

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: CEO-Risk Management Division

BOARD AGENDA # \*B-6

Urgent  Routine

AGENDA DATE May 12, 2015

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval of an Agreement with POMCO Administrators, Inc. to Provide Third Party Administrator Services for the County's Self-Funded Employee Health Insurance Program Effective August 1, 2015 through June 30, 2018

STAFF RECOMMENDATIONS:

1. Approve an agreement between the County and POMCO Administrators, Inc. for Third Party Administrative services from August 1, 2015 through June 30, 2018.
2. Authorize the County Purchasing Agent to sign the approved agreement and any future renewals as authorized in the agreement not to extend beyond June 30, 2020.

FISCAL IMPACT:

On October 18, 2011, the Board of Supervisors approved implementation of a new self-insured medical benefits program effective January 1, 2012. As part of that approval process, the County entered into a contract with Capitol Administrators to serve as a Third Party Administrator (TPA) for the Stanislaus County Partners in Health (SCPH) medical plan. The term of the contract with Capitol Administrators was for an initial three years from January 1, 2012 to December 31, 2014 with the right to extend the contract on a year-to-year basis, but in no case shall the renewal extend beyond two years, or December 31, 2016.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2015-208

On motion of Supervisor Monteith, Seconded by Supervisor Chiesa

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, De Martini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

**FISCAL IMPACT: (Continued)**

The County recently extended the contract with Capitol Administrators for one year from January 1, 2015 to December 31, 2015 and maintained the right to terminate the agreement upon providing 30 days prior written notice. The primary source of compensation paid to Capitol Administrators comes from administrative service fees, which are based on the number of employees per month (PEPM) who are covered under the SCPH medical plan. Capitol Administrators administrative service fee with the County was \$16 PEPM in calendar years 2012 and 2013, and increased to \$17 PEPM in 2014 and any subsequent renewal years under the agreement. In addition, Capitol Administrators is annually compensated with \$1,000 to update the SCPH Summary Plan Document (SPD), 30% recovery fees for subrogation/third party services, and 25% of any out-of-area claim cost savings. The total maximum amount to be paid by the County for services provided in each year of the agreement with Capitol Administrators cannot exceed \$750,000. In addition to the administrative fees paid to Capitol Administrators to provide TPA services for SCPH plans, the County also currently pays Anthem Blue Cross \$50.78 PEPM for Exclusive Provider Organization (EPO) members and \$55.97 PEPM for High Deductible Health Plan (HDHP) members to provide TPA services to approximately 210 Anthem plan participants. TPA service fees paid to Anthem Blue Cross are approximately \$140,000 per year based on the current census of employees enrolled in Anthem.

With the elimination of Kaiser medical plans from the County health benefits program beginning on January 1, 2015, and with the initial term of the agreement with Capitol Administrators ending on December 31, 2014, the County issued a Request for Proposal (RFP) for TPA services on December 12, 2014. A key goal of this RFP process was to solicit competitive and qualified proposers to consolidate all of the County's medical insurance TPA services under one consultant for both SCPH and Anthem Blue Cross medical plans. At the close of the solicitation process on January 14, 2015, the County received five proposals. After an extensive evaluation process, POMCO Administrators was selected as the most qualified consultant to provide TPA services for all SCPH and Anthem Blue Cross plan participants in the County.

The recommended agreement with POMCO Administrators has an initial term of almost three years from August 1, 2015 to June 30, 2018, with two one-year extension options not to exceed June 30, 2020. Similar to the Capitol Administrators agreement, the County shall pay POMCO Administrators an administrative service fee of \$16 PEPM from August 1, 2015 – June 30, 2017, \$16.50 PEPM from July 1, 2017 – June 30, 2019, and \$17 PEPM from July 1, 2019 – June 30, 2020. In addition, the County will be charged a reduced Anthem Network Fee of \$21.46 PEPM for California subscribers and \$20.56 PEPM for out-of-state subscribers. Further, POMCO Administrators will take over all existing claims administration from Capitol Administrators, referred to as "Run-In Claims," for the flat fee of \$125,000. As an optional future service, the agreement also includes a provision for COBRA administrative services at a cost of \$.85 PEPM for the

first two years of the agreement, \$.90 PEPM for the third and fourth years of the agreement, and \$.95 PEPM for the fifth and final year of the agreement. The total five year cost of the services under this agreement cannot exceed \$4.2 million, or on average approximately \$840,000 annually. This amount is well within the range of expected TPA costs included in premium rate assumptions developed for the period of this recommended agreement.

#### **DISCUSSION:**

The Board of Supervisors previously approved implementation of a self-insured medical benefits program effective January 1, 2012. This new program was developed in response to ongoing premium rate increases well above inflation and a lack of transparency and data to support strategic analysis and decision making in support of employee health insurance programs. The initial program was developed for a three year period (2012 through 2014) and included self-insured benefits available through the County's existing healthcare plans (Anthem Blue Cross and Kaiser), as well as the introduction of a new local non-profit healthcare program Stanislaus County Partners in Health (SCPH).

As part of the transition to a self-insured medical insurance model, the County established several new vendor relationships, including Third Party Administrator (TPA) services, to support the delivery, management, and administration of employee medical benefits. TPA services play a critical role in processing and adjudicating the County's approximate \$41 million in self-insured annual claims costs. The County's TPA services include, but are not limited to, member and provider services; managing enrollment and eligibility; ID card issuance; monthly billing; claim adjudication and payment; claims appeal management and reporting; subrogation services; and program regulatory compliance. Capitol Administrators was selected as the TPA for the initial implementation of the SCPH program.

With the conclusion of the initial three year strategy, the County worked with labor groups in 2014 to develop a new three year health insurance strategy for benefit plan years 2015 through 2017. Subsequently, staff began evaluating all supporting vendor relationships in the medical self-insurance program as part of this new strategy, including the existing TPA agreement with Capitol Administrators. Concurrent with the end of Capitol Administrators initial three year contract and to determine if there are more conducive TPA services available to meet the County's needs, GSA-Purchasing Division posted RFP #14-38 MP Third Party Administration Services for CEO-Risk Management on December 12, 2014, which was downloaded by 18 vendors. On December 19, 2015 a pre-conference was held with four vendors in attendance. When the request for proposal closed January 14, 2015, the GSA-Purchasing Division received responses from five proposers. Interviews were conducted on February 10, 2015 and February 19, 2015.

This RFP provided for a comprehensive evaluation process consisting of four phases. The evaluation process was conducted by an Evaluation Committee made up of two highly experienced employee benefit consultants, the Budget Manager for Risk Management, and the County's Employee Benefit Manager. County Purchasing monitored the process from start to finish for consistency and thoroughness. The following information outlines the four evaluation phases:

#### Phase I – Evaluation of Financial Reports and Review of Proposal Submission

Phase I consisted of a pass/fail evaluation for submission completeness and financial review. Purchasing conducted the pass/fail analysis to determine the completeness of each proposal and the financial stability of each proposer. The Evaluation Committee received notice from the Purchasing Division that all of the proposers passed Phase I and proposals (excluding financial reports and pricing information) were provided to the Evaluation Committee members.

#### Phase II – Qualification Proposal Evaluation

Phase II, the Evaluation Committee reviewed and evaluated the Qualification Proposals from each proposer. The Qualification Proposal is a section of the overall proposal that outlines the complete corporate profile of the proposer including proposer's background, philosophy and experience, and other pertinent information about the proposer's ability to perform the work. This phase included a reference check and an evaluation of the proposer's requested implementation and transition plan.

To assist the Evaluation Committee, a Phase II Qualification Proposal Evaluation worksheet was created. The main criteria categories of the Qualification Proposal evaluation worksheet included: Staffing and Infrastructure (50 Points), Experience (50 Points), Professional References (50 Points), Implementation Plan (50 Points), and Value Added (20 Points). The Evaluation Committee met on two separate occasions and discussed the submitted qualifications of each proposal at length for several hours. At the conclusion of this phase, all of the proposers had at least 180 of the 220 available points and moved on to Phase III.

#### Phase III – Presentation and Interview

Phase III, each proposer was asked to attend a scheduled interview. The interview process consisted of a brief introduction, proposer presentation, general proposal questions by Evaluation Committee, specific competency questions from consultants regarding the proposer's RFP Supplemental Questionnaire and systems competencies, and a claim system review. The claims system review included a series of specific questions to proposers about hypothetical test claims that were developed by the Evaluation Committee for the interview process. The scores from each member of the

Evaluation Committee for each proposer were averaged to provide a total score for this phase, with a total of 100 points available.

Phase IV – Pricing Proposal

GSA-Purchasing staff led the evaluation of the Pricing Proposal with assistance from the CEO-Risk Management staff. The Pricing Proposal evaluation was based on a weighted average, with the lowest price assigned the maximum 100 points.

Once the initial Pricing Proposal evaluation was complete, a Best and Final Offer (BAFO) was issued to all proposers on February 26, 2015 with a deadline to respond by March 2, 2015. The BAFO allowed each proposer to amend their pricing for all services outlined in the RFP scope of work.

Overall, POMCO Administrators scored higher in every phase except with Phase IV (Pricing). The following chart outlines the final scores of the evaluation process:

**RFP #14-38 MP  
 THIRD PARTY ADMINISTRATION SERVICES  
 EVALUATION SUMMARY**

	Total Available	Advantek	Capitol	HealthEdge	Keenan	POMCO
Phase I (Financial Review)	Pass/Fail	Pass	Pass	Pass	Pass	<b>Pass</b>
Phase II * (Qual Proposal)	220	180.5	192.0	184.5	180.3	<b>203.0</b>
Phase III (Interview/Pres)	100	88.0	85.5	85.5	80.3	<b>99.3</b>
Phase IV (Pricing)	100	100.0	87.4	85.3	77.0	<b>85.3</b>
<b>TOTAL:</b>	<b>420</b>	<b>368.5</b>	<b>364.9</b>	<b>355.3</b>	<b>337.6</b>	<b>387.6</b>

*\*Need 180 of 220 points to pass*

After completing the RFP evaluation process, County staff and associated employee benefit consultants conducted a site visit of POMCO Administrators corporate office to validate their system and operation capabilities. The site visit reinforced the RFP evaluation process that POMCO Administrators was the most qualified vendor to provide TPA services for County plan participants.

In considering the proposed agreement with POMCO Administrators, these are the key reasons POMCO Administrators was identified as the best qualified TPA for the County:

Approval of an Agreement with POMCO Administrators, Inc. to Provide Third Party Administrator Services for the County's Self-Funded Employee Health Insurance Program Effective August 1, 2015 through June 30, 2018  
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- POMCO Administrators Inc. is well established. They were founded in 1978 and have grown to become one of the nation's largest TPAs and providers of fully integrated employer benefit solutions. Although POMCO Administrators is based in Syracuse, New York, they have expanded their market into California with regional offices serving approximately 31 public and private clients.
- POMCO Administrators can provide additional resources to the County. POMCO Administrators is ranked in the top 5% of national benefits administrators and have reported that they manage in excess of \$1 billion premium equivalents with access to proprietary and national PPO networks of over 800,000 providers, hospitals, and other health care facilities. With over 600 employees, they have a diverse mix of public and private sector clients (over 60% of client base in public sector) that range in size from 50 to 130,000 employees with an average client tenure of 10 years.
- POMCO Administrators will provide an on-site member services representative who will provide day-to-day support services to plan participants and County staff. This unique feature will provide an enhanced level of individualized services to County plan participants, which is currently unavailable. The member services representative will be able to personally meet with plan participants to efficiently discuss their inquiries and then research and resolve issues on-site related to medical claims, benefits and eligibility. Moreover, this designated on-site representative will be able to develop and maintain a close professional relationship with staff and gain an in-depth working knowledge of the County's specific benefit program to provide more effective services.
- POMCO Administrators adheres to a strong business model on which to provide improved services. POMCO Administrators service model is built on six-sigma operating principles that focus on continual quality and process improvement. On average, client-focused teams answer 98% of calls within 30 seconds or less, operate on a 98% first contact resolution rate and on a less than 2% call abandonment rate, and 100% of written correspondence is answered in less than three business days.
- POMCO Administrators has well educated and experienced team members. The average education level of their member service representatives is a Bachelor's Degree with an average of over five years working experience in the healthcare industry. Further, the member services representative training process at POMCO Administrators entails eight weeks of classroom and hands-on mentoring.

For these reasons, staff recommends approving the proposed agreement with POMCO Administrators. This agreement will play a critical role in supporting the County's self-funded strategy of continuing to provide quality healthcare while maintaining access to

valuable program financial and clinical performance information. Moreover, one of the strategic advantages of the County's health insurance program is the low administrative costs required to manage the program and support new program initiatives and oversight of performance outcomes. In total, administrative costs for the County's health insurance program, including the recommended agreement with POMCO Administrators, are significantly less than otherwise provided through traditional fully-insured medical programs. This agreement also ensures that the County maintains an important separation from personal health information for covered participants as the County is only provided with summary reports and statistical data to evaluate the financial and clinical performance of the program.

Upon approval of the recommended agreement with POMCO Administrators, County staff and benefits consultants will begin the process of transitioning administrative services from Capitol Administrators to POMCO Administrators. The transition period is scheduled to take approximately 90 days from early May 2015 to late July 2015, with an effective implementation date of August 1, 2015. POMCO Administrators will process all "Run-In Claims," meaning that they will take over all existing claims administrative services currently being handled by Capitol Administrators, in addition to processing any new claims during the 2015 plan year. Staff will also prepare an extensive communication strategy to inform all participants in the County's health insurance program of the planned transition to a new vendor for member services and claims administration.

**POLICY ISSUE:**

Approval of the recommended agreement with POMCO Administrators, Inc. supports the Board's priorities of A Healthy Community, Efficient Delivery of Public Services, and Effective Partnerships.

**STAFFING IMPACT:**

There is no staffing impact associated with this report. Staff from the Chief Executive Office Risk Management Division, will continue to work closely with contracted health insurance consultants and associated vendors to provide ongoing management and oversight of the County's health insurance programs.

**CONTACT PERSON:**

Jody Hayes, Assistant Executive Officer. Telephone: (209) 525-5714.

**AGREEMENT  
FOR  
PROFESSIONAL SERVICES**

This Agreement for Professional Services (the "Agreement") is made and entered into by and between the County of Stanislaus ("County") and POMCO Administrators, Inc. ("Consultant").

**Introduction**

WHEREAS, the County has a need for services involving health benefit plan claim processing, eligibility and member services; and

WHEREAS, the Consultant is specially trained, experienced and competent to perform and has agreed to provide such services; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

**Terms and Conditions**

1. **Scope of Work**

1.1 The Consultant shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in **Exhibit A**, which is attached hereto and, by this reference, made a part hereof.

1.2 All documents, drawings and written work product prepared or produced by the Consultant under this Agreement, including without limitation electronic data files, are the property of the Consultant; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Consultant may copyright the same, except that, as to any work which is copyrighted by the Consultant, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so. The County shall defend, indemnify and hold harmless the Consultant and its officers, employees, agents, representatives, subcontractors and consultants from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, arising out of or resulting from the County's reuse of the documents and drawings prepared by the Consultant under this Agreement.

1.3 Services and work provided by the Consultant under this Agreement will be performed in a timely manner in accordance with a schedule of work set forth in Exhibit A. If there is no schedule, the hours and times for completion of said services and work are to be set by the Consultant; provided, however, that such schedule is subject to review by and concurrence of the County.

1.4 The Consultant shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions. The Consultant represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect



at the time of performance of this Agreement. Except for that representation and any representations made or contained in any proposal submitted by the Consultant and any reports or opinions prepared or issued as part of the work performed by the Consultant under this Agreement, Consultant makes no other warranties, either express or implied, as part of this Agreement.

1.5 If the Consultant deems it appropriate to employ a consultant, expert or investigator in connection with the performance of the services under this Agreement, the Consultant will so advise the County and seek the County's prior approval of such employment. Any consultant, expert or investigator employed by the Consultant will be the agent of the Consultant and not the County.

## 2. Consideration

2.1 The Consultant shall be compensated on either a time and materials basis or a lump sum basis, as provided in **Exhibit A** attached hereto.

2.2 Except as expressly provided in this Agreement, Consultant shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement, including, but not limited to, meals, lodging, transportation, drawings, renderings or mockups. Specifically, Consultant shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.3 The Consultant shall provide the County with a monthly or a quarterly statement, as services warrant, of fees earned and costs incurred for services invoiced during the billing period, which the County shall pay in full within thirty (30) days of the date each invoice is approved by the County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.

2.4 County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Consultant under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Consultant. County has no responsibility or liability for payment of Consultant's taxes or assessments.

## 3. Term

3.1 The terms of this Agreement shall be from August 1, 2015 through June 30, 2018 unless terminated pursuant to sections 3.2, 3.3, or 3.4 of this Agreement. This Agreement will not automatically renew but may be renewed for two (2) one-year terms by mutual written agreement of the parties. In no case shall the renewal extend beyond June 30, 2020.

3.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

3.3 Either party may terminate this Agreement for convenience and without cause upon providing thirty (30) days prior written notice to the other party. Termination of this

Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Consultant as provided in Section 2 above, subject to any applicable setoffs.

3.4 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, or (b) sale of Consultant's business.

4. Required Licenses, Certificates and Permits

Any licenses, certificates or permits required by the federal, state, county or municipal governments for Consultant to provide the services and work described in Exhibit A must be procured by Consultant and be valid at the time Consultant enters into this Agreement. Further, during the term of this Agreement, Consultant must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Consultant at no expense to the County.

5. Office Space, Supplies, Equipment, Etc.

Unless otherwise provided in this Agreement, Consultant shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Consultant to provide the services under this Agreement. The Consultant--not the County--has the sole responsibility for payment of the costs and expenses incurred by Consultant in providing and maintaining such items.

6. Insurance

6.1 Consultant shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

6.1.1 General Liability. Commercial general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Consultant under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

6.1.2 Professional Liability Insurance. Professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate. Such professional liability insurance shall be continued for a period of no less than one year following completion of the Consultant's work under this Agreement.

6.1.3 Automobile Liability Insurance. If the Consultant or the Consultant's officers, employees, agents or representatives utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury and property damage liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

6.1.4 Workers' Compensation Insurance. Workers' Compensation insurance as required by applicable law.

6.2 Any deductibles, self-insured retentions or named insureds will be provided in advance by the Consultant in writing. If the County finds any of the retention or deductible levels to be unacceptable, the County and the Consultant will mutually agree to a resolution which may include adjustment of the retention or deductible levels and may incur additional costs. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) the Consultant shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Consultant agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim administration and defense expenses related to or arising out of the Consultant's defense and indemnification obligations as set forth in this Agreement.

6.3 The Consultant shall obtain a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, naming the County and its officers, officials, directors, agents employees and volunteers as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the Consultant, including the insured's general supervision of its subcontractors; (b) services, products and completed operations of the Consultant; (c) premises owned, occupied or used by the Consultant; and (d) automobiles owned, leased, hired or borrowed by the Consultant. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against the County its officers, officials, directors, agents, employees and volunteers for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Consultant.

6.4 The Consultant's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of the Consultant's insurance and shall not contribute with Consultant's insurance.

6.5 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials and employees.

6.6 The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6.7 Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to County. The Consultant shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

6.8 Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide of no less than A-VII; provided, however, that if no California admitted insurance company provides the required

insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Approved Surplus Line Insurers ( LASLI ) maintained by the California Department of Insurance.

6.9 Consultant shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional insureds under its insurance policies.

6.10 At least ten (10) days prior to the date the Consultant begins performance of its obligations under this Agreement, Consultant shall furnish County with certificates of insurance, and with original endorsements, showing coverage required by this Agreement, including, without limitation, those that verify coverage for subcontractors of the Consultant. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

6.11 The limits of insurance described herein shall not limit the liability of the Consultant and Consultant's officers, employees, agents, representatives or subcontractors.

## 7. Defense and Indemnification

7.1 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Consultant or Consultant's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Notwithstanding the foregoing, Consultant's obligation to indemnify the County and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Consultant in contributing to such claim, damage, loss and expense.

7.2 Consultant's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

7.3 To the fullest extent permitted by law, the County shall indemnify, hold harmless and defend the Consultant and its officers, employees, agents, representatives or subcontractors from and against all claims, including claims by providers of service or persons covered under the County's benefit plan, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney's fees, arising out of or resulting from the negligence or wrongful acts of County and its officers or employees.

7.4 Subject to the limitations in 42 United States Code section 9607 (e), and unless otherwise provided in a Scope of Services approved by the parties:

(a) Consultant shall not be responsible for liability caused by the presence or release of hazardous substances or contaminants at the site, unless the release results from the

negligence of Consultant or its subcontractors;

(b) No provision of this Agreement shall be interpreted to permit or obligate Consultant to assume the status of "generator," "owner," "operator," "arranger," or "transporter" under state or federal law; and

(c) At no time, shall title to hazardous substances, solid wastes, petroleum contaminated soils or other regulated substances pass to Consultant.

## 8. Status of Consultant

8.1 All acts of Consultant and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Consultant relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Consultant, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in Exhibit A, Consultant has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Consultant. It is understood by both Consultant and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

8.2 At all times during the term of this Agreement, the Consultant and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

8.3 Consultant shall determine the method, details and means of performing the work and services to be provided by Consultant under this Agreement. Consultant shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Consultant in fulfillment of this Agreement. Consultant has control over the manner and means of performing the services under this Agreement. If necessary, Consultant has the responsibility for employing other persons or firms to assist Consultant in fulfilling the terms and obligations under this Agreement.

8.4 Consultant is permitted to provide services to others during the same period service is provided to County under this Agreement; provided, however, such services do not conflict directly or indirectly with the performance of the Consultant's obligations under this Agreement.

8.5 If in the performance of this Agreement any third persons are employed by Consultant, such persons shall be entirely and exclusively under the direction, supervision and control of Consultant. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Consultant.

8.6 It is understood and agreed that as an independent contractor and not an employee of County, the Consultant and the Consultant's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and, except as expressly provided for in any Scope of Services made a part hereof, do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.

8.7 It is further understood and agreed that Consultant must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Consultant's assigned personnel under the terms and conditions of this Agreement.

8.8 As an independent contractor, Consultant hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

## 9. Records and Audit

9.1 Consultant shall prepare and maintain all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of four (4) years from the termination or completion of this Agreement. This includes any handwriting, typewriting, printing, photostatic, photographing and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds or symbols or any combination thereof.

9.2 Any authorized representative of County shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Consultant. Further, County has the right at all reasonable times to audit, inspect or otherwise evaluate the work performed or being performed under this Agreement.

9.3 Consultant shall reconcile bank statements monthly and immediately provide a copy of the reconciliation to the County.

9.4 Consultant will establish internal auditing procedures and provide the County of a copy of those procedures. In addition, Consultant shall provide the County with a copy of all internal audit results performed on its account.

## 10. Confidentiality

The Consultant agrees to keep confidential all information obtained or learned during the course of furnishing services under this Agreement and to not disclose or reveal such information for any purpose not directly connected with the matter for which services are provided.

## 11. Nondiscrimination

During the performance of this Agreement, Consultant and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, sex or sexual orientation. Consultant and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal

Regulations.

12. Assignment

This is an agreement for the services of Consultant. County has relied upon the skills, knowledge, experience and training of Consultant and the Consultant's firm, associates and employees as an inducement to enter into this Agreement. Consultant shall not assign or subcontract this Agreement without the express written consent of County. Further, Consultant shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13. Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

14. Notice

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Consultant or County shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first class mail to the respective parties as follows:

To County: Stanislaus County Chief Executive Office  
Risk Management Division  
1010 10<sup>th</sup> Street, Suite 5900  
Modesto, CA 95354

With Copy to: Stanislaus County Purchasing Agent  
1010 10<sup>th</sup> Street, Suite 5400  
Modesto, CA 95354

To Consultant: POMCO Administrators, Inc.  
222 N. Sepulveda Blvd. #1430  
El Segundo, CA 90245

15. Conflicts

Consultant agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

16. Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation, the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.



17. Amendment

This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

18. Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

19. Advice of Attorney

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20. Construction

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

21. Governing Law and Venue

This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

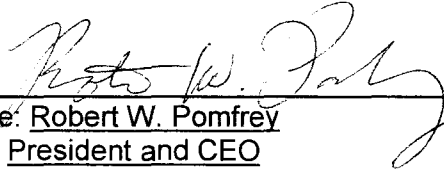
*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year first hereinabove written.

COUNTY OF STANISLAUS

POMCO ADMINISTRATORS, INC.

By: \_\_\_\_\_  
Keith D. Boggs, Assistant Executive Officer,  
GSA Director/Purchasing Agent

By:  \_\_\_\_\_  
Name: Robert W. Pomfrey  
Title: President and CEO

"County"

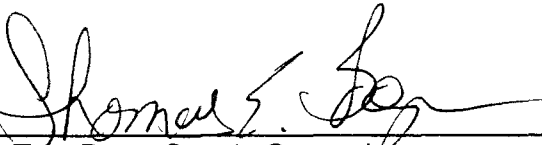
"Consultant"

APPROVED: BOS Resolution # \_\_\_\_\_

APPROVED AS TO CONTENT:  
Chief Executive Office, Risk Management Division

By:  \_\_\_\_\_  
Jody Hayes, Assistant Executive Officer

APPROVED AS TO FORM:

By:  \_\_\_\_\_  
Tom Boze, County Counsel

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## EXHIBIT A

### A. SCOPE OF WORK

The Consultant shall provide services under this Agreement as follows:

1. Consultant shall be responsible for providing the following services for all County members enrolled in the Stanislaus County Partners in Health and Anthem Blue Cross medical plans:

- Eligibility & Enrollment Management
- ID Card Issuance
- Monthly Billing Process
- Claim Adjudication & Payment
- Third Party Claim Authorizations
- Self-Serve Website Maintenance
- Claims Appeal Management
- Coordination of Benefits
- Assist County in ACA reporting requirements
- Monthly Claim & Eligibility Data File Extracts per Specification
- Subrogation Services
- Customer, Provider, Member Service
- Monthly Service Performance Report
- Stop Loss Claim Filing & Support
- Medicare Reporting
- Open Enrollment
- Development and maintenance of mobile phone app for plan participants
- Other related services as required

2. Enrollment, Eligibility, and Identification Cards: Consultant shall be required to:

- a. accept and maintain current records of enrollment;
- b. produce and mail member identification (ID) cards to each employee's address of record; and
- c. adjudicate claims according to member eligibility status.

Enrollment shall be available by monthly file submission and online process accessible to the County. Replacement ID cards must be available via employee self-service online.

3. Administrative Materials/Forms: Consultant, at its own cost, shall be responsible for designing, printing and distributing administrative materials and forms as necessary, subject to the County's written approval as to form and content. Summary Plan Descriptions, however, shall be printed and mailed with at-cost charges being billed to the County. Administrative materials and/or forms must be mailed to plan participants upon individual request. Such material and forms shall be available on the section of TPA's Website dedicated to the County and be available for download at any time.
4. Staffing: Consultant shall maintain sufficient staff to meet the needs of the County and the plan participants including but not limited to, one (1) account manager and a sufficient number of claim processors, member and other administrative staff determined by the successful proposer, whose responsibility it is to assist the and County's staff and the County's participants with questions and problem resolution regarding the plan.

In addition, Consultant shall provide an on-site customer service representative during the term of this Agreement to work from County designated facilities during normal business hours to provide assistance to County staff and plan participants for day-to-day services related to this Agreement. This onsite customer service representative will be solely an

employee of the Consultant in accordance with the terms and conditions contained in Section 8 of this Agreement.

5. Quality Assurance: Consultant shall be responsible for internal quality control processes to regularly evaluate the performance and accuracy of the claims processing systems and the claims processing staff. Findings of internal quality control evaluations will be provided to the County no less than annually.

The County shall reserve audit rights, at such times and at such intervals as it determines to be prudent, of claims payment and service processes, accuracy, and such other terms and conditions as it deems appropriate to its needs.

6. Claim Adjudication: Consultant shall be responsible for adjudication and payment of claims in conformance with agreed upon standards of performance, including timeliness and accuracy. Consultant shall be required to pay claims a) utilizing a proprietary network (SCPH) with a third party "wrap" network for out-of-area claims, and b) utilizing the Anthem Blue Cross of California network. This includes conversion of paper claims received by Consultant to an EDI format to be electronically transmitted to and repriced by the County's third party pricing vendor.
7. Monthly Billing Services: Consultant shall be responsible for providing timely monthly service fee billings to the County by plan and member classification (active, retired, COBRA).
8. Appeal Resolution: Consultant shall be responsible for adhering to the County's claim appeal process as set forth in the County's Summary Plan Description (SPD) and the provisions of the Affordable Care Act (ACA), including any amendments or modifications thereto, as well as any/all other state, local or federal rules or legislation to which the County may, in the future, be required to comply.
9. Prior Authorization: Consultant shall be required to accept and adjudicate all claims pursuant to authorizations provided by third party providers in either Electronic Report form and/or in the form of electronic Claim Attachments, Monthly Eligibility and Claims File Submission.

Consultant shall be responsible for provision of a Monthly Eligibility and Claims File to the County or its designee in a form and manner acceptable to the County, no less than ten (10) working days following the end of any given month.

10. TPA Performance Reporting: Consultant shall submit monthly reports to the County, or its designee, in a form and manner acceptable to the County containing the following metrics:
  - a. \$ Claim Transaction Volume (paid, pending, denied/rejected);
  - b. # Claim Transaction Volume (paid, pending, denied/rejected);
  - c. Monthly Claims Turn Around Time (TAT);
  - d. Total End of Month Enrollment by Plan and Classification;
  - e. End of Month Claim Inventory (# of Claims);
  - f. Pending Claim Aging by Reason Code (to extent available, developed with County);
  - g. Customer Service Monthly Call Volume;
  - h. Customer Service Monthly Call Abandonment Rate;
  - i. Customer Service Monthly Average Time to Answer;
  - j. Customer Service Monthly Call Resolution Rate;

- k. HIPAA audits (frequency and content to be mutually agreed to between County and Consultant); and
  - l. Medicare Part D and ACA reporting support, to include mutually agreed to assistance for the County on compiling needed information where applicable on a monthly basis.
11. Website. Consultant shall develop and maintain a secure, searchable public website for employees and Providers that contains at a minimum:
- a. A current provider directory (provided by network vendor)
  - b. Downloadable claim forms for direct member claim submissions
  - c. Benefit summaries for each County Plan administered by TPA
  - d. Self-service individual member claim Status/history (employee and provider)
  - e. Health/wellness information

The website must be accessible to plan participants and providers with no access restriction or registration requirement except for those functions which either (a) allow for review of a plan participant's claim history or (b) include other forms of personal health information. A link from the County's web site to the successful proposer's website must be allowed.

12. Explanation of Benefits. Consultant shall be capable of providing an Explanation of Benefits ("EOB") to each plan participant utilizing the medical plan in a form submitted to and approved by the County. At a minimum, each EOB shall include:
- a. Name and address of TPA;
  - b. Toll-free phone number of TPA;
  - c. Plan Participant's name and address;
  - d. Participant's identification number;
  - e. Patient's name;
  - f. Provider's name;
  - g. Claim date of service;
  - h. Type of service;
  - i. Total charges;
  - j. Discount amount;
  - k. Allowed amount;
  - l. Excluded charges;
  - m. Amount applied to deductible;
  - n. Co-payment/coinsurance amount;
  - o. Total patient responsibility; and
  - p. Total payment made and to whom.
13. Provide daily/weekly claim file information in standard 837 format for claims re-pricing to County's designee.
14. Provide monthly eligibility and claim files in standard 834 and 835 formats (or other agreed upon file formats) respectively to the County's designee no later than the 15<sup>th</sup> calendar day of the following month.
15. Provide data extracts to County designated vendors according to County specifications.
16. Performance Guarantees: Consultant is responsible for adherence to certain performance standards as contained in Exhibit B of this Agreement.

## B. COMPENSATION

Consultant shall be compensated for the services provided under this Agreement as follows:

1. Consultant shall be paid an administrative fee for services outlined in this exhibit, Sections 1-15 above, based on the number of County subscribers covered under the Stanislaus County Partners in Health and Anthem Blue Cross of California medical plans as follows:
  - a. Year 1 (August 1, 2015 – June 30, 2016): \$16.00 PEPM
  - b. Year 2 (July 1, 2016 – June 30, 2017): \$16.00 PEPM
  - c. Year 3 (July 1, 2017 – June 30, 2018): \$16.50 PEPM
  - d. Year 4 (July 1, 2018 – June 30, 2019): \$16.50 PEPM
  - e. Year 5 (July 1, 2019 – June 30, 2020): \$17.00 PEPM
2. Consultant shall be paid an annual Anthem Network fee based on the number of County Anthem Blue Cross subscribers as follows:
  - a. California Subscribers: \$21.46 PEPM
  - b. Out-of-State: \$20.56 PEPM
3. Consultant shall be paid a flat fee of \$125,000 to administer County Run-In claims for plan year 2015.
4. In addition to the services outlined in this Agreement, Consultant may be requested to provide COBRA administrative services. Consultant is required to receive prior written approval from the County before providing such additional services. Upon receiving prior written approval, Consultant shall be paid for COBRA administrative services as follows:
  - a. Year 1 (August 1, 2015 – June 30, 2016): \$.85 PEPM
  - b. Year 2 (July 1, 2016 – June 30, 2017): \$.85 PEPM
  - c. Year 3 (July 1, 2017 – June 30, 2018): \$.90 PEPM
  - d. Year 4 (July 1, 2018 – June 30, 2019): \$.90 PEPM
  - e. Year 5 (July 1, 2019 – June 30, 2020): \$.95 PEPM
5. Consultant acknowledges that the only compensation authorized to be paid for the services described in this Agreement shall be the administrative fees set forth above in this exhibit. Commissions, overrides, service fees, shared savings, or any other form of compensation from any third party entity or vendor is not permitted and shall constitute full and sufficient grounds for termination of this Agreement.
6. The parties hereto acknowledge the maximum amount to be paid by the County for services provided under this Agreement shall not exceed \$4,200,000, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Consultant to perform or to assist in the performance of its work under this Agreement.

**EXHIBIT B  
PERFORMANCE GUARANTEES**

POMCO is willing to place up to 60% of its administrative fees at risk for the following performance guarantees for year one. All Performance Guarantees will be measured beginning on the effective date of the signed agreement. All guarantees will remain in effect for the life for the agreement, however for year two and beyond the total amount at risk will not exceed 20%.

Performance against the Performance Guarantees will be measured by POMCO's internal reports, subject to audits by Stanislaus County. All Performance measures are to be calculated, unless otherwise indicated, based on the Stanislaus County experience. All performance measures shall be reported by Consultant and may be subject to verification by The County through evaluation of a statistically-valid, stratified, random sample.

Except as otherwise specified, measurement of Performance Guarantees shall occur quarterly with an annual reconciliation. POMCO will calculate the applicable amount due, if any, and credit Stanislaus County with such amounts within 60 days after the end of the year.

The total amount paid to Stanislaus County shall not exceed 60% of the average monthly Administrative Fee in any one quarter for year one, and shall not exceed 20% of the average monthly Administrative Fee in any one quarter for year two and beyond.

Performance Standard	Measurement	Credit
<b>Telephone Call Availability &amp; Answering Speed</b>		
Average speed of answer will be 30 seconds or less	100% percent of calls will be answered within 30 seconds or less. This measure will be calculated by identifying the total length of time from presentment to answer for inbound calls once entering the POMCO call queue.	2% of average monthly fees per quarter for every second above the average, up to 10% total.
<b>Telephone Call Abandonment Rate</b>		
An abandonment rate of less than 4% is maintained during standard business hours.	The percentage of abandoned calls will be calculated by dividing the number of calls abandoned by the total number of calls placed in the queue. An abandoned call will be any call placed in the queue for longer than 10 seconds in which the caller hangs up before the call is answered by a customer services representative.	2% of average monthly fees per quarter for each half percentage above the average, up to 10% total.
<b>First Call Resolution</b>		
95% of calls are resolved on the first call.	95% of telephone inquiries resolved on the first call. This will be calculated by the number of telephone inquiries resolved and responded to on the first call divided by the total number of telephone inquiries received * 100.	2% of average monthly fees per quarter for each half percentage above the average, up to 10% total.
<b>Claims Processing Turnaround Time</b>		
Up to 15 business days	98% of "clean" claims (defined as claims with all the required	5% of average monthly fees per quarter for each 1% below 98%

	information to process being present with the submission) will be processed within fifteen (15) business days. This will be determined by total number of claims processed timely divided by the total number of claims processed *100.	up to 10% total.
<b>Claims Processing Turnaround Time</b>		
Up to 30 calendar days	99.5% of "clean" claims (defined as claims with all the required information to process being present with the submission) will be processed within thirty (30) calendar days. This will be determined by total number of claims processed timely divided by the total number of claims processed *100.	5% of average monthly fees per quarter for each 1% below 99.5% up to 10% total.

<b>Overall Claims Financial Accuracy</b>		
99%	99% of all claims payments will be adjudicated financially accurately. This will be determined by total number of dollars processed accurately divided by the total number of dollars processed *100.	5% of average monthly fees per quarter for each 1% below 99% up to 10% total.
<b>Overall Claims Payment Accuracy</b>		
97.5%	97.5% of all claims payments will be adjudicated without a payment error. This will be determined by total number of claims processed accurately divided by the total number of claims processed *100.	5% of average monthly fees per quarter for each 1% below 97.5% up to 10% total.
<b>Claims Processing-Procedural Accuracy</b>		
95%	95% of all claims will be processed without a data entry error or missing a County required field. This will be determined by the total number of claims processed without procedural error divided by total number claims * 100	5% of average monthly fees per quarter for each 1% below 95% up to 10% total.
<b>Implementation</b>		
10 days	ID cards will be delivered within 10 days after receipt of approved enrollment from The County.	
30 days	Dedicated Customer Service phone lines will be ready for service 30 days prior to the effective date. This would translate to phone lines being up by 7/2/15 for a 8/1/15 effective date.	7% of average monthly fees per quarter for each standard, up to 20% total for all implementation standards.



Effective Date	Benefit profile and all complete and accurate eligibility information for each eligible participant under the plan shall be loaded on to the claim system as of the plan's effective date. Requires all necessary information to be received no less than 30 days prior to the effective date. This would translate to information receipt no later than 7/2/15 for a 8/1/15 effective date.	
<b>Reporting Timeliness</b>		
100%	100% of standard reports are provided by the 10 <sup>th</sup> business day of each month. This is calculated by the number of reports delivered on schedule divided by the total number of reports required * 100.	1% of average monthly fees per year for every percentage below the Standard, up to 10% total. Performance measure does not include one month annually not meeting Standard, if 100% of reports are subsequently delivered by 20 <sup>th</sup> calendar day of month.
<b>Data Submission – Timeliness</b>		
100% delivered on time	100% of standard data extracts are provided for each vendor monthly according to specification. This is calculated by the number of data extracts delivered on schedule divided by the total number of data extracts required * 100.	1% of average monthly fees per year for every percentage below the Standard, up to 10% total. Performance measure does not include one month annually not meeting Standard, if data extract is subsequently delivered by 20 <sup>th</sup> calendar day of month.
<b>Data Submission – Accuracy</b>		
100% complete and accurate data files	100% of standard data extracts are provided for each vendor monthly that are complete and accurate according to specification. This is calculated by the number of data extracts delivered accurately divided by the total number of data extracts required * 100.	1% of average monthly fees per year for every percentage below the Standard, up to 10% total. Performance measure does not include one month annually not meeting Standard, if corrected data extract is submitted by 20 <sup>th</sup> calendar day of month.
<b>Eligibility</b>		
Eligibility data timeliness	Eligibility will be processed and loaded into Consultant's claim system within 48 hours of receipt.	.5% of average monthly fees per quarter for every time eligibility timeliness is not processed according to the standard, up to 5% total annually.
Eligibility data accuracy	Eligibility data accuracy will be 97% of audited files.	.5% of average monthly fees per quarter for every time eligibility accuracy is below the standard, up to 5% total annually.
<b>Monthly Stop-Loss Reporting</b>		
Reporting Requirements	- 50% report and trigger diagnosis report to Stop Loss Carrier and Ascendant Healthcare. Trigger Dx report to meet or exceed County	2% of average monthly fees per

	<p>or Stop Loss Carrier requirements.</p> <ul style="list-style-type: none"> <li>- 50% report to County's Designated Health Insurance Consultant.</li> <li>- Within 10-days following the end of the month.</li> <li>- Notification of advanced funding requests to County's Designated Health Insurance Consultant.</li> </ul>	<p>quarter for every reporting requirement that is not processed according to the standard, up to 10% total annually.</p>
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<b>On-site Representative</b>		
Availability and Notification	Available 95% of County regular operating hours, excluding vacations, holidays and any extenuating circumstances, e.g. emergency or protracted illness.	5% of average monthly fees per quarter for not meeting 95% availability standard, up to 10% total annually.
Notification	Notify County at least 5 business days prior to any scheduled vacation, and notify County the same business day once known for any absence due to illness or emergency purpose.	1% of average monthly fees per quarter for each missed notification, up to 5% total annually.
Response Time	95% 12-hour turnaround time for all calls and emails (i.e. calls received in AM each day returned by PM each business day; Calls received in PM each business day, returned by AM next business day.	.5% of average monthly fees per quarter for each missed response time, up to 5% total annually.
Issue Resolution / Escalation	95% of issues resolved a) on first call or within 24 hours (one business day); or b) issues requiring escalation referred within 24 hours (one business day) and notification provided to member.	.5% of average monthly fees per quarter for each missed response time, up to 5% total annually.
<b>Disaster Recovery</b>		
System Development	Present a Disaster Recovery Plan outline within thirty (30) days of contract execution.	10% of contract fees for each quarter in arrears.
System Implementation	Implement additional agreed upon disaster recovery improvements within agreed upon time frame(s).	10% of contract fees for each quarter in arrears.
System Testing & Audit	Complete validation testing of disaster recovery procedures within agreed upon time frame(s)	10% of contract fees for each quarter in arrears.