



---

***WEB-TPA***

***ADMINISTRATIVE SERVICES AGREEMENT WITH  
LAKE COUNTY BOARD OF COUNTY COMMISSIONERS***

***TAVERES, FLORIDA***

***OCTOBER 1, 2005***

---

## ADMINISTRATIVE SERVICES AGREEMENT

(Signature Page)

webTPA Employer Services, LLC., a Texas Limited Liability Company (“**WEB-TPA**”), and the employer/plan sponsor whose name appears below (“**Employer**”) hereby enter into, as of the date set forth below (the “**Effective Date**”), this Administrative Services Agreement consisting of the Standard Terms and Conditions and the following Exhibits **initialed by each of WEB-TPA and Employer** below, which are attached hereto and incorporated herein for all purposes:

	<b>WEB-TPA Initials</b>	<b>Employer Initials</b>
STANDARD TERMS AND CONDITIONS		
Exhibit A – RESPONSIBILITIES OF PARTIES		
Exhibit B – FEES AND SERVICES		
Exhibit C – COBRA/HIPAA SERVICES ADDENDUM		

**Expected Plan Participation:** # of Employees: **758** # of Dependents: **1,332**

**Expected Plan Dependent Ratio:** [(Employees + Dependents)/Employees] **2.02**

### CONTACT INFORMATION

FUNCTION	EMPLOYER – LAKE COUNTY BOARD OF COUNTY COMMISSIONERS	WEB-TPA
<b>Support</b>	Name: Susan Irby Title: Org. Development Analyst Phone: 352-343-9596 Fax: 352-343-9883	Name: Megan Rigby Title: Dir. Of Bus. Development Phone: 469-417-1715 Fax: 469-417-1970
<b>Contract</b>	Name: Sharon Wall Title: Dir. Employee Services Phone: 352-343-9596 Fax: 352-343-9883	Name: Mike McCabe Title: President Phone: 469-417-1715 Fax: 469-417-1970

**IN WITNESS WHEREOF**, the parties have duly executed this Agreement by the duly authorized signatures below as of October 1, 2005 (the “**Effective Date**”).

**WEB-TPA:**

By: \_\_\_\_\_  
 Name: Mike McCabe  
 Title: President

***BOARD OF COUNTY COMMISSIONERS  
LAKE COUNTY, FLORIDA***

\_\_\_\_\_  
Jennifer Hill, Chairman

This \_\_\_\_ day of \_\_\_\_\_, 2005.

ATTEST:

\_\_\_\_\_  
James C. Watkins, Clerk of the  
Board of County Commissioners  
of Lake County, Florida

Approved as to form and legality:

\_\_\_\_\_  
Sanford A. Minkoff  
County Attorney

## ADMINISTRATIVE SERVICES AGREEMENT STANDARD TERMS AND CONDITIONS

THIS Service Agreement is made and entered into by and between the Employer and WEB-TPA.

WHEREAS, the Employer is a local government unit as defined by the laws of the State of Florida that sponsors a self-funded employee welfare benefit plan (the “Plan”) ; and

WHEREAS, the Employer desires to make available a program of health care benefits under the Plan for its employees and their dependents (“Participating Members”); and

WHEREAS, the Employer wishes to contract with an independent third party to perform certain services with respect to the Plan as specified herein; and

WHEREAS, WEB-TPA provides administrative services and desires to contract with the Employer to perform certain services with respect to the Plan as specified below; and

THEREFORE, in consideration of the premises and mutual covenants contained herein, the Employer and WEB -TPA agree to the following:

### ARTICLE I: Relationship of Parties

#### **1.1 Independent Contractors**

The parties enter into this Agreement as independent contractors and not as agents of each other. Neither party shall have any authority to act in any way as the representative of the other, or to bind the other to any third party, except as specifically set forth herein.

#### **1.2 Delegated Authority**

The Employer delegates to WEB-TPA only those powers and responsibilities which are specifically enumerated in this Agreement. Nothing within this Agreement shall transfer to WEB-TPA any discretionary responsibility or authority or assign Employer’s “Plan Administrator” responsibilities, including the Employer’s responsibility for determining the benefits, rates, eligibility criteria, and claims payment procedures applicable to the Plan, and for securing reinsurance/stop-loss coverage.

#### **1.3 Licensure/Compliance**

WEB-TPA agrees to be duly licensed as a Third Party Administrator to the extent required under applicable laws and agrees to maintain such licensure throughout the Term of this Agreement. Both Employer and WEB-TPA agree to comply with applicable Federal and State laws in administering the Plan.

**1.4 Communication**

- a) WEB-TPA shall be entitled to rely, without investigation or inquiry, upon any written, electronic, or oral information or communication of the Employer or agents of the Employer. Additional clarification of interpretation of benefits shall be forwarded to the Office of Employee Services Director or the Benefits Manager. Matters regarding contract amendments must be signed by the Employee Services Director and assigned Procurement Services agent.
- b) WEB-TPA shall only use such advertising pertaining to the Plan as has been approved in writing by the Employer in advance of its use.

**1.5 Financial Responsibility**

WEB-TPA does not insure, guarantee, or underwrite the liability of the Employer under the Plan. The Employer has total responsibility for payment of claims under the Plan and all expenses incidental to the Plan. Employer retains complete financial responsibility for payment of claims under the Plan if either WEB-TPA or its partners or any affiliate or subsidiary network or contracting party is unable, unwilling, or for any other reason, fails to pay for medical services provided by the providers with whom either party contracts.

**1.6 Responsibilities of Parties (EXHIBIT A)**

A listing of each party's responsibilities and cost association is provided for in Exhibit A attached.

**1.7 Plan Document**

Services provided under this Agreement will be performed in accordance with a Plan Document, which sets forth the eligibility and benefit provisions of the Plan.

**ARTICLE II: WEB-TPA's Responsibilities**

**2.1 Eligibility.** During the Term (as hereinafter defined), WEB-TPA shall, in accordance with the eligibility criteria established by Employer:

- a) Provide enrollment forms for each employee to Employer.
- b) Provide member identification cards for each member to Employer.
- c) Maintain Plan records based on eligibility information submitted by the Employer as to the dates on which a member's coverage commences and terminates.
- d) Support annual online enrollment services and eligibility management.

**2.2 Benefit Determination.** During the Term, WEB-TPA shall, in accordance with the procedures established by the Employer:

- a) Provide a “sample” Summary Plan Description (the “SPD”) to Employer. However, Employer exclusively retains all responsibility and liability associated with the Plan Document and the Employer SPD. WEB-TPA is not in the business of providing legal counsel and makes no representations or warranties as to the legality or appropriateness of the Plan Document or Employer SPD.
- b) Maintain Plan records of Plan coverage applicable to each member based on information submitted by the Employer.
- c) Support the receipt of claims and supporting documentation via paper and electronic means.
- d) Determine benefits payable per claim in accordance with the Plan Document. In circumstances in which benefit determination is considered unclear by WEB-TPA, WEB-TPA will contact Employer and request guidance as to desired Plan interpretation. If Employer does not respond in writing within seven (7) days, WEB-TPA will, at its sole discretion, continue to pend or deny the claim/benefit.
- e) Use its best efforts to determine third party liabilities or responsibilities related to submitted charges.
- f) If applicable, provide initial copy of SPD for Employer online access.

**2.3 Claim Payment and Notification.** During the Term, WEB-TPA shall, in accordance with the procedures established by the Employer:

- a) Provide a sample claim form to Employer to utilize in submitting claims to WEB-TPA.
- b) Use its best efforts to notify appropriate provider and/or member if additional information is required in order to process a claim.
- c) Pay claims from Employer’s designated account, as authorized by Employer. Under no circumstance, does WEB-TPA assume financial responsibility for any amounts or liabilities related to the Plan, including, without limitation, benefits payable, fines, fees, and errors.
- d) Provide notice to members and applicable providers as to the reason and determination of benefits under the Plan, including, without limitation, payment, adjustment, denial, or pending claims.
- e) In the event that WEB-TPA makes overpayments for claims paid in good faith, upon determination of error by WEB-TPA, it will use its best efforts to notify Employer of such error and make good faith attempts to recover any such overpayments.
- f) Report to the Internal Revenue Services, and to other applicable tax authorities or parties, those claim payments which are required to be reported thereto under applicable tax laws, regulations, rulings, and opinions.

**2.4 Subrogation and Coordination of Benefits.** During the Term, WEB-TPA shall:

- a) Use best efforts to identify claims and notify Employer of potential opportunities to subrogate Plan payments.
- b) Use best efforts to identify claims and notify Employer of claims subject to payment under other benefit plans.

- 2.5 Plan History (Records and Files).** After expiration of the Term, WEB-TPA shall:
- a) Store Plan records (including member eligibility, claim submission, benefit determination, and claim payment) in its principal administrative office for the duration of the written agreement and for five (5) years thereafter, of all transactions among WEB-TPA, Employer, and Participating Members, in accordance with prudent standards of insurance recordkeeping.
  - b) Provide Employer with reasonable and continuing access to the Plan records maintained by WEB-TPA sufficient to permit Employer to fulfill all of its contractual obligations to Participating Members, and assist in the transfer of this information to the Employer. Costs associated with the copying and transfer of the Plan records shall be passed through to the Employer.
  - c) Provide the Florida Office of Insurance Regulation (“**Office**”) access to the Plan records maintained by WEB-TPA for the purpose of examination, audit, and inspection. Information contained in the Plan records is confidential and exempt from the provisions of section 119.07(a), Florida Statutes, if the disclosure of such information would reveal a trade secret as defined in section 688.002, Florida Statutes. However, the Office may use such information in any proceeding instituted against WEB-TPA.
- 2.6 Customer Service.** During the Term, WEB-TPA shall:
- a) Provide telephonic assistance with live Customer Service Representatives during normal business hours Monday through Friday (with the exception of WEB-TPA holidays).
  - b) If applicable, provide 24-hour seven (7) day a week Internet based access to Plan information, with the exception of System Maintenance, Upgrading, etc..
  - c) Use its best efforts to document communication in electronic form with applicable parties.
  - d) As to any policies, certificates, booklets, termination notices, or other written communications delivered by Employer to WEB-TPA for delivery to Participating Members, promptly deliver such communications after receipt of instructions from Employer to deliver them.
- 2.7 Reinsurance/Stop Loss.** During the Term, WEB-TPA shall:
- a) Use its best efforts to determine applicability of each claim to Employer’s stop loss policy.
  - b) Assist in the collection of necessary Plan information required for filing of a reinsurance claim.
  - c) Respond to carrier request to provide additional plan utilization data
  - d) Under no circumstance is WEB-TPA financially or otherwise responsible for the payment or denial of a stop loss claim.
- 2.8 Billing and Fee Payment.** During the Term, WEB-TPA shall:
- a) Calculate fees associated with third party services administered or managed by WEB-TPA in accordance with contract terms.
  - b) Submit request for payment of third parties to Employer for approval.

- c) Upon receipt of approval pay third party billings from the Claims Payment Account.

**2.9 Reporting.** During the Term, WEB-TPA shall:

- a) Provide Employer with the WEB-TPA standard set of reports on either a monthly or quarterly basis.
- b) Provide Employer with a check register for each check run.
- c) Provide Employer with access to their Plan data in either a text file or Microsoft<sup>TM</sup> database format, subject to the applicability of HIPAA privacy regulations.
- d) If requested by Employer, provide additional reporting at 10% below our standard hourly rates.
- e) Provide information managed by WEB-TPA to Employer necessary to complete Employers reporting requirements.

**2.10 Confidentiality.** During the Term, WEB-TPA shall:

- a) Unless required by a regulating third party, WEB-TPA will take all reasonable precautions to prevent the disclosure of confidential information to parties unrelated to the Plan's administration.
- b) Maintain reasonable computer data safeguards (such as access codes, passwords, secure physical location, data back-up and firewall software) in order to protect against unauthorized access, deletion or alteration of data.
- c) Unless otherwise directed, make all administrative data accessible to the Employer.

**2.11 Notice.**

WEB-TPA shall provide written notice approved by Employer to Participating Members advising them of the identity of, and relationship among, WEB-TPA, Employer, and the Participating Member.

### ARTICLE III: Employer's Responsibilities

**3.1 Administrative Fees.** During the Term, Employer shall:

- a) Timely pay, in accordance with EXHIBIT B – FEES AND SERVICES, WEB-TPA for services rendered. Compensation for the adjustment or settlement of claims shall in no manner be contingent upon claims experience.
- b) Grant WEB-TPA the authority to draft from the Claims Payment Account any fees due to WEB-TPA prior to application of the funds for any other purpose.
- c) Allow for a fee adjustment by WEB-TPA in the event that the Employer's actual Dependent Ratio exceeds the Expected Dependent Ratio by ten-percent (10%).
- d) Allow for a fee adjustment by WEB-TPA in the event that the Employer's actual Plan Participation decreases below ninety-percent (90%) of Expected Plan Participation.

- 3.2 Benefit Determination, Funding, and Liability.** During the Term, Employer shall:
- a) Retain all responsibilities of Plan Employer, Plan Administrator, and Named Fiduciary. As such, Employer retains full discretionary control, authority, and responsibility in the maintenance of a compliant Plan Document, the determination of benefits, and the operation and administration of the Plan.
  - b) Establish, maintain, and fund a Claims Payment Account for the payment of all claims, fees, taxes, and other expenses of administering the Plan.
  - c) Provide WEB-TPA with all necessary documentation and authority necessary to act as signatory on the Claims Payment Account. Employer understands that financial liability for all payments made under the Plan and in conjunction with this agreement is the responsibility of the Employer. WEB-TPA shall have no financial obligation or responsibility relating to the payment of benefits under the Plan.
- 3.3 Eligibility.** During the Term, Employer shall:
- a) Provide WEB-TPA with current and accurate Plan eligibility and coverage records.
  - b) Verify Plan Participant eligibility in a timely manner.
  - c) Identify and provide in writing to WEB-TPA all Plan participant terminations on a timely basis. WEB-TPA is not obligated to reimburse its fees for administrative services on terminations reported more than 90 days after the actual termination date.
- 3.4 Taxes and Other Fees.**  
During the Term, Employer shall pay any and all taxes, licenses, and fees levied; if any, by any local, state, or federal authority in connection with the Plan and the administration of the Plan.

## ARTICLE VI: Miscellaneous

- 4.1 Entire Agreement.**  
This Agreement, together with all addenda, exhibits, and appendices supersedes any and all prior representations, conditions, warranties, understandings, proposals, or other agreements between the Employer and WEB-TPA hereto, oral or written, in relation to the services and systems of WEB-TPA, which are rendered or are to be rendered in connection with its assistance to the Employer in the administration of the Plan.
- 4.2 Legal Venue.**  
This Agreement shall be interpreted and construed in accordance with the laws of the state of Florida, without giving effect to any choice or conflict of law provision or rule.

**4.3 Assignment.**

Employer and WEB-TPA mutually agree that WEB-TPA may assign or otherwise transfer to third parties, its rights, interests, and/or obligations under this Agreement, or any portion thereof. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

**4.4 Third Party Services**

- a) The work to be performed by WEB-TPA under this Agreement may be performed directly by it or wholly or in part through a subsidiary or affiliate of WEB-TPA.
- b) In situations in which third party services are selected by Employer and contracted through and managed by WEB-TPA (i.e. Network Access, Utilization Review), WEB-TPA will notify Employer of rate and service changes. WEB-TPA reserves the right to modify its billings for any third party rate adjustments or service changes.
- c) Employer is responsible for the payment of any third party services selected by Employer and as identified in the attached Exhibits.

**4.6 Severability.**

If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

**4.7 Copy of Agreement**

A copy of this Agreement shall be retained as part of the official records of both WEB-TPA and Employer for the duration of the Agreement and for five (5) years thereafter.

**ARTICLE V: Duration of Agreement****5.1 Term**

- a) This Agreement shall be effective for a one (1) year period commencing on the Effective Date (the "Term"). This Agreement shall automatically renew each year for a one-year period unless modified or terminated as described below.
- b) After the initial Term, WEB-TPA may modify its services and fees associated with this Agreement at the time of contract renewal.

## 5.2 Termination

- a) This Agreement may be terminated by the Employer with 30 days notice. WEB-TPA will provide a 90 written notice should it desire to terminate the contract, however it must provide services for the contract time period including run-out time period.
- b) Either the Employer or WEB-TPA may terminate this Agreement if the other party to the Agreement is in default in performing any of the material responsibilities outlined in this Agreement and does not cure those defaults within ten (10) business days of receiving written notice outlining such alleged default.
- c) Upon the effective date of termination, WEB-TPA shall have no further duties or responsibilities under this Agreement. If desired by Employer, WEB-TPA will provide run-out claim administration service:
  - Month 1 – Month 3 period = current monthly administration rates
  - Month 4 – Month 6 period = \$12 per claim

## ARTICLE VI: Business Associate Agreement

WEB-TPA and Employer acknowledge that WEB-TPA is a Business Associate of Employer and that Employer is a Covered Entity; and

WHEREAS, WEB-TPA and Employer desire to ensure that, with respect to the duties and obligations of the parties under the Administrative Services Agreement, the standards of privacy and security for each Individual utilizing the employee welfare benefit plan (the “Plan”) through Employer are adhered to pursuant to the Health Insurance Portability and Accountability Act of 1996 (referred to herein as “HIPAA”); and all applicable state laws that preempt HIPAA.

WHEREAS, by executing this agreement, the parties agree to abide by the terms and conditions of the Agreement, as amended.

In consideration of the promises and the mutual covenants and undertakings set forth in the Addendum, the parties have executed this Addendum through their duly authorized representatives as of the date noted above.

## 6.1 Definitions

- a) Generally: All capitalized terms contained in the Addendum shall have the meaning ascribed to them in the Agreement unless otherwise defined herein. In the event of any conflict between a definition as contained in the Agreement and a definition contained in 45 CFR 160.103 and 45 CFR 164.501, the definition contained in 45 CFR, 160.103 and 45 CFR 164.501 shall govern.
- b) Business Associate: “Business Associate” shall have the same meaning as the term “Business Associate” in 45 CFR 160.103.

- c) Covered Entity: “Covered Entity” shall have the same meaning as the term “Covered Entity” in 45 CFR 160.103.
- d) Individual: “Individual” shall have the same meaning as the term “individual” in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g), when such individual is a Covered Employee as defined by the Agreement.
- e) Privacy Rule: “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- f) Protected Health Information: “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health insurance” in 45 CFR 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity regarding an Individual who is a Covered Employee as defines by the Agreement.
- g) Secretary: “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.
- h) Disclosure: The release, transfer, provision of access to or divulging in any other manner of information outside the entity holding the information for purposes other than treatment, payment or health care operations as those terms used in the Privacy Rule.
- i) Business Associate Services: Pursuant to the Administrative Services Agreement, WEB-TPA provides “Services” for Employer that may involve the use and disclosure of Protected Health Information.

## **6.2 Obligations and Activities of WEB-TPA**

- a) WEB-TPA shall not use or further disclose PHI other than as permitted or required by this Addendum or as required or permitted by law.
- b) WEB-TPA shall use appropriate safeguards to prevent use or Disclosure of the PHI other than as provided for by the Addendum.
- c) WEB-TPA shall mitigate, to the extent practicable, any harmful effect that is known to WEB-TPA of a use or Disclosure of PHI by WEB-TPA in violation of the requirements of this Addendum.
- d) WEB-TPA shall report to Employer any use or Disclosure of the PHI not provided for by this Addendum.
- e) WEB-TPA shall require that any agent, including a subcontractor, to whom it provides PHI created or received by WEB-TPA on behalf of Employer agrees to the same restrictions and conditions that apply through this Addendum to WEB-TPA with respect to such information.
- f) WEB-TPA, at the written request of Employer, shall provide Employer access to PHI in a Designated Record Set during WEB-TPA’s normal business hours or mail the copy of the PHI in a Designated Record Set to Employer in order to meet the requirements under 45 CFR 164.524.
- g) WEB-TPA, at the written request of Employer, shall provide an Individual access to his or her PHI in a Designated Record Set during WEB-TPA’s normal business hours or mail the copy of the PHI in a Designated Record Set to the Individual in order to meet the requirements under 45 CFR 164.524.

- h) WEB-TPA, at the written request of Employer or an Individual, shall make any amendment(s) to PHI in a Designated Record Set pursuant to 45 CFR 164.526 within a reasonable time following WEB-TPA's receipt of the written request.
- i) WEB-TPA, at written request of Employer, shall make internal practices, books, and records relating to the use and Disclosure of PHI received from, or created or received by WEB-TPA on behalf of, Employer available to Employer, or at the request of Employer to the Secretary, during WEB-TPA's normal business hours (or may provide Employer or the Secretary with copies) for purposes of the Secretary determining Employer's compliance with the Privacy Rule.
- j) WEB-TPA shall document such Disclosures of PHI and information related to such Disclosures as would be required for Employer to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. WEB-TPA, at the written request of Employer, shall provide to Employer or an Individual information collected in accordance with this Section of the Addendum, to permit Employer to respond to a request by an Individual for accounting of disclosures of PHI in accordance with 45 CFR 164.528.

### **6.3 Permitted Uses by WEB-TPA**

WEB-TPA shall use PHI only to the extent necessary to perform the Services, and in a manner that such use would not violate the Privacy Rule if done by Employer: provided, however, that:

- a) WEB-TPA may use PHI for the proper management and administration of the Services under the Administrative Services Agreement or to carry out the legal responsibilities of WEB-TPA; and
- b) WEB-TPA may disclose PHI for the proper management and administration of the Services under the Administrative Services Agreement, provided that Disclosures are required by law, or WEB-TPA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies WEB-TPA of any instances of which it is aware in which the confidentiality of the information has been breached; and
- c) WEB-TPA may use PHI to provide Data Aggregation services to Employer as permitted by 42 CFR 164.504 (e)(2)(I)(B).

### **6.4 Obligations of Employer**

- a) Employer shall allow WEB-TPA access to PHI of Individuals utilizing the employee welfare benefit plan ("Plan") through Employer.
- b) Employer shall provide WEB-TPA with the notice of privacy practices that Employer produces in accordance with 45 CFR 164.520, as well as any changes to such notice.
- c) Employer shall provide WEB-TPA with any changes in, or revocation of, permission by Individual to use or disclose PHI, if such changes affect WEB-TPA's permitted or required uses and disclosures.

- d) Employer shall notify WEB-TPA of any restriction to the use or Disclosure of PHI that Employer has agreed to in accordance with 45 CFR 164.522.
- e) Employer shall not request WEB-TPA to use or Disclose PHI in any manner that would not be permissible under the Privacy rule if done by Employer, provided, however, that Employer may request that WEB-TPA use or Disclose PHI for Data Aggregation or management and the administrative activities of WEB-TPA.

## **6.5 Return of Protected Health Information**

At termination of the Agreement, if feasible, WEB-TPA shall return or destroy all PHI created or received by WEB-TPA on behalf of Employer, including PHI in the possession of subcontractors or agents of WEB-TPA. WEB-TPA shall not retain any copies of such information. In the event that WEB-TPA determines that returning or destroying the PHI is not feasible, WEB-TPA shall extend the protections of the Addendum to such PHI and limit further uses and Disclosures of such PHI to those purposes that make the return or destruction of the information infeasible.