

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

DEPT: CEO - Risk Management

BOARD AGENDA: 6.B.5
AGENDA DATE: May 15, 2018

SUBJECT:

Approval of an Agreement with UMR, Inc. to Provide Third Party Administrator Services for the County's Self-Funded Employee Health Insurance Program Effective June 1, 2018 through December 31, 2020

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0216

On motion of Supervisor Withrow, Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None


1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: PAM VILLARREAL, Assistant Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: CEO - Risk Management

BOARD AGENDA:6.B.5
AGENDA DATE: May 15, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Approval of an Agreement with UMR, Inc. to Provide Third Party Administrator Services for the County's Self-Funded Employee Health Insurance Program Effective June 1, 2018 through December 31, 2020

STAFF RECOMMENDATION:

1. Approve an extension of the agreement for third party administration services for CEO-Risk Management, specifically the renewal ending date allowed in Request for Proposal (RFP) #14-38 MP, from June 30, 2020, to December 31, 2020 to coincide with the employee medical benefits selection period and calendar year.
2. Approve the agreement with UMR, Inc. for third party administrator services for the County's self-funded employee health insurance program from June 1, 2018, through May 31, 2019, with automatic annual renewals through December 31, 2020, subject to County option to terminate should annual market analysis, or a Request for Proposal, produce better options for the County plan.
3. Authorize the County Purchasing Agent to sign the approved agreement and any amendments not to exceed the maximum agreement amount.

DISCUSSION:

The current agreement for third party administrator (TPA) services for the County's self-insured medical benefits program is with POMCO Administrators, Inc. (POMCO) for the effective period of August 1, 2015, through June 30, 2018. POMCO was selected among five agencies that submitted proposals through a Request for Proposal process (RFP #14-38 MP) as the agency scoring the highest in the RFP's comprehensive evaluation process and determined to be the best qualified TPA for the County's self-funded employee health insurance program. The POMCO agreement contains a provision to renew the agreement for two additional one-year terms by mutual written agreement, but in no case shall the renewal extend beyond June 30, 2020.

Third party administrator services are an important component of the County's self-insured medical insurance model. The TPA vendor supports the delivery, management, and administration of employee medical benefits and plays a critical role in the processing and adjudicating of the County's approximately \$50 million in self-insured annual claims costs. POMCO'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.

In April 2017, UnitedHealthcare, one of the largest single insurance carriers in the United States, completed an acquisition of POMCO as part of its strategy to further expand access to health benefits and wellness initiatives in New York and to serve as one of its Northeast service hubs. Following the acquisition, POMCO continued to provide TPA services as usual to the County with the goal of transitioning all POMCO operations to UMR, Inc. (UMR), a UnitedHealthcare Company, by January 1, 2018.

County Counsel and the Chief Executive Office (CEO)-Risk Management Division received a letter from UMR in December 2017 stating that POMCO had assigned the County's TPA services agreement to UMR following the recent acquisition of POMCO and that effective January 1, 2018, UMR would assume all rights and obligations previously conferred to POMCO. UMR also stated its intent to enter into a mutually agreeable services agreement with the County that would better align with their business practices, noting that until such an agreement is executed, UMR would be committed to honoring the existing POMCO agreement.

In addition to third party administrator services, UMR also provides access to the UnitedHealthcare Choice Plus medical provider network, utilization management, and case management services for the County's approximately 285 enrolled participants and their families as a replacement for Anthem Blue Cross, which ended December 31, 2017. Upon notification of the pending POMCO transition to UMR, Anthem Blue Cross informed the County's medical plan consultants they were not willing to work with UMR as the County's TPA since the two agencies, top competitors in the medical industry, do not have a suitable working relationship. As part of the Anthem Blue Cross phase out process, POMCO has continued to process all Anthem claims incurred prior to January 1, 2018, with UMR processing all Stanislaus County Partners in Health dba Northern California Partners in Health claims regardless of the date incurred.

The County's medical plan consultants contacted several insurance carriers for plan information and quotes and determined that the UnitedHealthcare Choice Plus medical provider network contains virtually the same medical network access services as Anthem Blue Cross at a comparable cost. Provisions and costs for access to the UnitedHealthcare Choice Plus plan are also included in the UMR agreement.

During the negotiation process to incorporate agreed upon changes into the agreement so that it better aligned with UMR's business practices, a request was made that the agreement with UMR, Inc. extend the end date for the original POMCO agreement and any renewals from June 30, 2020, to December 31, 2020, in order to coincide with the employee medical benefits selection period and calendar year. During the transition of services from the County's previous TPA, Capitol Administrators, to POMCO, it became evident that having two separate TPAs during the same medical benefits plan year was very challenging and not beneficial to the program. Extending the RFP end date to December 31, 2020, should allow for a more expedient transition for the future TPA agreement, and potential new vendor, to begin services on the first day of the 2021 employee medical benefits selection period and calendar year.

The term of this agreement is for a period of twelve months and then automatically renews by mutual written agreement in 12-month periods until terminated. It is the CEO-Risk Management Division's intention to work closely with the County's medical plan consultants prior to each renewal to ensure rates remain competitive and the agreement remains in compliance with County Purchasing policies.

POLICY ISSUE:

The Board of Supervisors is asked to approve the agreement with UMR, Inc. to support the County's self-funded employee health insurance program in excess of \$100,000. Government Code sections 23005 and 25502.5 and County policy require Board of Supervisors' approval for all contracts exceeding \$100,000.

FISCAL IMPACT:

The County contracted with POMCO, Administrators, Inc. to provide third party administrator (TPA) services at the rates included in RFP #14-38 MP. UMR, Inc. has agreed to continue to provide TPA services at the year-three rate of \$16.50 per employee per month (PEPM), including retirees and COBRA participants, through December 31, 2020. As of April 1, 2018, there were 3,635 enrollees in the County's self-insured medical benefits program.

The fees paid to Anthem Blue Cross were approximately \$77,000 per year based on the current census of participants enrolled in Anthem. Under this agreement, the UMR rates for access to the UnitedHealthcare First Choice network, utilization management, and case management fees for participants enrolled in the out-of-area network are \$15.82 PEPM for 2018 and \$20.82 for 2019 and 2020, for an estimated cost of \$230,000 for all three years, or approximately \$76,700 per year.

The UMR, Inc. agreement also includes provisions to compensate UMR, Inc. for: recovery fees for subrogation/third party services and credit balances; more than one amendment to the Summary of Benefits and Coverage documents; Federal External Reviews in excess of five reviews; ad-hoc reports after ten hours per year; a reasonable per claim charge; and \$1,000 per audit for more than one audit per calendar year and any audit not completed within five business days, plus extraordinary expenses UMR, Inc. incurs in connection with the audit. The total maximum amount to be paid by the County for services provided in the agreement with UMR, Inc. shall not exceed \$3.5 million.

BOARD OF SUPERVISORS' PRIORITY:

Approval of the agreement to support the County's self-funded employee health insurance program supports the Board of Supervisors' priorities of *Delivering Efficient Public Services and Enhancing Community Health* by delivering third party administrator services to manage employee, retiree, and COBRA participants' medical claims processing and payments in a skilled and cost-effective manner, and providing the UnitedHealthcare First Choice medical plan network access, utilization management, and case management services to all out-of-area participants.

STAFFING IMPACT:

There is no staffing impact associated with this request. Staff from the Chief Executive Office-Risk Management Division, County Counsel, and General Services Agency Purchasing staff will continue to work closely with contracted medical plan consultants and associated vendors to provide ongoing management and oversight of the County's health insurance programs.

CONTACT PERSON:

Patrice Dietrich, Assistant Executive Officer. Telephone (209) 525-6333.

ATTACHMENT(S):

1. UMR, Inc. Medical Third Party Administrator Agreement

**AGREEMENT
FOR
PROFESSIONAL SERVICES**

This Agreement for Professional Services (the "Agreement") is made and entered into by and between the County of Stanislaus ("County" or "Customer") and UMR, Inc. ("Consultant" or "UMR"). This Agreement covers the services UMR is providing to County, either directly or in conjunction with one of UMR's affiliates, for use with County's Self-Funded employee benefit plan and apply to claims for Plan benefits that are incurred on or after the Effective Date.

This contract replaces the prior agreement between County and POMCO, as a result of the UMR purchase effective March 31, 2017; the POMCO agreement assigned to UMR through May 31, 2018.

UMR, Inc. identifies this arrangement as Contract No.: 76-413090

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:

Definitions

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

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

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

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

IRS: The United States Internal Revenue Service.

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

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

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

Participant: Employee, retiree, COBRA continue and dependent who is covered by the Plan.

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

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

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

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

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

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

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

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

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, County laws, and other laws, ordinances, regulations and resolutions. The County also agree to comply with applicable federal, state, County laws, and other laws, ordinances, regulations and resolutions with respect to the Agreement. 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.

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

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

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

1.9 Affiliated Employers. Customer represents that together Customer and any of its affiliates covered under the Plan make up a single "controlled group" as defined by the IRC. Customer agrees to provide UMR with a list of Customer's affiliates covered under the Plan upon request.

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

UMR will be entitled to rely on the most current information in UMR's possession regarding eligibility of Participants in paying Plan benefits and providing other services under this Agreement. UMR shall be entitled to rely upon any written communication from Customer,

its designated employees, agents or authorized representatives.

1.11 Notices to Participants. Customer will give Participants the information and documents they need to obtain benefits under the Plan in accordance with applicable regulations and laws. In the event this Agreement is discontinued, Customer will notify all Participants that the services UMR is providing under this Agreement are discontinued.

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 Due Dates, Payments, and Penalties. Customer agrees to pay fees to UMR based on the monthly invoice UMR provides. The Due Date for payment of the invoiced amounts is on the last day of the month for such billing period. Such invoices are provided on an eligibility-based format, and therefore payment must be made as billed (no adjustments are allowed to the invoice). Adjustments to monthly billing statements for retroactive enrollment or eligibility changes will be performed based on information provided by Customer. Requests for fee adjustment must be made in a timely manner but no more than three (3) months following the date of the change.

Late Payment. If amounts owed are not paid as required as stated on the Due Date on the invoice and shall be no less than 30 days to make payment, Customer will be provided with a notice of default and Customer will have fifteen (15) days from their receipt of the notice to cure. As long as the customer is working with UMR to cure the issue UMR will not terminate this Agreement for non payment. However if Customer does not cure, UMR may terminate this Agreement as provided for in this Agreement. If any portion of the fee is disputed, Customer shall pay UMR the undisputed portion as provided herein, and shall provide written details to UMR prior to the date payment is due, explaining Customer's good faith basis for disputing such fee. Customer may withhold the disputed portion during pendency of such dispute, during which time both parties agree to use commercially reasonable efforts to resolve the dispute.

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 the period of twelve (12) months commencing effective June 1, 2018 unless terminated pursuant to sections 3.2, 3.3, or 3.4 of this Agreement. This Agreement will automatically renew by mutual written agreement of the parties for additional 12-month periods until the Agreement is terminated.

3.2 Should either party materially breach any of its provisions other than by non-payment or late payment of fees owed by County or the funding of Plan benefits, and does not correct the breach within thirty (30) days after being notified in writing by the other party, the other party, at that party's option, may terminate this Agreement by giving such written notification to the other party.

3.3 After the initial term, either party may terminate this Agreement for convenience and without cause upon providing sixty (60) 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) in the event of a filing by or against the either party of a petition for relief under the Federal Bankruptcy Code or insolvency of either party, or (b) sale of Consultant's business, or (c) the Plan terms (d) both parties agree in writing to terminate the Agreement or (e) any state or other jurisdiction prohibits a party from administering the Plan under the terms of this Agreement, or imposes a penalty on the Plan or UMR and such penalty is based on the administrative services specified in this Agreement. In this situation, the party may immediately discontinue the Agreement's application in such state or jurisdiction. Notice must be given to the other party when reasonably practical. The Agreement will continue to apply in all other states or jurisdictions, or (f) As otherwise specified in this Agreement.

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

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 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 in which the County is included as an Additional Insured, 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, in which the County is included as an Additional

Insured 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 canceled by either party except after thirty (30) days' prior written notice has been given to County.

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.

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.

6.9 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.

6.10 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 records prepared or compiled in connection with the performance of this Agreement for as long as UMR is required to do so by Federal laws, regulations and other applicable legislation.

9.2 Access to Information. Other than as provided for in Section 9.3, if Customer needs UMR's Proprietary Business Information in order to administer the Plan, UMR will allow Customer to use UMR's Proprietary Business Information, if it is legally permissible, the information relates to UMR's services under this Agreement, and Customer gives UMR reasonable advance notice and an explanation of the need for such information. Such use is subject to the terms of this Agreement.

If Customer is subject to a California Public Records Act (PRA) request and the request includes UMR's Proprietary Business Information, Customer will contact UMR prior to releasing UMR's Proprietary Business Information and give UMR the opportunity to review, respond and/or object to the FOIA request.

UMR will provide information only while this Agreement is in effect and for a period of six (6) months after the Agreement terminates, unless Customer demonstrates that the information is required by law or for Plan administration purposes.

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

9.3 Consultant shall reconcile bank statements monthly and immediately provide a copy of the reconciliation to the County as set forth under Section A3 Providing Funds for Benefits.

9.4 Audits. During the term of the Agreement, and at any time within six (6) months

following its termination, a mutually agreeable entity may audit UMR once each calendar year to determine whether UMR is fulfilling the terms of this Agreement. Prior to the commencement of this audit, UMR must receive a signed, mutually agreeable confidentiality agreement.

Customer must advise UMR in writing of its intent to audit. The place, time, type, duration, and frequency of all audits must be reasonable and agreed to by UMR. All audits will be limited to information relating to the previous eighteen (18) months. With respect to UMR's transaction processing services, the audit scope and methodology will be consistent with generally acceptable auditing standards, including a statistically valid random sample or other acceptable audit technique as approved by UMR ("Scope").

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

In addition to Customer's expenses and any applicable fees, Customer will also pay any extraordinary expenses UMR incurs in connection with the audit. UMR will consult with the County prior to billing for such expenses. Examples of extraordinary expenses include unusual personnel expenses (including overtime), overnight mail fees, bulk shipments, printing services etc. For any audit initiated after this Agreement is terminated, Customer will pay all expenses incurred by UMR.

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

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

10. Proprietary Business Information

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

written consent. This provision shall survive the termination of this Agreement.

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. Except as provided in this paragraph, Neither party Consultant shall not assign or subcontract this Agreement or any rights or obligations under this Agreement to anyone without the other party's 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. Nevertheless, UMR can assign this Agreement, including all of its rights and obligations to UMR's affiliates, to an entity controlling, controlled by, or under common control with UMR, or a purchaser of all or substantially all of UMR's assets, subject to advance notice to Customer of the assignment.

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 provided via electronic means or by and may be personally served or, alternatively, sent by, United States Postal Service by certified or registered mail, return receipt requested, postage prepaid, or delivered by a service that provides written receipt of delivery to the respective parties as follows:

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

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

To Consultant: UMR, Inc.
400 E. Business Way, Suite 100
Cincinnati, OH 45241

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

Except as may otherwise be specified in this Agreement, 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, with its exhibits, constitutes the entire agreement between the parties governing the subject matter of 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.

22. Fees

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

22.2 Changes in Fees. UMR can change the fees on each Term anniversary ("Renewal Term"). UMR will provide Customer with sixty (60) days prior written notice of the revised fees for subsequent Renewal Terms. Any such fee change will become effective on the later of the first day of the new Renewal Term or thirty (30) days after UMR provides Customer with written notice of the new fees. UMR will provide Customer with a new Exhibit B that will replace the existing Exhibit B for the new Renewal Term.

UMR also can change the fees (i) any time there are changes made to this Agreement or the Plan, which affect the fees, and (ii) when there are changes in laws or regulations which affect or are related to the services UMR is providing, or will be required to provide, under this Agreement, including the Taxes and fees noted in Section 5 Taxes And Assessments (Any new fee required by such change will be effective as of the date the changes occur, even if that date is retroactive.

If Customer does not agree to any change in fees, Customer may terminate this Agreement upon sixty (60) days written notice after Customer receives written notice of the new fees. Customer must still pay any amounts due for the periods during which the Agreement is in effect.

23. Taxes And Assessments

23.1 Payment of Taxes and Expenses. In the event that any Taxes are assessed against UMR as a claim administrator in connection with UMR's services under this Agreement, including all topics identified in Section 23.3 Customer will reimburse UMR through the Bank Account for Customer's proportionate share of such Taxes (but not Taxes on UMR's net income). UMR has the authority and discretion to reasonably determine whether any such Tax should be paid or disputed. To the extent permitted by law and regulations, Customer will also reimburse UMR for a proportionate share of any cost or expense reasonably incurred by UMR in disputing such Tax, including costs and reasonable attorneys' fees and any interest, fines, or penalties relating to such Tax, unless caused by UMR's unreasonable delay or unreasonable determination to dispute such Tax.

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

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

24. Plan Benefits Litigation

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

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

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

24.4 Litigation Fees and Costs. All reasonable legal fees and costs UMR incurs will be paid by Customer (except as provided in Section 7.1) if UMR gives Customer reasonable advance notice of UMR's intent to charge Customer for such fees and costs, and UMR consults with Customer (including selection of outside counsel) in a manner consistent with UMR's fiduciary obligations on UMR's litigation strategy.

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

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

24.7 Survival. This provision shall survive the termination of this Agreement.

25. Subcontractors

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

26. No Third Party Beneficiaries


Nothing in this Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

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

UMR, INC.

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

By: 
Adeline A. Murray, Regional Contract
Manager – UMR Contracts

"County"

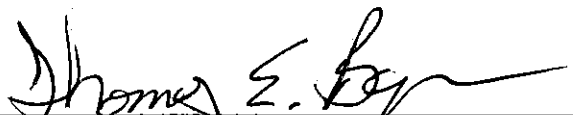
"Consultant"

APPROVED: BOS Resolution # 2018-0216
Dtd. 5-15-18

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

By: 
Patrice Dietrich, Assistant Executive Officer

APPROVED AS TO FORM:

By: 
Thomas E. Boze, Assistant County Counsel

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EXHIBIT A SCOPE OF WORK

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

Section A1 Network – UHC CHOICE PLUS NETWORK (OUT OF AREA PARTICIPANTS ONLY NOT COVERED BY HEALTH PARTNERS OF NORTHERN CALIFORNIA)

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

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

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

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

Section A2 Recovery Services

Claim Recoveries. In the event an Overpayment is made, UMR shall make an attempt to recover Overpayments using its Overpayment recovery procedures. In the event the recovery attempts are unsuccessful, UMR will follow its established overpayment recovery rules for an escalated recovery process. Recovery attempts will remain open for a minimum of twelve months.

Subrogation. UMR will also provide services to recover Plan benefits that were paid and are recoverable by the Plan because payment was or should have been made by a third party for the

same medical expense (other than in connection with coordination of benefits, Medicare, or other Overpayments). This is referred to as "Third Party Liability Recovery" (or "subrogation"). Customer will not engage any entity except UMR to provide the services described herein without UMR's prior approval.

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

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

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

Fraud and Abuse Management. UMR's Special Investigation Unit reviews and investigates potentially fraudulent or inappropriate billings submitted by providers and Participants. Following investigation, the identified Claims are either paid in accordance with the Plan, or are denied for such reasons as are uncovered by the Special Investigation Unit. Fraud and Abuse Management processes will be based upon UMR's proprietary and confidential procedures, modes of analysis and investigations.

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

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

Section A3 Providing Funds for Benefits

Responsibility. The Plan is Self-Funded. Customer is solely responsible for providing funds for payment for all Plan benefits payable to Participants, Network Providers, or non-Network Providers.

Control of Plan Assets. In the event that the Plan is found to have Plan assets, the Customer shall have absolute authority with respect to such Plan assets, and UMR shall neither have nor be deemed to exercise any discretion, control or authority with respect to the disposition of Plan assets.

Bank Account. The County has a custodial banking arrangement. This is an arrangement where UMR will open a bank account under UMR's name and Tax ID. This account will be replenished weekly, based on payments issued. UMR will be responsible for all aspects of the account management including reconciliation, positive pay, stop payments and check maintenance.

Company Name: All checks issued by UMR on behalf of your group will show the UMR logo and will read, along with County group number in the upper left hand corner.

Weekly Notifications: Your weekly email notifications will be sent from the UMR-UMR Funding email box. These emails will notify the County of the disbursement dollars for the week and associated ACH Debit transaction. All email notifications will be sent to County and its designees as identified by the County.

Check Release Day: UMR will issue payments on a weekly basis to be agreed upon by the County and UMR. UMR will also make payments on behalf of the County for an "end of month" claim run. UMR may call for an urgent release of a claim payment. This could cause a payment to be released off-cycle. These exceptions will be included in the County's weekly claim funding amount.

Weekly Funding Method: The County's custodial account must be funded weekly per payments issued. through the custodial account weekly by ACH Debit. UMR will provide the County's main cash disbursement reporting via our on-line check register. Users can be given access to the register by 3 levels of security:

1. Strictly check register information,
2. Check register plus payee name and address,
3. PHI information such as basic member/claim detail for medical activity.

All information is updated daily and is available for download into MS Excel. UMR also provide monthly Financial Reporting available on-line by the 3rd workday of the month. This report will summarize your account for the month. There are 2 levels of user access for the financial reports, PHI and non-PHI. Access to plan information will be coordinated with the County's Privacy Officer and Risk Management staff.

Provider Refunds/Outside Reimbursements (OSR). UMR receives provider reimbursements on behalf of all customers. Custodial banking customer's refund dollars are typically returned via an ACH Credit and are not used as a credit towards weekly funding requirements. The ACH Credit settles the 4th Monday of the following month, with exceptions for holidays. In our experience, this refund method enables UMR to keep clean audit and reconciliation records for the custodial bank account. Detail reporting will be provided within the monthly financial reports. Note: It may take a few months for this type of activity to appear.

Services. UMR shall be responsible for the performance of Bank Account reconciliation. UMR agrees to send search letters to payees of uncashed checks in accordance with UMR's established procedures. Uncashed checks will be returned to the Plan as soon as reasonably possible after search efforts have ceased. In no event shall UMR become a holder of unclaimed property, as defined in any applicable unclaimed property law.

Payment Authorization. Authorization to release payments drawn on Customer's Bank Account will be provided by UMR once Customer's funding obligations have been met. UMR offers various frequencies (check holds) for the printing and release of checks. The check hold on a Bank Account must have a month end clear. A month end clear means any checks held in queue at the end of the month will be printed and released on the last working day of the month. UMR will provide weekly reports regarding cash disbursements to Customer.

Timing. On behalf of Customer, UMR will initiate weekly reimbursement of Customer's Bank Account via ACH debit.

Account Balance. In the event the disbursement activity creates a deficit in the account, UMR will immediately notify Customer. A wire deposit to Customer's Bank Account must be made to fund all unpaid Claims within two business days. Customer agrees to pay overdraft charges, when applicable, related to the maintenance of the Bank Account. UMR will maintain the Bank Account for a period of one hundred eighty (180) days after the last check is cut or one hundred eighty (180) days after the date of the oldest outstanding check. Customer is responsible for paying UMR the monthly banking maintenance fee as stated on the Fee Schedule for as long as the account remains open.

Section A4 Claims Determinations and Appeals

Claim Procedures. Customer appoints UMR a named fiduciary under the Plan with respect to (i) performing initial benefit determinations and payment, (ii) performing the fair and impartial review of first level internal appeals and (iii) performing the fair and impartial review of second level internal appeals (if applicable). As such, Customer delegates to UMR the discretionary authority to (i) construe and interpret the terms of the Plan, (ii) to determine the validity of charges submitted to UMR under the Plan, and (iii) make final, binding determinations concerning the availability of Plan benefits under the Plan's internal appeal process, all in compliance with applicable law and regulation. In the event that Customer has not finalized the Summary Plan Description (SPD) before UMR receives an appeal from a Participant, then UMR will follow the claims installation documents that Customer approved, or if needed, UMR will contact Customer for applicable information. Participants who receive an adverse benefit determination can file an appeal with UMR within the timelines established in Customer's SPD. It is understood that UMR will provide one or two appeal levels for claims that it has processed, as mutually agreed to in writing by the parties. UMR agrees to send an appealed claim to an independent reviewer if required by Department of Labor or Department of Health and Human Services. In addition, and if applicable to Customer's Plan, UMR agrees to send a voluntary appeal to an independent review organization in compliance with health care reform regulations. Customer understands that the cost of such mandated independent reviews will be the responsibility of Customer, unless otherwise stated in the Fee Exhibit. It is understood that UMR is not responsible for handling appeals on claim-related decisions that were originally made by another vendor of Customer's. Customer acknowledges and agrees that certain services provided by UMR and as described in the Summary Plan Description will comply with federal laws and regulations, as provided for under ERISA.

Section A5 System Access

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

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

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

Schedule of Services

A. CLAIMS ADMINISTRATION SERVICES

Service	Comments
Claims for Plan benefits must be submitted in a form that is satisfactory to UMR in order for UMR to determine whether a benefit is payable under the Plan's provisions. Customer delegates to UMR the discretion and authority to use UMR's claim procedures and standards for Plan benefit claim determination.	
Implementation of Customer's benefit plans and payment of claims.	UMR will process only those claims which are incurred on or after the effective date of this Agreement.
Standard claims processing including: <ul style="list-style-type: none"> • Re-pricing and payment of claims. • Auto and manual adjudication using proprietary software. • Provide an Explanation of Benefits (EOB) notice to Participants and Remittance Advice (RA) statement to providers as required • Prepare and mail 1099's to providers and other vendors, using UMR's name and tax identification number. 	
Standard coordination of benefits for all claims	UMR pays claims for Medicare-eligible persons as either primary or secondary, based on the Medicare Secondary Payor Rules.
Claims Run-Out Services. UMR will process all claims received up to the date of termination of this Agreement. Any unprocessed claims will be denied, unless Customer requests claims run-out services (unprocessed claims incurred prior to the	If the Agreement terminates because Customer fails to pay UMR fees due, fails to provide the funding for the payment of benefits, or UMR terminates for any other material breach, run-out will not apply.

Service	Comments
<p>termination date) at a mutually agreed upon fee prior to the termination of this Agreement. In the event that UMR receives claims after the run-out period expires, then UMR will deny the claim.</p>	<p>Suspension of Run-out Processing If Customer does not pay the run-out fees it owes UMR when due as set forth above, UMR will notify Customer. If Customer does not make the required payment UMR may stop issuing checks and non-draft payments and suspend its run-out claims processing under this Agreement, such suspension to apply to all claims regardless of dates of service and shall remain in effect until such date when Customer makes the required payment.</p> <p>Termination of Run-out Processing Run-out claims processing will terminate if Customer fails to provide the required funds for payment of benefits under the terms of this Agreement. Such termination shall apply to all claims regardless of dates of service.</p>
<p>Foreign service procedures</p>	<p>Participants who receive services in a country other than the United States must pay the claim and then submit the claim to UMR for reimbursement. UMR will reimburse the Participant for any covered amount in U.S. currency. The reimbursed amount will be based on the U.S. equivalency rate that is in effect on the date the Participant paid the claim, or on the date of service if paid date is not known.</p>
<p>State Surcharges. If during the term of the Agreement UMR receives a surcharge invoice from a state for the Plan or claims paid under the Plan, UMR agrees to submit applicable payments to the state on behalf of Customer. The amount due to the state will be withdrawn from Customer's claims bank account.</p>	<p>This service does not apply to New York Surcharges.</p>
<p>Claim Reprocessing. Customer requests to reprocess certain claims.</p>	<p>No fee is charged for claims being reprocessed</p>
<p>Credit Balance Recovery Program.</p>	<p>UMR has a contract with a cost containment recovery vendor that routinely reviews credit balances, primarily at large hospitals and providers of service throughout the United States. Vendor works with the hospital/provider to identify amounts that have been overpaid due to inaccurate billings and other reasons. Vendor then verifies that the patient was covered by a Plan that UMR administers, and works with the facility or provider to recover the overpayment for the Plan. The applicable credit, less recovery fee, is forwarded to the Customer.</p>

Service	Comments
<p>New York Surcharge Services: Upon acceptance from the New York Public Goods Pool, UMR agrees to compile and forward to the State of New York, an electronic report that shows the liability that Customer has for covered lives, patient services and total amount due from Customer. The report is compiled on a monthly or annual basis in accordance with the requirements of the State of New York for Customer. UMR agrees to file the report and send the applicable payments to the State of New York via a draw from Customer's bank account.</p>	<p>It is understood that Customer is solely responsible for completing necessary New York Surcharge election forms and responding to inquiries regarding the election.</p> <p>In the event that a claim is adjusted after the New York Surcharge fee has been paid and the adjustment affects how much the provider actually receives, UMR will make an adjustment on a future report to the State.</p>

B. MEMBER SERVICES

Service	Comments
<p>Toll-free access to a customer care unit</p> <p>Employee access to a member website enabling Participants to:</p> <ul style="list-style-type: none"> • Check claim status. • Check eligibility information. • Search for providers and online health information. 	
<p>Identification Cards. UMR will provide standard ID cards (including replacement cards) for each employee who is covered under Customer's Plan.</p>	<p>Customer may, at its option, order customized ID cards at an additional cost.</p>

C. CUSTOMER REPORTING SERVICES

Service	Comments
<p>UMR will provide Customer with the following standard reports through encrypted online access.</p>	
<p>Banking. Online access to the check register, searchable for disbursement information at the transaction level.</p>	
<p>Monthly Online Reports (Plan Performance). Online access to monthly reports containing Plan performance details. Customer can also use online data to develop ad-hoc queries such as census information, claim activity and large claim detail.</p>	
<p>Eligibility and Benefits Inquiry. Online eligibility inquiry provides Customer with access to Participant eligibility information. Online benefit inquiry provides specific benefit information for each Participant.</p>	
<p>Claims Inquiry. Customers can review the status of participant claims online. Customer is responsible for ensuring that its employees comply with HIPAA privacy regulations.</p>	

Service	Comments
Annual Report. Provides the information that Customer can use to complete the 5500 form or 990 form.	
Customization, non-standard or ad hoc reports	Fees are determined on a report-specific basis
UMR reserves the right, from time to time, to change the content, format and/or type of UMR's reports.	

D. OTHER SERVICES

Service	Comments
Summary Plan Description (SPD) Assistance. Customer will develop the SPD(s). Customer is responsible for ensuring that UMR has a current copy of the SPD and all amendments for each product administered by UMR prior to or concurrent with the effective date of this Agreement or the effective date of amendments, as applicable.	If the SPD is not finalized sufficiently in advance of the Effective Date of UMR's services, UMR will utilize benefits and exclusions that UMR has created based on its understanding of Customer's Plan design and which Customer has reviewed and approved. UMR will administer claims and otherwise provide UMR's services in accordance with information and it will govern and remain in full force and effect until a final SPD is provided to UMR.
SPD Exception Processing. In the event Customer wants UMR to make an exception to Customer's Summary Plan Description (SPD), Customer must notify UMR in writing of such exception using a form designated by UMR. Customer is fully and solely responsible for any compliance or stop loss issues that may occur as a result of making an exception to its SPD.	UMR shall not be liable to any degree when following directions from Customer, its employees or agents, and Customer agrees to indemnify UMR and hold it harmless from and against any and all claims arising from Customer's decision to make an exception to the SPD.
<p>Summary of Benefits and Coverage (SBC) Services. Upon receipt of a completed service election form from Customer, UMR agrees to provide the following (SBC) services:</p> <ul style="list-style-type: none"> • Draft one standard full SBC per benefit Plan design if UMR is the only vendor administering benefits for Customer; or • Draft one standard partial SBC per benefit Plan design if UMR administers the medical Plan but Customer utilizes external vendors for other benefits. • Provide one SBC update per year if needed. • Post the final approved SBC to UMR's web portal for Customer. 	<p>Customer is responsible for providing UMR with written details about the Plan and benefit changes in an agreed upon period of time prior to the date Customer needs the final SBC from UMR.</p> <p>Customer is responsible for completing sections of the SBC related to Customer and external vendors, if any, and returning applicable details to UMR within an agreed upon timeframe.</p> <p>Customer is responsible for complying with SBC regulations, including but not limited to distribution of SBC's to Participants. In the event that Customer requests UMR to provide other non-standard SBC services, UMR will charge a reasonable fee for agreed upon services.</p>
Stop Loss Reporting. UMR will use commercially reasonable efforts to identify,	Customer is responsible for providing UMR with a copy of the stop loss policy by the

Service	Comments
<p>track and file paid specific stop loss insurance claims with the stop loss carrier, on behalf of Customer.</p> <p>If Customer has aggregate stop loss coverage, UMR agrees to notify the stop loss carrier of any potential Claims that exceed the stop loss policy's attachment point.</p>	<p>effective date of this Agreement or as soon thereafter as reasonably possible, if UMR did not place Customer's stop loss coverage with the carrier.</p> <p>No priority will be given to process claims because the stop loss year is coming to a close. In no event shall UMR have any liability for coverage decisions taken or any omissions by any stop loss insurance carrier, and UMR shall not be held liable for any claims not covered by the stop loss carrier even if such claims were paid by the Plan. It is understood that UMR cannot represent or warrant a carrier's stop loss coverage or any terms of a carrier's stop loss coverage.</p> <p>Customer and its third party stop loss carrier may be required to execute UMR's standard nondisclosure and indemnification agreement prior to UMR providing any stop loss information</p>
<p>Transition to new Third Party Administrator (TPA). UMR will cooperate with Customers' transition to a new TPA upon termination of this Agreement and will provide cancellation reports to Customer upon request.</p>	
<p>Medicare Secondary Payer Reporting. UMR shall provide to applicable parties the applicable reports in a time and manner as required according to the Medicare Secondary Payer Mandatory Reporting Provisions (the Reporting Requirements) in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007. UMR shall not be responsible for any noncompliance penalties in connection with the Reporting Requirements that are related to Customer's failure to provide the required data.</p>	<p>Customer agrees to provide to UMR in a timely manner and in an agreed upon format any and all data that UMR requires to comply with the Reporting Requirements.</p>
<ul style="list-style-type: none"> • Eligibility and participant enrollment 	<p>UMR will maintain eligibility database based on eligibility data received from the County. New enrollments, status changes and terminatiuons will be processed within 72 hours of receipt by UMR and,</p> <ul style="list-style-type: none"> • Provide daily/weekly claim file information in standard 837 format for claims re-pricing to County's designee. • Provide monthly eligibility and claim files in standard 834 and 835 formats

Service	Comments
	<p>(or other agreed upon file formats) respectively to the County's designee no later than the 15th calendar day of the following month.</p> <ul style="list-style-type: none"> • Provide data extracts to County designated vendors according to County specifications and as agreed to by both parties.
<ul style="list-style-type: none"> • ACA Reporting 	<p>Upon request, UMR will assist the County by preparing an eligibility report that will support the County in preparing and filing the County's ACA forms..</p>
<ul style="list-style-type: none"> • Open Enrollment 	<p>UMR will attend County open enrollment meetings, up to six meetings per year.</p>
<ul style="list-style-type: none"> • On-site representative 	<p>UMR will provide an on-site customer service representative, available to assist plan participants during County business hours.</p>
<ul style="list-style-type: none"> • Weekly performance 	<p>UMR will produce weekly reporting of the following service metrics:</p> <ul style="list-style-type: none"> • Customer service (including providers) average speed of answer (ASA), • Customer service average hold time • Customer service abandonment rate • Average call time • % of calls meeting the target ASA • Total calls • Answered calls • Abandoned calls • Claim inventory (# of claims and total dollars) <ul style="list-style-type: none"> ○ Repricing and pre-processing ○ In process and pre-adjudication ○ Post adjudication and pre-payment ○ Claim detail in each category
<ul style="list-style-type: none"> • Explanations of benefits (EOBs) and explanations of provider payments (EOPPs) 	<p>UMR will provide all members and providers an explanation of benefits for all services processed by the plan, including the following information:</p> <ul style="list-style-type: none"> • Member name • Date of service • Name of provider • Amount billed • Amount allowed • Applicable member co-payment of other cost-sharing • Date EOB/EOPP is prepared • Language required by PPACA and other applicable regulations

Service	Comments
	<ul style="list-style-type: none"> • Reasons for claim denial or other status • UMR member contact information
<ul style="list-style-type: none"> • Performance guarantees 	Consultant is responsible for adherence to certain performance standards as contained in Exhibit B of this Agreement.

**EXHIBIT B
SERVICE FEES**

This exhibit lists the fees Customer must pay UMR for UMR's services during the term of the Agreement. Unless otherwise noted, these fees apply for the period from January 1, 2018 through December 31, 2020. Customer acknowledges that the amounts paid for administrative services are reasonable.

All fees shown as per employee per month (PEPM) unless otherwise noted

Administration and access fees	Renewal Fees 1/1/2018	Renewal Fees 1/1/2019	Renewal Fees 1/1/2020
Medical claims	\$16.50	\$16.50	\$16.50
Medical client advisor commission	Net	Net	Net
Required stop loss interface fee	included	included	included
Anthem Access fee- all other	N/A	N/A	N/A
Anthem Access fee – California	N/A	N/A	N/A
UnitedHealthcare Choice Plus network access fee Out-of Area Only	\$11.87	\$16.87	\$16.87
Utilization management (UM) and Case Management (CM) Out of Area Only	\$3.95	\$3.95	\$3.95
NurseLine (NL)	included	included	included
IP Review - per claim	included	included	included
External Pharmacy Benefit Manager (PBM) Interface	Included	Included	Included
AmWell interface	included	included	included

Service Code	ITEM	FEE and BASIS
	Medical Fees	
0001	Base Medical Fee	Refer to table above
	ID Card Services	
0200	Mail ID Cards to Employee's Home	Included in Base Fee
	Banking Services	
0307	Custodial Banking Maintenance Charges	No Charge
0321	Pre-authorized Check Release	No Charge
	Reporting/Special Data Services	
0402	Development of Production Custom Reports/File Feeds	No Charge
0417	Custom Ad-Hoc Reports – Request System	\$100/hr. after 10 hours per year
1203	New York Surcharge – Filing and Administration	Included in Base Fee
	Network/Managed Care – Out of Area Subscribers only	
1406	Network Access Fees • UnitedHealthcare Choice Plus PPO - Out of Area Subscribers only	Refer to table above
	Care Management and Outreach Services - Out of Area Subscribers only	
0742	Stand-alone Utilization Management (Examination of medical services for appropriateness of care prior to services being provided, in accordance with Employer's SPD. Also includes independent medical reviews needed for this service. In the event that Medicare is the primary payer for a Claim, these services will be provided after Medicare funds have been exhausted.) - Out of Area Subscribers only	Refer to table above

Service Code	ITEM	FEE and BASIS
0743	Stand-alone Case Management (Individual case management services will be provided to Participants who meet the criteria for case management including complex treatment plans, catastrophic events, trauma and chronic illness. In the event that Medicare is the primary payer for a Claim, these services will be provided after Medicare funds have been exhausted.) Out of Area Subscribers only	Included in Service Code 0742
0838	External Telemedicine Claim Processing Fee	Refer to table above
0175	Plan Advisor for Members with IVR (Model 1)	Included in Base Fee
9918	NurseLine SM - provides 24-hour access to registered nurses - Out of Area Subscribers only	Refer to table above
	Billing	
0804	Outside Vendor Payments	No Charge
	Claim Services	
0105	Subrogation Services	Included in Base Fee
0174	Credit Balance Recovery	20% of recoveries
0136	Preferred Stop Loss Interface Fee	Included in Base Fee
0140	Claim Reprocessing	\$Fee Waived
	Other Fees	
0146	IP Review	Refer to table above
0832	Inbound Pharmacy Reporting - With existing PBM	No Charge
2130	Federal External Reviews	\$500 per review after five reviews
0926	Full/Partial Summary of Benefits and Coverage (SBC) creation with data UMR has on file for the Plan. Includes initial SBC plus one amendment per year; electronic version only provided to Customer.	No Charge
0927	Two or more Summary of Benefits and Coverage (SBC) amendments requested by Customer per year	\$500 Per SBC Per Benefit Plan
0928	Inclusion of outside vendor data in Summary of Benefits and Coverage (SBC) document, in UMR's standard format.	Included in Base Fee
0929	Print and Ship Summary of Benefits and Coverage (SBC) to Employee at open enrollment	Cost plus Postage
1014	Support for Integrated Rx-Medical Accumulators	Included in Base Fee
1501	Assume Claims Fiduciary Responsibility	Included in Base Fee
9949	External Pharmacy Manager (PBM) Interface	Included in Base Fee
2130	Federal External Reviews	\$500 per review after five reviews

PEPM means Per Employee Per Month (covered employee, retiree or COBRA participant.)

The above fees do not include state or federal surcharges, assessments, or similar taxes imposed by governmental entities or agencies on the Plan or UMR, including but not limited to those imposed pursuant to The Patient Protection and Affordable Care Act of 2010, as amended from time to time as these are the responsibility of the Plan.

The parties hereto acknowledge the maximum amount to be paid by the County for services as noted in Exhibit B and provided under this Agreement shall not exceed \$3,500,000, 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. Should additional services be requested, beyond the scope of those listed in Exhibit B, and/or enrollment assumptions change by 15%, UMR reserves the right to reassess this administrative fee cap. If such change occurs in this administrative fee cap, the parties will agree in good faith to negotiate an amendment.

**EXHIBIT C
PERFORMANCE GUARANTEES**

UMR 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 UMR'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. UMR 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
Telephone Call Availability & Answering Speed		
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 UMR call queue.	2% of average monthly fees per quarter for every second above the average, up to 10% total.
Telephone Call Abandonment Rate		
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.
First Call Resolution		
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.
Claims Processing Turnaround Time		
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.
Claims Processing Turnaround Time		
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.

Overall Claims Financial Accuracy		
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.

Overall Claims Payment Accuracy		
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.

Claims Processing-Procedural Accuracy		
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.

Implementation		
10 days	ID cards will be delivered within 10 days after receipt of approved enrollment from The County.	7% of average monthly fees per quarter for each standard, up to 20% total for all implementation standards.
N/A	Plan Advisor 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 12/1/2017 for a 1/1/2018 effective date.	
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 12/1/2017 for a 1/1/2018 effective date.	
Reporting Timeliness		
100%	100% of standard reports are provided by the 10 th 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 th calendar day of month.
Data Submission – Timeliness		
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 th calendar day of month.
Data Submission – Accuracy		
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 th calendar day of month.
Eligibility		
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.
Monthly Stop-Loss Reporting		
Reporting Requirements	- 50% report and trigger diagnosis report to Stop Loss Carrier and Ascendant Healthcare. Trigger Dx report to meet or exceed County or Stop Loss Carrier	2% of average monthly fees per quarter for every reporting

	<p>requirements.</p> <ul style="list-style-type: none"> - 50% report to County's Designated Health Insurance Consultant. - Within 10-days following the end of the month. - Notification of advanced funding requests to County's Designated Health Insurance Consultant. . 	<p>requirement that is not processed according to the standard, up to 10% total annually.</p>
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On-site Representative		
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.
Disaster Recovery		
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.

EXHIBIT D – BUSINESS ASSOCIATE AGREEMENT

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

The parties hereby agree as follows:

1. DEFINITIONS

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

2. RESPONSIBILITIES OF BUSINESS ASSOCIATE

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

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

- 2.5 in accordance with 45 C.F.R. 164.502(e)(1)(ii) and 45 C.F.R. 164.308(b)(2), ensure that any subcontractors of Business Associate that create, receive, maintain or transmit PHI on behalf of Business Associate agree, in writing, to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate with respect to that PHI.
- 2.6 make available its internal practices, books and records relating to the use and disclosure of PHI to the Secretary for purposes of determining Covered Entity's compliance with the Privacy Rule.
- 2.7 after receiving a written request from Covered Entity or an Individual, make available an accounting of disclosures of PHI about the Individual, in accordance with 45 C.F.R. 164.528.
- 2.8 after receiving a written request from Covered Entity or an Individual, provide access to PHI in a Designated Record Set about an Individual, in accordance with the requirements of 45 C.F.R. 164.524.
- 2.9 after receiving a written request from Covered Entity or an Individual, make PHI in a Designated Record Set about an Individual available for amendment and incorporate any amendments to the PHI, all in accordance with 45 C.F.R. 164.526.

3. RESPONSIBILITIES OF COVERED ENTITY

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

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

4. PERMITTED USES AND DISCLOSURES OF PHI

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

- 4.1 make any and all uses and disclosures of PHI necessary to provide the Services to Covered Entity.
- 4.2 use and disclose PHI, if necessary, for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that the disclosures are Required by Law or any third party to which Business Associate discloses PHI for those purposes provides written assurances in advance

that (i) the information will be held confidentially and used or further disclosed only for the purpose for which it was disclosed to the third party or as Required by Law, and (ii) the third party promptly will notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached.

- 4.3 de-identify PHI received or created by Business Associate under this BAA in accordance with the Privacy Rule.
- 4.4 provide Data Aggregation services relating to the Health Care Operations of the Covered Entity in accordance with the Privacy Rule.
- 4.5 use and disclose PHI and data as permitted in 45 C.F.R 164.512 in accordance with the Privacy Rule.
- 4.6 use PHI to create, use and disclose a Limited Data Set in accordance with the Privacy Rule.

5. TERMINATION

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

6. MISCELLANEOUS

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