BOARD OF PUBLIC WORKS AND SAFETY (Form B-01-2012)
Agenda Request Form

Organizations and individuals are asked to submit a request form and supporting documents to be placed on the agenda. You will be contacted by the City confirming the date of the meeting in which your request will be heard. Please make sure that your contact information is accurate in case we need to get in touch with you. The Board of Works meets on the 1st and 3rd Monday of each month at 5:00 p.m. in City Hall located at 70 E. Monroe Street.

Date Submitted:	06/7/13	**Meeting Date:**	06/17/13
Contact Information:			
Requested by:	Janet Alexander		
On Behalf of Organization or Individual:	UMR Insurance		
Telephone:	317-736-3609		
Email address:	jalexander@franklin.in.gov		
Mailing Address:	70 E. Monroe Street, Franklin, IN 46131		
Describe Request:			
Request Approval of the UMR Administrative Services Agreement			
List Supporting Documentation Provided:			
UMR Administrative Services Agreement			
Who will present the request?			
Name:	Janet Alexander	**Telephone:**	317-736-3609

ADMINISTRATIVE SERVICES AGREEMENT

CITY OF FRANKLIN

70 E. MONROE STREET
FRANKLIN IN 46131

MEDICAL PLAN:	7670-00-550032
DENTAL PLAN:	7670-02-550032
FLEXIBLE SPENDING PLAN:	7670-03-550032

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ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") is entered into by and between UMR, Inc. ("UMR") and CITY OF FRANKLIN, ("Employer"). The main body of this Agreement pertains to all products that are covered under this Agreement unless otherwise stated. Addendums are attached to this Agreement and incorporated herein, to set forth any unique product issues.

RECITALS

WHEREAS, the Employer has established one or more self-funded employee benefit plans for certain employees of the Employer and for certain dependents of such employees ("Covered Persons"); and

WHEREAS, UMR is in the business of providing third party administrative services in conjunction with self-funded employee benefit plans; and

WHEREAS, the Employer has requested that UMR provide certain administrative services in connection with the operation and administration of such Plan(s), and UMR is willing to provide such services in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties intending to be legally bound hereby agree as follows:

Section 1 - Definitions.
Defined terms may be used in the singular or plural.

1.1 "Adverse Benefit Determination" means a denial, reduction or termination of a Covered Service, or a failure to provide or make payment, in whole or in part, for a Covered Service. This also includes any such denial, reduction, termination or failure to provide or make payment that is based on a determination that the Covered Person is no longer eligible to participate in the Plan. If applicable to the Plan, an Adverse Benefit Determination may also include the rescission of a person's eligibility for the Plan, whether or not there is an adverse effect on a particular Covered Service at the time.

1.2 "Catastrophic Event" means a high-risk or high cost event including a diagnosis such as serious head injury, multiple trauma, cancer, organ transplant, cardiovascular disease, stroke, severe burn, spinal cord injury, prematurity in an infant, or high risk pregnancy.

1.3 "Certificate of Creditable Coverage" means the certificate as defined by and containing the information required by HIPAA.

1.4 "Claim" means every written or electronic request received by UMR for the payment of Covered Services under the applicable Plan.

1.5 "Covered Person" means all eligible employees and others who are covered under the applicable Plan.

1.6 "Covered Services" means any amount payable under the terms and conditions of the Plan, and as stated in the Summary Plan Description.

1.7 "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, current amendments, and all rules and regulations promulgated thereunder.

1.8 "Independent Contractor" means one who renders service in the course of self employment or occupation, pursuant to Internal Revenue Code.

1.9 "Internal Revenue Code" means the Internal Revenue Code of 1986 as amended and any successor thereto.

1.10 "Plan" means the self-funded benefit plan(s) sponsored by the Employer for Covered Persons.

1.11 "Protected Health Information" means information that is created or received by UMR on behalf of the health Plan that relates to the past, present or future physical or mental health condition of a Covered Person, as defined under the HIPAA privacy regulations.

1.12 "Shell" means the written document in draft form that UMR can make available to Employer, if so requested, for Employer to use as a starting point when preparing the Employer's Summary Plan Description or other plan documents.

1.13 "Summary Plan Description (SPD)" means a written document that provides information regarding the terms of the Employer sponsored benefit Plan for Covered Persons.

1.14 "URAC" means the Utilization Review Accreditation Commission. URAC is a health accreditation agency that promotes health care quality through its certification and accreditation programs.

Section 2 - Term and Termination

2.1 This Agreement shall be effective June 1, 2011, and shall continue in effect for twelve consecutive months from the effective date. This Agreement shall automatically renew each year thereafter ("Renewal Date") for successive one-year terms, unless terminated as hereinafter provided.

2.2 UMR may terminate this Agreement or certain services under this Agreement by giving written notice thereof to the Employer at least ninety (90) calendar days prior to the Renewal Date of this Agreement. The Employer may terminate this Agreement or certain services under this Agreement by giving written notice thereof to UMR at least thirty (30) calendar days prior to the Renewal Date. The decision to terminate this Agreement can be rescinded by mutual written agreement of both parties.

2.3 In the event of a material breach of a party's obligations under this Agreement (other than a breach relating to payment of Covered Services or payment of service fees), the non-breaching party shall give the breaching party written notice of any breach in accordance with the Notice provision of this Agreement, and allow breaching party thirty (30) calendar days to cure said breach from the date of said notice. In the event the breaching party fails to cure the breach within the thirty (30) calendar day period, this Agreement may be terminated by the non-breaching party at the expiration of such thirty (30) day period upon written notice.

2.4 This Agreement may be automatically terminated by UMR as provided below, by providing written notice to Employer in the event that:

a. All of the Employer's Plans covered under this Agreement are discontinued; or

b. The Employer fails to maintain the bank account as required hereunder or fails to provide sufficient funds within which to pay Claims under the Plan, after being provided with a notice of default and fifteen (15) calendar days right to cure; or

c. The Employer fails to pay UMR the service fee as required when due, after being provided with a notice of default and fifteen (15) calendar days right to cure. If any part of the service fee is disputed, the Employer shall pay UMR the undisputed portion of the service fee as provided herein, and shall provide written details to UMR prior to the date payment of such fee is due, explaining the Employer's good faith basis for disputing such fee. The Employer 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.

2.5 Notwithstanding any other provision of this Agreement, in the event of the filing by or against the Employer of a petition for relief under the Federal Bankruptcy Code, UMR shall have the right to

suspend the payment of Covered Services unless and until an order is obtained from the bankruptcy court, in form and substance acceptable to UMR, authorizing such payment, and the Employer has deposited the funds necessary to pay such Covered Services in full.

2.6 In the event this Agreement is terminated, each party will promptly pay to the other any money due under this Agreement.

2.7 Any right to recover payment of any amounts due UMR or the Employer under this Agreement shall survive termination of this Agreement.

Section 3 - Scope of Relationship

3.1 **Contract for Services Only:** UMR does not represent, nor has it represented, this Agreement to be an insurance policy or an indemnity agreement. It is the intent of both parties that this Agreement is a contract for the sale of services only, and not a contract of indemnity or a policy of insurance.

3.2 **Communications:** UMR shall be entitled to rely upon any written or oral communication from the Employer, its designated employees, agents or authorized representatives. UMR shall assign a Strategic Account Executive to work directly with the Employer on issues related to the Plan and this Agreement. The Employer shall designate a contact person or persons that UMR can work with on issues related to the administration of the Plan and this Agreement.

3.3 **Independent Contractors:** It is understood and agreed that UMR is retained by the Employer only for the purposes and to the extent set forth in this Agreement, and the relationship of UMR to Employer for purposes of this Agreement shall be that of an Independent Contractor.

3.4 **Liability for Payment of Covered Services:** It is understood and agreed that the Employer is responsible for paying for Covered Services under the Plan and that UMR shall not have any duty to use any of its funds for the payment of such Covered Services. UMR will have no obligation to arrange for payment of Covered Services under the Plan if the Employer has not made the requisite funds available to UMR in accordance with this Agreement.

3.5 **Corporate Group Members:** Employer acknowledges that UMR is a member of a corporate group which includes its affiliated companies involved in the following:

- AIM Healthcare Services and Ingenix for the sale of subrogation and overpayment recovery services;
- Prescription Solutions for the sale of pharmacy benefit management services;
- BP, Inc. for the sale and risk underwriting of a stop loss policy for the purpose of insuring a portion of the funding risk assumed by Employer under the Plan.

To the extent the Employer chooses to purchase any of the above services from one of the listed companies, these companies will receive payment to compensate them for performing such services as stated on the Fee Schedule, elsewhere in this Agreement, or in the stop loss contract. Part of these fees may include administrative fees or other compensation for UMR in connection with the provision of such services, or stop loss commissions.

3.6 **Disclosure of Third Party Revenue:** UMR may receive direct or indirect compensation from third parties in the course of administering Employer's employee benefit Plan. Sources of third party compensation may include commissions paid to UMR for the placement of stop loss policies. Third party compensation may also include interest credits and other forms of compensation such as reduced banking fees provided by financial institutions to UMR. UMR may earn interest credits by temporarily depositing insurance premiums and other contribution amounts such as COBRA payments, before they are transmitted to the issuer or Plan. Payments and credits may also be generated when UMR receives refund payments from providers, and deposits these amounts in a bank account while it investigates which customer the refund

belongs to. All third party compensation received is taken into account by UMR when it prices the administrative fees that it charges Employer for services under this Agreement to the extent reasonably possible, it being understood that certain compensation relates to UMR's total book of business rather than to any single customer. UMR agrees to use commercially reasonable efforts to disclose to Employer any third party revenue directly related to Employer's Plan that UMR received during the prior twelve (12) month period. Such information will be included in the annual 5500 report that UMR provides Employer.

3.7 Notwithstanding anything in this Agreement to the contrary, to the extent legally applicable and only to such limited extent, Indiana Statute IC 27-1-25 shall be deemed to be incorporated into this Agreement and to the extent such statute conflicts with the terms of this Agreement and is legally applicable, the statute shall be deemed to be the controlling authority.

Section 4 - Service Fees

4.1 **Monthly Service Fee:** The service fees paid by the Employer pursuant to this Agreement are intended to compensate UMR for the services specifically enumerated in the body of this Agreement.

4.2 **Due Date:** The Employer agrees to pay the service fees to UMR in a timely manner to ensure that UMR receives the service fees on or before the last day of each calendar month for which services are being rendered.

4.3 **Fee Adjustments:** Adjustments to monthly billing statements for retroactive enrollment or eligibility changes will be performed based on information provided by the Employer to UMR. Request for fee adjustment must be made in a timely manner but no more than three (3) months following the date of the change.

4.4 **Billing procedures:** Employer agrees to pay service fees to UMR based on the monthly invoice that UMR provides, subject to the Fee Adjustment section of this Agreement. UMR reserves the right to give the Employer an estimated invoice for the first month following the effective date of this Agreement.

4.5 **Change to Service Fee:** UMR reserves the right to change the service fees applicable to this Agreement every twelve (12) months following the effective date of this Agreement unless otherwise stated on the attached Fee Schedule, subject to Employer receiving renewal information from UMR at least ninety (90) calendar days prior to the effective date. The 90-day notice of fee change does not apply to network access fees or to stop loss rates from the stop loss vendor if UMR places Employer's stop loss coverage. In the event that Employer needs more than a 90-day notice of fee changes prior to the renewal date, Employer is responsible for sending a written request to the UMR Strategic Account Executive at least 45 days prior to the date Employer needs the renewal information each year. The Strategic Account Executive will then submit a request for an early renewal to the UMR pricing department. UMR also reserves the right to change the service fees sooner if additional services are being purchased by the Employer, or if one of the following conditions occur:

- The number of covered employees changes by fifteen percent (15%) or more from the average number of covered employees upon which the original quotation for this Agreement or renewal was based; or

- A division, subsidiary, or affiliated company is added to the Plan and that division, subsidiary or affiliated company requires new procedures, additional programming or implementation costs from UMR; or

- Changes are made to the Plan(s) which increase the complexity of administering the Plan(s); or

- Significant regulatory changes are made by the State or Federal government that require new procedures, additional programming or implementation costs from UMR to provide agreed upon services under the Agreement; or

- Employer cancels administration of its medical Plan with UMR but UMR continues to administer other Plans.

4.6 In the event Employer has at any time failed to make funds available to pay Claims for Covered Services or undisputed fees to UMR, UMR shall have the right to offset any unpaid amounts against any amounts owed to Employer by UMR, or any entity affiliated with UMR.

4.7 It is the intent of both parties to this Agreement that the funds utilized in accordance with this Agreement are not insurance premiums and shall in no event be construed to be insurance premiums.

Section 5 - General Responsibilities of the Employer

5.1 **Access to Protected Health Information:** The Employer agrees to provide UMR with the names and titles of employees who are designated as individuals who are permitted to access Protected Health Information, and to notify UMR as soon as reasonably possible when this list of designated employees changes. It is understood that UMR will not release Protected Health Information to any employee of the Employer who is not on the Employer's list of designated employees for Protected Health Information.

5.2 **Bank Account:** The Employer shall establish, maintain and appropriately finance a checking account in the name of the Employer. The Employer shall be responsible for all Claim checks issued against the account. UMR shall be given the necessary nonexclusive authority to utilize any funds in said account for payment of Covered Services under the Plan. UMR shall provide the Employer with access to the daily online check register, and will also provide a monthly report for reconciliation purposes.

5.3 **Uncashed Checks:** It is understood that Employer is solely responsible for handling issues related to uncashed checks, including any record keeping, reporting, or payment responsibilities set forth under any state's unclaimed property law, to the extent such laws apply.

5.4 **Control of Plan Assets:** In the event that the Plan is found to have Plan assets, the Employer 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.

5.5 **Covered Service Information:** The Employer is responsible for incorporating sufficient Covered Service and other Plan details into its Summary Plan Description including information on any applicable federal, state, international and local laws and/or regulations to facilitate proper administration of the Plan(s) by UMR. Such information should be given to UMR before UMR begins processing Claims. In the event that the Employer amends or modifies Covered Services, the effective date of such changes shall be on the date selected by the Employer after notification to UMR, or the date reasonably possible for UMR to make needed systems or procedural changes to accommodate the change, whichever is later.

5.6 **Enrollment:** The Employer agrees to determine eligibility for the Plan(s), and furnish UMR with such information as may be necessary or reasonably required by UMR to maintain adequate eligibility of Employer's Covered Persons. Such information must be provided by the Employer in a timely manner that will allow UMR to provide services in accordance with this Agreement. The Employer shall submit enrollment data to UMR electronically via the FTP File Transfer with PGP Encryption method, or by using the Web Based File Exchange method, Internet, diskette, or other mutually agreed upon method.

5.7 **Establishment of Plan:** The Employer shall establish, maintain and appropriately finance the Plan and shall be solely responsible for the operation and administration of the Plan, except as expressly delegated to UMR in this Agreement.

5.8 **Legal Advice:** It is understood and agreed that UMR is not engaged in the practice of rendering legal advice. If the Employer requires legal or other expert advice, the Employer should consult its own legal counsel. UMR will provide compliance assistance on applicable federal regulations to the extent reasonably possible.

5.9 **Medicare Coordination of Benefits and Secondary Payer Rules:** In the event that Employer receives correspondence from Medicare relative to a Claim processed by UMR, including but not limited to a Medicare recovery demand letter or debt recovery letter, Employer is responsible for sending UMR a copy of all applicable correspondence and letters as soon as reasonably possible after receiving the documents from Medicare. UMR will use commercially reasonable efforts to investigate whether the Employer's Plan should have paid the Claim primary to Medicare rather than secondary, and to respond to the Medicare demand or debt recovery letters. Employer is responsible for paying applicable interest charges from Medicare, except as stated in the Limitation of Liability and Indemnification section of the Agreement. Employer is also responsible for reimbursing Medicare for benefits if it is determined that the Plan should have paid the Claim primary to Medicare.

5.10 **Audit Rights:** UMR recognizes that from time to time the Employer may wish to perform (or have performed) an audit for performance purposes. Assistance for an annual audit will be provided by UMR at no cost to the Employer as long as the audit is based on a statistically valid random stratified sampling methodology. Such audit may encompass any relevant information that the Employer reasonably requires, consistent with professional auditing practices and procedures applicable to this type of auditing as mutually agreed upon by UMR and the Employer. The records requested by such auditor will be selected and compiled by UMR in the manner requested by such auditor, including, without limitation, computer selected random stratified sampling or specific types of Claims selected through random stratified selection or by stated dollar amount and/or range. The audit must encompass a statistically valid random stratified sampling of the Claims processed during no less than the recent six (6) month period and no more than the recent 18 month period, unless special or severe circumstances exist and are first agreed to by UMR, such agreement by UMR not to be unreasonably withheld. The Employer agrees that all audit costs are the sole responsibility of the Employer. Employer further agrees that any audit firm hired by the Employer will not be compensated based on a percentage of errors found, percentage of recovery or other similar contingency basis. UMR must be informed of the audit intent at least thirty (30) calendar days prior to such audit by written notice and the timing must be mutually agreed upon. UMR will have the opportunity to review a draft report of the audit and provide responses prior to final issuance.

5.11 **Legal Obligations: Employer shall possess ultimate responsibility and authority for the design,** funding and operation of the Plan and for its compliance with applicable laws and regulations, including the Internal Revenue Code.

Section 6 - General Responsibilities of UMR

6.1 **Administration of Covered Services:** All services to be provided by UMR hereunder shall be performed pursuant to the provisions of the Employer's Summary Plan Description and subsequent amendments. UMR shall have systems and procedures in place to comply with applicable federal laws and regulations.

6.2 **Claims Services:** UMR agrees to perform the following services with respect to the processing and payment of Claims under the Plan:

6.2.1 During the term of this Agreement, UMR will process only those Claims which are incurred on or after the effective date set forth in Section 2.1 of this Agreement, except that UMR agrees to process Flexible Spending Account Claims that were incurred from

January 1, 2011 through May 19, 2011, for the Claims run-in fee listed on the Fee Schedule.

6.2.2 As part of the base fee, the following general Claims services will be provided:

- UMR will receive and review Claims for Covered Services under the Plan and will use commercially reasonable efforts, consistent with industry standards, to compute the Covered Services payable, if any, in accordance with the terms and conditions of the Plan.
- Correspond with the Covered Persons and providers of services if additional information is deemed necessary by UMR to complete the processing of Claims.
- Coordinate Covered Services payable under the Plan with other benefit plans, if any, according to the Coordination of Benefits provision in the Employer's Summary Plan Description. It is understood, however, that UMR pays Claims for Medicare-eligible persons as either primary or secondary, based on the determination made by Medicare.
- Prepare the disbursement checks for the amount of Covered Services determined to be payable under the Plan. Claims will be paid in the order processed, to the extent that sufficient funds are available from the Employer's designated bank account.
- Provide an Explanation of Benefits (EOB) notice to Covered Persons each time a Claim is submitted if the Covered Person has a balance due, or as otherwise mutually agreed to in writing by the parties. The EOB will explain how much the Plan has paid towards the Claim, if any, and how much of the Claim is the Covered Person's responsibility due to cost-sharing obligations, non-covered services, penalties or other Plan provisions. If a Claim is denied in whole or in part, the EOB will list the reason(s) for denial of services, and inform the Covered Person of his or her right to appeal.
- Provide a Remittance Advice (RA) statement to providers of services each time a Claim is submitted. The RA will explain how much the Plan has paid towards the Claim, if any, and how much of the Claim is the Covered Person's responsibility, negotiated rate or other provider discount.
- In the event that the Employer asks UMR to load data from the prior third party administrator regarding Covered Persons' lifetime maximum data or other benefit accumulators, UMR will have no obligation to verify the accuracy of such data.
- Foreign service procedures: Covered Persons who receive services in a country other than the United States will need to pay the Claim upfront and then submit the Claim to UMR for reimbursement. UMR will reimburse the Covered Person 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 Covered Person paid the Claim, or on the date of service if paid date is not known.
- UMR agrees to prepare and mail 1099's to providers and other vendors, using UMR's name and tax identification number.

6.2.3 **Fraud Services**: UMR's Special Investigation Unit reviews and investigates potentially fraudulent or inappropriate billings submitted by providers and Covered Persons as a cost-containment service for Employer. Claims that are identified as potentially fraudulent or inappropriate are pended in UMR's claims system, and 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.

6.2.4 **Overpayments:** UMR will be responsible for recovery costs and reimbursement of any unrecovered overpayment to the extent the overpayment was due to UMR's gross negligence. In the event an overpayment is made, UMR or its affiliated company(s) shall make an attempt to recover all flexible spending account payments, and other payments over one hundred dollars ($100) by sending an initial request letter to the provider and/or Covered Person requesting repayment. This will be followed by a second letter and a phone call as needed. In the event the above recovery attempts are unsuccessful, the

Employer will receive written communication outlining the legal recovery processes that are available through UMR's affiliated company(s). The legal recovery processes include two options that the Employer can consider: (1) a legal recovery (collections) service, and (2) outside legal counsel who could file suit on behalf of the Plan to recover the overpayment. Based upon the written direction of the Employer, UMR will either direct its affiliated company(s) to pursue the overpayment through its legal recovery (collections) process, forward the overpayment file to outside legal counsel to file suit in a court of competent jurisdiction, or close the overpayment file and take no further action. If Employer wants to utilize its own legal counsel for recovery purposes, UMR will provide applicable information to Employer's designee, subject to HIPAA privacy regulations.

If the Employer approves sending an overpayment file to the legal recovery (collections) process and/or to outside legal counsel for litigation, the Employer will be responsible for paying the applicable commission for legal services, except as otherwise stated above in this provision.

Other third party recovery efforts: UMR has a contract with AIM Healthcare Services, Inc. ("AIM"), a cost containment recovery vendor that routinely reviews credit balances, primarily at large hospitals and providers of service throughout the United States. AIM works with the hospital/provider to identify the credit amount and Plan to which the credit belongs. The applicable credit, less recovery fee, is forwarded to the Employer.

6.2.5 **Claim Reprocessing:** At times, the Employer may want UMR to reprocess certain Claims. At the Employer's request, UMR will reprocess a reasonable number of Claims, unless such reprocessing will cause an undue business hardship to UMR. If the Claim is being reprocessed in connection with an inadvertent error made by UMR, there will be no fee to the Employer for such reprocessing. In the event, however, that certain Claims need to be reprocessed as a result of retroactive benefit or eligibility changes that the Employer made or in connection with other action by the Employer, its employees or agents, then a Claims reprocessing fee will be charged to the Employer as stated on the Fee Schedule. A claim reprocessing fee will also be charged to the Employer if the Employer contracts directly with a provider network and that provider network gives UMR incorrect or late fee or other provider information that necessitates adjustment of Claims.

6.2.6 **Claims Run-Out Services:** UMR agrees that it will use commercially reasonable efforts to process all Claims received up to the date of termination of this Agreement. Any unprocessed Claims received near the end of this Agreement or following termination of this Agreement will be denied, unless Employer requests claims run-out services at a mutually agreed upon fee prior to the termination of this Agreement. In the event that Claims are denied following termination of this Agreement, UMR will send an Explanation of Benefits to the Covered Person, and a Remittance Advice will be sent to the provider notifying them that the Claim cannot be processed following termination of this Agreement.

6.2.7 **Cost Reduction and Savings Program.** UMR agrees to provide various cost reduction services on behalf of Employer, aimed at generating savings on Claims when the primary network is not utilized. Programs may include but are not limited to, obtaining discounts through travel and secondary networks, fee negotiation with providers, as well as other methods used to determine billing appropriateness and reasonable and customary amounts. In exchange for this service, UMR will retain a percentage of savings as stated on the Fee Schedule.

6.3 **Medical Management Services:** UMR will provide the following services for the fee as stated on the attached Fee Schedule:

6.3.1 **Case Management:** UMR agrees to provide individual case management services to Covered Persons who meet the criteria for case management which includes complex treatment plans, Catastrophic Events, trauma, transplant and chronic illness. Case

Managers work with the Covered Person and the Covered Person's physician to assist with coordinating care, utilizing in-network services when available (if applicable), and helping to ensure that effective and appropriate treatment is provided. In the event that Medicare is the primary payer for a Covered Person's Claims, these services will be provided after Medicare funds have been exhausted.

6.3.2 **Utilization Management:** UMR will examine medical services for appropriateness prior to the services actually being provided. Independent medical reviews that are initiated as part of a care management function are included in the Utilization Management/Case Management fee shown on the Fee Schedule. UMR will conduct utilization management services in the following areas to the extent it is required in the Employer's Summary Plan Description: Inpatient hospital or behavioral health services, skilled nursing facility, home health care, rehabilitation services and durable medical equipment. UMR will provide ongoing reviews for both in-network and out-of-network facilities to determine appropriateness of care, assess discharge needs, and refer to case management as applicable to promote positive patient outcomes. In the event that Medicare is the primary payer for a Covered Person's Claims, these services will be provided after Medicare funds have been exhausted.

6.3.3 **Nurse Case Managers:** UMR uses nurse case managers to conduct utilization review and case management services. Most registered nurses are also certified case managers, including many nurses with specialty certifications in such areas as transplants, diabetes education, behavioral health, and other relevant fields. Clinical support for the nurses is provided by UMR's internal medical directors and external clinical advisors. UMR also has a specialty Behavioral Health team that provides utilization management and case management services according to the Plan design.

6.3.4 **Maternity Management:** UMR will provide Covered Persons who are pregnant with a prenatal education program. Through an assessment with the Covered Person, high-risk pregnancies will be identified and case management will be offered. Obstetrical nurses will provide trimester and post-partum education and assessments to all Covered Persons who are pregnant, along with a toll free number for any pregnancy-related questions.

6.3.5 **NurseLine:** UMR provides Covered Persons with access to health information that allows Covered Persons to make good health and lifestyle choices. Online information is available via UMR's web site. Covered Persons can use direct links to a number of health information sites that UMR selected for quality, scope, workability and visual appeal. The web site also includes a health risk assessment and view information on topics such as specific conditions, medications, first aid and self-care, wellness, research news, and the quality of health care in the area where the Covered Person lives. Covered Persons can access articles written by UMR's health professionals on general health and wellness topics. 24 hour toll free telephone access to a registered nurse is provided by UMR to Covered Persons on a daily basis. NurseLine gives Covered Persons access to registered nurses so they may receive guidance and support when making decisions about their health and/or the health of their covered dependents. The service is offered in partnership with OptumHealth$_{SM}$.

6.3.6 It is understood and agreed that the medical management services provided by UMR do not in any way constitute the practice of medicine.

6.4 **Customer Service**: UMR shall provide customer service to Covered Persons including assisting Covered Persons with routine questions concerning Covered Services, Claims status, appeals procedures, access to provider network(s), if applicable, and other Plan-related customer service functions. UMR shall provide a toll-free number for customer service calls Monday through Friday during mutually agreed upon hours. Online services are available seven days a week, 24 hours a day.

6.5 **HIPAA Certificates of Creditable Coverage (COC):** UMR shall utilize the Certificates of Creditable Coverage that a Covered Person gives the Employer or UMR at the time of enrollment, to calculate any remaining pre-existing condition exclusion period that the Covered Person may have under the terms of the Plan. UMR has the right to rely on the Certificate of Creditable Coverage information that was provided by the issuer without further investigation of the underlying information.

UMR shall also provide a Certificate of Creditable Coverage to Covered Persons within a reasonable period of time after each of the following events occur, as required by HIPAA:

- When coverage terminates under the Plan.
- When COBRA coverage terminates, if UMR administers COBRA services for Employer.
- Upon written request from the Covered Person if such request is made within 24 months after the date coverage ends.

UMR shall mail all Certificates of Creditable Coverage to the last known address of the Covered Person via first class mail.

In the event, however, that the Employer terminates all services with UMR and selects a new Third Party Administrator (TPA), UMR will send a report to the Employer listing pertinent COC information that can be forwarded by the Employer to the new Third Party Administrator. UMR will not be responsible for sending Covered Persons an individual Certificate of Creditable Coverage when there is no loss of coverage, but merely a transfer to a new TPA.

6.6 **Identification Cards:** UMR will provide standard ID cards (including replacement cards) for each employee who is covered under the Employer's Plan, and such ID cards will include information applicable to covered dependents. The Employer may, at its option, order customized ID cards for employees. If the Employer elects to provide customized ID cards, the Employer agrees that it will be responsible for the additional cost of such ID cards.

6.7 **New York Surcharge Services:** It is understood that the Employer is solely responsible for completing necessary New York Surcharge election forms and responding to inquiries regarding election. 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 the Employer has for covered lives, patient services and total amount due from the Employer. The report is compiled on a monthly or annual basis in accordance with the requirements of the State of New York for the Employer. UMR agrees to file the report and send the applicable payment to the State of New York via a draw from the Employer's bank account. 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. As consideration for such services, Employer agrees to pay UMR the fee as set forth on the attached Fee Schedule.

6.8 **Massachusetts Surcharge Services:** It is understood that the State of Massachusetts requires medical plans to pay a surcharge when Covered Persons receive medical care in the State of Massachusetts. As part of the base medical fee, UMR agrees to calculate the amount of surcharge payments due from the Plan, and will draw the applicable amount from the Employer's bank account. UMR will then send a check to the State of Massachusetts on behalf of the Employer.

6.9 **Maine Surcharge Services:** It is understood that the State of Maine has enacted a tax or surcharge that must be paid when Covered Persons who reside in the State of Maine receive medical or pharmacy services in the State of Maine. The tax is also imposed on dental services if those services are paid from the Employer's medical Plan. As part of the base medical fee, UMR agrees to calculate the amount of surcharge payments due to the State of Maine, and will draw the applicable amount from the Employer's bank account. UMR will then send a check to the State of Maine for the applicable amount due.

6.10 **Other Surcharges:** Employer will remain responsible for state surcharges, assessments or similar taxes imposed by governmental entities or agencies on the Plan.

6.11 **Recordkeeping:** UMR will establish and maintain a recordkeeping system pertaining to the services to be performed hereunder. All such records shall be available for inspection by the Employer at any time during normal business hours, upon reasonable prior notice. UMR will maintain records and information regarding Claims filed pursuant to this Agreement and determinations made thereon for a period of seven (7) years. UMR may retain such records or information by scanning or otherwise.

6.12 **Reports:** As part of the base service fee, UMR will provide the Employer with the following reports:

- Monthly financial reports.
- Monthly cash disbursement reports via UMR's web based check register.
- Ad-hoc reports that the Employer requests are available up to the maximum number of hours listed on the attached Fee Schedule.
- An annual report that the Employer can use to complete the 5500 form or 990 form, including such details as plan period, plan type, beginning and ending employee enrollment counts, revenue, and commission information.

Additional Online Services:

UMR will provide the Employer with the following encrypted online service that is compliant with HIPAA privacy and security regulations:

- **Eligibility and Benefits Inquiry:** Online eligibility inquiry provides the Employer with such information as the Covered Person's group name, employee name, identification number, date of birth, address, effective date and termination date. Online benefit inquiry provides specific benefit information for each Covered Person such as provider network, description of benefits under the Plan, out-of-pocket maximums and other details that pertain to the Plan.
- **Claims Inquiry:** Covered employees can review the status of their own Claims online after they register online and obtain a unique ID and password to ensure privacy. Online Claims inquiry by the Employer is also available, however, the Employer is responsible for ensuring that its employees comply with HIPAA privacy regulations.
- **Monthly Online Reports:** The online system provides Employer with monthly reports containing Plan performance details. The Employer can also use online data to develop ad-hoc queries such as census information, claim activity and large claim detail.
- **Banking:** The Employer has online access to the check register and can search for disbursement information at the transaction level. This could include transaction amounts by type and date, or transaction amounts at the check level (check number, date, payee, amount or check requisition number).
- **ID Cards:** The Employer and covered employee can order replacement or additional ID cards online.
- **Flexible Spending Account:** This online service provides covered employees with claim information, payment details and balances in the person's account.
- **Pharmacy Services (Prescription Solutions):** The Employer and Covered Persons can obtain information on preferred product listings, participating pharmacies, claim reimbursement form, and quarterly newsletters.
- **Medstat Advantage Suite®:** An interactive web-based application that provides the Employer with access to up to 24 months of Plan performance, claim experience, and prescription drug and cost trend data, in user-modifiable report formats. This decision-making tool helps the Employer with financial planning and medical plan management. Employer agrees that UMR is authorized to release claims data to Medstat on behalf of the Employer, for purposes of providing this service.

If additional (Ad-Hoc) reports are needed by the Employer, or customization of the reports is requested, UMR will charge an additional fee for such agreed upon services.

6.13 **Transition to new TPA:** UMR will cooperate with the Employer's transition to a new Third Party Administrator upon termination of this Agreement and will provide cancellation reports to the Employer upon request. Employer can obtain a list of the available cancellation reports and applicable fees from the Strategic Account Executive.

6.14 **Stop Loss:** In the event that Employer has obtained stop loss insurance coverage for funding Plan benefits in excess of certain specified individual and aggregate limits, UMR will use commercially reasonable efforts to identify, track and file all specific stop loss insurance Claims with the stop loss carrier, on behalf of the Employer. The Employer, however, is responsible for providing UMR with a copy of the stop loss policy by the effective date of this Agreement or as soon thereafter as reasonably possible, if UMR did not place the Employer's stop loss coverage with the carrier. Employer shall be responsible for payment of the premium for the stop loss insurance.

If Employer 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, based on preliminary diagnosis or dollar amount of Claims or claim estimates that meet or exceed applicable thresholds. It is understood that UMR shall not be required to process Claims for Covered Services other than in the order that Claims are received, and no priority will be given to Claims merely 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.

6.15 **Interruption by Disasters:** UMR will take commercially reasonable steps to prevent and recover from disruptive events that are beyond its control, and represents that it has in place a disaster recovery plan in an extent reasonably adequate for a business of the size and complexity of UMR.

6.16 **Medicare Reporting:** UMR agrees to provide the Centers for Medicare and Medicaid Services (CMS) with a quarterly eligibility file that contains social security numbers and other information on Covered Persons and the Employer, as required by the Medicare Secondary Payer Mandatory Reporting Provisions in Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007. Employer agrees to timely provide UMR with all reasonable data that UMR requests, and in an agreed upon format, to enable both parties to comply with the reporting requirements. To the extent noncompliance penalties result from Employer's actions or inactions, UMR shall not be responsible for the penalties.

Section 7 - Claims Appeal Services

UMR will provide Claims appeal services in compliance with the Department of Health and Human Services regulations, provided that UMR has received the applicable Summary Plan Description from the Employer prior to receiving the appeal. Covered Persons who receive an Adverse Benefit Determination can file an appeal with UMR within the timelines established in the Employer's Summary Plan Description. UMR will allow a seven (7) business day mail time in addition to the maximum appeal timelines listed in the above documents. It is understood that UMR will provide up to two appeal levels for Claims that it has processed, as mutually agreed to in writing by the parties. In addition, and if applicable to Employer's Plan, UMR agrees to send a voluntary appeal to an external vendor for review in compliance with health care reform regulations. Any additional appeal options will be the sole responsibility of the Employer. It is understood that UMR is not responsible for handling appeals on claim-related decisions that were originally made by another vendor of the Employer's.

Section 8 - Independent Consulting Organizations

8.1 UMR utilizes certain independent organizations for consultation review when needed to determine the medical status of an individual. UMR selects independent consultants prudently based on quality of the reviews, availability of specialists, timeliness of reviews, and fees associated with those reviews. UMR makes every effort to utilize independent consultants who are URAC accredited and who charge no more than market rates for the reviews. The independent consultants used will have appropriate training and experience in the field of medicine involved in the medical judgment.

8.2 It is understood that UMR may send a Claim to an independent consultant under any of the following circumstances:

- During an initial Claim review, when there is insufficient information in a Covered Person's medical record to make a decision regarding the Claim, or if there is a question regarding the experimental/investigational nature of a procedure.
- When a Claim was denied based on clinical necessity, medical judgment or experimental/investigational reasons, and the denied Claim is later appealed, or as otherwise required by Department of Health and Human Services regulations.

8.3 In the event that UMR incurs charges from an independent consulting organization to determine the medical status of an individual as outlined above, the Employer understands and agrees that the cost of such independent consulting services shall be the responsibility of the Employer except to the extent covered through the Utilization Management provision in this Agreement. It is also understood that the cost of each review may vary based on the medical issues being reviewed.

Section 9 - Summary Plan Description (SPD)

9.1 UMR shall provide a Summary Plan Description Shell to the Employer, if requested, that can be used as a starting point to develop a final document that reflects the Employer's intended benefit design. It is understood that UMR will make reasonable efforts to update its Shell as is needed to maintain compliance with federal regulations, however compliance with applicable laws and regulations is the responsibility of the Employer. The Employer is responsible for ensuring that any changes it makes to UMR's Shell will be in compliance with federal and other applicable laws. Employer is solely responsible for the final content of the Summary Plan Description. UMR shall not have the power or authority to alter, modify, or waive any terms of the Plan.

9.2 The Employer is responsible for incorporating wording in its SPD if the Plan is subject to any state or international regulations or benefit mandates.

9.3 UMR will provide Employer with an electronic or paper copy of the Summary Plan Description and one copy of amendments, if any, for each applicable product, and will post the document(s) on UMR's website if requested. UMR will use its standard format when compiling the documents, however Employer can request customization of the document at an additional cost. Customization includes but is not limited to such things as colored covers, binders, different formats for the SPD and other non-standard formats.

9.4 The Employer understands and agrees that it is responsible for carefully and thoroughly reviewing the Summary Plan Description proof(s) that UMR sends to the Employer, and after determining that the document(s) accurately reflect the intent of the Employer, Employer shall sign and return the Acceptance Page to UMR. The Acceptance Page is a form that the Employer must sign after reviewing the Summary Plan Description proof, confirming that the proof accurately reflects the intent of the Employer. UMR agrees to have a completed copy of the document(s) to the Employer within 30 calendar days following receipt of the signed Acceptance Page from the Employer.

9.5 If the Employer's Summary Plan Description is not finalized and approved by Employer before UMR begins administering the Plan(s), UMR is not responsible for any conflicts that may occur if changes are made by the Employer. This does not apply to amendments that the Employer may make at a later date to the extent those changes become effective after UMR has been notified of the change.

9.6 The Employer is responsible for complying with any applicable regulations and timelines governing distribution of the Summary Plan Description and amendments to Covered Persons, and furnishing copies of other plan-related documents to Covered Persons and others as may be required by law or otherwise.

9.7 **(Effective 06-01-2013) SBC Services:** Upon receipt of a completed service election form from the Employer, UMR agrees to provide certain Summary of Benefits and Coverage (SBC) services, to help Employer comply with Section 2715 of the Public Health Services Act related to the Patient Protection and Affordable Care Act (PPACA). Employer 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 Employer needs the final SBC from UMR. As part of the Base fee that Employer pays UMR, UMR agrees to create one standard full SBC if UMR is the only vendor administering benefits for the Employer, or one standard partial SBC if UMR administers the medical Plan but Employer utilizes external vendors for other benefits. UMR also agrees to provide one SBC update per year if needed. Employer is responsible for completing sections of the SBC related to the Employer and external vendors, if any, and returning applicable details to UMR within an agreed upon timeframe. UMR will post the final approved SBC to UMR's web portal for the Employer. Employer is responsible for complying with SBC regulations, including but not limited to distribution of SBC's to Covered Persons. In the event that Employer requests UMR to provide other non-standard SBC services, UMR will charge a reasonable fee for agreed upon services.

Section 10 - Subrogation, Reimbursement or Third Party Services

10.1 UMR and its affiliated company agree to provide the Employer with certain administrative services with respect to the Plan's subrogation provisions. Such services shall include, but not be limited to: contacting the claimant to determine the applicability of the subrogation provisions; notifying the claimant or his or her representative of the Plan's subrogation provisions; reserving any rights the Plan may have to recover under the subrogation provisions; and requesting repayment under the Plan's subrogation provision.

10.2 In providing the above services, UMR does not represent or guarantee that it will discover or pursue each and every subrogation opportunity, nor that its attempt at collection will be successful, however UMR agrees to use commercially reasonable efforts to identify and pursue potential subrogation Claims that are at or above the dollar threshold mutually agreed to in writing by the parties.

10.3 If UMR and its affiliated company are unsuccessful in their initial collection attempts, UMR may engage outside services to assist in the recovery efforts. UMR will manage and oversee these services and the Employer shall not be responsible for payment for such services except as provided for in the attached Fee Schedule of this Agreement. In no event is this provision to be interpreted to imply that UMR is engaged in the practice of providing legal services or offering legal advice to the Employer.

10.4 UMR shall provide subrogation services on a contingency basis. In the event UMR or its affiliated company is able to effectuate a recovery, whether in full or in part, UMR shall be entitled to the subrogation fee as set forth in the attached Fee Schedule of this Agreement.

10.5 In the event that Employer directs UMR to stop working on a particular subrogation Claim because the Employer wants to handle the subrogation Claim itself or for other reasons not related to UMR's negligence, UMR retains the right to charge Employer a reasonable fee for costs incurred prior to receiving such notification from Employer.

10.6 UMR will provide monthly online subrogation reports to the Employer.

10.7 UMR shall have authority to accept settlement on subrogation Claims for less than 100% of the original claim without seeking prior written approval from the Employer, provided that the original claim is no more than an amount mutually agreed to in writing by the parties for settlement authority. Settlements would be considered when there is contributory negligence, medical causation issues, or limited money.

Section 11 - Limitation of Liability and Indemnification

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

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

11.3 **Complying with Laws:** It is understood that UMR is responsible for complying with laws applicable to third party administrators, and for having systems in place to comply with other laws and regulations as described in Employer's Summary Plan Description. It is further understood that Employer is responsible for complying with applicable state, federal and other laws and regulations with respect to the Plan. Both parties indemnify and hold harmless the other party for their non-compliance.

11.4 **Loss of Goodwill:** Notwithstanding any other provision in this Agreement to the contrary, in no event shall either party be liable for the loss of goodwill, or for special, indirect, incidental or consequential damages arising from Employer's receipt or use of services, or UMR's delivery of services hereunder, regardless of whether such claims arise in tort or in contract. Neither party may assert any claims against the other party more than two (2) years after the termination of this Agreement.

11.5 **Reliance on Data:** UMR is not responsible or liable for any acts or omissions made pursuant to any direction, consent, or other request reasonably believed by UMR to be genuine and from an authorized representative of Employer. UMR is not responsible or liable for acts or omissions made in reliance on erroneous data provided by Employer, its employees or agents, or the failure of Employer to perform its obligations under this Agreement.

11.6 The Limitation of Liability and Indemnification provisions shall survive the termination of this Agreement.

Section 12 - Litigation Related to Covered Services

12.1 **Litigation Against UMR:** In actions against UMR, UMR will select and retain defense counsel to represent UMR's and the Plan's interest if a demand is asserted, or litigation or administrative proceedings are begun by a Covered Person or health care provider against UMR, to recover benefits for Covered Services or otherwise related to UMR's duties under this Agreement.

12.2 **Litigation Against Employer:** In actions against Employer, Employer will select and retain defense counsel to represent Employer and the Plan's interest if a demand is asserted, or litigation or administrative proceedings are begun by a Covered Person or health care provider against Employer, to recover benefits for Covered Services or otherwise related to Employer's duties under this Agreement.

12.3 **Litigation Against UMR and Employer:** In actions against both Employer and UMR, 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 counsel, then each party will select and retain defense counsel to represent its own interest.

12.4 **Litigation Fees and Costs:** All reasonable legal fees and costs for the defense related to Covered Services will be paid by Employer (except as provided in Section 11.2), provided UMR gives Employer reasonable advance notice of its intent to charge Employer for such fees and costs, and UMR consults with Employer throughout the case in a manner mutually agreed to by the parties.

Section 13 - Mediation

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

Section 14 - General Provisions and Signatures

14.1 **Amendment:** This Agreement may be amended only by mutual written agreement by an authorized officer of each of the parties, except that this Agreement shall automatically be updated if new federal regulations require modification of one or more of the provisions in this Agreement. When the Agreement needs to be amended, UMR will send the Employer an electronic or paper copy of the amendment for review and signature. The authorized officer for the Employer needs to sign each agreed upon amendment with an original signature or an original signature stamp, and return two signed paper copies of the entire document to UMR. The UMR authorized officer will then countersign the amendments with original signature or original signature stamp, and one original will be returned to the Employer. UMR does not accept faxed signatures on contractual documents.

14.2 **Subcontractors:** Employer agrees that UMR can use its affiliates as subcontractors, or other subcontractors, to perform services under this Agreement. UMR will be responsible for those services to the same extent that UMR would have been responsible had UMR performed those services without the use of an affiliate or subcontractor.

14.3 **Waiver/Estoppel:** Nothing in this Agreement is considered to be waived by any party, unless the party claiming the waiver receives the waiver in writing. No breach of the Agreement is considered to be waived unless the non-breaching party waives it in writing. A waiver of one provision does not constitute a waiver of any other. A failure of either party to enforce at any time

any of the provisions of this Agreement, or to exercise any option which is herein provided in this Agreement, will in no way be construed to be a waiver of such provision of this Agreement.

14.4 **Entire Agreement:** This writing, including the body of the Agreement and any addenda attached hereto, shall constitute the entire Agreement of the parties and no agent or employee of either party has authority to change this Agreement or waive any of its provisions except as otherwise expressly provided herein.

14.5 **Assignment:** Neither party may assign any of its rights or obligations under this Agreement without the written consent of the other party.

14.6 **Headings:** The captions and headings throughout this Agreement are for convenience and reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision, or to the scope or intent, of this Agreement.

14.7 **(Effective June 1, 2011 – May 31, 2012) Governing Law and Jurisdiction:** This Agreement shall be governed by and construed in accordance with the laws of the state of Wisconsin, except as to any applicable federal laws, without giving effect to the principles of conflicts of law thereof.

(Effective June 1, 2012) Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the state of Indiana, except as to any applicable federal laws, without giving effect to the principles of conflicts of law thereof.

14.8 **Savings Clause:** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof is held to be invalid, illegal or unenforceable under any applicable law or rule in any jurisdiction, such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without invalidating the remainder of this Agreement. If this is not possible, such provision shall be deemed stricken and deleted from this Agreement, as the case may require, and this Agreement shall then be construed and enforced to the maximum extent permitted by law and to achieve the fundamental intent of the parties.

14.9 **Counterparts:** This Agreement may be executed by the parties hereto in counterparts, and taken together, such counterparts shall constitute the one and same document.

14.10 **Force Majeure:** Neither party shall be liable for any delay or non-performance of any covenant contained herein, nor shall any such delay or non-performance constitute a default hereunder, or give rise to any liability for damages if such delay or non-performance is caused by an event of force majeure. As used herein, the term "force majeure" means any act or explosion, action of the elements, strike or other labor relations problem, restriction or restraint imposed by law, rule or regulation of any public authority, whether federal, state, or local, and whether civil or military, act of any military authority, interruption of transportation, facilities or any other cause which is beyond the reasonable control of such party and which by the exercise of reasonable diligence such party is unable to prevent. The existence of any event of force majeure shall extend the term of performance on the part of such party to complete performance in the exercise of reasonable diligence after the event of force majeure has been removed.

14.11 **Change in Law:** If any change in law occurs that materially alters the rights or obligations of either party under this Agreement, the parties shall equitably adjust the terms of this Agreement to take into account such change in law.

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

14.13 Notices: Any notices, demands, or other communications required under this Agreement will be in writing and may be provided via electronic means or by United States Postal Service by certified or registered mail, return receipt requested, postage prepaid, or delivered by a service

[SEE NEXT PAGE]

that provides written receipt of delivery. All notices will be addressed as follows, or to such other address as a party may identify in a notice to the other party:

UMR, INC
JAY ANLIKER
11 SCOTT ST STE 100
WAUSAU WI 54403-4808

CITY OF FRANKLIN
70 E. MONROE STREET
FRANKLIN IN 46131

IN WITNESS WHEREOF, the parties have signed this Agreement on the dates indicated below.

UMR, Inc.

By _____
Signature

Jay Anliker
Print Name

Title President and CEO

Date Signed _____

City of Franklin

By _____
Signature

_____
Print Name

Title _____

Date Signed _____

ADDENDUM #1

FEE SCHEDULE

Effective Date: June 1, 2011

Product Type: Medical, Dental, & Flexible Spending Account

Plan Number: 7670-00-550032, 7670-02-550032 & 7670-03-550032

The Base Medical Service fee, the Base Dental Service fee, and Stop Loss Interface fee are guaranteed through May 31, 2013, with no more than a five percent (5%) increase to these fees for the period of June 1, 2013 through May 31, 2014, subject to the provisions of the Agreement.

Service Code	ITEM	BASIS	FEE
	BASE FEE:		
0001	Base Medical Service Fee	* PEPM	$23.65
1022	Prescription Solutions Fee Credit to Employer	* PEPM	-$7.50
0001	Base Dental Service Fee	* PEPM	$3.81
0001	Base Flexible Spending Fee		
	o Health Care Account	** PEPAPM	$4.65
	o Dependent Care Account	** PEPAPM	$3.65
	ADDITIONAL SERVICE FEES		
	COBRA Services		
0529	Standard COBRA Services	* PEPM	$1.13
0530	Multiple COBRA lines Administration		Included in Service Code 0529
	Enrollment Services		
0526	HIPAA - Certificates of Creditable Coverage	* PEPM	$0.78
	ID Card Services		
0200	Mail ID Cards to Employee's Home		Included in Base fee
	Reporting/Special Data Services		
0417	Custom Ad-Hoc Reports – Request System	Per Hour	$100/hr after 2 hours per year
0420	Medstat Reporting (additional fees will apply for history loads)		Included in Base Fee
1203	New York Surcharge – Filing and Administration		Included in Base fee
	Network/Managed Care		
1406	Network Access Fees		
	UnitedHealthcare Options PPO Network	* PEPM	$10.95
	Dentemax Overlay	* PEPM	$1.00
1431	Other Transplant Networks		No Charge
9938	Cost Reduction & Savings Program (CRS)	Percent of Savings Retained	30%

Service Code	ITEM	BASIS	FEE
	Medical Management Services		
0744	Utilization Management/Case Management (Includes NurseLine)	* PEPM	$3.71
0745	Maternity Management	* PEPM	$0.26
	Prescription Solutions Pharmacy Services		
1003	Pharmacy Prior Authorization	Per Review	$20
1006 & 1024	Pharmacy Benefit Management- Rebates	Percent of rebates retained	100% of rebates retained for administrative services (Non-Incentivized)
1007	Electronic Claim Fee	Per Electronic Claim	$0.00
1008	Paper Claim Fee	Per Paper Claim	$1.75
1009	Retail Discount Off Average Wholesale Price (AWP).	Brand Claim Net Effective Generic Claim	AWP minus 17.75% AWP minus 55%
1010	Mail Order Discount off Average Wholesale Price	Brand Claim Net Effective Generic Claim	AWP minus 24% AWP minus 68%
1011	Dispensing Fee	Per Retail Claim Per Mail Order Claim	$1.50 $0.00
1013	Compound Retail Dispensing Fee	Per Claim	$7.50
1015	Specialty Pharmacy Program – Dispensing Fee – AWP Discount	 Per Claim Per Claim	 $2.50 Varies in price by individual product, generally ranging from AWP minus 5% to AWP minus 70% per Claim.
	Claim Services		
0105	Subrogation Services	Percent of Recoveries retained	25% of recoveries; or 33% if handled by outside legal counsel.
0114	Claims Run-In (box and ship) (Flexible Spending Account)	One-time Set Up fee	$500
0136	Stop Loss Interface Fee		Included in Base fee
0140	Claim Reprocessing (in accordance with Claim Reprocessing provision of Agreement)	Per Claim	$25
	Miscellaneous Services		
0116	Accum Loads from a Vendor		No charge
0156	Flexible Spending Account enrollment – automatic reimbursement		No charge
0167	Medical Insured Carve Out Coordination (coordination of case management and claim services with an insured medical carve-out carrier of Employer's).	* PEPM	$0.35

* PEPM – Per Employee Per Month (covered employee)
** PEPAPM - Per Employee Per Account Per Month (covered employee)

NOTE: Certain pharmacies may be exempt from the above rates and discounts if they are located in a state that elects to participate at a state fee schedule rate.

NOTE: UMR agrees to use commercially reasonable efforts to ensure that the Plan remains cost neutral when Average Wholesale Pricing (AWP) modifications occur, however it is understood that UMR has no control over changes in federal, state or other applicable law or regulation that requires AWP modifications, or if there is a material change to the AWP as published by the pricing agency that establishes Average Wholesale Prices.

NOTE: Stop loss interface fee surcharge of $2.50 PEPM applies if stop loss coverage is not placed with a UMR preferred market. Consult your UMR representative for a list of preferred markets.

ADDENDUM #1

FEE SCHEDULE (RENEWAL)

Effective Date: June 1, 2012

Product Type: Medical, Dental, & Flexible Spending Account

Plan Number: 7670-00-550032, 7670-02-550032 & 7670-03-550032

This Fee Schedule replaces the prior Fee Schedules in the Administrative Services Agreement between City of Franklin and UMR, Inc. (UMR).

The Base Medical Service fee, the Base Dental Service fee, and Stop Loss Interface fee are guaranteed through May 31, 2013, with no more than a five percent (5%) increase to these fees for the period of June 1, 2013 through May 31, 2014, subject to the provisions of the Agreement.

Service Code	ITEM	BASIS	FEE
	BASE FEE:		
0001	Base Medical Service Fee	* PEPM	$23.65
1022	OptumRx Fee Credit to Employer	* PEPM	-$7.50
0001	Base Dental Service Fee	* PEPM	$3.81
0001	Base Flexible Spending Fee		
	o Health Care Account	** PEPAPM	$4.65
	o Dependent Care Account	** PEPAPM	$3.65
	ADDITIONAL SERVICE FEES		
	COBRA Services		
0529	Standard COBRA Services	* PEPM	$1.13
0530	Multiple COBRA lines Administration		Included in Service Code 0529
	Enrollment Services		
0526	HIPAA - Certificates of Creditable Coverage	* PEPM	$0.78
	ID Card Services		
0200	Mail ID Cards to Employee's Home		Included in Base fee
	Reporting/Special Data Services		
0417	Custom Ad-Hoc Reports – Request System	Per Hour	$100/hr after 2 hours per year
0420	Medstat Reporting/Medstat Advantage Suite®: (additional fees will apply for history loads)		Included in Base Fee
1203	New York Surcharge – Filing and Administration		Included in Base fee
	Network/Managed Care		
1406	Network Access Fees		
	UnitedHealthcare Options PPO Network	* PEPM	$11.30

Service Code	ITEM	BASIS	FEE
	Dentemax Overlay	* PEPM	$1.00
1431	Other Transplant Networks		No Charge from UMR for Access
9938	Cost Reduction & Savings Program (CRS)	Percent of Savings Retained	30%
	Medical Management Services		
0744	Utilization Management/Case Management (Includes NurseLine)	* PEPM	$3.71
0745	Maternity Management	* PEPM	$0.26
	OptumRx Pharmacy Services		
1003	Pharmacy Prior Authorization	Per Review	$20
1006 & 1025	Pharmacy Benefit Management- Rebates	Percent of rebates retained	100% of rebates retained for administrative services (Non-Incentivized)
1007	Electronic Claim Fee	Per Electronic Claim	$0.00
1008	Paper Claim Fee	Per Paper Claim	$1.75
1009	Retail Discount Off Average Wholesale Price (AWP).	Brand Claim Net Effective Generic Claim	AWP minus 17.75% AWP minus 55%
1010	Mail Order Discount off Average Wholesale Price	Brand Claim Net Effective Generic Claim	AWP minus 24% AWP minus 68%
1011	Dispensing Fee	Per Retail Claim Per Mail Order Claim	$1.50 $0.00
1013	Compound Retail Dispensing Fee	Per Claim	$7.50
1015	Specialty Pharmacy Program – Dispensing Fee – AWP Discount	 Per Claim Per Claim	 $2.50 Varies in price by individual product, generally ranging from AWP minus 5% to AWP minus 70% per Claim.
	Claim Services		
0105	Subrogation Services	Percent of Recoveries retained	25% of recoveries; or 33% if handled by outside legal counsel.
0136	Stop Loss Interface Fee		Included in Base fee
0140	Claim Reprocessing (in accordance with Claim Reprocessing provision of Agreement)	Per Claim	$25
	Miscellaneous Services		
0116	Accum Loads from a Vendor		No charge
0156	Flexible Spending Account enrollment – automatic reimbursement		No charge
0167	Medical Insured Carve Out Coordination (coordination of case management and claim services with an insured medical carve-out carrier of Employer's).	* PEPM	$0.35

Service Code	ITEM	BASIS	FEE
0536	W2 Eligibility Report and Data (UMR will provide an eligibility list in an electronic format that will include the amount that Employer can list in the Employee's W2)		$300 for 4-6 sets

* PEPM – Per Employee Per Month (covered employee)
** PEPAPM - Per Employee Per Account Per Month (covered employee)

NOTE: 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 (e.g., the reinsurance fee to be processed by third-party administrators on behalf of self-funded plans) as these are the responsibility of the Plan.

NOTE: Certain pharmacies may be exempt from the above rates and discounts if they are located in a state that elects to participate at a state fee schedule rate.

NOTE: UMR agrees to use commercially reasonable efforts to ensure that the Plan remains cost neutral when Average Wholesale Pricing (AWP) modifications occur, however it is understood that UMR has no control over changes in federal, state or other applicable law or regulation that requires AWP modifications, or if there is a material change to the AWP as published by the pricing agency that establishes Average Wholesale Prices.

NOTE: Stop loss interface fee surcharge applies if stop loss coverage is not placed with a UMR preferred market. Consult your UMR representative for a list of preferred markets.

ADDENDUM #1

FEE SCHEDULE (RENEWAL)

Effective Date: June 1, 2013

Product Type: Medical, Dental, & Flexible Spending Account

Plan Number: 7670-00-550032, 7670-02-550032 & 7670-03-550032

This Fee Schedule replaces the prior Fee Schedules in the Administrative Services Agreement between City of Franklin and UMR, Inc. (UMR).

Service Code	ITEM	BASIS	FEE
	BASE FEE:		
0001	Base Medical Service Fee	* PEPM	$24.83
1022	OptumRx Fee Credit to Employer	* PEPM	-$7.50
0001	Base Dental Service Fee	* PEPM	$4.00
0001	Base Flexible Spending Fee		
	o Health Care Account	** PEPAPM	$4.65
	o Dependent Care Account	** PEPAPM	$3.65
	ADDITIONAL SERVICE FEES		
	COBRA Services		
0529	Standard COBRA Services	* PEPM	$1.19
0530	Multiple COBRA lines Administration		Included in Service Code 0529
	Enrollment Services		
0526	HIPAA - Certificates of Creditable Coverage	* PEPM	$0.25
	ID Card Services		
0200	Mail ID Cards to Employee's Home		Included in Base fee
	Reporting/Special Data Services		
0417	Custom Ad-Hoc Reports – Request System	Per Hour	$100/hr after 2 hours per year
0420	Medstat Reporting/Medstat Advantage Suite®: (additional fees will apply for history loads)		Included in Base Fee
1203	New York Surcharge – Filing and Administration		Included in Base fee
	Network/Managed Care		
1406	Network Access Fees		
	UnitedHealthcare Options PPO Network	* PEPM	$11.30
	Dentemax Overlay	* PEPM	$1.00
1431	Other Transplant Networks		Cost per Transplant basis

Service Code	ITEM	BASIS	FEE
9938	Cost Reduction & Savings Program (CRS)	Percent of Savings Retained	30%
	Medical Management Services		
0744	Utilization Management/Case Management (Includes NurseLine)	* PEPM	$3.88
0745	Maternity Management	* PEPM	$0.30
	OptumRx Pharmacy Services		
1003	Pharmacy Prior Authorization		No Charge
1006 & 1025	Pharmacy Benefit Management- Rebates	Percent of rebates retained	100% of rebates retained for administrative services (Non-Incentivized)
1007	OptumRx Administration Fee	Per Claim	$0.00
1008	Paper Claim Fee	Per Paper Claim	$1.75
1009	Retail Discount Off Average Wholesale Price (AWP).	Brand Claim Net Effective Generic Claim	AWP minus 17.75% AWP minus 55%
1010	Mail Order Discount off Average Wholesale Price	Brand Claim Net Effective Generic Claim	AWP minus 24% AWP minus 68%
1011	Dispensing Fee	Per Retail Claim Per Mail Order Claim	$1.50 $0.00
1013	Compound Retail Dispensing Fee	Per Claim	$7.50
1015	Specialty Pharmacy Program – AWP Discount	Per Claim	Varies in price by individual product, generally ranging from AWP minus 5% to AWP minus 70% per Claim.
	Claim Services		
0105	Subrogation Services	Percent of Recoveries retained	25% of recoveries; or 33% if handled by outside legal counsel.
0136	Stop Loss Interface Fee		Included in Base fee
0140	Claim Reprocessing (in accordance with Claim Reprocessing provision of Agreement)	Per Claim	$25
	Miscellaneous Services		
0156	Flexible Spending Account enrollment – automatic reimbursement		No charge
0167	Medical Insured Carve Out Coordination (coordination of case management and claim services with an insured medical carve-out carrier of Employer's).	* PEPM	$0.35
	Health Care Reform Services		
2130	Federal External Review	Per Review	Five reviews included; then $500 per review

Service Code	ITEM	BASIS	FEE
0926	Full/Partial Summary of Benefits and Coverage (SBC) creation with data UMR has on file for the Plan. Includes initial SBC per benefit Plan design plus one amendment per year; electronic version only provided to Employer.		No Charge
0927	Two or more Summary of Benefits and Coverage (SBC) amendments requested by Employer per year	Per SBC Per Benefit Plan	$500
0536	W2 Eligibility Report and Data (4-6 sets) (UMR will provide an eligibility list in an electronic format that will include the amount that Employer can list in the Employee's W2)	Annual	$300

* PEPM – Per Employee Per Month (covered employee)
** PEPAPM - Per Employee Per Account Per Month (covered employee)

NOTE: 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 (e.g., the reinsurance fee to be processed by third-party administrators on behalf of self-funded plans) as these are the responsibility of the Plan.

NOTE: Certain pharmacies may be exempt from the above rates and discounts if they are located in a state that elects to participate at a state fee schedule rate.

NOTE: UMR agrees to use commercially reasonable efforts to ensure that the Plan remains cost neutral when Average Wholesale Pricing (AWP) modifications occur, however it is understood that UMR has no control over changes in federal, state or other applicable law or regulation that requires AWP modifications, or if there is a material change to the AWP as published by the pricing agency that establishes Average Wholesale Prices.

NOTE: Stop loss interface fee surcharge applies if stop loss coverage is not placed with a UMR preferred market. Consult your UMR representative for a list of preferred markets.

ADDENDUM #2

PROVIDER RENTAL NETWORK SERVICES
MEDICAL AND DENTAL PLAN(S)

Section 1 - Definitions

1.A "Preferred or Participating Provider" means any Provider who is licensed to provide health or dental care services, as applicable, and has contracted with the PPO network to provide services to Covered Persons at discounted rates.

1.B "Preferred Provider Organization (PPO)" means a mode of health care delivery whereby a sponsoring group negotiates price discounts with Providers.

1.C "Provider" means physicians, hospitals, and any other Providers of health care or other allied or related products or services.

1.D "Rental Network (Network)" means a sponsoring group that contracts with Providers under a PPO arrangement.

Section 2 – General Responsibilities of Employer and UMR

2.A UMR will contract with Provider Rental Networks on behalf of the Employer, as listed on the Fee Schedule, and will make Employer aware of applicable Network rules for the Preferred Provider Organization (PPO). UMR makes no representations or warranties regarding the continued availability to the Plan or Covered Person of any particular Provider.

2.B Employer agrees to provide certain benefit incentives to Covered Persons who utilize the PPO Network if required by the Provider Rental Networks. In exchange for these incentives, Network Providers have agreed to discounts, per diems, fee schedules or contracted fees for all covered services provided. It is agreed however that Covered Persons utilizing the PPO Network(s) will remain free to choose any Provider in or out of the Network, subject to provisions of the Employer's Summary Plan Description.

2.C As compensation for the Provider Rental Network services, Employer agrees to pay UMR a monthly access fee as set forth in the attached Fee Schedule. UMR will, in turn, send the appropriate access fee to the Rental Network.

2.D Employer agrees to have sufficient funds in the established bank account to enable UMR to make timely payments to Providers for Covered Services under the Plan.

2.E It is understood that the Rental Network is solely responsible for contracting with Providers and for credentialing or determining their suitability to be a Provider.

ADDENDUM #3

COBRA

Plans:

The following Plans administered by UMR are covered by this COBRA Addendum:

Medical	7670-00-550032
Dental	7670-02-550032
Flexible Spending Account	7670-03-550032

Section 1 - Definitions

1.A "COBRA" shall mean the federal Consolidated Omnibus Budget Reconciliation Act of 1985, and all rules and regulations promulgated thereunder.

1.B "COBRA Enrollee" shall mean those Qualified Beneficiaries who have elected to receive continuation coverage.

1.C "Qualified Beneficiary" shall mean Employer's eligible employees and their eligible dependents, as defined in COBRA and as determined by Employer.

1.D "Qualifying Event" shall mean an event triggering the right of COBRA continuation of coverage as required and defined under the Consolidated Omnibus Budget Reconciliation Act of 1985 and all rules and regulations promulgated thereunder.

Section 2 - General Responsibilities of the Employer

2.A Employer shall be responsible for the administration of the Plan except to the extent expressly delegated to UMR through this Agreement.

2.B Employer is responsible for providing UMR with COBRA premium information and due dates at least two weeks prior to the effective date of the change, and for complying with the COBRA regulations governing the 12-month determination period.

2.C Employer shall determine if a Qualifying Event occurs and such determination shall be binding upon UMR. Within thirty (30) calendar days following notification of the Qualifying Event, Employer shall notify UMR of the Qualifying Event by either submitting a completed COBRA Action Form, or submitting information via the COBRA Online Web Notification system, or by utilizing another format that is mutually agreed upon.

Section 3 - General Responsibilities of UMR

3.A Upon notification from Employer of a Qualifying Event via the COBRA Action form or another acceptable means of written communication, UMR shall send a letter to the Qualified Beneficiaries advising them of their rights to continue coverage under federal COBRA. Such letter shall include an appropriate enrollment form and payment information.

3.B Upon receipt of a completed enrollment form and appropriate payment, UMR shall send a letter of confirmation to the COBRA Enrollee acknowledging such receipt.

3.C UMR shall collect COBRA monthly payments from Enrollees and provide Employer with a monthly accounting of payments. All such payments shall be retained by UMR until the month end and then shall be returned to Employer in a mutually agreed upon manner.

3.D In the event that a COBRA Enrollee's coverage terminates prior to the end of the maximum COBRA coverage period, UMR shall provide the COBRA Enrollee with a written notice of early termination in accordance with applicable federal COBRA regulations.

3.E UMR agrees to send a Notice of Unavailability to a Qualified Beneficiary if it is determined by the Employer or UMR that the Qualified Beneficiary is not entitled to COBRA coverage in accordance with applicable federal COBRA regulations. Employer agrees to notify UMR in a timely manner if Employer determines or has reason to believe that the Qualified Beneficiary is not entitled to COBRA.

ADDENDUM #4

PHARMACY SERVICES

Responsibilities of Prescription Solutions

1. Prescription Solutions will accept and process Claims submitted by network pharmacies in the HIPAA designated standard format, or any other designated standard as required by law (or as otherwise permitted under the network provider agreement).

2. Prescription Solutions shall accept and process Claims submitted by Covered Persons when such Covered Person submits Claims properly completed on a Prescription Solutions standard paper claim form, together with proper proof of payment.

3. Prescription Solutions uses criteria for its Quantity Limit Program that is developed by its National Pharmacy and Therapeutics' Committee. Prescription Solutions will receive and review requests from the Employer and/or Covered Persons for exceptions based on this criteria. Employer will at all times retain the right to override the Prescription Solutions recommendation, at which time the override will be entered into the system by Prescription Solutions to allow coverage for the product and quantity requested

4. Prescription Solutions will receive and review requests from Employer and/or Covered Persons for exceptions on quantity limit override based on the criteria determined by the Pharmacy & Therapeutic Committee.

5. Prescription Solutions will provide customer service assistance to Employer with regard to Employer's pharmacy benefits programs. Such assistance will include, but not be limited to, access to a call center for Covered Persons, providers and pharmacies to contact Prescription Solutions with any questions or comments regarding the pharmacy benefit program.

6. Prescription Solutions agrees to provide Employer with a standard reporting package.

7. Both parties understand that if pharmacy Claims are paid for a Covered Person prior to being notified by the Employer that the Covered Person has been terminated, Prescription Solutions will be under no obligation to recover payments made prior to said notification.

8. Prescription Solutions will provide claims appeal services for Covered Persons who request a review of an Adverse Benefit Determination on pharmacy Claims, in accordance with the Department of Labor regulations. Prescription Solutions will allow a five (5) calendar day mail time in addition to the maximum appeal timelines listed in the above documents. It is understood that Prescription Solutions will provide appeal services for Covered Persons in accordance with the Employer's Summary Plan Description. Any additional appeal options will be the sole responsibility of the Employer.

9. Prescription Solutions uses commercially reasonable efforts to not reimburse Covered Persons for prescription drugs purchased outside of the United States, with the exception of prescription drugs purchased for emergency purposes. An exception may also be made for Covered Persons who are covered by a United States health Plan, but who are living abroad.

10. Prescription Solutions agrees to share rebates with the Employer to the extent stated on the Fee Schedule. In the event, however, that Employer terminates services with Prescription Solutions prior to the Renewal Date of this Agreement, Prescription Solutions will retain any portion of unpaid rebates.

ADDENDUM #5

FLEXIBLE SPENDING ACCOUNT (FSA)

Section 1 - Definitions

1.A "Health Care Spending Account (HCSA)". A Health FSA is a plan under which employees can be reimbursed, on a pre-tax basis, for qualified medical care expenses as defined in Code 213 and which are not covered by a health benefit plan, accident benefits or any other benefit plan or insurance.

1.B "Dependent Care Assistance Program (DCAP or DCA)". A Dependent Care FSA is a plan under which employees can be reimbursed, on a pre-tax basis, for qualified dependent care expenses provided to an individual that enable the plan participant and spouse to be gainfully employed, in accordance with Section 129 of the Internal Revenue Service Code.

Section 2 - General Responsibilities of the Employer

2.A **Enrollment Census:** The Employer shall provide UMR with necessary enrollment information on Covered Persons including the effective date of coverage, demographic information, dependent information, plan option(s), payment options, start and termination dates, and other information identified in the standard UMR's enrollment process.

2.B **Change in Status Obligation:** Employer must notify UMR of a change in the Covered Person's status in a mutually agreed upon period of time.

Section 3 - General Responsibilities of UMR

3.A **FSA Claims Services:**

As part of the base FSA fee, UMR shall provide the following:

- Verify the eligibility of the Covered Person when an FSA Claim is submitted.
- Supply Employer with FSA Claim Forms and educational material that identifies claim filing requirements.
- Review FSA Claim Form and supporting documentation provided by the Covered Person.
- Provide the Covered Person with the status of their FSA Claim by either: web access; issuing a benefit check; or sending the Covered Person an Explanation of Benefits.
- Provide customer service to Covered Persons via phone and web access.
- Electronic Funds Transfer (EFT) is a system that allows UMR to electronically deposit the Covered Person's FSA claim reimbursement into the person's checking or savings account, if elected by the Employer. It is understood, however, that UMR must be granted ACH debit authority for the Employer's claim account.
- Automatic reimbursement loading for HCSA is a feature that allows UMR to pay out of pocket expenses from the Covered Person's FSA account rather than filing a separate Claim, if elected by the Employer.
- In the event that the Employer cancels this Agreement or no longer needs UMR to administer its FSA Plan, UMR will provide clean-up work on previously processed Claims, for a period of thirty (30) calendar days following the end of the run-out period.

3.B **Reports:** As part of the base FSA fee, UMR will provide Employer with a monthly online forfeiture report that displays current annual election, year-to-date deposits, year-to-date payments, and account balance information for each employee.

ADDENDUM #6

NETWORK DISCOUNT GUARANTEE

UMR will guarantee a discount for Employer's Non-Medicare PPO members for claims incurred from June 1, 2011 through May, 2012 and paid through August, 2012. Any penalty due shall be based on the year-end results according to the table below.

The In-Network Discount Percentage is calculated by dividing total In-Network Discount Dollars by Total In-Network Eligible Charges.

- Total In-Network Discount Dollars include participating provider contracted discounts only and does not include any savings from medical management, care avoided savings, duplicate charges or any other ineligible savings.
- Total In-Network Eligible Charges will be participating provider eligible charges minus commercial and Medicare coordination of benefits Claims for participating providers.
- Excludes claimants with over $100,000 in Claims will be excluded from the calculation.

In-Network Discount Percentage	Penalty Paid by UMR to Employer
33.4% up to 43.3%	Risk Free Corridor: No Penalty
32.4% up to 33.3%	$0.50 PEPM
31.4% up to 32.3%	$1.00 PEPM
30.4% up to 31.3%	$1.50 PEPM
29.4% up to 30.3%	$2.00 PEPM
29.3% or less	$2.50 PEPM

In- Network Discount Percentage	Incentive Paid by Employer to UMR
43.4% up to 44.3%	$0.50 PEPM
44.4% up to 45.3%	$1.00 PEPM
45.4% up to 46.3%	$1.50 PEPM
46.4% up to 47.3%	$2.00 PEPM
Greater than or equal to 47.4%	$2.50 PEPM

UMR reserves the right to revise or revoke the discount guarantees should there be a significant change in this employee distribution (plus or minus 10% change in enrollment overall from the proposed employee count of 175, or in any of the large markets identified in the employee distribution worksheet, or if the initial enrollment with UMR is less than 160 employees).

The above network discount percentages are based on the current distribution percentage of in-network employees by market and assumes total replacement with the following PPO network offering: UnitedHealthcare Options PPO.

If, at the end of the guarantee period, the In-Network Discount Percentage is below the Risk Free Corridor, UMR agrees to pay Employer the applicable penalty listed in the above schedule. If, however, the In-Network Discount Percentage is above the Risk Free Corridor at the end of the guarantee period, Employer agrees to pay UMR the incentive amount listed in the above schedule.

ADDENDUM #7

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT ("BA Agreement") is incorporated into and made part of the Administrative Services Agreement ("Agreement") by and between UMR, Inc. on behalf of itself and its Affiliates ("Business Associate") and City of Franklin ("Covered Entity") (each a "Party" and collectively the "Parties"), and is effective on June 1, 2011 (Effective Date). This BA Agreement replaces the terms of any previous business associate agreement between the Parties.

The Parties hereby agree as follows:

1. DEFINITIONS

1.1 Unless otherwise specified in this BA Agreement, all capitalized terms used in this BA Agreement not otherwise defined in this BA Agreement or otherwise in the Agreement have the meanings established for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (collectively, "HIPAA") and ARRA, as each is amended from time to time. Capitalized terms used in this BA Agreement that are not otherwise defined in this BA Agreement and that are defined in the Agreement shall have the respective meanings assigned to them in the Agreement. To the extent a term is defined in both the Agreement and in this BA Agreement, HIPAA or ARRA, the definition in this BA Agreement, HIPAA or ARRA shall govern.

1.2 "Affiliate", for purposes of this BA Agreement, shall mean any entity that is a subsidiary of UnitedHealth Group.

1.3 "ARRA" shall mean the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009, 42 U.S.C. §§17921-17954, and any and all references in this BA Agreement to sections of ARRA shall be deemed to include all associated existing and future implementing regulations, when and as each is effective.

1.4 "Breach" shall mean the acquisition, access, use or disclosure of PHI in a manner not permitted by the Privacy Rule that compromises the security or privacy of the PHI as defined, and subject to the exceptions set forth, in 45 C.F.R. 164.402.

1.5 "Compliance Date" shall mean, in each case, the date by which compliance is required under the referenced provision of ARRA and/or its implementing regulations, as applicable; provided that, in any case for which that date occurs prior to the effective date of this BA Agreement, the Compliance Date shall mean that Effective Date of this BA Agreement.

1.6 "Electronic Protected Health Information" ("ePHI") shall mean PHI as defined in Section 1.7 that is transmitted or maintained in electronic media.

1.7 "PHI" shall mean Protected Health Information, as defined in 45 C.F.R. 160.103, and is limited to the Protected Health Information received from, or received or created on behalf of, Covered Entity by Business Associate pursuant to the performance of the Services.

1.8 "Privacy Rule" shall mean the federal privacy regulations issued pursuant to the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, codified at 45 C.F.R. Parts 160 and 164 (Subparts A & E).

1.9 "Security Rule" shall mean the federal security regulations issued pursuant to the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, codified at 45 C.F.R. Parts 160 and 164 (Subparts A & C).

1.10 "Services" shall mean, to the extent and only to the extent they involve the creation, use or disclosure of PHI, the services provided by Business Associate to Covered Entity under the Agreement, including those set forth in this BA Agreement in Sections 4.3 through 4.7, 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 PHI, Business Associate agrees to:

2.1 use and/or disclose PHI only as necessary to provide the Services, as permitted or required by this BA Agreement 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.

2.2 implement and use appropriate administrative, physical and technical safeguards to (i) prevent use or disclosure of PHI other than as permitted or required by this BA Agreement; (ii) reasonably and appropriately protect the confidentiality, integrity, and availability of the ePHI that Business Associate creates, receives, maintains, or transmits on behalf of the Covered Entity; and (iii) as of the Compliance Date of 42 U.S.C. § 17931, comply with the Security Rule requirements set forth in 45 C.F.R. §§ 164.308, 164.310, 164.312, and 164.316.

2.3 without unreasonable delay, report to Covered Entity (i) any use or disclosure of PHI, of which it becomes aware, that is not provided for by this BA Agreement; 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 BA Agreement, Covered Entity hereby delegates to Business Associate the responsibility for determining when any such incident is a Breach and for providing all legally required notifications to Individuals, HHS and/or the media, on behalf of Covered Entity. Business Associate shall provide these notifications in accordance with the data breach notification requirements set forth in 42 U.S.C. §17932 and 45 C.F.R. Parts 160 & 164 subparts A, D & E as of their respective Compliance Dates, and shall pay for the reasonable and actual costs associated with such notifications. In the event of a Breach, without unreasonable delay, and in any event no later than sixty (60) calendar days after Discovery, Business Associate shall provide Covered Entity with written notification that includes a description of the Breach, a list of Individuals (unless Covered Entity is an employer ineligible to receive PHI) and a copy of the template notification letter to be sent to Individuals.

2.5 require all of its subcontractors and agents that create, receive, maintain, or transmit PHI to agree, in writing, to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate; including but not limited to the extent that Business Associate provides ePHI to a subcontractor or agent, it shall require the subcontractor or agent to implement reasonable and appropriate safeguards to protect the ePHI consistent with the requirements of this BA Agreement.

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 document, and within thirty (30) days after receiving a written request from Covered Entity or an Individual, make available directly to an Individual, an accounting of disclosures of PHI about the Individual, in accordance with 45 C.F.R. 164.528.

2.8 notwithstanding Section 2.7, in the event that Business Associate in connection with the Services uses or maintains an Electronic Health Record of PHI of or about an Individual, then Business Associate shall when and as reasonably directed by Covered Entity or an Individual, make an accounting of disclosures of PHI directly to an Individual within thirty (30) days after receiving a written request, in accordance with the requirements for accounting for disclosures made through an Electronic Health Record in 42 U.S.C. § 17935(c), as of its Compliance Date.

2.9 provide access, within thirty (30) days after receiving a written request from Covered Entity or an Individual, to PHI in a Designated Record Set about an Individual, directly to the Individual, in accordance with the requirements of 45 C.F.R. 164.524.

2.10 notwithstanding Section 2.9, in the event that Business Associate in connection with the Services uses or maintains an Electronic Health Record of PHI of or about an Individual, then Business Associate shall provide an electronic copy of the PHI, within thirty (30) days after receiving a written request, directly to an Individual or a third party designated by the Individual, all in accordance with 42 U.S.C. § 17935(e) as of its Compliance Date.

2.11 to the extent that the PHI in Business Associate's possession constitutes a Designated Record Set, make available, within thirty (30) days after a written request by Covered Entity or an Individual, PHI for amendment and incorporate any amendments to the PHI, as directed by Covered Entity or an Individual, all in accordance with 45 C.F.R. § 164.526.

2.12 request, use and/or disclose only the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure; provided, that Business Associate shall comply with 42 U.S.C. § 17935(b) as of its Compliance Date.

2.13 accommodate reasonable requests by Individuals for confidential communications in accordance with 45 C.F.R. 164.522(b) of the Privacy Rule.

2.14 not directly or indirectly receive remuneration in exchange for any PHI as prohibited by 42 U.S.C. § 17935(d) as of its Compliance Date.

2.15 not make or cause to be made any communication about a product or service that is prohibited by 42 U.S.C. § 17936(a) as of its Compliance Date.

2.16 not make or cause to be made any written fundraising communication that is prohibited by 42 U.S.C. § 17936(b) as of its Compliance Date.

3. RESPONSIBILITIES OF COVERED ENTITY

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

3.1 represents that it has ensured, and has received certification from Employer, that Employer has taken the appropriate steps in accordance with 45 C.F.R. 164.504(f) and 45 C.F.R. 164.314(b) to enable Business Associate on behalf of Covered Entity to disclose PHI to Employer, including but not limited to amending its Plan documents to incorporate, and agreeing to, the requirements set forth in 45 C.F.R. 164.504(f)(2) and 45 C.F.R. 164.314(b). Covered Entity shall ensure that only employees authorized under 45 C.F.R. 164.504(f) shall have access to the PHI disclosed by Business Associate to Employer.

3.2 will not, without Business Associate's prior written consent, agree to an Individual's request for a restriction pursuant to 45 C.F.R. § 164.522(a) or include any restriction in Covered Entity's notice of privacy practices under 45 C.F.R. 164.520, to the

extent such restriction may adversely affect Business Associate's ability to use and/or disclose PHI as permitted or required under this BA Agreement.

3.3 will provide, or direct its other business associates to provide, to Business Associate only the minimum PHI necessary to accomplish the Services.

3.4 shall be responsible for using, or directing its other business associates to use, administrative, physical and technical safeguards at all times to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Business Associate pursuant to the Agreement, including this BA Agreement, in accordance with the standards and requirements of HIPAA, until such PHI is received by Business Associate.

3.5 shall obtain any consent or authorization that may be required by applicable federal or state laws and regulations prior to furnishing, or directing any of its other business associates to furnish, the PHI to Business Associate.

4. PERMITTED USES AND DISCLOSURES OF PHI

Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or required by this BA Agreement 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 to subcontractors and agents the PHI in its possession for its proper management and administration or to carry out the legal responsibilities of Business Associate, provided that any third party to which Business Associates discloses PHI for those purposes provides written assurances in advance that: (i) the information will be held confidentially and used or further disclosed only as Required by Law; (ii) the information will be used only for the purpose for which it was disclosed to the third party; and (iii) 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 any and all PHI obtained by Business Associate under this BA Agreement, which De-identified information does not constitute PHI, is not subject to this BA Agreement and may be used and disclosed on Business Associate's own behalf, all in accordance with the De-identification requirements of the Privacy Rule;

4.4 provide Data Aggregation services relating to the Health Care Operations of the Covered Entity, including through subcontractors and agents, all in accordance with the Privacy Rule.

4.5 identify Research projects conducted by Business Associate, its Affiliates or third parties for which PHI may be relevant; obtain on behalf of Covered Entity documentation of individual authorizations or an Institutional Review Board or privacy board waiver that meets the requirements of 45 C.F.R. 164.512(i)(1) (each an "Authorization" or "Waiver") related to such projects; provide Covered Entity with copies of such Authorizations or Waivers, subject to confidentiality obligations ("Required Documentation"); and disclose PHI for such Research provided that Business Associate does not receive Covered Entity's disapproval in writing within ten (10) days of Covered Entity's receipt of Required Documentation.

4.6 make PHI available for reviews preparatory to Research and obtain and maintain written representations in accord with 45 C.F.R. 164.512(i)(1)(ii) that the requested PHI is sought solely as necessary to prepare a Research protocol or for similar purposes preparatory to Research, that the PHI is necessary for the Research, and that no PHI will be removed in the course of the review.

4.7 use the PHI to create a Limited Data Set ("LDS") in compliance with 45 C.F.R. 164.514(e).

4.8 use and disclose the LDS referenced in Section 4.7 solely for Research, Health Care Operations, or Public Health purposes; provided that, Business Associate shall (1) not use or further disclose the information other than as permitted by this Section 4.8 or as otherwise Required by Law; (2) use appropriate safeguards to prevent use or disclosure of the information other than as provided for by this Section 4.8; (3) report to Covered Entity any use or disclosure of the information not provided for by this Section 4.8 of which Business Associate becomes aware; (4) ensure that any agents or subcontractors to whom Business Associate provides the LDS agrees to the same restrictions and conditions that apply to Business Associate with respect to such information; and (5) not identify the information or contact the individuals.

5. TERMINATION AND COOPERATION

5.1 Term. The Term of this BA Agreement shall be effective as of the Effective Date, and shall terminate upon the final expiration or termination of the Agreement unless earlier terminated in accordance with Section 5.2 of this BA Agreement.

5.2 Termination. If either Party knows of a pattern of activity or practice of the other Party that constitutes a material breach or violation of this BA Agreement then the non-breaching Party shall provide written notice of the breach or violation to the other Party that specifies the nature of the breach or violation. The breaching Party must cure the breach or end the violation on or before sixty (60) days after receipt of the written notice. In the absence of a cure reasonably satisfactory to the non-breaching Party within the specified timeframe, or in the event the breach is reasonably incapable of cure, then the non-breaching Party may do the following:

(i) if feasible, terminate the Agreement, including this BA Agreement; or

(ii) if termination of the Agreement is infeasible, report the issue to HHS.

5.3 Effect of Termination or Expiration. Within sixty (60) days after the termination or expiration of the Agreement and/or this BA Agreement, Business Associate shall return or destroy all PHI, if feasible to do so, including all PHI in possession of Business Associate's agents or subcontractors. If Business Associate determines that return or destruction of the PHI is not feasible, Business Associate may retain the PHI subject to this Section 5.3. Under any circumstances, Business Associate shall extend any and all protections, limitations and restrictions contained in this BA Agreement to Business Associate's use and/or disclosure of any PHI retained after the expiration or termination of the Agreement and/or this BA Agreement, and shall limit any further uses and/or disclosures solely to the purposes that make return or destruction of the PHI infeasible.

5.4 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 Contradictory Terms; Construction of Terms. Any other provision of the Agreement that is directly contradictory to one or more terms of this BA Agreement ("Contradictory Term") shall be superseded by the terms of this BA Agreement to the extent and only to the extent of the contradiction, only for the purpose of Covered Entity's and Business Associate's compliance with HIPAA and ARRA, and only to the extent reasonably impossible to comply with both the Contradictory Term and the terms of this BA

Agreement. The terms of this BA Agreement to the extent they are unclear shall be construed to allow for compliance by Covered Entity and Business Associate with HIPAA and ARRA.

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

6.3 Survival. Sections 4.8, 5.3, 5.4, 6.1, 6.2, and 6.3 shall survive the expiration or termination for any reason of the Agreement and/or of this BA Agreement.

6.4 Independent Contractor. Business Associate and Covered Entity are and shall remain independent contractors throughout the term. Nothing in this BA Agreement or otherwise in the Agreement shall be construed to constitute Business Associate and Covered Entity as partners, joint venturers, agents or anything other than independent contractors.

IN WITNESS WHEREOF, the parties have signed this BA Agreement on the dates indicated below.

UMR, Inc.		**City of Franklin**	
By	_____ Signature	By	_____ Signature
	Jay Anliker Print Name		_____ Print Name
Title	President and CEO	Title	_____
Date Signed	_____	Date Signed	_____