providers receive is specific to the Blue Distinction Total Care Program and/or provider and may or may not be directly related to Plan Sponsor, any PPO/EPO Participant, or any other group or individual. Plan Sponsor acknowledges that Medical Value Payments payable to any one or more Value-Based Program providers may: (a) be included in Paid Claims (provided, that Medical Value Payments will not accumulate toward any *specific* attachment points under Plan Sponsor's stop-loss policies, if any); (b) may include compensation for services that are related to PPO/EPO Participants, including, but not limited to, coordination of care; and (c) may include compensation in recognition of Value-Based Program provider's achievement of stated performance objectives, including, but not limited to, quality of care, patient outcomes or cost.

A. Outside of BCBSKC's Service Area. The provisions below apply to Value-Based Programs outside of BCBSKC's service area. When such amounts are billed in addition to the claim, they may be billed as follows:

i. Per Member Per Month (PMPM) Billings: Per Member Per Month billings for incentives/Shared-Savings settlements to accounts are outside of the claim system. BCBSKC will pass these charges from other Blue Cross and/or Blue Shield licensees ("Host Blues") through to Plan Sponsor as a separately identified Medical Value Payment amount on the group billings.

- ii. Where Host Blues pass on the costs Value-Based Programs to BCBSKC as PMPM amounts not attached to specific claims, BCBSKC will elect to pass these amounts to Plan Sponsor in the same manner as Medical Value Payments inside BCBSKC's Service Area.

The amounts used by Host Blues to calculate either the supplemental factors or PMPM billings may be estimates. This means that Host Blues cannot determine final amounts for these arrangements at the time when employees incur claims for covered services. Consequently, Host Blues may hold some portion of the amounts Plan Sponsor pay under such arrangements until the end of the applicable Value-Based Program payment and/or reconciliation measurement period.

B. Reconciliation. At the end of the Value-Based Program payment and/or reconciliation measurement period for these arrangements, Host Blues may take one of the following actions:

- i. Use any surplus in funds to fund Value-Based Program payments or reconciliation amounts in the next measurement period.
- ii. Address any deficit in funds through an adjustment to the per-member-per-month billing amount or the reconciliation billing amount for the next measurement period.

The measurement period for determining these surpluses or deficits may differ from the term of this Agreement. Such surpluses or deficits may be eventually exhausted through prospective adjustment to the settlement billings in the case of Value-Based Programs. *Some Host Blues may retain interest earned as part of their negotiated compensation with their providers, if any, on funds held that are associated with these Programs.*

C. Care Coordinator Fees. For certain Value-Based Programs, Host Blues may also bill BCBSKC for Care Coordinator Fees which we will pass on to Plan Sponsor. Based on the methods that Host Blues use to pass these fees on to BCBSKC, BCBSKC bills Plan Sponsor through:

- i. PMPM billings will be passed through to Plan Sponsor as a separately identified Medical Value Payment amount on the group billings; or
- ii. Individual claim billings through applicable care coordination codes from the most current editions of either *Current Procedural Terminology (CPT)* published by the American Medical Association (AMA) or *Healthcare Common Procedure Coding System (HCPCS)* published by the US Centers for Medicare and Medicaid Services (CMS).

As part of this Agreement, BCBSKC and Plan Sponsor will not impose employee cost sharing for Care Coordinator Fees.

3.10 Deposit.

A. Advance Deposit. Upon the execution of this Agreement, Plan Sponsor shall pay BCBSKC an advance deposit if requested by BCBSKC. The amount of such deposit, if any, will be mutually agreed upon by the parties. The funds will be used to establish a PPO/EPO Plan reserve to facilitate prompt payment of PPO/EPO Plan benefits, expenses and fees. The Plan Sponsor authorizes BCBSKC to pay PPO/EPO Plan benefits, expenses and fees on an account maintained by BCBSKC. BCBSKC shall account for all receipts and disbursements to and from Plan Sponsor's reserve. The initial deposit amount shall be maintained in reserve by Plan Sponsor at all times. Plan Sponsor shall forward additional funds as necessary to maintain the minimum deposit and to cover payment of PPO/EPO Plan benefits, expenses and fees. Plan Sponsor shall make such payments within 10 days after written notice from BCBSKC that additional funds are required. Funds will be transferred via debit authorization or via wire transfer.

B. Subsequent Deposit. If BCBSKC did not request an advance deposit under paragraph A. above, BCBSKC may subsequently request a deposit from Plan Sponsor and Plan Sponsor shall promptly pay to BCBSKC the requested deposit; provided, that the deposit shall not be required to exceed two times the first Monthly Payment Amount of the applicable Term.

C. Restoration of Deposit. Plan Sponsor agrees to pay BCBSKC within 15 calendar days of receipt of the notification ("due date") of the amount necessary to restore to its full amount the deposit as stated in either paragraph A. or B. above. Failure of Plan Sponsor to restore the deposit in such time may cause termination of this Agreement. Such terminations shall be effective on the due date of the restoration of the deposit.

3.11 Automatic Payment Authorization. Plan Sponsor authorizes BCBSKC to initiate recurring ACH/electronic debits to Plan Sponsor's account in the amount of the Monthly Payment Amount on or around the first day of each month. This authorization will remain in effect even in the event of a change in the Monthly Payment Amount. Plan Sponsor must notify BCBSKC at least ten (10) business days prior to Plan Sponsor changing the bank account from which BCBSKC will make recurring debits.

3.12 Failure to Pay. If there are insufficient funds in Plan Sponsor's bank account upon BCBSKC's attempt to make a ACH/electronic debit, or BCBSKC otherwise fails to receive the Monthly Payment Amount or other amounts as required under this Agreement, within ten (10) days of the due date of such payment, then in addition to any other remedies available to BCBSKC in this Agreement or otherwise, BCBSKC may: (a) apply any deposit to any outstanding amount due; (b) stop processing PPO/EPO Participants' claims; (c) deny or pend PPO/EPO Participants' claims (retroactive to the last day of the last month in which Plan Sponsor has paid in full); (d) assess a late payment fee equal to 1% of the Monthly Payment Amount for the applicable month; and (e) terminate this Agreement (retroactive to the last day of the last month in which Plan Sponsor has paid in full).

4. Term and Termination.

4.1 Term. This Agreement shall be effective as of the Effective Date stated herein and shall continue in force until the end of the Initial Term and shall be automatically renewed for

successive Renewal Terms unless terminated in accordance with the provisions of this Agreement. BCBSKC will determine the Monthly Payment Amount (including any component thereof) for each Renewal Term.

4.2 Termination.

A. Without Cause. Either party may terminate this Agreement without cause by giving the other party thirty (30) days' written notice of its intent to terminate this Agreement upon the expiration of the Initial Term or any Renewal Term, as applicable.

B. With Cause. Either party may terminate this Agreement for cause upon written notice if the other party materially defaults in the performance of a provision of this Agreement and such default continues for a period of thirty (30) days after written notice to the defaulting party from the aggrieved party stating the default (or such shorter time as set forth in this Agreement in the event of Plan Sponsor's failure to pay amounts due hereunder). Further, BCBSKC may immediately terminate this Agreement upon the occurrence of any of the following:

- i. Plan Sponsor amends the Plan without prior written acknowledgment of BCBSKC;
- ii. The PPO/EPO Plan or the Plan of Benefits subject to this Agreement are terminated;
- iii. Plan Sponsor becomes insolvent or bankrupt or subject to liquidation, receivership or conservatorship; or
- iv. Upon written notice from either party of the enactment or interpretation of a law or regulation, or an action or investigation by any regulatory body, which would prohibit or adversely or materially affect this Agreement, the relationship between the parties, or the operations of either party with regard to this Agreement; provided, however, that the parties first shall attempt in good faith for a period of 30 days to modify this Agreement so that this Agreement is not prohibited by law.

Plan Sponsor acknowledges that the performance by Plan Sponsor of the obligations set forth in this Agreement is essential for the adequate protection of BCBSKC. As further consideration for the Services provided by BCBSKC, Plan Sponsor agrees that in the event of a proceeding under Title 11 of the United States Bankruptcy Code commenced by or against Plan Sponsor, Plan Sponsor will not object to any motion by BCBSKC for relief from the automatic stay of 11 U.S.C. § 362(a).

4.3 Rights and Responsibilities Upon Termination. BCBSKC shall have no responsibility with respect to claims that are not Paid Claims (i.e., claims incurred during an applicable

Term of this Agreement but not paid within twenty-four (24) months of the first day of the final Term of this Agreement). BCBSKC shall cease performing the Services upon the termination of this Agreement; provided, that BCBSKC may continue providing certain Services after termination of this Agreement as deemed necessary by BCBSKC to administer Paid Claims.

5. **Plan Sponsor's Duties and Responsibilities**. Plan Sponsor shall have the following duties and obligations:

5.1 **Plan Operation**. Plan Sponsor retains the final authority and responsibility for the PPO/EPO Plan and its operation. Plan Sponsor grants BCBSKC the authority to act on behalf of Plan Sponsor in connection with the PPO/EPO Plan, but only as expressly stated in this Agreement.

5.2 **Eligibility**.

A. Plan Sponsor is responsible for the determination of those persons who are eligible for benefits under the PPO/EPO Plan, and shall forward all enrollment material to BCBSKC on or prior to the date required by the PPO/EPO Plan. Such determination shall be made pursuant to the terms of the Plan Document. Plan Sponsor shall notify BCBSKC on a monthly basis of all changes in participation, including terminations, changes in classification, utilization of continuation options, or any other changes in eligibility.

B. Plan Sponsor shall notify BCBSKC and verify all changes in eligibility and enrollment involving PPO Participants, including but not limited to adding and terminating coverage for employees and dependents. In determining any person's right to benefits under the PPO/EPO Plan, BCBSKC shall rely on eligibility information furnished by Plan Sponsor prior to submission of the claim. It is mutually understood that the effective performance of this Agreement by BCBSKC will require that it be advised by Plan Sponsor periodically, but not less frequently than monthly, during the term of this Agreement of the identity of individuals eligible for benefits under the PPO/EPO Plan, the effective date or termination date (as the case may be) of their eligibility and the extent of the benefits to which they are entitled. Plan Sponsor shall also cause to be furnished to BCBSKC such other information as may reasonably be required for the proper administration of the PPO/EPO Plan.

C. It is mutually agreed that BCBSKC shall not be responsible for delay in the performance of this Agreement or for the non-performance of this Agreement which delay or non-performance is caused or contributed to by the failure of Plan Sponsor to furnish any such information.

D. Notwithstanding the foregoing, BCBSKC shall not be required to adhere to Plan Sponsor's eligibility rules or determinations to the extent they would violate any applicable law, rule or regulation, including, without limitation, any regulations promulgated under PPACA.

5.3 **Changes to Plan**. Plan Sponsor shall provide BCBSKC all revisions or changes to the Plan prior to the date any such revisions or change is to become effective. All revisions or changes are subject to the approval of BCBSKC, because changes may affect the services provided by BCBSKC under this Agreement.

5.4 Provide Information. Plan Sponsor will furnish all information needed by BCBSKC to perform its duties under this Agreement, including but not limited to executed copies of the Plan Documents (including Trust Agreements) if requested by BCBSKC.

5.5 Forward Claims. In the event Plan Sponsor receives claims for benefits from PPO/EPO Participants, Plan Sponsor will forward all claims to BCBSKC within three days after receipt of the claims, so that the claims can be reviewed and processed in accordance with the Plan's claims procedure.

5.6 Payment. Plan Sponsor will promptly provide funds for payment of PPO/EPO Plan benefits and expenses as set forth in this Agreement and will promptly pay BCBSKC the compensation agreed upon in this Agreement.

5.7 Compliance with Laws. Plan Sponsor is responsible and liable for providing Plan benefits and operating the Plan in accordance with its terms and all applicable state or federal laws, including but not limited to, ERISA and HIPAA. Plan Sponsor is the Plan Administrator under ERISA and is responsible for complying with the various requirements of ERISA, HIPAA and any other applicable laws. Plan Sponsor is responsible for any required non-discrimination testing.

5.8 Reimburse Printing Costs. Plan Sponsor will reimburse BCBSKC for the expense of any printed matter prepared especially for the Plan, except for expenses specifically assumed by BCBSKC in this Agreement.

5.9 PPO/EPO. Plan Sponsor will provide a health benefits program in which benefits paid for covered services provided to PPO/EPO Participants by PPO/EPO Providers are greater than the benefits paid to a non-PPO/EPO Provider within BCBSKC's service area.

5.10 BCBSKC Approval. Plan Sponsor will secure BCBSKC approval of all documents provided to PPO/EPO Participants after the execution date of this Agreement which describe arrangements with PPO/EPO Providers or that can be expected to substantially affect when claims are filed.

5.11 Identification Cards. Plan Sponsor will use member identification cards printed after the execution date of this Agreement that are approved in advance by BCBSKC. Any changes to member identification cards must be approved in advance by BCBSKC.

5.12 Confidentiality. Plan Sponsor acknowledges and agrees that all details regarding the Preferred Provider network including but not limited to the identity of health care providers, health care provider fee schedules and Discounts, and the provisions, terms and conditions of agreements and contracts with health care providers are proprietary and Confidential Information of BCBSKC and may not be utilized by Plan Sponsor, its affiliates, or any of its or their employees, officers, directors, trustees, owners, agents or representatives to directly or indirectly either establish its own preferred provider network or solicit or contract or negotiate preferred provider agreements or arrangements, or Discounts with any health care provider who participates or has participated in the Preferred Provider network at any time during the term of this Agreement. Plan Sponsor shall limit

its use or disclosure of BCBSKC's Confidential Information consistent with Section 11 of this Agreement and the Business Associate Agreement attached hereto as Exhibit D and shall return or destroy all Confidential Information of BCBSKC upon termination of this Agreement. After termination of this Agreement, the provisions of this paragraph shall not prohibit Plan Sponsor from contracting with a preferred health provider network sponsored by any other entity.

5.13 Amendment or Termination. Plan Sponsor shall make all decisions regarding amendment or termination of the Plan.

5.14 Participant Communications. Plan Sponsor shall be responsible to communicate to Plan participants all information required by ERISA and other applicable law, whether requested by PPO/EPO Participants or otherwise, concerning the Plan, including, without limitation, Summary Plan Descriptions, Summaries of Material Modifications, notices of material benefit reductions and Summary Annual Reports.

5.15 Government Reporting. Plan Sponsor shall be responsible to make and file all Form 5500 reports and any other returns and reports concerning the Plan required by ERISA, the Internal Revenue Code and any other applicable law.

5.16 Summary of Benefits and Coverage. Plan Sponsor will:

- A. promptly provide to BCBSKC the information necessary to complete the Summary of Benefits and Coverage ("SBC");
- B. distribute the SBC to PPO/EPO Participants as required under PPACA
- C. provide confirmation to BCBSKC of distribution of the SBC as required under PPACA upon request;
- D. ensure that electronic access shall be restricted to a "read-only" or similar basis; and
- E. replace any hard-copy SBC that is modified by BCBSKC.

The hard-copy SBC on file with BCBSKC shall control in the event of any discrepancy. Plan Sponsor remains solely responsible for the content of the SBC and all other legal requirements related to the SBC. To the extent that BCBSKC incurs any liability as a result of the preparation or distribution of the SBCs to PPO/EPO Participants, Plan Sponsor shall fully indemnify BCBSKC. There is an understanding and agreement that Plan Sponsor's failure to provide information in a timely manner may substantially delay and/or jeopardize the timely delivery of the SBC.

5.17 COBRA. Plan Sponsor will:

- A. Complete a COBRA initial notification form (which shall be provided by BCBSKC) within ninety (90) days of any new employees and within thirty (30) days of a qualifying event;
- B. Determine the amount of contributions required for COBRA continuation coverage and notify BCBSKC of such amount;
- C. Inform BCBSKC of continuation rights, by use of the COBRA notification form or other electronic means upon the occurrence of a qualifying event; and,
- D. Notify BCBSKC upon receipt of notification of any second qualifying event.

For purposes of this Section, references to BCBSKC shall mean either BCBSKC or, if applicable, its contracted COBRA Administrator.

5.18 Controlled Group. Plan Sponsor represents to BCBSKC that, if more than one employer participates in the Plan, all such employers are part of a single “controlled group” (as defined by the Employee Retirement Income Security Act of 1974, as amended (ERISA)).

6. **BCBSKC’s Duties and Responsibilities; Limitations.**

6.1 Performance of Services. BCBSKC will use reasonable care and diligence in the exercise of its powers in the performance of its duties under this Agreement. BCBSKC will not be liable for any mistake of judgment or other actions made in good faith with reasonable care and diligence. Clerical errors or normal variations in claim processing made without intent to defraud and absent gross negligence or willful misconduct are recognized in this Agreement as possible. When such errors or variations are made and discovered, they will be corrected, adjusted and otherwise made right to the extent such is both possible and recoverable. Where not adjustable, such errors will be treated as an expense of the Plan. Plan Sponsor and BCBSKC will make a diligent effort to recover any incorrect excess payment made. BCBSKC is not required to institute any court proceedings. EXCEPT AS EXPRESSLY SET FORTH HEREIN, BCBSKC MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AS TO THE SERVICES OR ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6.2 Provider Relationships. BCBSKC has entered into contracts with health care providers in order to develop provider networks to serve PPO/EPO Participants. These contractual relationships are not intended to interfere with or influence the exercise of a provider’s independent medical judgment. Participating Providers may contract with BCBSKC under many different types of financial arrangements, which include, but are not limited to: discounted fee-for-service payments; fixed monthly payments for each member (“capitation”); on a per day basis (“per diem”); and fixed fees for each case (“case rate”). Some providers may be compensated by a physician-hospital organization (PHO), or a similar provider organization that is compensated by BCBSKC on a capitated or other basis.

6.3 Not a Plan Sponsor/Administrator. BCBSKC is not a plan sponsor or plan administrator with respect to the Plan, nor is BCBSKC a trustee of any assets associated with the Plan.

6.4 Not a Fiduciary; Limited Exception. Except to the limited extent that BCBSKC is serving as claims fiduciary of the PPO/EPO Plan (as set forth in Exhibit A), BCBSKC is not a fiduciary of the Plan, does not have discretionary authority or control over the management of the Plan, and shall not exercise discretion or control with respect to the management or disposition of plan funds.

6.5 Claims Payments. BCBSKC shall not be liable for the funding of claims under the Plan. BCBSKC does not guarantee payment of any benefits due under the Plan. Plan Sponsor shall have full responsibility and liability for funding of claims in accordance with the provisions of the Plan.

6.6 Plan Compliance With Laws. BCBSKC is not responsible for qualification or compliance of the Plan with ERISA, the Internal Revenue Code, or any other applicable federal, state or local law, rule or regulation.

6.7 Payment of Plan Expenses. BCBSKC is not responsible for payment of any expense of the Plan, including, but not limited to, attorneys', accountants' and other persons' fees that provide services to the Plan.

8. Inter-Plan Arrangements. Plan Sponsor acknowledges that Exhibit C specifies additional/alternative provisions that apply to Plan Sponsor with respect to claims that are processed under the BlueCard Program. Plan Sponsor further acknowledges that BCBSKC is required by the Blue Cross and Blue Shield Association to disseminate to Plan Sponsor BlueCard disclosure language, which BlueCard disclosure language is included in Exhibit C. Plan Sponsor hereby further agrees to include any BlueCard language that is required to be included in Plan Sponsor's Summary Plan Description ("SPD") delivered to PPO Participants, in its entirety, so that PPO Participants are made aware of the additional/alternative provisions that apply to them with respect to claims that are processed under the BlueCard Program.

9. Audit Rights. During the term of this Agreement, Plan Sponsor may, without charge by BCBSKC, perform an audit once during the calendar year while this Agreement is in effect for the sole purpose of auditing BCBSKC's performance of certain of its obligations under this Agreement. To the extent an audit occurs, BCBSKC agrees only to the following two audit methodologies:

A. Testing up to a statistically valid random sample, based upon a 95% confidence level (plus or minus 3% precision) and 97% expected performance; or

B. Testing a targeted sample, up to a number of sample items equivalent to that which would result from the above random sample approach.

Whether the audit is performed during the term of the Agreement or following termination and regardless of the methodology used, referenced in A and B above, such samples may only include those claims that were processed by BCBSKC no more than six months prior to the date the sample was selected. For example, if a sample is drawn on June 30 of a given year, it could only include claims processed between June 30 and January 1 of the same year. Plan Sponsor may engage a third party to perform any or all of the audit on its behalf upon BCBSKC's prior written consent, not to be unreasonably withheld. Any such third party may not be reimbursed by Plan Sponsor on a contingency or other method based on identification or value of errors. If Plan Sponsor engages a third party to perform all or any part of an audit, such third party shall, upon BCBSKC's request (and Plan Sponsor shall cause such third party to), enter into a confidentiality and non-disclosure agreement with BCBSKC prior to, and as a condition of, conducting any function of the audit. Plan Sponsor shall provide BCBSKC with at least thirty (30) business days' notice of its desire to conduct an audit, and the parties (including the third party engaged by Plan Sponsor, as applicable) shall execute a Records Audit Agreement, which will set forth in detail the terms and conditions of the audit. Notwithstanding anything to the contrary in this Agreement or the Records Audit Agreement, in no event will provider reimbursement or other proprietary information under the control of BCBSKC be subject to audit unless BCBSKC, in its sole discretion, permits access to such information.

10. **Indemnification; Limitation of Liability.**

10.1 **Indemnification by Plan Sponsor.** Plan Sponsor hereby agrees to indemnify and hold harmless BCBSKC and its officers, directors, employees, affiliates, agents and representatives (collectively the "**BCBSKC Indemnitees**") from and against any and all liability, actions, claims, lawsuits, settlements, judgments, costs, interest, penalties, expenses and taxes, including but not limited to, reasonable attorneys' fees and court costs (collectively, "**Damages**") resulting from or arising directly or indirectly out of, or in connection with, any third party (including PPO/EPO Participants) claim relating to this Agreement, the Plan or the Plan of Benefits, including, without limitation, arising out of any tax or similar assessment (federal or state) which: (a) BCBSKC Indemnitees may incur with respect to Plan benefits which are the obligation and liability of Plan Sponsor; or (b) would have been levied on any charges or fees payable by Plan Sponsor to BCBSKC Indemnitees under this Agreement; provided, that the foregoing shall not apply: (i) to BCBSKC's attorney fees and court costs incurred in defending a claim for benefit denial if BCBSKC is serving as claims fiduciary (as expressly set forth in this Agreement); or (ii) to the extent that Damages result from the reckless, fraudulent or criminal acts of BCBSKC.

In addition, Plan Sponsor acknowledges and agrees that BCBSKC must rely on oral and/or written representations of Plan Sponsor's officers, directors, trustees, owners, employees, PPO/EPO Participants, Plan fiduciaries, and agents, insurers, and other service providers of the Plan and Plan Participants, and that BCBSKC has no duty to verify or independently audit such information. Plan Sponsor Parties agree to indemnify and hold harmless BCBSKC Indemnitees from and against any loss or damage to the Plan, Plan Sponsor or BCBSKC due to its good faith reliance on any such representations.

10.2 Indemnification by BCBSKC. BCBSKC hereby agrees to indemnify and hold harmless Plan Sponsor and its officers, directors, employees, affiliates, agents and representatives from and against Damages resulting from or arising out any third party claim relating to the reckless, fraudulent or criminal acts of BCBSKC.

10.3 Limitation of Liability. Neither party to this Agreement shall be liable to the other party for any consequential (including lost profits), punitive, special or exemplary damages that result from any breach of this Agreement or any party's performance under this Agreement. Further, in no event will a party's liability to the other party under this Agreement exceed an amount equal to the sum of the Monthly Payment Amounts paid by Plan Sponsor to BCBSKC during the twelve (12) months preceding the date of the event giving rise to the Damages. Notwithstanding the foregoing, the limitation on Damages contained in this Section does not apply to claims by either Plan Sponsor or BCBSKC for indemnification under this Section 10 which result from claims brought by third parties.

11. Confidentiality; HIPAA. The parties agree that each will keep the other party's Confidential Information confidential and will only use the disclosing party's Confidential Information for purposes contemplated under this Agreement; provided, however, that BCBSKC may use Plan Sponsor's Confidential Information in the ordinary course of its business as long as it maintains the confidentiality of such information. Neither party will use the Confidential Information in any manner, other than as provided in this Agreement. Confidential Information disclosed pursuant to this Agreement is and shall remain the disclosing party's property. If, in the opinion of counsel for the receiving party, disclosure of Confidential Information is required by any federal or state law, rule, regulation or court order, the receiving party may only make such disclosure after notifying the disclosing party (if allowed by law) of the receiving party's intention to disclose the Confidential Information prior to making such disclosure. The terms of this Section shall survive the termination of this Agreement.

Additionally, because BCBSKC may be a Business Associate (as such term is defined in HIPAA) of Plan Sponsor pursuant to this Agreement, the Business Associate Agreement attached hereto as Exhibit D is incorporated herein and made a part hereof.

12. General.

12.1 Relationship Between Parties. The parties hereto are independent contractors and are not, and shall not be deemed for any purpose, to be joint venturers. No party shall hold itself out as the partner or agent of the other party or make representations or warranties on behalf of the other party, except as otherwise expressly agreed. BCBSKC shall not be designated nor deemed the Plan Administrator with respect to the Plan for purposes of ERISA or any other federal or state law of similar nature. Plan Sponsor, on behalf of itself and its PPO Participants, hereby expressly acknowledges its understanding that this constitutes an agreement solely between Plan Sponsor and Blue Cross Blue Shield of Kansas City, that Blue Cross and Blue Shield of Kansas City is an independent corporation operating under an agreement with the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, (the "Association") permitting Blue Cross and Blue Shield of Kansas City to use the Blue Cross and Blue Shield service marks in a portion of the States of Missouri and Kansas, and that Blue Cross and Blue

Shield of Kansas City is not contracting as the agent of the Association. Plan Sponsor further acknowledges that it has not entered into this Agreement based upon representations by any person other than Blue Cross and Blue Shield of Kansas City and that any person, entity, or organization other than Blue Cross and Blue Shield of Kansas City shall not be held accountable or liable to Plan Sponsor for any of Blue Cross and Blue Shield of Kansas City's obligations to Plan Sponsor created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of Blue Cross and Blue Shield of Kansas City other than those obligations created under other provisions of this Agreement.

12.2 Severability. If any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, validity of the remaining provisions of this Agreement shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular part, term or provision held to be invalid. It is provided, however, that the basic purposes of this Agreement must be achieved through the remaining valid provisions.

12.3 Trademarks and Symbols. Plan Sponsor and BCBSKC reserve the right to control the use of their respective names and any of their respective symbols, trademarks and service marks, presently existing or subsequently established. Plan Sponsor and BCBSKC agree not to use words, symbols, trademarks, service marks and other devices including the corporate name of the other in advertising, promotional materials or otherwise, without the prior written consent of the other. Plan Sponsor and BCBSKC will cease any previously approved usage immediately upon termination of the Agreement. Plan Sponsor and BCBSKC further agree that any advertising, promotional materials or other items which include the name of Plan Sponsor or BCBSKC are the property of the appropriate namesake and will be returned to the owner either upon request or at termination of this Agreement.

12.4 Waiver. Failure by Plan Sponsor, BCBSKC or both to insist upon compliance with any term or provision of this Agreement at any time or under any set of circumstances will not operate to waive or modify that provision or render it unenforceable at any other time whether the circumstances are or are not the same. No waiver of any of the terms or provisions of this Agreement will be valid or of any force or effect unless in each instance the waiver or modification is contained in a written memorandum expressing such alteration or modification and executed by Plan Sponsor and BCBSKC.

12.5 Assignment. BCBSKC shall have the right to assign or delegate its duties and obligations under this Agreement to its affiliated companies. Any other assignment of this Agreement or, of any rights contained in this Agreement, by either party, will be void and of no force or effect, unless agreed upon in writing by the parties.

12.6 Complete Agreement. This Agreement and any attachments, Exhibits, schedules and addenda to it, constitute the entire Agreement between the parties. The representations, warranties, covenants, and agreements set forth herein constitute all of the representations, warranties, covenants, and agreements between the parties and upon which the parties have relied. All prior agreements, either oral or written, relating to the subject matter of this Agreement, not expressly set forth herein, are of no force or effect.

12.7 Amendment. This Agreement may be amended at any time by written agreement between Plan Sponsor and BCBSKC. In addition, BCBSKC may amend this Agreement in the event that BCBSKC's performance of the Services under this Agreement would violate any law, rule or regulation.

12.8 Notices. All notices required to be given hereunder shall be made in writing and shall be deemed sufficiently given if delivered or mailed by first class registered or certified mail.

12.9 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Missouri, except to the extent preempted by ERISA or other applicable Federal law.

12.10 Survival. All terms and provisions of this Agreement that are, by their nature, intended to be observed and performed after the termination hereof, including, without limitation, the provisions of Section 7, shall survive such termination and continue in full force and effect.

12.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.

12.12 Force Majeure. Except for Plan Sponsor's payment obligations and the obligations contained in Section 11 of this Agreement, neither Plan Sponsor nor BCBSKC shall be liable or responsible to the other for any delay or failure to perform any of its obligations under this Agreement due to events of force majeure, including, without limitation, acts of God or of the public enemy, riots, acts of terrorism, wars or hostilities, fires, floods, storms, earthquakes, epidemics, pandemics or any other causes beyond the reasonable control of the party claiming the event of force majeure. If a force majeure event occurs, the party claiming the force majeure shall promptly give notice thereof to the other party (stating with reasonable particularity the event of force majeure claimed) and use its commercially reasonable efforts to perform its obligations under this Agreement despite the force majeure event. Further, the party receiving notice of such force majeure event shall cooperate with the other party to permit such efforts.

12.13 Arbitration. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any such arbitration shall take place in Kansas City, Missouri. There shall be three arbitrators; each party will select one arbitrator, and those two arbitrators will select a third arbitrator.

Remainder of page intentionally left blank. Signature page follows.

IN WITNESS WHEREOF, the parties hereby execute this Agreement effective as of the Effective Date.

BLUE CROSS AND BLUE SHIELD OF KANSAS CITY (BCBSKC)

Signature: _____
Name: _____
Title: _____
Date: _____

_____ (PLAN SPONSOR)

Signature: _____
Name: _____
Title: _____
Date: _____

Exhibits to this Agreement:

- Exhibit A – Services
- Exhibit B – Rates
- Exhibit C – InterPlan Arrangements
- Exhibit D – Business Associate Agreement

Exhibit A Services

1. **Claims Administration.**

1.1 Claims Processing. BCBSKC will review and process claims for benefits submitted by PPO/EPO Participants, in accordance with the terms of the PPO/EPO Plan and BCBSKC's established claims rules and procedures (including utilization review requirements) which may change from time to time. Established claims rules and procedures may include reimbursing PPO/EPO Participants for medical services rendered by non-PPO/EPO Providers at the PPO/EPO level of benefits, if the provider specialty is not part of the Preferred Provider network in certain situations. If the terms of the PPO/EPO Plan conflict with BCBSKC's established claims rules and procedures, BCBSKC's established claims rules and procedures (including utilization review requirements) shall control. Such review and processing shall include confirming the eligibility of such persons for benefits; determining if charges are in accordance with the data and guidelines used by BCBSKC as part of its established rules and procedures; determining the amount due and payable under the PPO/EPO Plan; and, providing explanations of benefits to participants. Claims shall be processed within a reasonable period of time after receipt of all necessary information.

1.2 Claims Investigation. BCBSKC will communicate with health care providers when necessary to investigate claims.

1.3 Claims Payments. BCBSKC will make disbursements to PPO/EPO Participants or their health care providers for covered benefits due under the terms of the PPO/EPO Plan and in accordance with the terms of this Agreement. Such disbursements shall be on behalf of Plan Sponsor or the trustee of the plan trust, if applicable, from funds provided by Plan Sponsor.

1.4 Denials. BCBSKC will notify PPO/EPO Participants in writing if a claim for benefits is denied, in whole or in part, and the reason for the denial.

1.5 Claims Fiduciary. Plan Sponsor delegates to BCBSKC discretionary authority to construe, interpret, and apply the Plan of Benefits for purposes of processing claims and appeals. BCBSKC, as claims fiduciary, has the full, final, binding and exclusive discretion to interpret and apply the terms of the Plan of Benefits as may be necessary in order to process claims and make determinations on appeal of claims. BCBSKC is a limited, claims fiduciary with respect to its exercise of such discretionary authority. BCBSKC shall determine the extent of the benefits (if any) to which any PPO/EPO Participant is entitled under the Plan of Benefits. In doing so, BCBSKC will rely on the Plan and will rely on eligibility data provided by Plan Sponsor. BCBSKC shall have no liability for alleged or actual misinterpretations of the Plan of Benefits. Decisions by BCBSKC shall be complete, final, and binding on all parties. If Plan Sponsor does not elect to have BCBSKC serve as claims fiduciary, then the foregoing shall not apply.

1.6 Out-of-Network Providers. If benefits are payable, but the provider is not a PPO/EPO Provider, BCBSKC may make payment to the PPO/EPO Participant or to the provider. No one may assign a PPO/EPO Participant's right to the payment of Plan Benefits without BCBSKC's express written consent.

1.7 Processing Order. Claims will be processed in the order received by BCBSKC and will not be reprocessed due to out of sequence dates of services. Claims will be processed in the timeframes set forth in the Plan of Benefits without regard to Stop-Loss Insurance.

1.8 Appeals.

A. First-Level Appeals. First-level appeals will be required, and BCBSKC will process all first-level appeals. BCBSKC will determine whether benefits are payable in accordance with the Plan of Benefits for first-level appealed claims.

B. Second-Level Appeals. Second-level appeals will be required, and BCBSKC will process all second-level appeals. BCBSKC will determine whether benefits are payable in accordance with the Plan of Benefits for second-level appealed claims.

C. External Review. Where required by the Plan of Benefits or applicable law, BCBSKC will engage an independent external review organization and will bear the costs of such independent external review.

1.9 Stop-Loss Insurance.

A. Premiums. BCBSKC shall collect from Plan Sponsor the Stop-Loss Insurance premiums payable to MVLH, and shall pay such premiums to MVLH.

B. Claims Billing and Payment. BCBSKC will use amounts paid by Plan Sponsor for the Maximum Monthly Claims Amounts for Paid Claims up to any applicable specific and/or aggregate attachment points (in accordance with the terms of the Agreement and the Stop-Loss Insurance policy). For claims that exceed specific and/or aggregate stop-loss attachment points, BCBSKC will coordinate with MVLH to submit claims for amounts covered by such stop-loss policy and will receive payment of such stop-loss claims directly from MVLH.

C. Reporting. BCBSKC will provide Plan Sponsor with monthly reports regarding specific and/or aggregate claims made to MVLH.

1.10 Coordination of Benefits. BCBSKC will administer the coordination of benefits provisions of the PPO/EPO Plan. BCBSKC, may, without consent of or notice to any person, release to or obtain from any insurance company or other organization or person, any information which is necessary for the purpose of coordinating PPO/EPO Plan benefits.

1.11 Subrogation.

A. Services. If BCBSKC becomes aware of a subrogation, reimbursement or workers' compensation claim (hereinafter collectively referred to as "subrogation"), BCBSKC shall use its standard processes and procedures to attempt to recover the subrogation claim. BCBSKC shall charge an additional fee based on a percentage of the subrogation amount recovered (hereinafter the "Subrogation Fee"). The Subrogation Fee is listed on Exhibit B and is

in addition to any other fee described herein. BCBSKC, in its sole discretion, shall settle and resolve all such claims on any basis it determines as reasonable, including collection of less than the entire amount of such claim and contributions to the PPO/EPO Participant's attorney's fees. Notwithstanding the foregoing, BCBSKC is not required to initiate court proceedings to comply with this section. In the event BCBSKC determines litigation is necessary to recover a subrogation or workers' compensation claim, BCBSKC will notify Plan Sponsor, and Plan Sponsor will be solely responsible for the decision to pursue litigation and funding all litigation costs and expenses, including attorney's fees. Any recovery, net of fees, will reduce the amount of Paid Claims for the applicable Term and will be factored into the reconciliation to determine if a Surplus exists.

B. Recoveries Impacting Stop-Loss Insurance. If a recovery is made and part or all of such recovery relates to amounts paid by MLVH under a Stop-Loss Insurance policy between MVLH and Plan Sponsor, then BCBSKC shall return to MVLH, net of any fees set forth above, a pro rata portion of such recovery based upon the amounts paid by MLVH for the claims related to such recovery.

1.12 Third Party Liability. Plan Sponsor and BCBSKC recognize that BCBSKC or Plan Sponsor may receive notice of a pending class action (for which BCBSKC may, in its sole discretion, join the class or elect to opt out on its own behalf, or on behalf of Plan Sponsor, or both, to attempt to maximize recovery of funds) or other type of litigation that seeks recovery of funds based on third party liability (hereinafter collectively referred to as a "Group Litigation"). BCBSKC has no duty or obligation to notify Plan Sponsor (or the Plan) of BCBSKC's receipt of any notice of such Group Litigation. BCBSKC has no duty or obligation to participate in such Group Litigation on behalf of Plan Sponsor (or the Plan). However, BCBSKC may, in its sole discretion, elect to participate in such Group Litigation, on its own behalf, or on behalf of Plan Sponsor, or both, in order to obtain recovery of funds. In the event BCBSKC decides to participate in such Group Litigation on behalf of Plan Sponsor, BCBSKC is authorized by Plan Sponsor to recover claims expenses or other amounts on Plan Sponsor's behalf, either during or subsequent to the term of this Agreement, that relate to claims incurred and paid during the term of this Agreement. BCBSKC, in its sole discretion, may settle and resolve such Group Litigation claims on its own behalf, or on behalf of Plan Sponsor, or both, on any basis it determines as reasonable, including collection of less than the entire amount of such claim. BCBSKC shall charge an additional fee for participation in such Group Litigation based on a percentage of the amount recovered (hereinafter the "Group Litigation Fee"). The Group Litigation Fee does not include court costs, attorneys' fees and expenses charged by outside counsel in pursuit of these cases. BCBSKC and Plan Sponsor agree and acknowledge that court costs, attorney's fees and expenses and the Group Litigation Fee will be deducted from the gross recovery obtained by BCBSKC. The Group Litigation Fee is listed on Exhibit B and is in addition to any other fees described herein. Any recovery, net of fees, will reduce the amount of Paid Claims for the applicable Term and will be factored into the reconciliation to determine if a Surplus exists.

Either during or subsequent to the term of this Agreement, with regard to claims incurred and paid during the term of this Agreement, BCBSKC is authorized to represent the interests of Plan Sponsor in litigation or settlement discussions undertaken by BCBSKC to protect BCBSKC's own interests, including in instances in which Plan Sponsor and BCBSKC may both have or allege claims against a third party or parties relating to, sounding in or alleging violations of law relating

to: antitrust, deceptive trade practices, false or fraudulent advertising, consumer fraud, breach of fiduciary duty, breach of contract, breach of covenant of good faith and fair dealing, torts (including fraud, negligence, and product liability), breach of warranty, false claims, kickback, conversion, theft and/or the Racketeer Influenced Corrupt Organizations Act (RICO). BCBSKC shall control any recovery strategy and decisions related to such claims, including decisions to mediate, arbitrate, litigate, and shall have the exclusive right to approve any and all settlements of any claims being mediated, arbitrated or litigated.

1.13 Retroactive Termination Recoveries. BCBSKC will pursue retroactive termination recoveries in accordance with BCBSKC's established rules and procedures, or engage third parties to provide such services on behalf of the PPO/EPO Plan. The fees are netted against the recovery. BCBSKC has no obligation to pursue recovery. Any recovery, net of fees, will reduce the amount of Paid Claims for the applicable Term and will be factored into the reconciliation to determine if a Surplus exists.

1.14 Overpayments. BCBSKC shall use its standard overpayment identification and collection processes and procedures to attempt to recover any overpayment. BCBSKC, in its sole discretion, may settle and resolve overpayments on any basis it determines is reasonable, including payment of less than the entire overpayment amount. Notwithstanding the foregoing, BCBSKC is not required to initiate court proceedings to comply with this section. However, if Plan Sponsor believes that litigation is necessary to collect the overpayment, Plan Sponsor will be solely responsible for the decision to pursue litigation and funding all litigation costs and expenses, including attorney's fees. Any recovery, net of fees, will reduce the amount of Paid Claims for the applicable Term and will be factored into the reconciliation to determine if a Surplus exists.

2. Identification Cards; Benefit Booklets; Other PPO/EPO Participant Documentation.

2.1 Identification Cards. BCBSKC will prepare PPO/EPO Participant identification cards and will distribute them to PPO/EPO Participants. BCBSKC will handle the re-issuance of identification cards that are lost or in the event that a PPO/EPO Participant's coverage under the PPO/EPO Plan changes (e.g., divorce, birth of a child, etc.). BCBSKC will make identification cards available on its website behind member log in. BCBSKC reserves the right to charge for reissuing identification cards as a result of an action caused by Plan Sponsor.

2.2 Benefit Booklets. BCBSKC will prepare the Benefit Booklet describing the Plan of Benefits and will distribute the Benefit Booklet to Plan Sponsor electronically. The Plan of Benefits contained in the Benefit Booklet is not a SPD (defined below). Plan Sponsor is responsible for: (i) reviewing the Plan of Benefits, (ii) determining whether the Plan of Benefits meets all of Plan Sponsor's legal and business obligations (and advising BCBSKC of any necessary revisions); and (iii) distributing the Plan of Benefits to Members.

2.3 Summary Plan Description. BCBSKC will assist Plan Sponsor in preparation of the SPD, it being understood that it is Plan Sponsor's responsibility for preparing the Summary Plan Description ("SPD"). Plan Sponsor is also responsible for distribution of the SPD in accordance with applicable law, and BCBSKC has no responsibility therefor.

2.4 Summary of Benefits and Coverage. Unless otherwise informed by Plan Sponsor, BCBSKC will prepare the Summary of Benefits and Coverage (“SBC”) and will distribute the SBC to Plan Sponsor electronically (and, if requested by Plan Sponsor, via hard copy).

2.5 Other Member Documentation. BCBSKC will provide enrollment forms and claim forms for use by PPO/EPO Participants.

3. Reporting; Maintenance of Records.

3.1 Reports for Plan Sponsor. BCBSKC will provide periodic reports to Plan Sponsor regarding the financial status of the PPO/EPO Plan and the utilization of benefits by the PPO/EPO Participants. Such reports shall be limited to data readily available to BCBSKC, and will include reconciliation of Plan funds including receipts and disbursements; benefit payments and insurance premium and fees, if any.

3.2 Reporting Assistance. BCBSKC will furnish Plan Sponsor an annual report of information available to BCBSKC which may be needed by Plan Sponsor to satisfy ERISA or any other applicable state or federal requirements (e.g., information needed for Plan Sponsor to complete a Form 5500). Such information and reports shall be limited to information readily available to BCBSKC. BCBSKC shall not be responsible for determining when, or whether, government filings are required, or completing or filing any report or return.

3.3 Records Maintenance. BCBSKC will maintain for the duration of this Agreement and for seven (7) years thereafter adequate books and records of all transactions in which BCBSKC engages with insurers, the Plan, Plan Sponsor, and PPO/EPO Participants in connection with the PPO/EPO Plan. Plan Sponsor is entitled to continuing access to these books and records. BCBSKC may fulfill requirements of this provision upon termination of the Agreement by delivering to the successor administrator, or, if there is not a successor administrator, to the insurer, the Plan, or Plan Sponsor, copies of such books and records upon payment by Plan Sponsor of the reasonable duplication costs. The extent copies of such books and records contain confidential information of BCBSKC as defined by Section 5.12 of the Administrative Services Agreement, BCBSKC may require the successor administrator, insurer, Plan, or Plan Sponsor execute a data extraction agreement or similar document and make release of such books and records contingent upon execution of such agreement.

4. Plan Design and Administration.

4.1 Plan Design. BCBSKC will provide Plan Sponsor services and assistance in connection with the design and development of the PPO/EPO Plan, including revisions thereto. Service and assistance includes: underwriting and actuarial services; estimates of initial PPO/EPO Plan costs; cost projections of any proposed PPO/EPO Plan revisions; and assisting Plan Sponsor in the administration of the PPO/EPO Plan as requested and authorized from time to time. Such services are limited to those within the scope of BCBSKC’s professional ability and the terms of this Agreement.

4.2 Medical/Case/Disease Management. BCBSKC will provide or contract with independent providers of medical management, case management and/or disease management services to provide such services pursuant to the terms of the PPO/EPO Plan and as set forth in this Section.

A. Medical Management Services. Medical Management Services may include the following services in accordance with the terms of the PPO/EPO Plan:

i. Prior Authorization. Prior Authorization is the review of care before services are performed. The prior authorization process begins when the PPO/EPO Participant, the physician or hospital contacts BCBSKC. Managed care personnel review facts about the PPO/EPO Participant, medical history and the proposed treatment plan. Prior Authorization of an inpatient admission examines the medical necessity of inpatient care and the length of stay if hospitalization is required. Prior Authorization also reviews alternative methods of treatment, which may result in a less expensive but equally effective treatment.

ii. Concurrent Review and Discharge Planning. Concurrent Review and Discharge Planning are a follow-up to Prior Authorization whenever a PPO/EPO Participant is admitted as an inpatient. While the PPO/EPO Participant is hospitalized, managed care personnel actively monitor the medical process to ensure that ongoing treatment is medically necessary and appropriate, and that the hospital continues to be the proper treatment setting. Comprehensive Discharge Planning begins during the inpatient stay and includes assistance in coordinating ongoing care outside the hospital, such as home health care or care in a skilled nursing facility, if appropriate.

B. Case Management – Alternative Benefits. Case Management is a method of review whereby an individual's catastrophic, chronic or complex health problem, or general health, is evaluated and a plan of care is developed and implemented which meets that individual's particular needs and is the most cost effective. Case Management services are used to ensure the provision of medically necessary care in the most appropriate setting within the PPO/EPO Participant's benefits package. However, Case Management may also provide for reimbursement for alternative methods of care even if the PPO/EPO Participant does not have benefits for the alternate care or setting. It may also include any plan of care set forth to promote health and prevent illness and injury of the PPO/EPO Participant. Case Management does not extend benefits for alternative methods of care to persons who do not meet the plan standards and criteria.

In addition to the benefits specified in the Plan of Benefits, additional benefits may be offered for services furnished by any provider pursuant to an approved alternative treatment plan for Case Management which has been coordinated with the PPO/EPO Participant's physician.

Benefit payment will be provided for the alternative methods of care only when and for so long as it is determined that the alternative services are medically necessary and cost effective. Such benefit payments shall count toward an individual's calendar year maximum (if applicable) and the lifetime benefit maximum (if applicable).

The implementation of alternative benefits shall require the approval of the affected individual or his or her legal representative and the affected person's physician.

If alternative benefits are provided for an individual in one instance, it shall not obligate providing the same or similar benefits for any individual in any other instance, nor shall it be construed as a waiver of the right to thereafter administer the PPO/EPO Plan in strict accordance with its express terms.

C. Disease Management. Disease Management is intended to enhance members' self-management skills in order to minimize or prevent complications from their diseases. BCBSKC's nurse coaches work together with members to develop an individualized plan and goals that comply with national standards of care. Evidence-based medicine guidelines form the foundation of the program for the following chronic conditions: diabetes; depression; coronary artery disease; heart failure; chronic obstructive pulmonary disease; asthma; metabolic syndrome; and hypertension. Following identification, BCBSKC utilizes a predictive modeling process to stratify members into one of three risk levels. The higher the stratification level, the more frequently BCBSKC engages with a member and the higher the intensity of the collaboration.

4.3 Pharmacy Benefit Management. BCBSKC contracts with a pharmacy benefit manager ("PBM") for certain prescription drug administrative services, including prescription drug rebate administration and pharmacy network contracting services.

Under the agreement, PBM obtains rebates from drug manufacturers based on the utilization of certain prescription products by PPO/EPO Participants, and PBM retains the benefit of the rebate funds prior to disbursement. In addition, pharmaceutical manufacturers pay administrative fees to PBM in connection with PBM's services of administering, invoicing, allocating, and/or collecting rebates. Such administrative fees retained by PBM in connection with its rebate program do not exceed the greater of (i) 4.58% of the average wholesale price, or (ii) 5.5% of the wholesale acquisition cost of the products. AWP does not represent a true wholesale price, but rather is a fluctuating benchmark provided by third party pricing sources. PBM may also receive other service fees from manufacturers as compensation for various services unrelated to rebates or rebate-associated administrative fees.

In addition, BCBSKC and the PBM also contract with pharmacies to provide prescription products at discounted rates for PPO/EPO Participants. The discounted rates paid by PBM and BCBSKC to these pharmacies differ among pharmacies within a network, as well as between networks. For pharmacies that contract with the PBM, BCBSKC pays a uniform discount rate under BCBSKC's contract with the PBM regardless of the various discount rates PBM pays to the pharmacies. Thus, where BCBSKC's rate exceeds the rate the PBM negotiated with a particular pharmacy, the PBM will realize a positive margin on the applicable prescription. The reverse may also be true, resulting in negative margin for the PBM. In addition, when the PBM receives payment from BCBSKC before payment to a pharmacy is due, the PBM retains the benefit of the use of these funds between these payments. BCBSKC is guaranteed a minimum level of discount whether through the PBM or where BCBSKC directly contracts with network pharmacies, which could result in the amount paid by Plan Sponsor to be more or less than the amount PBM and/or BCBSKC pay to pharmacies.

BCBSKC is not acting as a fiduciary with respect to rebate administration, pharmacy network management, or the prescription drug plan. BCBSKC receives rebates from the PBM and may receive positive margin in connection with the pharmacy network, as well as other financial credits, administrative fees and/or other amounts from network pharmacies, drug manufacturers or the PBM (collectively “Financial Credits”). BCBSKC retains sole and exclusive right to all Financial Credits, which constitutes BCBSKC’s property (and are not plan assets), and BCBSKC may use such Financial Credits in BCBSKC’s sole and absolute discretion, including, for example, to help stabilize BCBSKC’s overall rates and to offset expenses, and BCBSKC does not share Financial Credits with Plan Sponsor.

Without limitation to the foregoing, the following (“Financial Credit Rules”) apply: (1) Plan Sponsor has no right to receive, claim or possess any beneficial interest in any Financial Credits; (2) applicable drug benefit Copayment, Coinsurance, OPD, Deductible] and/or maximum allowable benefits (including without limitation Calendar Year Maximum and Lifetime Maximum benefits) are in no way adjusted or otherwise affected as a result of any Financial Credits, except as may be required by law; (3) any OPD, Deductible and/or Coinsurance that PPO/EPO Participants must pay for prescription drugs is based upon the Allowable Charge at the pharmacy, and does not change as a result of any Financial Credits, except as may be required by law; and (4) amounts paid to pharmacies or any prices charged at pharmacies are in no way adjusted or otherwise affected as a result of any Financial Credits.

4.4 Out-of-Area Services. BCBSKC will contract with other Blue Cross Blue Shield plans to provide services for PPO/EPO Participants who are outside BCBSKC’s Service Area.

4.5 Discounts. BCBSKC will extend to Plan Sponsor the Discounts, if applicable, BCBSKC has negotiated with PPO/EPO Providers which are granted at the time of claim payment. BCBSKC will also extend to Plan Sponsor the discounts, if applicable, other Blue Cross and/or Blue Shield plans have negotiated with providers and agree to extend to PPO/EPO Participants, if applicable, subject to the terms of the Agreement.

4.6 Provider Networks. The PPO/EPO for which this Agreement extends Discounts is/are:

____ Preferred-Care Blue ____ BlueSelect

4.7 Provider Listing. BCBSKC will maintain a current listing of PPO/EPO Providers.

5. **Customer Service.** BCBSKC will:

A. Respond to all customer service related inquiries, including telephone, fax, e-mail and standard mail inquiries from members, member representatives, providers and PPO/EPO Plan representatives;

B. Correspond with the initial inquirer through appropriate means (email, letter, call, etc);

C. Properly identify and respond to member grievances related to benefits, network or other issues, including (i) investigation and information gathering, (ii) resolution, (iii) member notification as appropriate, and (iv) documentation of actions and correspondence; and

D. Identify and respond to provider complaints, issues and/or disputes related to provider claims payments.

6. **PPO/EPO Participant Education.** BCBSKC will assist Plan Sponsor with presentations and educational meetings with PPO/EPO Participants when reasonably possible to explain the operation of a PPO/EPO and how participants may maximize health care benefits by proper utilization of PPO/EPO. BCBSKC will also advise PPO/EPO Participants as to the benefits available under the PPO/EPO Plan.

7. **COBRA Billing.** Plan Sponsor shall be responsible for billing all premium amounts and will pay to BCBSKC the applicable fees for COBRA Services provided herein. BCBSKC will monitor the appropriate continuation of coverage period for each beneficiary and disenroll the beneficiary at the end of the period of continued coverage. BCBSKC will also send conversion notices to eligible COBRA beneficiaries to the extent and within the period prescribed by applicable law, provided that a conversion option is included in their Plan of Benefits.

BCBSKC shall not be responsible for providing notice to the COBRA continuants of any open enrollment periods, available benefit Plan options and/or applicable premium rates for such periods.

BCBSKC shall be entitled to rely on any information provided to it by Plan Sponsor, shall base certain eligibility, coverage and other determinations in the performance of its responsibilities under this Agreement in reliance on the information so provided, and shall not be required to confirm or verify the accuracy, authenticity or completeness of any information so provided. BCBSKC's only obligation hereunder shall be to compile such information accurately and to bill such information in performing its responsibilities under this Agreement.


For purposes of this Section, references to BCBSKC shall mean either BCBSKC or, if applicable, its contracted COBRA Administrator.

8. **Wellness.** BCBSKC will offer a wellness program which will include an on-line health risk assessment (HRA) for PPO/EPO Participants.

9. **Third-Party Data Extracts.** At Plan Sponsor's request, BCBSKC will send various data extract files, including medical claims, prescription claims, membership and wellness, to third parties. Any one or more of such data extract files may be done on an as-requested basis, or may be set up on a weekly or monthly recurring basis. BCBSKC may require a data extract agreement among BCBSKC, Plan Sponsor and/or such third party (or such other documentation as BCBSKC deems necessary or advisable) prior to sending any such extract file. BCBSKC may charge a fee for any such data extract files.

Exhibit B – Rates

Exhibit B – Rates for Level Funding ASO must be included as part of your MVLH Level-Funded Excess Loss Agreement. **Please include a copy of the finalized rates, available in the Blue Q quoting system.** See sample of this document below.

 Kansas City		A Proposal For: Acme Inc			
		Presented By: JOE BROKER AGENCY, LLC			
Effective Date: 12/01/2015	SIC Code: 1234	State: KS	Area: Metro	Territory: 000	

Level Funding ASO Rates - Preferred-Care Blue PPO - \$1,000/80%

4 - Tier	Census	Admin and Stop-Loss	Claims	Totals
EE Only	26	\$248.37	\$189.30	\$437.67
EE & Spouse	1	\$625.87	\$477.04	\$1,102.91
EE & Child(ren)	1	\$479.34	\$365.35	\$844.69
EE & Family	3	\$710.31	\$541.40	\$1,251.71
Total	31	\$9,693.76	\$7,388.39	\$17,082.15

Level Funding ASO Rates - Preferred-Care Blue PPO - \$3,000/100%

4 - Tier	Census	Admin and Stop-Loss	Claims	Totals
EE Only	26	\$246.76	\$186.23	\$432.99
EE & Spouse	1	\$621.84	\$469.30	\$1,091.14
EE & Child(ren)	1	\$476.25	\$359.43	\$835.68
EE & Family	3	\$705.74	\$532.62	\$1,238.36
Total	31	\$9,631.07	\$7,268.57	\$16,899.64

Level Funding ASO Rates - Preferred-Care Blue PPO - \$3,000/80%

4 - Tier	Census	Admin and Stop-Loss	Claims	Totals
EE Only	26	\$230.47	\$171.90	\$402.37
EE & Spouse	1	\$580.77	\$433.18	\$1,013.95
EE & Child(ren)	1	\$444.80	\$331.76	\$776.56
EE & Family	3	\$659.13	\$491.63	\$1,150.76
Total	31	\$8,995.18	\$6,709.23	\$15,704.41

Level Funding ASO Rates - BlueSaver HSA - \$3,000/80%

4 - Tier	Census	Admin and Stop-Loss	Claims	Totals
EE Only	26	\$231.46	\$146.73	\$378.19
EE & Spouse	1	\$583.27	\$369.76	\$953.03
EE & Child(ren)	1	\$446.72	\$283.19	\$729.91
EE & Family	3	\$661.97	\$419.64	\$1,081.61
Total	31	\$9,033.86	\$5,726.85	\$14,760.71

*Note Life & AD&D benefits are reduced for applicants over age 64. Please see the benefit summary for details.

Do not cancel your current coverage until coverage rates have been approved by BCBSKC.

Exhibit C
Inter-Plan Arrangements

1. Inter-Plan Arrangements.

1.1 Out-of-Area Services.

A. Overview: BCBSKC has a variety of relationships, referred to generally as “Inter-Plan Arrangements” with other Blue Cross and/or Blue Shield licensees. These other licensees are referred to generally as “Host Blues”. Whenever PPO/EPO Participants access healthcare services outside the Service Area, the claim for those services may be processed through one of these arrangements and presented to BCBSKC for payment in conformity with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Arrangements available to PPO/EPO Participants under this Agreement are described generally below.

PPO/EPO Participants, when accessing care outside the geographic area BCBSKC serves, may obtain care from healthcare providers that have a contractual agreement (i.e., are “participating providers”) with the local Blue Cross and/or Blue Shield Licensee in that other geographic area (“Host Blue”). In some instances, PPO/EPO Participants may also obtain care from non-participating healthcare providers. BCBSKC’s payment practices in both instances are described below.

1.2 BlueCard® Program.

A. Program General Procedures: Under the BlueCard® Program, when the PPO/EPO Participants access covered services within the geographic area served by a Host Blue, BCBSKC will remain responsible to Plan Sponsor for fulfilling BCBSKC’s contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its participating providers. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, our action will be consistent with the spirit of this description.

B. Program Liability Calculation Method Per Claim: The calculation of PPO/EPO Participants’ liability on claims for covered services incurred outside the Service Area and processed through the BlueCard Program will be based on the lower of the participating provider’s billed charges for covered services or the negotiated price made available to BCBSKC by the Host Blue.

The calculation of Plan Sponsor’s liability on claims for covered services incurred outside BCBSKC’s Service Area and processed through the BlueCard Program will be based on the negotiated price made available to BCBSKC by the Host Blue. Sometimes, this negotiated price may be greater than billed charges if the Host Blue has negotiated with its participating providers an inclusive allowance (e.g., per case or per day amount) for specific healthcare services.

Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's provider contracts. The negotiated price made available to BCBSKC by the Host Blue may represent a payment negotiated by a Host Blue with a healthcare provider that is one of the following:

i. an actual price. An actual price is a negotiated payment without any other increases or decreases, or ("Actual Price"), or

ii. an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements, and performance-related bonuses or incentives ("Estimated Price"), or

iii. an average price. An average price is a percentage of billed charges for covered services representing the aggregate payments negotiated by the Host Blue with all of its providers or a similar classification of its providers, and other claim- and non-claim-related transactions ("Average Price"). Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either the Estimated Price or Average Price may, in accordance with Inter-Plan Programs Policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustment may mean that a current price reflects additional amounts or credits for claims already paid to providers or anticipated to be paid to or received from providers). However, the amount paid by the PPO/EPO Participants and Plan Sponsor is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims. The BlueCard Program requires that the price submitted by a Host Blue to BCBSKC is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

If a Host Blue uses either an Estimated Price or an Average Price on a claim, it may also hold some portion of the amount that Plan Sponsor pays in a variance account, pending settlement with its participating providers.

Because all amounts paid are final, neither variance account funds held to be paid, nor the funds expected to be received, are due to or from Plan Sponsor. Such payable or receivable would be eventually exhausted by healthcare provider settlements and/or through prospective adjustment to the negotiated prices. Some Host Blues may retain interest earned, if any, on funds held in variance accounts.

In some instances federal law or the laws of a small number of States may require Host Blues either (i) to use a basis for determining PPO/EPO Participants' liability for covered services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (ii) to add a surcharge. Should either federal law or the law of the State in which healthcare services

are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, the Host Blue would then calculate PPO/EPO Participants' and Plan Sponsor's liability in accordance with applicable law.

C. BlueCard Program Return of Overpayments. Under the BlueCard Program, recoveries from a Host Blue or its participating providers can arise in several ways, including, but not limited to, anti-fraud and abuse audits, provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a claim-by-claim or prospective basis.

Unless otherwise agreed to by the Host Blue, BCBSKC may request adjustments from the Host Blue for full refunds from healthcare providers due to the retroactive cancellation of membership but only for one year after the date of the Inter-Plan financial settlement process for the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if the recovery conflicts with the Host Blue's state law or healthcare provider contracts or would jeopardize the Host Blue's relationship with its healthcare providers.

D. Program Fees and Compensation. Plan Sponsor understands and agrees to reimburse BCBSKC for certain fees and compensation which BCBSKC is obligated under the BlueCard Program to pay to the Host Blues, to the Blue Cross and Blue Shield Association (BCBSA), and/or to the BlueCard Program vendors as described below. Fees and compensation under the BlueCard Program may be revised in accordance with the Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by Plan Sponsor. Such revisions typically are made annually as a result of program policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Plan Sponsor's benefit period under the agreement. Some of these 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 Program-related fees that BCBSKC may charge include, but are not limited to, a toll-free number fee, and a fee for providing provider directories. All these fees are included in the Monthly Service Fee except for the BlueCard Program access fee and fees for provider directories (where applicable), which are charged separately. If charged, the access fee will be a percentage of the discount/differential BCBSKC receives from the Host Blue, based on the current rate in accordance with the BlueCard Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any claim. See Exhibit B of this Agreement.

1.3 Non-Participating Provider Arrangements.

A. Non-Participating Providers Outside BCBSKC's Service Area -- Allowable Charge.

When covered services are provided by Hospitals, other institutional health care facilities, Physicians or suppliers of medical goods and services, which are Non-Participating Providers outside BCBSKC's Service Area, generally, the payments that BCBSKC will make on behalf of Plan Sponsor will be either (a) the Allowable Charge, as defined below, or (b) the pricing arrangements required by applicable state law.

The Allowable Charge is the lesser of:

- i. the amount, based on the local payment or rate, that the local Blue Cross and/or Blue Shield plan ("Host Blue") passes on to BCBSKC for claims from Hospitals, other institutional health care facilities, Physicians or suppliers of medical goods and services; or
- ii. an amount that is based on the nationally recognized fee schedule to which BCBSKC currently subscribes if the claim is not submitted to BCBSKC by the Host Blue. If no allowable charge is available because the service provided does not have a specific code, BCBSKC will apply the same methodology used to establish an allowable charge for a Participating Provider; or
- iii. The amount the provider has agreed to accept as payment in full at the time of claim payment, as, for example, when, with a Host Blue's consent, BCBSKC may negotiate a special payment for a specific situation on a case-by-case basis; or
- iv. the provider's billed charges.

In these situations, the PPO/EPO Participant may be responsible for the difference between the amount that the non-participating healthcare provider bills and the payment BCBSKC will make for the covered services as set forth in this paragraph.

B. Non-Participating Providers Outside BCBSKC's Service Area -- Fees and Compensation. All applicable Inter-Plan arrangement fees, including any administrative expense allowance fees, for processing claims from Non-Participating Providers for covered services received by PPO/EPO Participants outside BCBSKC's Service Area, are included in the Monthly Service Fee. See Exhibit B of this Agreement.

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is incorporated into and made part of any and all primary agreements (“Primary Agreement”), as defined below, in existence as of the effective date of this Agreement or entered into in the future, by and between _____ Group Health Plan (“Covered Entity”) and Blue Cross and Blue Shield of Kansas City d/b/a Preferred-Care, Preferred-Care Blue and Blue-Advantage, on behalf of itself and its subsidiary, Good Health HMO, Inc., d/b/a Blue-Care, as applicable (each a “Business Associate”). This Agreement replaces and supersedes any previous Business Associate Agreements entered into between the parties.

Title II of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”)(which includes the “Privacy Rule” and the “Security Rule”), and the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH Act) impose certain obligations upon Covered Entity to maintain the security and confidentiality of Protected Health Information (hereinafter called “PHI” for convenience). Specifically, the “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. Part 160 and Part 164. The HIPAA Privacy Rule is the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R., part 160 and part 164, subparts A and E. The HIPAA Security Rule is the HIPAA Security Standards (45 C.F.R. Parts 160, 162, and 164). The HIPAA Breach Notification Rule is the Notification in the Case of Breach of Unsecured Protected Health Information, as set forth at 45 C.F.R. Part 164 Subpart D. Because Covered Entity discloses PHI to, or receives PHI from, Business Associate under one or more of the following Primary Agreements (**check all that apply**):

Administrative Services Agreement (for a self-funded health plan)

each a (“Primary Agreement”) between _____, as Plan Sponsor, and Business Associate, HIPAA requires that Covered Entity enter into a written agreement with Business Associate that includes specific provisions for the protection of PHI by Covered Entity’s Business Associates. To comply with HIPAA requirements, Covered Entity and Business Associate mutually agree to adopt this Agreement. Business Associate recognizes and agrees that it is obligated by law to meet the applicable provisions of the HIPAA Rules.

A. Privacy of Protected Health Information (“PHI”)

1. **Permitted Uses and Disclosures.** Business Associate is permitted or required to use or disclose PHI it creates or receives for or from Covered Entity only as follows, consistent with the Privacy Rule:

a) **Functions and Activities on Covered Entity’s Behalf.** Business Associate is permitted to request the minimum necessary PHI from Covered Entity or on Covered Entity’s behalf and to use and to disclose the minimum necessary PHI it creates or receives from or on behalf of Covered Entity to perform its obligations under the Primary Agreement.

2. **Business Associate’s Operations; Data Aggregation.** Business Associate may *use* or *disclose* the minimum necessary PHI it creates or receives for or from Covered Entity as necessary for data aggregation. Business Associate may create, *use* or *disclose* limited data sets or de-identified data consistent with the requirements and limitations in 45 C.F.R. 164.514(a)-(e). Business Associate may *use* the minimum necessary PHI it creates or receives for or from Covered Entity as necessary for Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities. Business Associate may *disclose* the minimum necessary of such PHI to other third parties as necessary for Business Associate’s proper management and administration or to carry out Business Associate’s legal responsibilities only if:

a) The disclosure is required by law; or

- b) Business Associate obtains reasonable assurance, evidenced by written agreement, from any other person or organization to which Business Associate will disclose such PHI that the person or organization will:
 - a. Hold such PHI in confidence and use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as required by law; and
 - b. Notify Business Associate (who will in turn promptly notify Covered Entity) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.

2. Minimum Necessary and Limited Data Set. Business Associate's use, disclosure or request of Protected Health Information shall utilize a Limited Data Set if practicable. Otherwise, Business Associate will, in its performance of the functions, activities, services, and operations specified in Section A.1 above, make reasonable efforts to use, to disclose, and to request of a Covered Entity only the minimum amount of Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request. In addition, Business Associate also agrees to implement and follow appropriate minimum necessary policies in the performance of its obligations under this addendum.

3. Prohibition on Unauthorized Uses and Disclosures. Business Associate will neither use nor disclose PHI it creates or receives for or from Covered Entity or from another business associate of Covered Entity, except as permitted or required by this Agreement or as required by law or as otherwise permitted in writing by Covered Entity.

4. Sale of PHI: Business Associate shall not directly or indirectly receive remuneration in exchange for PHI except where permitted by the Agreement and consistent with applicable law.

5. Marketing: Business Associate shall not directly or indirectly receive payment for any use or disclosure of PHI for marketing purposes except where permitted by the Agreement and consistent with applicable law.

6. Information Safeguards.

a) Privacy of Covered Entity's Participants' Protected Health Information. Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of Covered Entity's Participants' PHI. The safeguards must reasonably protect Covered Entity's Participants' PHI from any intentional or unintentional use or disclosure in violation of the Privacy Rule, 45 C.F.R. Part 164, Subpart E and this Agreement, and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement.

b) Security of Covered Entity's Participants' Electronic Protected Health Information. Business Associate will develop, implement, maintain, and use administrative, technical, and physical safeguards that protect the confidentiality, integrity, and availability of Electronic PHI that Business Associate creates, receives, maintains, or transmits on Covered Entity's behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C and as required by the HITECH Act. Business Associate also shall develop and implement policies and procedures and meet the Security Rule documentation requirements. as of the compliance date for such obligations as applied to Business Associates. Business Associate also shall develop and implement policies and procedures and meet the Security Rule documentation requirements.

7. Subcontractors and Agents. Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted by this Agreement or in writing by Covered Entity to

disclose any of the PHI Business Associate creates or receives for or from Covered Entity, to provide reasonable assurance, evidenced by written agreement, that subcontractor or agent will comply with the same privacy and security obligations as Business Associate with respect to such PHI.

B. Compliance with Transaction Standards. If Business Associate conducts in whole or part electronic Transactions on behalf of Covered Entity for which DHHS has established Standards, Business Associate will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of Covered Entity that:

1. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
2. Adds any data element or segment to the maximum defined data set;
3. Uses any code or data element that is marked “not used” in the Standard Transaction’s implementation specification or is not in the Standard Transaction’s implementation specification; or
4. Changes the meaning or intent of the Standard Transaction’s implementation specification.

C. Individual Rights

The HIPAA regulations give individuals covered under Covered Entity health benefits plans certain rights in the PHI that is maintained by Covered Entity about those individuals. Since Business Associate will have possession of PHI about Covered Entity’s participants, Covered Entity requires Business Associate’s cooperation in ensuring that the following rights are given to the individual:

1. Access. Business Associate will promptly upon Covered Entity’s request make available to Covered Entity or, at Covered Entity’s direction, to the individual (or the individual’s personal representative) for inspection and obtaining copies of any PHI about the individual which Business Associate created or received for or from Covered Entity and that is in Business Associate’s custody or control, consistent with the requirements of 45 C.F.R. § 164.524, so that Covered Entity may meet its access obligations under 45 C.F.R. § 164.524.

2. Amendment. Business Associate will, upon receipt of notice from Covered Entity, promptly amend or permit Covered Entity access to amend any portion of the PHI which Business Associate created or received for or from Covered Entity, so that Covered Entity may meet its amendment obligations under 45 C.F.R. § 164.526.

3. Disclosure Accounting. So that Covered Entity may meet its disclosure accounting obligations under 45 C.F.R. § 164.528:

1. Disclosure Tracking. Business Associate will record the following data as required by the HIPAA Privacy Rule for each disclosure, except those listed under Section B.3(c) immediately below as not requiring an accounting, that Business Associate makes to Covered Entity or a third party of PHI that Business Associate creates or receives for or from Covered Entity, (i) the disclosure date, (ii) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (iii) a brief description of the PHI disclosed, and (iv) a brief statement of the purpose of the disclosure (items i-iv, collectively, the “disclosure information”).

2. Repetitive Disclosures. For repetitive disclosures Business Associate makes to the same person or entity (including Covered Entity) for a single purpose, Business Associate may provide

(a) the disclosure information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures and (c) the date of the last of these repetitive disclosures. Business Associate will make this disclosure information available to Covered Entity promptly upon Covered Entity's request.

3. Exceptions from Disclosure Tracking. Business Associate need not record disclosure information or otherwise account for disclosures of PHI that this Agreement or Covered Entity in writing permits or requires (i) for the purpose of Covered Entity's treatment or payment activities, or health care operations, (except where such recording or accounting is required by the HITECH Act, and as of the effective dates for this provision of the HITECH Act), (ii) to the individual who is the subject of the PHI disclosed or to that individual's personal representative; (iii) to persons involved in that individual's health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, or (vi) to law enforcement officials or correctional institutions regarding inmates or other persons in lawful custody.

4. Availability of Disclosure Information. Unless otherwise provided by applicable law, Business Associate must have available for Covered Entity the disclosure information required by Section B.3(a) immediately above for the 6 years preceding the date of Covered Entity's request for the disclosure information. Business Associate will make the Disclosure Information available to Covered Entity within fifteen (15) days following Covered Entity's request for such Disclosure Information to comply with an individual's request for disclosure accounting.

D. Privacy Breaches; Security Incidents

1. Reporting.

a) Mitigation and Corrective Action. Promptly upon learning of any access, use or disclosure that is or may be a Breach under this Agreement, and in addition to the reporting required by the Section D, Business Associate will take steps to mitigate the Breach to the extent possible, including taking corrective action to attempt to cure the Breach as promptly as possible.

b) Breach Reporting. Business Associate will report to Covered Entity any Security Incident, Use or Disclosure of PHI not permitted by this Agreement that is a Breach of "Unsecured Protected Health Information". Business Associate will make the report to Covered Entity's Privacy Office without unreasonable delay following discovery of such Breach consistent with obligations under 45 C.F.R. 164.410. Business Associate shall cooperate with Covered Entity in investigating the Breach and in meeting Covered Entity's obligations under the Breach Notification Regulation and any other federal or state security breach notification laws. Any such report shall include the identification (if known) of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such Breach. Business Associate's report will at least:

(i) Identify the nature of the non-permitted access, use or disclosure, including the date of the Breach and the date of discovery of the Breach;

(ii) Identify the PHI accessed, used or disclosed in the Breach, to include the identification (if known) of each individual whose PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed during such Breach (e.g., full name, social security number, date of birth, etc.);

(iii) Identify who made the non-permitted or violating access, use or received the non-permitted or violating disclosure;

(iv) Identify what corrective action Business Associate took or will take to prevent further non-permitted access, uses or disclosures;

(v) Identify what Business Associate did or will do to mitigate any harmful effect of the non-permitted access, use or disclosure; and

(vi) Provide such other information, including a written report, as Covered Entity may reasonably request.

c) Other Reporting. For Security Incidents that *do not* result in unauthorized access, use, disclosure, modification or destruction of information or interference with Business Associate's system operations or that pose low probability of compromise to the PHI ("Unsuccessful Security Incidents"), each party agrees that this paragraph constitutes notice from Business Associate to Covered Entity of types of such Unsuccessful Security Incidents. Business Associate will document and provide reports, including risk assessment, of any access, use or disclosure of PHI that poses a low probability of compromise to the PHI to the Covered Entity upon request. The parties consider the following to be illustrative, but not inclusive, of Unsuccessful Security Incidents when they do not result in unauthorized access, use, disclosure, modification, or destruction of e-PHI or interference with an information system:

1. Pings on Business Associate's firewall;
2. Port scans;
3. Attempts to log on to a system or enter a database with an invalid password or username;
4. Denial-of-service attacks that do not result in a server being taken off-line; and
5. Malware (e.g., worms, viruses)

d) Notice. For purposes of notifying Covered Entity of Breaches or other notices required under this Agreement, notices shall be deemed given when properly addressed to a party's privacy contact, upon the date of receipt if hand-delivered or e-mailed, or three (3) business days after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid, or one (1) business day after deposit with a national overnight courier for next business day delivery, or upon the date of electronic confirmation of receipt of a facsimile transmission.

e) Breach Notification. In the event a notification provided by Business Associate to Covered Entity under this Section D.1. is a Breach requiring notification to affected individuals, Business Associate (or its delegate) will prepare and deliver such notification to individuals on Covered Entity's behalf. Such notifications to individuals will be consistent with the notification content requirements established in HIPAA.

If Business Associate notifies Covered Entity of a Breach that is not limited to Covered Entity's data and requires notification to media, regulators, or other third parties, Business Associate will provide such notification on behalf of itself and Covered Entity. Such notification will indicate that it is made on behalf of entities other than Business Associate, but is not required to specifically name Covered Entity to satisfy obligations under this section. Covered Entity approves of Business Associate's provision of notification under this section and agrees to avoid duplication in the event of a Breach.

f) Confidentiality and Privilege. Covered Entity and Business Associate acknowledge that in the event of an unauthorized use or disclosure or security incident requiring notification under this Section D.1., Covered Entity and Business Associate have a common interest in investigating and resolving the incident. Covered Entity and Business Associate recognize that each may seek legal advice related to an incident. To the extent Covered Entity and Business Associate instruct their respective legal counsel to communicate regarding an incident, including, but not limited to a Breach, it is intended that such communication is for the common interest of Covered Entity and Business Associate and that such communication does not waive any privilege as to third parties.

Notwithstanding the foregoing, nothing in this subsection (f) requires either party to disclose any information to the other or to waive any privilege Covered Entity or Business Associate may hold.

E. Obligations of Covered Entity

1. **Notice of Privacy Practices.** Covered Entity will notify Business Associate of any provision in the Covered Entity's Notice of Privacy Practices that may limit Business Associate's use of PHI in a manner not specifically addressed in this Agreement.

2. **Agreed Upon Restriction.** In the event Covered Entity agrees to a restriction requested by an individual under 45 C.F.R. 164.522 that affects Business Associate's use of PHI of that individual, Covered Entity will notify Business Associate of such restriction.

3. **Requested Disclosures.**

a) **Generally.** Covered Entity will not request that Business Associate use or disclose PHI in a manner not permitted by the HIPAA Rules.

b) **Disclosures to Broker.** Covered Entity will designate a broker of record ("Broker") who is permitted to receive information, data, and reports ("Data") on behalf of Covered Entity for treatment, payment, and health care operations. Covered Entity hereby directs Business Associate to provide Broker with Business Associate's regular reports for Covered Entity. Broker may request additional Data on behalf of Covered Entity through submission of a Request for Release of Business Information to a Third Party form similar to the form attached as **Appendix A** ("Request Form") to Business Associate. By designating Broker, Covered Entity:

(i) Has executed a Business Associate Agreement with Broker consistent with requirements of HIPAA;

(ii) Agrees that Broker will be required to execute a Data Extract Agreement or similar agreement with Business Associate related to Data

(iii) Recognizes that, if Broker refuses to execute a Data Extract Agreement, Business Associate may refuse to provide Data to Broker; and

(iv) Will ensure that, prior to allowing Broker to provide any Data to Covered Entity containing PHI, Covered Entity will comply with requirements of subsection (c) below.

c) **Disclosures to Third Parties.** Covered Entity or Broker may engage additional third party companies ("Contractors") to provide services to Covered Entity related to its treatment, payment and health care operations. Covered Entity or Broker will submit a Request for Release of Business Information to a Third Party form, similar to the form that is attached as **Appendix A** ("**Request Form**"), to describe Data to be provided to a Contractor. Covered Entity or Broker will only request that Business Associate provide PHI to Contractors where:

(i) Covered Entity has executed necessary agreements to permit the disclosure, including but not limited to a Business Associate Agreement;

(ii) Covered Entity has determined that the disclosure to the Contractor is permitted under HIPAA and other applicable law;

(iii) Contractor has agreed to limit its use of the Data to the purposes described on the Request Form;

(iv) If the disclosure is not related to treatment, payment or health care operations of Covered Entity and authorizations are required under HIPAA or other applicable law, Covered Entity has obtained authorizations from its participants and beneficiaries to permit the disclosure to the Contractor; and

(v) Covered Entity has determined that the amount of PHI to be disclosed to the Contractor is the minimum amount of PHI necessary for the services to be performed by the Contractor.

(vi) Contractor will not provide any PHI to Covered Entity unless requirements of subsection (c) below are satisfied.

Covered Entity recognizes that any Contractor (and any subcontractor of Contractor who will receive Data) engaged by Covered Entity will be required to enter into a data extract agreement with Business Associate prior to receiving any Data. If Contractor refuses to accept terms agreeable to Business Associate related to a data extract agreement, Business Associate may refuse to provide Data to Contractor.

d) Disclosures to a Plan Sponsor. Prior to receiving or requesting any Data that may contain PHI from Business Associate, Broker, or Contractor, Covered Entity will ensure, prior to such request:

(i) The plan documents include all language required by 45 C.F.R. 164.504(f)(2)(ii) to permit the disclosure of PHI to the plan sponsor;

(ii) Plan sponsor has implemented necessary separation under 45 C.F.R. 164.504(f)(2)(iii) and 164.314(b) to permit the disclosure of PHI to the plan sponsor;

(iii) The request is for a permitted purpose for functions on behalf of the Covered Entity and has been limited to the minimum amount of Data necessary to accomplish such purpose; and

(iv) That the plan sponsor will not utilize the PHI for the purpose of an employment related action or in connection with any other benefit or employee benefit plan that is not a health plan.

Covered Entity warrants that PHI disclosed to the Covered Entity or plan sponsor will only be used for purposes of the treatment, payment or health care operations of the Covered Entity as described on any applicable Request Form and will not be used, accessed, released or disclosed for any improper, unlawful, or otherwise unauthorized purpose or to identify any individual for such a purpose.

e) 42 C.F.R. Part 2. Federal rules prohibit Business Associate from making any further disclosure of information that is received from a substance abuse treatment program and identifies an individual as having or having had a substance use disorder either directly, by reference to publicly available information, or through verification of such identification by another person unless further disclosure is expressly permitted by the written consent of the individual whose information is being disclosed or as otherwise permitted by 42 CFR Part 2. A general authorization for the release of medical or other information is not sufficient for this purpose (see 42 C.F.R. § 2.31). Covered Entity warrants that it will ensure that any authorizations required under 42 C.F.R. Part 2 have been obtained from individuals to allow Covered Entity, Broker or Contractor to receive any information subject to 42 C.F.R. Part 2.

f) Designation of Representative. Covered Entity will complete a Designation of Representative, a copy of which is attached hereto as **Appendix B**, to designate individuals employed by plan sponsor who provide administrative functions on behalf of Covered Entity and are A) authorized to receive PHI from Business Associate for such functions or B) authorized to receive enrollment,

disenrollment or summary plan information from Business Associate on behalf of the plan sponsor. Covered Entity will update this information within five (5) business days of any such change or when verification is requested by Business Associate.

g) Business Associate Discretion. Business Associate has the right to decline, in its reasonable business judgment, to provide Data to Plan Sponsor, Broker, or Contractor or to limit the Data extracted for any particular request. BCBSKC will discuss any proposed refusal or limitation of Data for extraction with the Covered Entity, Broker, and Contractor.

h) Limitations on Use and Disclosure of Data. Covered Entity recognizes that Data provided by Business Associate may contain confidential or proprietary information of Business Associate as well as PHI of Covered Entity's participants and beneficiaries. As such, Covered Entity agrees:

(i) Covered Entity will report to Business Associate, as soon as reasonably practicable, any security incident or impermissible or unauthorized acquisition, access, use or disclosure of a Data not provided for in this Agreement or not permitted under HIPAA, including, but not limited to, breach of unsecured PHI, as defined by 45 C.F.R. § 164.402 (Breach). Such notification is in addition to any other notifications required of Covered Entity under applicable state or federal law. Except as described in Section D, above, Covered Entity is solely responsible for its own notification obligations to individuals or other third parties as may be required under 45 C.F.R. 164 Part D or any other state or federal law and Business Associate assumes no responsibility for these notifications.

(ii) Business Associate provides Data to Covered Entity, its plan sponsor, Broker, or Contractor for the sole purpose of performing administrative functions on behalf of Covered Entity, as described on any applicable Request Form. Business Associate hereby grants to Covered Entity and its plan sponsor a non-exclusive, non-transferable right and license to use, reproduce, adapt, perform, compile, display, incorporate and modify the Data only for the purpose of performing functions on behalf of Covered Entity and consistent with limitations and requirements described in this E.3 and any data extract agreement between Business Associate and Broker or Contractor.

(iii) Covered Entity warrants that, if it permits its plan sponsor, Broker, or any Contractor to combine Data with any other such data received from other sources for use as a benchmark or other similar purpose or to perform broader analysis for Covered Entity, due to wide variations among Business Associate's plans in covered benefits, enrollment demographics, claims experience, and other variables, Covered Entity will not permit the plan sponsor, Broker, or Contractor to identify or represent the Data as pertaining to a specific plan of Business Associate, nor indicate or imply that the Data is representative or typical of Business Associate or its plans. Further, notwithstanding the foregoing, Covered Entity, Broker, Contractor and plan sponsor are prohibited from combining any elements of the Data related to pricing, allowed amounts, or other confidential and proprietary information of Business Associate ("Pricing") with other such data received from other sources or to extract, duplicate, modify, decompile or reverse engineer Pricing from any Data without the express prior written consent of Business Associate.

(v) Covered Entity will not sell or authorize Broker, Contractor or any third party to sell the Data or any extract of the Data.

(vi) The license to use Data provided to Covered Entity, Broker, Contractor or plan sponsor under this Section E.3 is personal to Covered Entity, Contractor or plan sponsor and cannot be assigned, delegated, or otherwise transferred to any third party without the express prior written consent of Business Associate.

i) Limitation of Liability. COVERED ENTITY UNDERSTANDS AND AGREES THAT BUSINESS ASSOCIATE PROVIDES ALL INFORMATION AND DATA TO COVERED ENTITY, CONTRACTOR, OR PLAN SPONSOR “AS IS”. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, BUSINESS ASSOCIATE DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE DATA, AND/OR ANY EXTRACTS THEREFROM, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, CORRECTNESS, ACCURACY, COMPLETENESS, COMPREHENSIVENESS, NON-INFRINGEMENT, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR OTHERWISE (IRRESPECTIVE OF ANY COURSE OF DEALING, CUSTOM OR USAGE OF TRADE).

COVERED ENTITY ALSO UNDERSTAND AND AGREE THAT BUSINESS ASSOCIATE MAKES NO REPRESENTATIONS OR WARRANTIES AS TO WHETHER COVERED ENTITY, BROKER’S, CONTRACTOR’S OR PLAN SPONSOR’S ANTICIPATED USES OF ANY PHI COMPLIES WITH APPLICABLE LAW, THE APPLICABLE NOTICE OF PRIVACY PRACTICES, OR WITH THE PLAN DOCUMENT(S).

j) Intellectual Property. Subject to the limitations of subsection (h), above, if Data, any extract or portion thereof, or any method of collection thereof, becomes the subject of any claim or action that it violates the patent, trade secret, copyright, privacy, publicity, or other proprietary right of any other person or entity, then Business Associate, at its option and expense, may: (i) procure for Covered Entity the right to continue using the Data; (ii) modify the Data to render it non-infringing; or (iii) replace the Data or any portion thereof with equally suitable, functionally equivalent, compatible, non-infringing data. If none of the foregoing is, in Business Associate’s sole discretion, commercially infeasible, Business Associate may terminate the provision of the Data to Covered Entity. Business Associate disclaims any warranty of non-infringement as to the Data and assumes no liability or responsibility for Covered Entity, Broker’s, or Contractor’s costs or expenses associated with any claim that the Data, any extract or portion thereof, or any method of collection thereof violates the patent, trade secret, copyright, privacy, publicity, or other proprietary right of any other person or entity.

2. Termination of Primary Agreement. The following provisions govern terminations related to Business Associate’s breach of its privacy obligations under this Agreement. The terms and conditions of the Primary Agreement governing all other rights of termination shall remain in full force and effect.

1. Right to Terminate for Breach.

- a) Covered Entity reserves the right to terminate this Agreement and/or the Primary Agreement if it determines, in its sole discretion, that Business Associate has breached any provision of this Agreement and upon written notice to Business Associate of the breach, Business Associate fails to cure the breach within thirty (30) days after receipt of the notice; provided, however, that if a cure for the breach is underway and cannot reasonably be completed within thirty (30) days following receipt of notice of breach, the parties may mutually agree to extend such time for cure. Covered Entity may exercise this right to terminate this Agreement and/or the Primary Agreement by providing Business Associate written notice of termination, stating the failure to cure the breach of the Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Covered Entity’s notice of termination. If for any reason Covered Entity determines that Business Associate has breached the terms of this Agreement and such breach has not been cured, but Covered Entity determines that termination of the Primary Agreement is not feasible, Covered Entity may report such breach to the U.S. Department of Health and Human Services.

- b) Business Associate may terminate this Agreement if it determines that Covered Entity has breached any material provision of this Agreement and upon written notice to Covered Entity of the breach, Covered Entity fails to cure the breach within thirty (30) days after receipt of the notice; provided, however, that if a cure for the breach is underway and cannot reasonably be completed within thirty (30) days following receipt of notice of breach, the parties may mutually agree to extend such time for cure. Business Associate may exercise this right to terminate this Agreement by providing Covered Entity written notice of termination, stating the failure to cure the breach of the Agreement that provides the basis for the termination. Any such termination will be effective upon such reasonable date as the parties mutually agree. If Business Associate reasonably determines that Covered Entity has breached the terms of this Agreement and such breach has not been cured, but Business Associate and Covered Entity mutually determine that termination of this Agreement is not feasible, Business Associate may report such breach to the U.S. Department of Health and Human Services.

2. Termination of Agreement on Conclusion of Primary Agreement. This Agreement will terminate upon termination or other conclusion of all underlying Primary Agreements into which it has been incorporated by reference.

3. Obligations upon Termination.

- a) Return or Destruction. Upon termination, cancellation, expiration or other conclusion of this Agreement or the Primary Agreement, Business Associate will as promptly as possible, either return all PHI to Covered Entity (if feasible) or destroy all PHI, in whatever form or medium (including in any electronic medium under Business Associate's custody or control), that Business Associate created or received for or from Covered Entity, including all copies of and any data or compilations derived from and allowing identification of any individual who is a subject of the PHI.
- b) When Return or Destruction is Not Feasible. Business Associate will identify any PHI that Business Associate created or received for or from Covered Entity that cannot feasibly be returned to Covered Entity or destroyed, and will maintain such PHI consistent with obligations under this Agreement and limit its further use or disclosure of that PHI to those purposes that make return or destruction of that PHI infeasible.
- c) Continuing Privacy and Security Obligation. Business Associate's obligation to protect the privacy and safeguard the security of the PHI it created or received for or from Covered Entity will be continuous and survive termination, cancellation, expiration or other conclusion of this Agreement and the Primary Agreement.
- d) Other Obligations and Rights. All other obligations and rights given to Business Associate and Covered Entity upon termination, cancellation, expiration or other conclusion of the Primary Agreement will be those set out in the Primary Agreement.
- e) Protection of Business Associate Information. To the extent that Covered Entity, its Contractor or plan sponsor have any Data, as defined in Section E below, that includes confidential and proprietary information of Business Associate at the termination of this Agreement, Covered Entity will either destroy or return such Data to Business Associate or continue to comply with the terms of Section E as to such Data.
- f) Survival. The terms of this Section F.3 shall survive termination of the Agreement.

F. Indemnification. Each party ("Indemnitor") will indemnify and hold harmless the other party ("Indemnitee") and Indemnitee's officers, employees, affiliates and agents from and against all expense, loss, penalties, liability, damages, settlement, attorney's fees, costs of litigation, fees and awards or other obligations

resulting from or arising out of claims, fines, demands or cause of action of any kind or character, including those made by and to individuals, their dependents or any other party, which may be asserted against or imposed upon Indemnitee in connection with Indemnitor's improper, illegal or unauthorized receipt, use or disclosure of PHI.

G. General Provisions

1. **Definitions.** Unless otherwise provided in this Agreement, capitalized terms and phrased that are used herein shall have the same meanings as set forth in "the HIPAA" Rules, which definitions are incorporated into this Agreement by reference.
2. **Amendment to Agreement and Primary Agreement.** Upon the effective date of any final regulation or amendment to final regulations promulgated by the U.S. Department of Health and Human Services with respect to the Privacy or Security of PHI or Standard Transactions, this Agreement and the Primary Agreement of which it is part will automatically amend such that the obligations they impose on Business Associate remain in compliance with these regulations.
3. **Inspection of Books and Records.** Business Associate will make its internal practices, books, policies, procedures and records, relating to its use and disclosure of the PHI it creates or receives for or from Covered Entity, available to Covered Entity and to the U.S. Department of Health and Human Services Office for Civil Rights as necessary to determine compliance with the Privacy Rule, the Security Rule, 45 C.F.R. Parts 160-164 or this Agreement. Further, Covered Entity will provided Business Associate with access to internal practices, books, policies, procedures and records of Covered Entity related to its use and disclosure of Data it receives from Business Associate under Section E.3. of this Agreement as necessary to demonstrate Covered Entity's compliance with the terms of this Agreement.
4. **Assumption of Obligations.** To the extent Business Associate undertakes to perform any of Covered Entity's obligations under the HIPAA Privacy Rule, Business Associate will comply with the requirements imposed on the Covered Entity in the performance of such obligations.
5. **Conflicts.** The terms and conditions of this Agreement will override and control any conflicting term or condition of the Primary Agreement that addresses privacy and confidentiality of confidential medical information. All nonconflicting terms and conditions of the Primary Agreement remain in full force and effect.

IN WITNESS WHEREOF, Covered Entity and Business Associate execute this Agreement in multiple originals to be effective on the last date written below.

Covered Entity:

Blue Cross and Blue Shield of Kansas City

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Group Automatic Payment Authorization Form

Group Name:			
	(Name of depositor as shown on bank records)		
Group Number:			
	(Provide if available)		
Bank Name:			
Bank Account #:			
Bank Routing #:			
Bank Address:			
Bank City:			
Bank State:		Bank Zip:	

I hereby authorize Blue Cross and Blue Shield of Kansas City (BCBSKC) to initiate funds transfers on the first day of the month for all monies due and owing for the administration of our Level Funding ASO Options plan from the designated Bank Account and authorize the above named Financial Institution to honor these transfers. I understand that this Agreement and Authorization will remain in effect until BCBSKC has received written notice from any individual authorized to act on behalf of the employer that it should be cancelled. Any such written notice must be given not less than ten days before the next scheduled payment. I also understand that this Agreement and Authorization does not affect BCBSKC's right to cancel the contract for nonpayment (if there are insufficient or no funds in the designated Bank Account) as authorized by and in accordance with the insurance contract and applicable law. I agree to indemnify and hold harmless BCBSKC for any claims or losses arising out of any transfers or deductions from the designated Bank Account pursuant to this Agreement and Authorization.

By signing below, the individual(s) warrant 1) that they are duly authorized to execute this Agreement and Authorization on behalf of the employer; 2) that such execution is binding upon said employer without further action or ratification; 3) their intent to electronically sign the authorization; and 4) all the information provided is true, complete and accurate.

Signed:			
	(Authorized Individual(s) Signature(s))		
Print Name of Signatory:			
Title of Signatory:			
Date:			
	(MM/DD/YYYY)		

IMPORTANT: Blue KC recommends that you attach a voided blank check for the bank account from which deductions should be made.

SPIRA CARE DISCLOSURE

ASO AND COST-PLUS GROUP CONTRACTS

You have chosen to participate in Blue Cross and Blue Shield of Kansas City's (Blue KC) Spira Care program. There are some special financial features of Spira Care that we describe here.

Introduction. Spira Care provides a financial incentive to participating healthcare providers to use their medical judgment in a fashion that provides cost effective, appropriate medical care. Spira Care healthcare providers may receive additional compensation if they operate in a fashion that shows a beneficial cost impact (as measured by standards described later in this disclosure).

Provider Partners. Initially, Spira Care will operate through an arrangement with third-party healthcare provider organizations (collectively, the "**Provider Partners**"). Members will go the Spira Care clinics to receive care from these Provider Partners through the Spira Care program.

Group's Capitation Payments. Your group will pay a per-member per-month ("**Capitation**") amount for services provided to your members through the Spira Care clinics. This Capitation amount will cover your group's expense for services provided through the Spira Care clinics, except for (a) drugs dispensed at the Spira Care clinics, and (b) any behavioral health services that are beyond what must be provided to members without cost-sharing under the Mental Health Parity and Addiction Equity Act. Your group will be required to pay those drug and behavioral health expenses in the normal way under your contract. They will not be covered by the Capitation amount you pay for services provided through the Spira Care clinics.

The Capitation amount for Spira Care will vary by the age and sex of members and may adjust on January 1 of each year, regardless of your group's plan year. And the Capitation amount for those members covered by a qualified high-deductible health plan will generally be less than the Capitation amount for those members not covered by such a plan.

In addition to receiving the Capitation amount, Blue KC and the Provider Partners will charge those members covered by a qualified high-deductible health plan who have not yet satisfied their deductible for the year an allowable charge for each visit involving non-preventive services. Blue KC and the Provider Partners will collect and keep this allowable charge.

Clinic Operating Performance. There are two special financial aspects of Spira Care. The first involves what is called a "**Clinic Operating Expenses**" calculation. The actual expenses in operating the Spira Care clinics (the Clinic Operating Expenses) for a year may be more or less than the total of the Capitation payments and any member cost-sharing payments made to the Provider Partners for the year. Blue KC and/or the Provider Partners will effectively bear responsibility for the clinic operating performance. Your plan will not be required to pay an additional Capitation amount to make up for any Clinic Operating Expense shortfall.

In determining whether there is an operating loss or gain from the Spira Care clinics, the Clinic Operating Expenses will include not only items like rent, utilities, medical record software, drug acquisition costs, and information technology support, but also the compensation paid to the healthcare professionals associated with the Spira Care clinics for providing care to members who

have selected Spira Care. And in determining the income associated with the clinics (for purposes of determining any clinic operating loss or gain), that income will include not only the total of the Spira Care Capitation and member cost-sharing payments made for the year, but also any amounts paid for drugs dispensed at the clinic.

Sharing of Cost Savings (or Losses). The second special financial feature of Spira Care is that one or more of the Provider Partners will, while making appropriate medical decisions, have a financial incentive to generate savings in the total cost of healthcare provided to members who have selected Spira Care. By total cost of healthcare we mean not just the cost of care provided by the Provider Partner but the cost of all covered healthcare provided to members in the Spira Care program, including care provided outside the Spira Care clinics.

In determining whether there have been cost savings, Blue KC will establish a benchmark and compare the Spira Care program's total cost of healthcare provided to members against that benchmark.

Savings. The intent is that the Provider Partners will perform well, as measured by the standard above, generating savings from what one might otherwise have projected healthcare costs to be. If so, one or more of the Provider Partners will receive incentive compensation equal to a percentage of the savings for the year in question (as those savings are determined under the calculations above).

To pay for all or part of any incentive compensation earned by the Provider Partners, groups in the Spira Care program in subsequent years may pay a larger Capitation amount for Spira Care, or Blue KC may charge higher administrative fees, or both. When successful, the group will experience the benefits of the Spira Care program in real time by seeing its healthcare costs decrease from what one might otherwise have projected them to be.

Losses. If the Provider Partners are not successful in generating savings, and the total cost of care for the Spira Care members instead shows a "loss" (determined under the calculations noted above), one or more of the Provider Partners will be required to bear a portion of that loss. In that event, one or more of the Provider Partners will make a payment to Blue KC equal to a percentage of the loss for the year. This payment will not be credited directly to your group. That means your group will have paid a Spira Care Capitation amount, as well as other healthcare expenses, a portion of which will ultimately come back to Blue KC and not back to your group.

Savings and Losses Not Based on Your Individual Group's Experience. Cost savings or losses will be determined across all groups that participate in Spira Care, including both self-insured and insured groups. This means savings or losses will not be determined based on your group's particular experience. And if any savings or losses are reflected in future years' Capitation amounts, the effect on your group will depend on the number of members in your group during the later year for which the Capitation is adjusted. Further, any Capitation adjustments for future years (to reflect savings or losses) may be different for insured groups that are not Cost-Plus groups than for ASO and Cost-Plus groups.

Blue KC's Interest in Provider Partners. Blue KC, or a subsidiary of Blue KC, has an ownership interest in one or more of the Provider Partners, and has the potential to obtain additional

ownership in at least one of the Provider Partners. As a consequence, payments made to those Provider Partners may have a financial impact on Blue KC.

Blue KC or Subsidiary. The financial arrangements with the Provider Partners may actually be made between those providers and a subsidiary of Blue KC, rather than with Blue KC directly.

Agreed to and acknowledged:

By: _____

Name: _____

Title: _____

Date: _____