

## AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

THIS AMENDMENT, effective as of October 1, 2013 is by and between Blue Cross and Blue shield of Florida, Inc. d/b/a Florida Blue (hereinafter called the "Florida Blue") and Lake County Board of County Commissioners, Florida (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between Florida Blue and the Employer (hereinafter "Agreement") effective October 1, 2006 is amended as follows:

1. Section I, subsection 1.1, is hereby amended to extend the term of the Group Health Plan until September 30, 2017 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.

2. Section 2.3, is hereby amended adding the following paragraphs as follows:

E. Performance Guarantees

Performance guarantees do not renew automatically from year to year. Performance criteria must be approved by Florida Blue on a multi-year basis. Following conclusion of the initial term of this Agreement, the Administrative Fees set forth in Exhibit B may be subject to adjustment in accordance with the performance criteria set forth in Exhibit F of this Agreement

F. Discount Guarantees

Discount Guarantees set forth in Exhibit G do not renew on an annual basis. Discount guarantee results will be provided on a quarterly basis with final settlement no earlier than second quarter of the following year.

3. Section 3.1, is hereby amended revising the second paragraph as follows:

The Employer and Florida Blue agree that Florida Blue's role is to provide administrative claims payment services, that Florida Blue does not assume any financial risk with respect to claims, except for appeal decisions, that the services rendered by Florida Blue under this Agreement shall not include the power to exercise control over the Group Health Plan's assets, if any, or discretionary authority over the Health Care Plan's operations, and that Florida Blue will not for any purpose be deemed to be the "Plan Administrator" of the Group Health Plan. The Group Health Plan's "Administrator" is the Employer. Florida Blue will assume fiduciary responsibility for claims processing. The Employer extends to Florida Blue the discretionary authority to make decisions concerning claims submitted by plan members. Florida Blue will also be responsible for the defense of decisions concerning claims and claims appeals. However, Florida Blue will not assume liability for benefit decisions made by the Employer. Florida Blue's responsibility as a claims processing fiduciary would be to process claims submitted for members, including any and all appeals, using the care, skill, prudence and diligence one expects from an insurance company and in accordance with the Employer's plan documents.

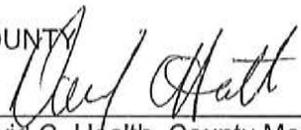
4. Section VI, "Miscellaneous Provisions" is hereby amended changing the number sequence of 6.13, Execution of Agreement to 6.14, Execution of Agreement.
5. Section VI, "Miscellaneous Provisions" is hereby amended adding section 6.13, Public Records:  
  
If, when, and to the extent during its activities under this Agreement a court determines that Florida Blue is a "Contractor" for purposes of Section 119.0701, Florida Statutes, Florida Blue will comply with all of the Florida public records' laws.
6. Exhibit B to the Agreement is hereby amended, effective October 1, 2013. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
7. Exhibit E, Pharmacy Related Financial Arrangements, is hereby attached and made part of the Agreement.
8. Exhibit F, Performance Guarantees, is hereby attached and made part of the Agreement.
9. Exhibit G, Discount Guarantees, is hereby attached and made part of the Agreement.
10. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: LAKE COUNTY through its duly authorized County Manager and Florida Blue, duly authorized to execute same.

BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC., D/B/A FLORIDA BLUE

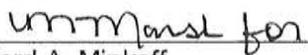
By:   
 Title: VP, Sales Operations  
 Date: 2/28/14

ATTEST:

COUNTY  
  
 David C. Health, County Manager

This 24 day of February,  
2013.

Approved as to form and legality:

  
 Sanford A. Minkoff  
 County Attorney

"Amended"

EXHIBIT "B"

to the

ADMINISTRATIVE SERVICES AGREEMENT

between

BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE

and

LAKE COUNTY BOARD OF COUNTY COMMISSIONERS, FLORIDA

FINANCIAL ARRANGEMENTS

I. Effective Date

The effective date of this Exhibit is October 1, 2013.

II. Monthly Payments.

A. Each month, Florida Blue will notify the Employer of the amount due to satisfy the previous month's paid claims liability. Florida Blue also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill in accordance with the Florida Prompt Payment Act. If the payment is not received by Florida Blue by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, Florida Blue will immediately suspend claims until payment is received by Florida Blue.

B. The Employer agrees to pay to Florida Blue, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay Florida Blue, each month, the administrative fee in accordance with the Florida Prompt Payment Act. If payment is not received by Florida Blue by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, Florida Blue will immediately suspend claims until payment is received by Florida Blue.

III. Funding Information

A. Method of Funding Transfer: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$41.99 per enrolled employee per month from October 1, 2013 through September 30, 2016, including claims fiduciary services.

\$43.25 per enrolled employee per month from October 1, 2016 through September 30, 2017, including claims fiduciary services.

- B. If Employer terminates the Agreement prior to October 1, 2017, the administrative fees will be 15% of paid claims. If Employer terminates the Agreement after September 30, 2017, the administrative fees will be 0% of paid claims.
- C. Florida Blue will pay the Employer the following annual wellness contributions to be utilized by the Employer for any wellness related initiatives, activities or services as determined by the Employer. These amounts will be due upon receipt of invoice from the Employer. The amounts will be predicated upon the Employer maintaining this Agreement through September 30, 2017. If the Employer terminates the Agreement prior to September 30, 2017 without cause, Employer will reimburse Florida Blue that year's wellness contribution.

Florida Blue will pay Employer a \$75,000 wellness contribution during the first year of the Agreement (10/1/13 – 9/30/14).

Florida Blue will pay Employer a \$50,000 wellness contribution each year, during the next three years (10/1/14 – 9/30/15; 10/1/15 – 9/30/16; and 10/1/16 – 9/30/17).

V. Late Payment Penalty

- A. Pursuant to Florida Statute, a daily charge of .00008219 (or 6%/annum) times the amount of overdue payment.

VI. Expected Enrollment

- A. The administrative fees referenced above are based on an expected enrollment of: 1,150.
- B. If the actual enrollment is materially different from this expected enrollment by more than 15%, Florida Blue reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

**EXHIBIT "E"**

to the

**ADMINISTRATIVE SERVICES AGREEMENT**

between

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**

and

**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS**

**PHARMACY RELATED FINANCIAL ARRANGEMENTS**

**I. Effective Date**

The effective date of this Exhibit is October 1, 2013. This Exhibit may be terminated by either party upon 180 days written notice to the other party.

**II. Definitions**

For purposes of this Exhibit E, the following definitions shall apply:

- A. "Annual Reconciliation Period" is the time during which all guarantees will be measured and reconciled annually.
- B. "Average Wholesale Price" or "AWP" means the average wholesale price of a prescription drug as set forth by Florida Blue's designated Pharmacy Benefit Manager's ("PBM") pricing file at the time a Claim is processed. The price file will be a nationally recognized pricing source such as Medispan and will be updated no less frequently than weekly, or as required by law, through the PBM's pricing source. The applicable AWP used for retail pharmacy will be based on the package size submitted. The applicable AWP for Mail Service will be based on the package size of 100, as applicable. Otherwise AWP will be based on the actual 11 digit National Drug Code (NDC) dispensed.
- C. "Brand Drugs" means those pharmaceuticals designated by the PBM's pricing source as having a multi-source indicator of M, N or O.
- D. "Claim" or "Claims" means requests for payment submitted by Network Participants (also referred to as pharmacies) or members for pharmacy benefit services covered under the Group Health Plan.
- E. "Claims Adjudication" means the determination of whether a given Claim is entitled to reimbursement pursuant the terms and conditions of a Benefit Plan and the amount payable to or by a Network Participant or member pursuant to such Benefit Plan, the applicable Network Contract and any other applicable factors, including any copayment/deductible or coinsurance payable by a member, as well as concurrent (on-line at point of service) drug utilization review.

Claims Adjudication shall accommodate any e-prescribing procedures that may be adopted after the date hereof.

- F. "Covered Prescription Drug Services" means the pharmacy services and/or drugs available to members and eligible for reimbursement pursuant to the Benefit Plan.
- G. "Dispensing Fee" means the fee paid by Florida Blue to Network Participants for the professional service of filling a prescription.
- H. "Drug Utilization Review" or "DUR" means the process whereby the therapeutic effects and cost effectiveness of various drug therapies are reviewed, monitored and acted upon consistent with the Benefit Plan. DUR can be prospective, concurrent or retrospective.
- I. "Extended Supply Network" (ESN) means the retail Network Participants who have agreed to provide members more than a one-month's supply (31 + day supply) of Covered Prescription Drug Services provided that the Benefit Plan has a Mail Service benefit and a retail quantity days supply limit of one month (or as mutually agreed).
- J. "Formulary" or "Drug Formulary" means a list of pharmaceutical products which is available to pharmacies, members, physicians or other health care providers for purposes of guiding the prescribing and dispensing of pharmaceutical products.
- K. "Generic Drug" means those pharmaceuticals designated by the PBM or other Pricing Sources as having a multi-source indicator of Y.
- L. "Generic Effective" means the actual blended performance of Maximum Allowable Cost ("MAC") and non-MAC generic discounts.
- M. "Ingredient Cost" means the amount required to be paid to a Network Participant for a prescription drug and which, when combined with the applicable Dispensing Fee, constitutes the full amount payable to such Network Participant for the given prescription drug and the professional service of dispensing such drug.
- N. "Mail Service" means the service through which covered persons may receive prescription drugs through the mail from the PBM's mail order pharmacy.
- O. "Manufacturer" means a company that manufactures, and/or distributes pharmaceutical drug products.
- P. "Manufacturer Administration Fee" means all fixed fees received by the PBM from any given Manufacturer relating to administration of Rebates under a manufacturer agreement.
- Q. "Maximum Allowable Cost" or "MAC" refers to a proprietary price list(s) (out of state, In-State and Mail Service claims) owned and maintained by the PBM, of

readily available multi-source pharmaceutical drug products and supplies which are deemed to require pricing management due to the number of manufacturers and competitive nature of the marketplace pricing volatility.

- R. "Minimum Guarantee" as referenced in the section V means all network discount performance and rebate performance that exceeds the guarantee amount is provided to EMPLOYER. Network discount performance and rebate performance is reconciled up to the minimum guaranteed amount.
- S. "Network Participant" means each individual pharmacy, chain or pharmacy service administrative organization (PSAO) that has entered into an agreement with the PBM or Florida Blue ("Network Contract") to provide Covered Prescription Drug Products and Services to members, as may be amended from time to time.
- T. "Open Refill Transfer File" is a data file created by the Employer's previous PBM containing its members' mail prescriptions, thus enabling a subsequent PBM to continue to fill those open mail prescriptions.
- U. "Paper Claims" means prescription drug services that are submitted to Florida Blue for adjudication through the use of a paper claim form, generally by a member subsequent to the point of sale.
- V. "Pharmacy Benefit Manager" ("PBM") means Florida Blue's pharmacy program administrator, currently Prime Therapeutics L.L.C.
- W. "Pricing Source" means Medispan, or such other national drug database as designated by Florida Blue's PBM. In the event the Pricing Source changes, notification will be provided to the Employer.
- X. "Rebate(s)" means compensation or remuneration of any kind received or recovered by the PBM from any Manufacturer which is directly or indirectly attributable to purchase or utilization of Covered Prescription Drug Products and Services by members. However, Rebates do not include Manufacturer Administration Fees which the PBM is entitled to retain pursuant to this Exhibit unless otherwise required by law.
- Y. "Specialty Drugs" means an FDA-approved prescription drug that has been designated by Florida Blue as a Specialty Drug due to requirements such as special handling, storage, training, distribution, and management of the therapy.
- Z. "Specialty Pharmacy Drugs", as used in this Agreement, refers to the list of drugs which will be available upon request.
- AA. "Specialty Pharmacy" means a participating preferred pharmacy designated to dispense Specialty Drugs by Florida Blue.

AB. "Usual and Customary" or "U&C" means the amounts that Network Participants normally charge cash paying patients.

AC. "Utilization Management" means a broad collection of standard clinical products and services that may be selected by Employer that are designed to encourage proper drug utilization in order to enhance member outcomes while managing drug benefit costs for Employer. Such services include, but are not limited to: Formulary exception, prior authorization, step therapy, quantity limits and retrospective DUR.

### **III. PHARMACY RELATED ADMINISTRATIVE FEES**

#### **A. Fee for PBM Services**

For the provision of PBM Services, Employer will pay Florida Blue the following administrative fees:

<b>Administrative Fee</b>	<b>Fee</b>
Per paid retail and mail order prescription	\$ 0

#### **B. Other Fees**

<b>Service</b>	<b>Fee</b>	<b>Occurrence, Frequency</b>
Clinical prior authorizations	\$0	Per claim, billed quarterly
Administrative prior authorizations	\$0	Per claim, billed quarterly
Member submitted claims	\$0	Per claim, billed quarterly
Responsible Rx Program	\$0	Per claim, billed quarterly

### **IV. PHARMACY CLAIM PRICING.**

It is agreed that all pharmacy claims for services covered under the Group Health Plan will be priced at the lower of the Usual and Customary or the contracted rates as follows:

- A. Retail Pharmacy Claims, up to a 30 day supply: All claims will be billed at a pass through rate equal to the amount that Florida Blue is contracted with the pharmacy for such claim in regards to discounts and Dispensing Fees, plus any applicable taxes and minus any copayments. Refer to section V. B for guarantee restrictions.
- B. Mail Service claims: All claims will be billed at a pass through rate equal to the amount that Florida Blue is contracted with its third party provider of Mail Service services for such claim in regards to discounts and Dispensing Fees, plus any applicable taxes and minus any copayments. Refer to section V. B for guarantee restrictions.

- C. Retail ESN pharmacy claims, 31 + day supply: All claims will be billed at a pass through rate equal to the amount that Florida Blue is contracted with the pharmacy for such claim in regards to discounts and Dispensing Fees, plus any applicable taxes and minus any copayments.
- D. Specialty Pharmacy claims, up to a 30 day supply: All claims will be billed at a pass through rate equal to the amount that Florida Blue is contracted with the specialty pharmacy for such claim in regards to discounts and Dispensing Fees, plus any applicable taxes and minus any copayments

**V. PHARMACY REBATES , DISCOUNTS, DISPENSING FEE AND GENERIC FILL RATE GUARANTEES**

A. Rebates

<b>Rebate Guarantee</b>	<b>Basis</b>
Year 1 \$24.69 Minimum Year 2 \$25.11 Minimum Year 3 \$27.72 Minimum	Per 3-tier open formulary retail 30 brand claim
Year 1 \$24.69 Minimum Year 2 \$25.11 Minimum Year 3 \$27.72 Minimum	Per 3-tier open formulary retail ESN brand claim
Year 1 \$70.92 Minimum Year 2 \$69.66 Minimum Year 3 \$72.51 Minimum	Per 3-tier open formulary mail brand claim

B. Discounts: Florida Blue minimum guarantees for all terms of this Agreement for the following AWP discounts:

<b>Aggregate Discount Guarantee off AWP</b>	<b>Basis</b>
Year 1 – 15.15% Minimum Year 2 – 15.30% Minimum Year 3 – 15.40% Minimum	Per retail 30 brand claim
Year 1 – 75.85% Minimum Year 2 – 77.45% Minimum Year 3 – 78.10% Minimum	Per retail 30 generic effective claim
Year 1 – 19.00% Minimum Year 2 – 19.00% Minimum Year 3 – 19.00% Minimum	Per retail ESN brand claim
Year 1 – 82.00% Minimum Year 2 – 83.00% Minimum Year 3 – 84.00% Minimum	Per retail ESN generic effective claim
Year 1 – 20.06% Minimum Year 2 – 20.06% Minimum Year 3 – 20.06% Minimum	Per mail brand claim

Year 1 – 78.90% Minimum Year 2 – 80.35% Minimum Year 3 – 81.35% Minimum	Per mail generic effective claim
Year 1 – 15.80% Minimum Year 2 – 15.80% Minimum Year 3 – 15.80% Minimum	Per specialty pharmacy drug claim

C. Dispensing Fees: Florida Blue guarantees the following Average Dispensing Fees:

Average Dispensing Fee Guarantee	Basis
YEAR 1 \$1.30 YEAR 2 \$1.30 YEAR 3 \$1.30	Per retail brand claim guarantee
YEAR 1 \$1.40 YEAR 2 \$1.40 YEAR 3 \$1.40	Per retail generic claim guarantee

D. Generic Fill Rate Guarantee:

GFR Guarantee	Blended
Year 1	81.50%
Year 2	82.00%
Year 3	83.00%
Amount of guarantee: \$10,000 annually. For each .50% shortfall Prime/FL Blue will pay \$2,500, up to an annual max of \$10,000	

The Generic Fill Rate guarantee will be subject to the following conditions:

- 1 - Current utilization management programs or materially similar ones will remain in place.
- 2 - The agreed to formulary will remain in place unless mutually agreed for change.
- 3 - Employer demographics and geography will remain reasonably consistent.
- 4 - Benefit design changes will not reduce the co-payment advantage of generics over brands or reduce the availability of generics.
- 5 - Retail and Mail GFR Guarantees listed above exclude Specialty Drugs define by Florida Blue Specialty Fee Schedule.
- 6 - Generic Drug Mix Guarantee excludes DAW claims from calculations.
- 7 - Channel demographic changes (Retail, Mail) must be less than 10% as compared to the data and claims experience provided by the client.
- 8 - Reconciliation will be completed annually, within 90 days of the end of each contract year.

9. GFR guarantees will be reconciled annually and applied in aggregate with all other financial guarantees

- E. Discounts will be calculated by  $(1 - (\text{total ingredient costs} / \text{the sum of the AWP as submitted on the date of service for each transaction}))$ . Florida Blue will aggregate and submit a report to Employer with the actual achieved discounts, dispensing fees, GFR guarantee and rebates with similar amounts pursuant to the Administrative Service Agreement between Florida Blue and Employer ("Aggregated Achieved Amounts") on a quarterly basis. If Aggregated Achieved Amounts per retail and per mail claim are less than the aggregated guaranteed minimum amounts per retail and per mail claim, Florida Blue will reimburse the shortfall within 180 calendar days after the end of the annual measurement period.

## **VI. GENERAL PROVISIONS**

The following terms and conditions apply to this Exhibit E:

- A. Florida Blue reserves the right to modify or amend the financial provisions of this Exhibit upon prior notice to Employer in the event of (a) any material changes in the ASO Agreement or the Group Health Plan that results in a material change in any of the services provided by Florida Blue under the terms of this Exhibit; (b) any government imposed change in federal, state or local laws or interpretation thereof or industry wide change that would make Florida Blue's performance of its duties hereunder materially more burdensome or expensive; (c) a material change in the scope of services to be performed under this Agreement upon which the financial provisions included in this Exhibit are based and (d) significant changes made to the AWP benchmark or the methodology by which AWP is calculated or reported;
- B. Florida Blue's rates and guarantees are based upon a plan design offering up to a 30 day supply and 31 + day supply of drugs dispensed at retail and up to ninety 90 day supply Mail Service.
- C. Formulary rebates may not be available or may be adjusted for as a result of a greater than fifty percent (50%) member cost share on an aggregate annual basis, participation in a high deductible health plan/consumer driven health plan and/or any other material change that impacts rebate performance not agreed to by Florida Blue and Pharmacy Benefit Manager.
- D. The guaranteed discounts, rebates and dispensing fees apply to the Annual Reconciliation Period only if Employer has received Florida Blue's pharmacy services for the full 12 months of such reconciliation period.

- E. Discount guarantees may exclude over-the-counter products, compounds, non-drug items, non-participating pharmacy claims, specialty drugs and items where no AWP can be determined.
- F. Employer will be billed an all-inclusive fee of \$6,000 for requests for open mail order refill transfer files and paid claim and prior authorization files for non-specialty claims needed to transfer a client to another pharmacy benefit manager.

## **VII. INSPECTION AND AUDIT**

Employer and the State of Florida Auditor Generals Office or designee has the right, subject to applicable law, to inspect, upon reasonable advance notice and during reasonable times, the PBM's records relating to this Agreement. Notwithstanding the foregoing, there shall be no more than one (1) audit during any twelve (12) month period and audits shall be limited to claims adjudicated during the current year and the preceding year unless a longer time period is mutually agreed upon by the parties. Employer and State Auditors will strive to provide a minimum of thirty (30) days' advance written notice of its intent to audit and the scope of the audit. A member of Florida Blue's External Audit Team and the PBM's account management team will coordinate the audit and all audits will take place during normal business hours. Employer and/or its auditor must follow the PBM's visitor security policy if on-site.

Any third party auditor must be reasonably acceptable to both Florida Blue and the PBM and must enter into a Confidentiality and Non-Disclosure Agreement (C&I) approved by both legal departments before any information is exchanged. The C&I will specify the information provided by the PBM to the auditor is to be used solely for the purpose of conducting the immediate audit and the information may not be used for any other purpose. The parties agree to collaborate in good faith to develop a reasonable procedure for conducting the audit (e.g. 100 claims to be reviewed).

Only the information necessary for Employer to conduct a fair and valid audit will be disclosed. Any unnecessary information will be redacted. If access to Network Contracts or Manufacturer (Rebate) Agreements is requested, the PBM will provide access as long as the PBM is legally or contractually able to do so and only the relevant page(s) or exhibits (that is, not the entire contract) will be provided for review.

Unless otherwise contractually specified, Employer will bear all costs and expenses related to the audit. Additionally, Employer will reimburse the PBM for all reasonable actual out of pocket expenses incurred by the PBM in compliance with an audit. The auditor cannot keep or make copies of any documents provided by the PBM without the PBM's express written consent. The PBM will provide screen-shots of the claims adjudication system. The auditor will not have

access to the live claims adjudication system without prior approval by the PBM. Except as may otherwise be required by applicable law, reporting of the audit results will be restricted to the Employer and its auditor's internal use only. The auditor will provide copies of the audit report to the Employer and the PBM.

**EXHIBIT "F"**  
to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**  
and  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS**

**PERFORMANCE GUARANTEES**

Service Level Measures	Goals	Amount at Risk
<b>Abandon Rate:</b> Number of calls that reach the call center and are placed in queue but do not reach the final destination because the caller hangs up before a representative becomes available.	≤5%	1%
<b>Average ACD Phone Queue Time:</b> Actual length of time a member waits to speak with a customer service associate after all ACD options have been chosen.	≤30 seconds	1%
<b>Blockage Rate:</b> Percentage of calls blocked during business hours.	≤8%	1%
<b>Enrollment Timeliness</b> Percentage of ID cards mailed by effective date provided that the enrollment data is received from the employer 30 days prior to the effective date of coverage.	≥99%	1%
<b>Claims Processing Timeliness</b> Percentage of provider and subscriber claims processed within 30 calendar days from receipt to the date that a claim has passed all edits and is pending the issuance of a check, voucher or denial.	≥97%	1%
<b>Claims Processing Accuracy</b> Percentage of claims processed accurately.	≥97%	1%
<b>Claims Dollar Accuracy</b> Percentage of claim dollars paid accurately.	≥98%	1%
<b>Inquiry Timeliness</b> Percentage of inquiries finalize within 7 days	<90%	1%
<b>Total Percent at Risk of proposed ASO fee not to exceed a maximum payout of 8%</b>		

- Guarantees are based on book of business results.

**EXHIBIT "G"**  
to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**  
and  
**LAKE COUNTY BOARD OF COUNTY COMMISIONERS**

**DISCOUNT GUARANTEES**

<b>Discount Achieved</b>	<b>Annual Penalty</b>
Greater than or equal to 63%	No Penalty
61% - 62.99%	\$20,000
59% - 60.99%	\$40,000
Below 59%	\$80,000

**Assumptions:**

- Applies to In-network provider claims only.
- BCBS Network and Program Savings Report will be used for validation of results.
- No significant benefit changes or membership changes by geographical regions.
- Blue products only, excluding Rx.
- Inpatient hospital claims in excess of \$250,000 will be removed in their entirety from the discount guarantee calculation.
- Does not include any ancillary products.
- Does not include nationwide BlueCard
- Discount ranges are account specific and apply to total discounts only.
- Results will be provided with a final annual settlement no earlier than second quarter of the following year
- One year offer based on In-Network providers

**AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT**

THIS AMENDMENT, entered into on August 2, 2011 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and Lake County Board of County Commissioners, Florida, f/k/a Lake County, Florida (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective October 1, 2006 is amended as follows:

1. Section I, subsection 1.1, is hereby amended to extend the term of the Group Health Plan until September 30, 2014 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Exhibit B to the Agreement is hereby amended effective October 1, 2011. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
3. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: LAKE COUNTY through its BOARD OF COUNTY COMMISSIONERS, signing by and through its Chairman, authorized to execute same by Board action on the 23 day of August, 2011, and Administrator, duly authorized to execute same.

ADMINISTRATOR  
BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC.

By: [Signature]  
Title: VP, Major Accounts  
Date: 8/19/11

ATTEST:

[Signature]  
Neil Kelly, Clerk of the  
Board of County Commissioners  
Of Lake County, Florida

COUNTY  
LAKE COUNTY BOARD OF COUNTY  
COMMISSIONERS, FLORIDA

[Signature]  
Jennifer Hill, Chairman  
This 29 day of Aug,  
2011.

Approved as to form and legality:  
[Signature]  
Sanford A. Minkoff  
County Attorney

Amended

**EXHIBIT "B"**

to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**  
and  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS, FLORIDA**  
**FINANCIAL ARRANGEMENTS**

I. Effective Date

The effective date of this Exhibit is October 1, 2011.

II. Monthly Payments.

- A. Each month, Blue Cross Blue Shield of Florida, Inc. (BCBSF) will notify the Lake County Board of County Commissioners, f/k/a/ Lake County, Florida (Employer) of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.
- B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

III. Funding Information

- A. Method of Funding Transfer: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$46.00 per enrolled employee per month from October 1, 2011 through September 30, 2012.

\$47.25 per enrolled employee per month from October 1, 2012 through September 30, 2014.

B. A termination charge of \$125,000 will apply if Employer terminates the contract prior to September 30, 2014.

C. Administrative fees after the termination of the Agreement: 15% of claims paid. This should not exceed seven months of the current administration fee times the current enrollment, at the time of cancellation.

V. Late Payment Penalty

A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

A. The administrative fees referenced above are based on an expected enrollment of: 1,265 employees.

B. If the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

**AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT**

THIS AMENDMENT, entered into on \_\_\_\_\_, 2011 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and Lake County Board of County Commissioners, Florida, f/k/a Lake County, Florida (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective October 1, 2006 is amended as follows:

1. Section I, subsection 1.1, is hereby amended to extend the term of the Group Health Plan until September 30, 2014 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Exhibit B to the Agreement is hereby amended effective October 1, 2010. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
3. Exhibit D2, Confidentiality and Indemnity Agreement is hereby amended, effective May 4, 2010 and replaces the Exhibit D2 previously attached to the Agreement.
4. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: LAKE COUNTY through its BOARD OF COUNTY COMMISSIONERS, signing by and through its Chairman, authorized to execute same by Board action on the 5<sup>th</sup> day of July, 2011, and Administrator, duly authorized to execute same.

ADMINISTRATOR  
BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC.

By: [Signature]  
Title: VP, Sales Business Mgmt  
Date: 6/7/11

ATTEST: COUNTY  
LAKE COUNTY BOARD OF COUNTY  
COMMISSIONERS, FLORIDA

[Signature]  
Neil Kelly, Clerk of the  
Board of County Commissioners  
Of Lake County, Florida

[Signature]  
Jennifer Hill, Chairman  
This 6 day of July,  
2011.

Approved as to form and legality:  
[Signature]  
Sanford A. Minkoff  
County Attorney

**EXHIBIT "B"**  
to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**  
and  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS, FLORIDA**  
**FINANCIAL ARRANGEMENTS**

I. Effective Date

The effective date of this Exhibit is October 1, 2010.

II. Monthly Payments.

- A. Each month, Blue Cross Blue Shield of Florida, Inc. (BCBSF) will notify the Lake County Board of County Commissioners, f/k/a/ Lake County, Florida (Employer) of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.
- B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

III. Funding Information

- A. Method of Funding Transfer: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$47.95 per enrolled employee per month from October 1, 2010 through September 30, 2012.

\$49.63 per enrolled employee per month from October 1, 2012 through September 30, 2014.

B. A termination charge of \$125,000 will apply if Employer terminates the contract prior to September 30, 2014.

C. Administrative fees after the termination of the Agreement: 15% of claims paid. This should not exceed seven months of the current administration fee times the current enrollment, at the time of cancellation.

D. A wellness contribution of \$50,000 by Blue Cross Blue Shield of Florida, Inc. (BCBSF) will be provided to the Employer upon the Employer's approval of this Agreement.

V. Late Payment Penalty

A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

A. The administrative fees referenced above are based on an expected enrollment of: 1,065 Employees.

B. If the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

**EXHIBIT "D2"**

**TO THE ADMINISTRATIVE SERVICES AGREEMENT**  
**between**  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**  
**and**  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS, FLORIDA**

**CONFIDENTIALITY AND INDEMNITY AGREEMENT**

This Agreement, effective May 4, 2010 is entered into between Blue Cross and Blue Shield of Florida, Inc. (hereinafter "Administrator"), and Lake County Board of County Commissioners, Florida, f/k/a Lake County, Florida a political subdivision of the State of Florida, (hereinafter "Employer"), Symetra (hereinafter "Stop Loss Carrier"), and RobinsonBush, Inc. (hereinafter "Employee Benefits Consultant").

WHEREAS, Employer has established and maintains a self-insured Employee Welfare Benefit Plan pursuant to the Employee Retirement Income Security Act of 1974 to provide certain benefits as its Group Health Plan (hereinafter "Plan") for covered group members and their covered dependents; and

WHEREAS, Administrator and Employer have entered into an agreement for the administration of the Group Health Plan (hereinafter "Administrative Services Agreement"); and

WHEREAS, Employer has directed Administrator to provide Stop Loss Carrier and/or Employee Benefits Consultant access to certain Confidential Information (hereinafter defined) for cases which meet the criteria set forth in attached Exhibit 1, which Employer has determined is necessary for Stop Loss Carrier and/or Employee Benefits Consultant to perform the certain services for the Employer; and

WHEREAS, Administrator desires to safeguard the confidentiality of the medical claims and other information acquired with regard to the covered group members and their covered dependents and to safeguard information regarding Administrator's policies and procedures which are regarded as confidential and proprietary; and

WHEREAS, Employer, Stop Loss Carrier and Employee Benefits Consultant recognize the legitimate interests of Administrator and the individuals whose health benefits are administered by Administrator in the proprietary, confidential, and private nature of such Confidential Information, and Administrator is willing to provide the Confidential Information only if its use is restricted to the purpose for which it is released and its confidentiality is maintained;

NOW, THEREFORE, for good and valuable consideration, the parties hereby agree as follows:

1. For the purposes of this Agreement, "Confidential Information" means the information listed below in this Paragraph 1, any information that Stop Loss Carrier and/or Employee Benefits Consultant learns or becomes aware of, directly or indirectly, through the

disclosure of Confidential Information, and any and all summaries, distillations, excerpts, work product or other documents utilizing or incorporating same, whether in whole or in part.

- Medical claim record information concerning individuals covered under the Plan,
  - Administrator's provider contract information, e.g., allowances, fee schedules, etc., and
  - any other information designated in writing by Administrator as confidential, trade secret, or proprietary.
2. Stop Loss Carrier and/or Employee Benefits Consultant shall only request, use and disclose the minimum amount of Confidential Information necessary for Stop Loss Carrier and/or Employee Benefits Consultant to perform the services for Employer.
  3. Confidential Information shall not include information that (i) is already known to Stop Loss Carrier and/or Employee Benefits Consultant on effective date of this Agreement; (ii) is or becomes known to the general public other than as a direct or indirect result of any act or omission of Employer, Stop Loss Carrier, Employee Benefits Consultant, or the affiliates, officers, directors, partners, employees, or agents (collectively, the "Related Parties") of Employer, Stop Loss Carrier or Employee Benefits Consultant; (iii) is lawfully received by Stop Loss Carrier and/or Employee Benefits Consultant from a third party that Stop Loss Carrier and/or Employee Benefits Consultant has verified is free to disclose the information without restriction on disclosure; or (iv) is independently developed by Stop Loss Carrier and/or Employee Benefits Consultant without use of Confidential Information.
  4. Subject to applicable laws, Administrator will release to Stop Loss Carrier and/or Employee Benefits Consultant certain Confidential Information for purposes of: 1) monitoring designated cases for which reinsurance coverage may be available to Employer; and/or 2) auditing claims payments made by Administrator; provided that Employer is in compliance with all other terms and conditions of this Agreement and the Administrative Services Agreement, and Stop Loss Carrier and Employee Benefits Consultant are in compliance with all other terms and conditions of this Agreement.
  5. Stop Loss Carrier and Employee Benefits Consultant each acknowledge that Administrator will provide Confidential Information to Stop Loss Carrier and/or Employee Benefits Consultant in confidence and solely for Stop Loss Carrier and/or Employee Benefits Consultant use in performing the services for Employer. Accordingly, Stop Loss Carrier and Employee Benefits Consultant each agree (i) to protect any and all Confidential Information Stop Loss Carrier or Employee Benefits Consultant receives from unauthorized access, use and disclosure; (ii) not to use the Confidential Information for any purpose other than performing the services for Employer; (iii) not to record, copy, or reproduce any Confidential Information in any form, except to the extent necessary to perform the services for Employer; (iv) not to disclose the Confidential Information to, or otherwise permit to access the Confidential Information, any third party, including without limitation Stop Loss Carrier's or Employee Benefits Consultant's Related Parties, except as expressly provided herein or with Administrator's prior written consent; (v) to limit access to and use of the Confidential Information to those of Stop Loss Carrier or Employee Benefits Consultant's employees who have a need to know such information

for the purpose of performing the services and (vi) to take any and all other steps necessary to safeguard Confidential Information against unauthorized access, use, and disclosure to at least the extent Stop Loss Carrier or Employee Benefits Consultant maintains the confidentiality of its most proprietary and confidential information.

6. Stop Loss Carrier and/or Employee Benefits Consultant shall ensure that its agents, contractors and vendors to whom it discloses Confidential Information agree to abide by those provisions within this Agreement that govern the use, disclosure, and protection of all Confidential Information obtained from Administrator. This provision shall not be construed to permit any delegation or assignment of Stop Loss Carrier or Employee Benefits Consultant's obligations otherwise prohibited by this Agreement.
7. Stop Loss Carrier and/or Employee Benefits Consultant shall promptly report in writing to Administrator any use or disclosure of Confidential Information not provided for under this Agreement, of which Stop Loss Carrier and/or Employee Benefits Consultant becomes aware, but in no event later than within five business days of first learning of any such use or disclosure. Stop Loss Carrier and/or Employee Benefits Consultant shall mitigate, to the extent practicable, any harmful effect that is known to Stop Loss Carrier and/or Employee Benefits Consultant of a use or disclosure of Confidential Information by Stop Loss Carrier and/or Employee Benefits Consultant in violation of this Agreement.
8. Stop Loss Carrier and/or Employee Benefits Consultant may disclose Confidential Information if required to do so under any federal, state, or local law, statute, rule or regulation; provided, however, that (i) Stop Loss Carrier and/or Employee Benefits Consultant will provide Administrator with immediate written notice of any request that Stop Loss Carrier and/or Employee Benefits Consultant disclose Confidential Information, so that Administrator may object to the request and/or seek an appropriate protective order or, if such notice is prohibited by law, Stop Loss Carrier and/or Employee Benefits Consultant shall disclose the minimum amount of Confidential Information required to be disclosed under the applicable legal mandate; and (ii) in no event shall Stop Loss Carrier and/or Employee Benefits Consultant disclose Confidential Information to a party other than a government agency except under a valid order from a court having jurisdiction requiring the specific disclosure.
9. By disclosing Confidential Information to Stop Loss Carrier and/or Employee Benefits Consultant under this Agreement (including but not limited to information incorporated in computer software or held in electronic storage media), Administrator grants Stop Loss Carrier and/or Employee Benefits Consultant no ownership right or interest in the Confidential Information. When Stop Loss Carrier and/or Employee Benefits Consultant no longer need Confidential Information for the purpose for which it was disclosed but no later than the expiration or termination of this Agreement, Stop Loss Carrier and/or Employee Benefits Consultant shall collect and return to Administrator or destroy all Confidential Information received from or on behalf of Administrator that Stop Loss Carrier and/or Employee Benefits Consultant has in its control or custody in any form and shall retain no copies of such information. Stop Loss Carrier and/or Employee Benefits Consultant shall complete these obligations as promptly as possible. Upon request, an authorized officer of Stop Loss Carrier and/or Employee Benefits Consultant shall certify on oath to Administrator that all Confidential Information has been returned or destroyed and deliver such certification to Administrator within ten (10) business days of its request. If return or destruction of any Confidential Information is not feasible, Stop Loss Carrier and/or Employee Benefits Consultant shall limit further uses and disclosures of such

Confidential Information to those purposes making return or destruction infeasible and continue to apply the protections of this Agreement to such Confidential Information for so long as Stop Loss Carrier and/or Employee Benefits Consultant retains such Confidential Information. Stop Loss Carrier and/or Employee Benefits Consultant may, subject to its continued adherence to its obligations of confidentiality as defined in this Agreement, retain one copy of documents containing Confidential Information to defend its work product and to comply with applicable insurance record-keeping laws and regulations.

10. In the event that Stop Loss Carrier and/or Employee Benefits Consultant perform any of the services on Administrator's premises, Stop Loss Carrier and/or Employee Benefits Consultant agree not to remove from Administrator's premises any Confidential Information that is provided to or obtained by the Stop Loss Carrier and/or Employee Benefits Consultant on such premises, without the prior written consent of Administrator.
11. In any report or transmittal to Employer by Stop Loss Carrier and/or Employee Benefits Consultant that contains or pertains to oral or written Confidential Information, no medical information or dates of service will be identifiably attributed to any particular employee, dependent, or provider. Furthermore, any such report or transmittal shall not contain any information designated by Administrator as confidential, trade secret, or proprietary.
12. As the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA-AS) and certain of its implementing regulations (HIPAA-AS Regulations) are now effective, Employer, Stop Loss Carrier and Employee Benefits Consultant agree to institute any additional procedures and/or agreements required to ensure the parties' compliance with that law and those regulations. Employer represents and warrants that Employer (i) has amended each Plan's plan document to permit Employer to perform plan administration for the Plans (including the activity(ies) described in the recital clauses above) in accordance with 45 C.F.R. § 164.504(f) and 45 C.F.R. § 164.314(b) of the HIPAA-AS Regulations ("HIPAA Amendment"); (ii) has delivered to each Plan and Administrator a written statement, certifying its amendment of the Plan's plan document as required by the HIPAA-AS Regulations and its agreement to comply with that amendment; and (iii) has obtained each Plan's permission to receive individually identifiable health information from Administrator for the purposes and subject to the restrictions and protections described in the HIPAA Amendment. Stop Loss Carrier and Employee Benefits Consultant each agree to be bound, and to cause any agent or subcontractor to be bound, by the same restrictions and protections agreed to by Employer in the HIPAA Amendment with respect to any individually identifiable health information encompassed within the Confidential Information Stop Loss Carrier and/or Employee Benefits Consultant receives.
13. No health insurance records or information, or claims information, shall be disclosed without the prior written authorization of the individual whose records or information would be disclosed; provided, however, that Stop Loss Carrier and Employee Benefits Consultant may release information provided pursuant to this Agreement to subsidiaries of Stop Loss Carrier and Employee Benefits Consultant so long as any and all such subsidiaries agree to abide by all terms and conditions of this Agreement.
14. Employer, Stop Loss Carrier and Employee Benefits Consultant shall comply with all applicable federal, state or local laws, rules, or regulations or any other order of any

authorized court, agency, or regulatory commission, and all applicable professional standards and practices, concerning the handling and/or safekeeping of information and/or other records of the nature disclosed by Administrator hereunder and shall use such information only for proper and lawful purposes.

15. Employer, Stop Loss Carrier and Employee Benefits Consultant shall comply with all state and federal laws regulating the disclosure of patient records or private and medically sensitive information released pursuant to this Agreement, including without limitation, alcohol and drug abuse patient records, information relating to treatment of alcohol or drug dependency, HIV testing results, and psychological or psychiatric evaluation.
16. To the extent permitted by law now or hereinafter enacted, Employer agrees to indemnify, defend, and hold Administrator and each of its officers, directors, employees, agents, and other representatives (collectively, "Administrator's Related Parties") harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or relating to the disclosure of Confidential Information to Employer, Stop Loss Carrier, or Employee Benefits Consultant, including without limitation any Liability incurred as a result of any actual or alleged breach by Employer, or any Employer's Related Parties of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
17. Stop Loss Carrier agrees to indemnify, defend, and hold Administrator and each of its officers, directors, employees, agents, and other representatives (collectively, "Administrator's Related Parties") harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or in connection with any actual or alleged breach by Stop Loss Carrier or any of Stop Loss Carrier's Related Parties of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
18. Employee Benefits Consultant agrees to indemnify, defend, and hold Administrator and each of its officers, directors, employees, agents, and other representatives (collectively, "Administrator's Related Parties") harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or in connection with any actual or alleged breach by Employee Benefits Consultant or any of Employee Benefits Consultant's Related Parties of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
19. Administrator shall have the option to either provide its own legal counsel or arrange for outside counsel for the defense of such matters referenced above, and the costs of either shall be borne by the indemnifying party in the event of indemnification.
20. Employer, Stop Loss Carrier, and Employee Benefits Consultant acknowledge and agree that Administrator operates in a highly regulated and competitive environment and that the unauthorized use or disclosure of Confidential Information will cause irreparable harm and significant injury to Administrator, which will be difficult to measure with certainty

or to compensate through money damages. Accordingly, Administrator shall be entitled to seek injunctive or other equitable relief, without bond, and/or specific performance as a remedy for any breach of this Agreement. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other remedies available at law or in equity.

21. It is understood and agreed that no failure or delay by Administrator in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
22. Upon occurrence of any of the following, this Agreement shall terminate without notice, unless notice is specifically required:
  - a. Termination of the Administrative Services Agreement.
  - b. If Administrator determines at its own discretion that the Confidential Information released pursuant to this Agreement is not being adequately protected by either Employer, Stop Loss Carrier or Employee Benefits Consultant for confidentiality purposes.
  - c. Upon fifteen (15) days notice to Employer, Stop Loss Carrier or Employee Benefits Consultant, as appropriate. Such notice shall be given without need for cause.
  - d. Upon any attempt by Employer, Stop Loss Carrier or Employee Benefits Consultant (which attempts shall be null and void) to assign this Agreement or the right to receive information, without the prior express consent of Administrator.
  - e. Upon enactment of or the effective date of, whichever first occurs, any applicable state or federal law or any rule or regulation of any agency having applicable jurisdiction, which law, rule or regulation shall prohibit (in part or in full) Administrator from fulfilling its obligations hereunder. No penalty, liability or damage shall be applicable or claimed by Employer, Stop Loss Carrier or Employee Benefits Consultant against Administrator in such event.
23. The relationship between the parties is that of independent contractors. Nothing in this Agreement shall be construed to create a partnership or joint venture between the parties and neither party shall have the right to bind the other to any contracts, agreements, or other obligations without the express, written consent of an authorized representative of the other.
24. This Agreement shall be governed and construed by the laws of the State of Florida (irrespective of its choice of law principles). It constitutes the entire Agreement between the parties in reference to all matters expressed in the Agreement. All previous discussions, promises, representations, and understandings between the parties pertaining thereto, if any, being merged herein.
25. This Agreement may not be assigned, nor any obligations delegated, by Employer, Stop Loss Carrier, and/or Employee Benefits Consultant, without the prior written consent of Administrator, and any such non-permitted assignment or delegation shall be void.

26. In the event any provision of this Agreement is rendered invalid or unenforceable by any valid act of Congress or the Florida Legislature or by any regulation duly promulgated by the officers of the United States or the State of Florida acting in accordance with law, or if declared null and void by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.
27. Waiver of breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or a different provision.
28. The obligation of Employer, Stop Loss Carrier and/or Employee Benefits Consultant to protect the privacy of Confidential Information as specified in this Agreement shall be continuous and survive the expiration or termination of this Agreement. In addition, the rights and obligations of the parties set forth in Sections 9, 11, 16 - 20 and of this paragraph 28 of this Agreement shall survive its expiration or termination.
29. This Agreement may be amended by mutual agreement of the parties, but no such amendment shall become effective until it is reduced to writing and signed by duly authorized representatives of each party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representative as set forth below.

ADMINISTRATOR  
BLUE SHIELD AND BLUE CROSS  
OF FLORIDA, INC.

By: Linda Lamb

Title: VP Sales Business Mgmt.

Date: 6/7/11

EMPLOYEE BENEFITS  
CONSULTANT  
ROBINSONBUSH, INC.

By: Janice P. H.

Title: Sr VP/COO

Date: 6/10/2011

STOP LOSS CARRIER  
SYMETRA

By: Richard Joseph Lyons

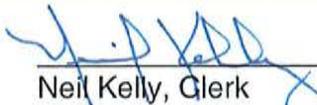
Title: VP Group Distribution

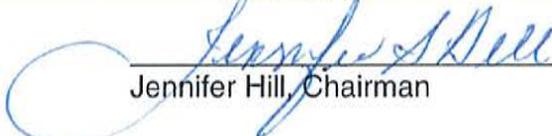
Date: 6/27/11

COUNTY

ATTEST:

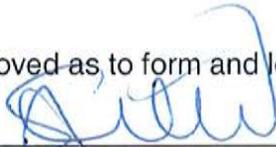
LAKE COUNTY BOARD OF  
COUNTY COMMISSIONERS,  
FLORIDA

  
\_\_\_\_\_  
Neil Kelly, Clerk  
of the Board of County  
Commissioners of Lake  
County, Florida

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

This 6 day of July, 2011

Approved as to form and legality:

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



LAKE COUNTY  
FLORIDA

MODIFICATION OF CONTRACT

1. Modification No.: 1 Effective Date: May 25, 2010	2. Contract No.: 06-088A Effective Date: July 11, 2006
3. Contracting Officer: Susan Dugan Telephone Number: (352) 343-9768	5. Contractor Name and Address: BlueCross Blue Shield of Florida
4. Issued By: Procurement Services Lake County Administration Building 315 W. Main St., Suite 416 Tavares, Florida 32778-7800	
6. SPECIAL INSTRUCTIONS: Contractor is required to sign Block 8 showing acceptance of the below written modification and <u>return this form to address shown in Block 4 within ten (10) days after receipt</u> , preferably by certified mail to ensure a system of positive receipts. Retain a photocopy of the signed copy of this modification and attach to original of contract, which was previously provided.	
7. DESCRIPTION OF MODIFICATION: Delete item IV, C, page B2 of Exhibit "B" to the Administrative Services Agreement, Financial Arrangements September 30, 2010 (per letter from Elana Schrader, Vice President, Product Development & Management received May 25, 2010)	
8. Contractor's Signature <b><u>NOT REQUIRED</u></b> See attached letter from vendor.	9. Lake County, Florida By: <u>Susan Dugan</u> Senior Contracting Officer <u>6/23/2011</u> Date
10. Distribution: Original - Bid No. 06-088A Copies - Contractor	

P.O. BOX 7800 • 315 W. MAIN ST., TAVARES, FL 32778 • P 352.343.9839 • F 352.343-9473  
Board of County Commissioners • www.lakecountyfl.gov

JENNIFER HILL  
District 1

ELAINE RENICK  
District 2

JIMMY CONNER  
District 3

LINDA STEWART  
District 4

WELTON G. CADWELL  
District 5

RECEIVED

MAY 25 2010



**BlueCross BlueShield  
of Florida**  
An Equal Opportunity Employer  
For More Information Visit Us Online

4800 Dawood Campus Parkway  
Jacksonville, FL 32246  
www.bcbfl.com

EMPLOYEE SERVICES

Susan Irby  
315 West Main Street  
Tavares, FL 32778

**Your Flexible Spending Account  
Administrative Service Agreement  
will end at your next renewal**

Dear Benefit Administrator,

We recognize that a Flexible Spending Account (FSA) and tax savings are important to your company and your employees. That's why we're giving you advance notice that we will no longer be offering FSA administration services. The good news is that we have negotiated preferred pricing for you with an experienced Third Party Administrator, called Total Administrative Services Corporation (TASC).<sup>1</sup>

What this means to you ...

- Your current Administrative Services Agreement will remain in effect until your health plan renewal date. Thereafter, we will not be administering any new plan year contributions. We will only process reimbursement requests for the prior year through the close out period specified in your Agreement.
- Effective on your health plan renewal date your Administrative Service Agreement will terminate.
- Your employees who have a FSA will be reimbursed for health care services and have access to our FSA customer service area through the close out period specified in your Agreement.
- If you are planning to offer a FSA program to your employees during your next health plan election period, you may want to consider using TASC or another Third Party Administrator who provides this service.

We appreciate your business. If you have any questions, please don't hesitate to call our Spending Account Administration team at 1-800-753-4681.

Sincerely,

Elana Schrader  
Vice President, Product Development & Management

<sup>1</sup> Blue Cross and Blue Shield of Florida does not warrant or guarantee the products or services provided by Total Administrative Services Corporation (TASC).

**AGREEMENT TO PROVIDE ADMINISTRATIVE SERVICES  
FOR THE EARLY RETIREE REINSURANCE PROGRAM**

**1. Purpose**

This agreement (the "Agreement") is made as of June 1, 2010 (the "Effective Date") by and between Blue Cross and Blue Shield of Florida, Inc. ("BCBSFL") and Lake County Board of County Commissioners ("Sponsor"), for the purpose of delineating the terms and conditions under which BCBSFL will provide services related to Sponsor's participation in the early retiree reinsurance program (the "Program") administered by the Department of Health and Human Services.

**2. Definitions**

A. The terms "Certified," "Claim," "Employment-Based Plan," and "Health Benefits" shall have the same meanings as in 45 C.F.R. § 149.2.

B. The term "Chronic and High-Cost Condition" means any condition for which \$15,000 or more in Health Benefits claims are likely to be incurred during a plan year by one Employment-Based Plan participant.

C. The term "HHS" means the United States Department of Health and Human Services, and references to HHS include the Secretary of HHS or the Secretary's designee.

D. The term "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended.

E. The term "Program" means the Early Retiree Reinsurance Program established in Section 1102 of the Patient Protection and Affordable Care Act and implementing HHS interim final rule at 45 C.F.R. Part 149.

F. The term "Program-Eligible Individual" means an individual who is age 55 or older, enrolled for Health Benefits in a Certified Employment-Based Plan, not eligible for coverage under Medicare (Title XVIII of the Social Security Act), and not an active employee of Sponsor, as well as such individual's enrolled spouse, surviving spouse, and dependents (if applicable).

G. The term "Program Requirements" means the requirements of 45 C.F.R. Part 149, and any administrative guidance there issued.

H. The term "Negotiated Price Concession" means any direct or indirect remuneration (including discounts, direct or indirect subsidies, charge backs or rebates, cash discounts, free goods contingent on a purchase agreement, up-front payments, coupons, goods in kind, free or reduced-price services, grants, or other price concessions or similar benefits), received by Sponsor that would serve to decrease the costs incurred under the Employment-Based Plan.

### 3. Term and termination

A. Term. The term of this Agreement will commence on the Effective Date and will continue until one (1) year from the Effective Date. The Agreement will be renewed automatically for successive one (1) year terms, unless terminated in accordance herewith.

B. Termination of Agreement. The Agreement may be terminated under any of the following circumstances:

1. Termination with notice. Either party may terminate this Agreement in its entirety at any time upon sixty (60) days prior written notice to the other party.

2. Termination for material breach. In the event that either party fails to cure a material breach of this Agreement within thirty (30) days of receipt of written notice to cure from the other (which notice will state the material breach with specificity and attach any then-available documentation of the material breach), the non-defaulting party may terminate this Agreement upon thirty (30) days' prior written notice. If the breach is cured within such 30-day period, or if the breach is one that cannot reasonably be corrected within thirty (30) days, and the non-defaulting party determines that the defaulting party is making substantial and diligent progress toward correction during such 30-day period, this Agreement will remain in full force and effect.

3. Termination based on failure to reach agreement following regulatory change. Either party may terminate this Agreement effective thirty (30) days after either party provides written notice that it is unable to agree on any amendment required under Section 11(C).

C. Transition requirements. If this Agreement is terminated by BCBSFL under Section 3(B)(1) or by either party under Section 3(B)(3), then the parties agree to take the following specific actions to minimize disruption:

1. Transition plan. The parties will develop and implement a detailed plan for transitioning the services, and both parties will cooperate fully to arrange for the transfer of services to Sponsor's designee.

2. Transition period. BCBSFL will continue to provide services in accordance with this Agreement for a reasonable transition period. Unless the parties mutually agree otherwise, the transition period will not exceed ninety (90) days from the date of notice of termination. Except as otherwise provided in this Agreement, the terms and conditions of this Agreement will apply during the transition period. Termination of this Agreement will not terminate the rights or liabilities of either party arising out of the period prior to the effective date of the termination.

4. **Scope of services**

A. Program application.

1. Responsibility for preparing and submitting Program application. Sponsor will be responsible for preparing and submitting the Program application. BCBSFL agrees to provide to Sponsor any data in its possession that Sponsor requires in order to complete its application. BCBSFL and Sponsor will work cooperatively to provide the data needed to complete Sponsor's Program application on a timely basis.

2. Projection of claims.

(a) Responsibility for preparing projection. BCBSFL shall prepare and submit to Sponsor a projection of amounts to be received by Sponsor under the Program for the first two plan year cycles, as described in 45 C.F.R. § 149.40. BCBSFL will provide the projection to Sponsor within 60 days of receiving the data for the projection (as described below) from Sponsor.

(b) Data for projection. Sponsor shall provide all information BCBSFL requests for the projection including, without limitation, information regarding retiree contributions, demographic data, and benefit options related to Sponsor's coverage of Program-Eligible Individuals under the Employment-Based Plan. Sponsor shall also provide BCBSFL with a list of all Program-Eligible Individuals or, at the option of BCBSFL, another suitable method of identifying all Program-Eligible Individuals.

3. Fraud, waste, and abuse policies. BCBSFL has implemented, or will implement, policies and procedures to detect and reduce fraud, waste, and abuse in connection with the Employment-Based Plan, in accordance with 45 C.F.R. § 149.40.

Upon request by HHS for Sponsor or BCBSFL to substantiate the existence of such policies and procedures, pursuant to 45 C.F.R. § 149.40(f)(4)(iii), BCBSFL shall provide such substantiation information directly to HHS or, if required by HHS, to Sponsor. BCBSFL will include a copy of its policies and procedures as part of such substantiation information to the extent required by HHS. In the event that BCBSFL provides information about, or a copy of, such policies and procedures to Sponsor, Sponsor agrees to hold the information in confidence, in accordance with Section 4(A)(8).

4. Programs that generate savings for Chronic and High-Cost Conditions. BCBSFL shall provide Sponsor with a summary explanation describing the procedures or programs it has in place that have generated or have the potential to generate cost savings with respect to Employment-Based Plan participants with Chronic and High-Cost Conditions. Such summary shall be provided not later than 60 days after the Effective Date. Sponsor agrees to hold the information in confidence, in accordance with Section 4(A)(8).

5. Confidentiality requirements. Sponsor agrees that any documents, materials, or other information provided to Sponsor by BCBSFL pursuant to Sections 4.A.3 or 4.A.4 of this Agreement, relating to BCBSFL's fraud, waste and abuse policies, programs that generate savings for Chronic and High-Cost Conditions, or both (collectively, the "Confidential

Information”), are the sole property of BCBSFL and are private and confidential in nature to the extent permitted by Florida law. Sponsor further agrees that BCBSFL would suffer competitive or other harm in the event the Confidential Information, or any portion thereof, was disclosed. Sponsor further agrees that it will hold the Confidential Information in the strictest confidence and will not use or disclose it, or any part thereof, unless: (a) the use or disclosure is necessary for Sponsor to comply with the Program Requirements; (b) the disclosure is made with the prior written consent of BCBSFL; (c) the disclosure is requested by and made to a local, state, or federal law enforcement official, provided Sponsor gives BCBSFL written notice at least 30 days before making such disclosure; (d) the disclosure is made in response to the Florida public record laws, a lawful subpoena or other compulsory process, provided that prior to making the disclosure, Sponsor promptly gives notice thereof to BCBSFL and furnishes BCBSFL with a copy of the subpoena or other process so as to afford BCBSFL a reasonable opportunity to seek a protective order; or (e) the Confidential Information to be disclosed is already in the public domain through no act or failure on the part of Sponsor.

In the event this Agreement is terminated, Sponsor agrees to the extent permitted by Florida law, that it will continue to treat the Confidential Information as private and confidential, will return all such Confidential Information to BCBSFL, and will not use or disclose such Confidential Information, or any part thereof, except as permitted in this Section. Sponsor agrees that BCBSFL shall, in addition to any other available legal relief, be entitled to an injunction by any competent court to enjoin and restrain the unauthorized use or disclosure of the Confidential Information, or any part thereof.

B. Claims submission.

1. Responsibility for compiling and submitting data. Sponsor, or a third party designee contracted by Sponsor, shall be responsible for submitting Claims data to HHS. Sponsor shall provide BCBSFL with Sponsor’s list of Program-Eligible Individuals or, at the election of BCBSFL, another suitable method of identifying Program-Eligible Individuals at least 30 days in advance of the date Sponsor requires Claims data from BCBSFL. BCBSFL will compile and submit to Sponsor or its designee, on a quarterly basis, the following Claims data for the Program-Eligible Individuals identified pursuant to the preceding sentence. For each eligible Health Benefit provided to a Program-Eligible Individual, with respect to which a prior Claims submission has not been made, BCBSFL will provide documentation indicating:

- (a) each such Health Benefit provided;
- (b) the provider or supplier of the Health Benefit;
- (c) the incurred date;
- (d) the Program-Eligible Individual for whom the Health Benefit was provided;
- (e) the date and amount of payment by BCBSFL for the Health Benefit, net of any known Negotiated Price Concessions; and

Sponsor shall be solely responsible for identifying, obtaining, and submitting any Claims data that originates with Sponsor or with any third party that is not subcontracted by BCBSFL.

If BCBSFL receives any post-point-of-sale price concessions with respect to Health Benefits for which Claims data has previously been provided to Sponsor, BCBSFL shall, in a time frame consistent with 45 C.F.R. § 149.110(b), notify Sponsor of such post-point-of-sale price concession.

2. Duty to monitor. BCBSFL shall have no obligation to Sponsor to monitor whether Claims are re-adjudicated after being provided to Sponsor, or its designee.

3. Receipt of Program payments. Sponsor shall receive all Program payments from the United States directly, and BCBSFL shall have no responsibility for receiving or handling such payments.

C. No obligation to submit inaccurate or incomplete data. BCBSFL shall have no obligation to provide or submit data in support of Sponsor's Program application or a submission to obtain payment under the Program when, in its sole discretion, BCBSFL believes that the data is or may be inaccurate or incomplete, or would otherwise not be in compliance with Program Requirements.

D. Corrections and modifications. Should BCBSFL learn that any data provided by either party to this Agreement or by any third party is or was inaccurate, that Sponsor is or has received Program overpayments, or that Sponsor's Program application, reimbursement data, or any submissions to HHS fail to comply with Program Requirements, then except as specifically provided in Section 4(B)(2), BCBSFL shall notify Sponsor and Sponsor shall have the sole responsibility for making necessary corrections and communications to HHS.

## 5. Compensation

Sponsor will not owe BCBSFL any additional administrative fees for the services performed by BCBSFL under this Agreement.

## 6. Acknowledgement of purpose of data

Pursuant to 45 C.F.R § 149.40(f)(4)(ii), BCBSFL acknowledges that information it provides to Sponsor pursuant to this Agreement may be used by Sponsor for the purpose of obtaining federal funds.

## 7. Appeals

In the event that HHS makes an adverse reimbursement determination, BCBSFL shall not be responsible for any procedural or substantive activities associated with Sponsor's appeal rights described in 45 C.F.R Part 149, Subpart F. BCBSFL will provide Sponsor, at Sponsor's request, reasonable access to information that Sponsor may need to exercise its appeal rights, but Sponsor shall be solely responsible for submitting any request for appeal under 45 C.F.R. § 149.500(e).

**8. Indemnification**

Sponsor agrees, to the extent permitted by Florida law, to indemnify, defend (at BCBSFL's request), and hold harmless BCBSFL and its agents, officers, employees, directors, and subcontractors, against any loss, cost, suit, claim, damage, liability or expense, including reasonable attorneys' fees, arising (a) out of any audit, investigation, subpoena, investigative demand, action, proceeding, liability, judgment, settlement, or inquiry by HHS or any other government agency or entity or any other person or entity relating to Sponsor's participation in the Program; or (b) from any inaccurate or incomplete data provided to BCBSFL, or any non-compliance with the Program's requirements by Sponsor or any third party contracted by Sponsor in connection with the Program.

**9. Limitation of liability**

BCBSFL shall not be liable to Sponsor if HHS terminates or denies Sponsor's Program application, and BCBSFL shall not be liable to Sponsor for any amounts that are not paid or reimbursed by HHS under the Program or that HHS recoups or withholds for any reason. Any information provided by BCBS should not be considered advice, legal or otherwise, regarding Sponsor's compliance with any or all Program Requirements, and BCBS shall not be liable, in whole or in part, for Sponsor's reliance on such information. Under no circumstances shall BCBSFL be liable for indirect, consequential, special or punitive damages.

**10. No guarantee of Program participation or reimbursement**

BCBSFL does not represent or guarantee that Sponsor is eligible to participate in the Program, that Sponsor's application for the Program will be accepted and Certified, that Sponsor will receive any funds in connection with the Program, or, if Sponsor does receive funds in connection with the Program, the amount of such funds.

**11. Standard of care, cooperation, and regulatory changes**

A. Standard of care. The parties recognize that because the Program is new, the Program Requirements and procedures are not fully defined and developed, and subsequent administrative guidance or requirements from HHS may materially alter the scope of services or manner in which the services contemplated by this Agreement are to be provided. In light of these factors, BCBSFL will make a good faith effort to compile and provide complete and accurate information in accordance with its best understanding and interpretation of the Program Requirements. BCBSFL does not undertake to act, and shall not act, as a fiduciary under the Employee Retirement Income Security Act ("ERISA") or otherwise with respect to its actions under the Program. Any fiduciary obligations under ERISA or otherwise with respect to the Program shall be the duties of Sponsor.

In satisfying its obligations under this Agreement, BCBSFL may utilize and/or obtain and/or provide data that is developed and maintained by third parties with which it contracts. By obtaining this data from a third-party source, BCBSFL does not warrant or assume responsibility for the accuracy of such data.

In addition, BCBSFL may obtain or use data or information provided by Sponsor or third parties not contracted by BCBSFL. BCBSFL does not warrant and/or assume responsibility for the accuracy of any data provided by Sponsor or any third party not contracted by BCBSFL.

The parties recognize that BCBSFL's existing data sources, and those of its subcontractors, were not designed for purposes of the Program. Thus, BCBSFL can not and does not guarantee the accuracy of such information and data.

B. Cooperation. The parties recognize that they must mutually cooperate to perform the services required under this Agreement, and that BCBSFL shall not be responsible if it is unable to complete any tasks because Sponsor, or any third party contracted by Sponsor, fails to meet its obligations, including providing required data.

C. Regulatory changes. If either party believes that subsequent guidance or requirements from HHS have materially altered the scope of services or manner in which the services contemplated by this Agreement are to be provided, or that any provision of this Agreement is inconsistent with Program Requirements, that party shall promptly notify the other party in writing, and the parties shall negotiate to amend this Agreement.

## **12. Retention of records**

BCBSFL and Sponsor shall maintain all records required by 45 C.F.R § 149.350(b) for a period not less than six years after the expiration of the Employment-Based Plan's plan year in which Program-reimbursable costs were incurred (without regard to the date the Agreement terminates), or as otherwise required by law.

## **13. HIPAA compliance**

The parties acknowledge and agree that this Agreement involves the use and disclosure of HIPAA protected health information. The parties therefore agree that all uses and disclosures of HIPAA protected health information pursuant to this Agreement will be undertaken in compliance with all applicable HIPAA requirements. BCBSFL shall disclose HIPAA protected health information to a third party, other than HHS or other federal government agency in connection with the Program, only upon Sponsor's written certification that such disclosure is permitted under HIPAA. BCBSFL and Sponsor agree that this Agreement satisfies the requirements of 45 C.F.R. § 149.35(b)(2).

BCBSFL shall provide HIPAA protected health information directly to Sponsor or Sponsor's designee under Section 4 only if Sponsor certifies in writing that: (A) appropriate HIPAA business associate agreements are in effect between BCBSFL, Sponsor, Sponsor's designee, and the Employment-Based Plan; (B) the plan documentation for the Employment-Based Plan permits such disclosure; and (C) the Sponsor has taken all other steps required by HIPAA in order to legally receive such protected health information.

## **14. Miscellaneous provisions**

A. Amendments. All amendments to this Agreement must be agreed to in writing by the parties.

B. Assignment. This Agreement may not be assigned by either party to an unrelated third party without the prior written consent of the other party. Sponsor, not BCBSFL, is responsible for giving advance notice of any change in ownership to HHS pursuant to 45 CFR § 149.700.

C. Subcontracting. The parties acknowledge and agree that BCBSFL may use subcontractors to perform some or all of the services described in Section 4.

D. Entire agreement. This Agreement supersedes any and all other agreements, either oral or written, between the parties with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Agreement will be valid or binding.

E. Governing law. The laws of the State of Florida will govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereunder, without giving effect to principles of conflicts of law.

F. No third-party beneficiary. Nothing in this Agreement is intended to create, or will be deemed or construed to create, any rights or remedies in any third party including, without limitation, Sponsor's active and retired employees (and their dependents).

G. Notice. Any notice required or desired to be given relating to this Agreement will be in writing and will be either hand delivered, or sent by U.S. mail, postage prepaid and return-receipt requested (receipt will be deemed to be five days after postmark by the U.S. Postal Service), or overnight courier addressed as follows:

BCBSFL:      Attention: Scott Bryant  
                 Director, Group Product Management  
                 Blue Cross and Blue Shield of Florida, Inc.  
                 4800 Deerwood Campus Parkway, DCC 300-6  
                 Jacksonville, Florida 32246

Sponsor:      Lake County Board of County Commissioners

Notices given hereunder will be deemed given upon documented receipt. The addresses to which notices are to be sent may be changed by written notice given in accordance with this section.

H. Severability. If any provision of this Agreement is rendered invalid or unenforceable by any local, state, or federal law, rule or regulation, or declared null and void by any court of competent jurisdiction, the remainder of this Agreement will remain in full force and effect.

I. Status as independent entities. Nothing in this Agreement is intended to create, or will be deemed or construed to create, any relationship between BCBSFL and Sponsor other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither BCBSFL nor Sponsor, nor any of their respective agents,

employees, subcontractors or representatives will be construed to be the agent, employee, subcontractor or representative of the other.

J. Appendices. Any Appendix to this Agreement is made a part of this Agreement as though set forth fully herein. Unless otherwise specifically set forth in an Appendix, any provision of this Agreement that is in conflict with any provision set forth in an Appendix will take precedence and supersede the conflicting provision of the Appendix with respect to the subject matter covered by that provision of this Agreement.

K. Calculation of time. Unless otherwise specifically stated in this Agreement, the parties agree that for purposes of calculating time under this Agreement, any time period of less than ten days will be deemed to refer to business days and any time period of ten days or more will be deemed to refer to calendar days.

L. Force majeure. Neither BCBSFL nor Sponsor will be liable for its failure to perform any obligation under this Agreement because of contingencies beyond its reasonable control, including but not limited to strikes (other than strikes within such party's own labor force), riots, war, fire, acts of God, disruption or failure of electronic or mechanical equipment or communication lines, telephone or other interconnections, unauthorized access, theft, or acts in compliance with any law or government regulation. If a party's failure to perform continues for more than twenty business days, the other party will have the right to terminate this Agreement immediately.

M. Headings. The headings in this Agreement have been included solely for reference and are to have no force or effect in interpreting its provisions.

N. Counterparts. This Agreement may be executed in counterparts, any of which need not contain the signature of more than one party, but all of which taken together, will be one and the same agreement.

O. Dispute resolution. BCBSFL and Sponsor agree to resolve any controversy or dispute that may arise out of or relate to this Agreement, or the breach thereof, whether involving a claim in tort, contract, or otherwise, pursuant to the dispute resolution provisions of the applicable administrative services, group health or other agreement between the parties.

P. Survival. The provisions of Sections 3, 8, 9, 12, 13, and 14 will survive the expiration or termination of the Agreement for any reason.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Blue Cross and Blue Shield of Florida, Inc.

Lake County Board of County  
Commissioners

(BCBSFL)

(SPONSOR)

BY: C. M. Good

BY: [Signature]

TITLE: VP, Major Accounts

TITLE: Procurement Services Director

DATE: 1/12/11

DATE: 25 Jan 11

**AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT**

THIS AMENDMENT, entered into on \_\_\_\_\_, 2009 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and Lake County, Florida (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective October 1, 2006 is amended as follows:

1. Section I, subsection 1.1, is hereby amended to extend the term of the Group Health Plan until September 30, 2012 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Exhibit B to the Agreement is hereby amended, effective October 1, 2009. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
3. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: LAKE COUNTY through Its BOARD OF COUNTY COMMISSIONERS, signing by and through Its Chairman, authorized to execute same by Board action on the 18 day of August, 2009, and Administrator, duly authorized to execute same.

ADMINISTRATOR  
BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC.

By: [Signature]  
Title: V.P., Chief Underwriting Officer  
Date: 7-2-09

ATTEST:

[Signature]  
Neil Kelly, Clerk of the  
Board of County Commissioners  
Of Lake County, Florida

Approved as to form and legality:  
[Signature]  
Sanford A. Minkoff  
County Attorney

COUNTY  
Board of County Commissioners  
Of Lake County, Florida

[Signature]  
Welton G. Cadwell, Chairman  
This 24<sup>th</sup> day of Aug.  
2009.

RECEIVED

JUL 13 2009

EMPLOYEE SERVICES

**EXHIBIT "B"**

to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**

and  
**LAKE COUNTY, FLORIDA**

**FINANCIAL ARRANGEMENTS**

I. Effective Date

The effective date of this Exhibit is October 1, 2009.

II. Monthly Payments.

- A. Each month, BCBSF will notify the Employer of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.
- B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

III. Funding Information

- A. Method of Funding Transfer: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$53.48 per enrolled employee per month from October 1, 2009 through September 30, 2010.

~~\$54.28 per enrolled employee per month from October 1, 2010 through September 30, 2011.~~

\$55.37 per enrolled employee per month from October 1, 2011 through September 30, 2012.

B. Administrative fees after the termination of the Agreement: 15% of claims paid.

C. A \$7.00 per participant, per month flexible spending account fee from October 1, 2009 through September 30, 2012.

V. Late Payment Penalty

A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

A. The administrative fees referenced above are based on an expected enrollment of: 830 Employees.

B. If the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

**ADMINISTRATIVE SERVICES AGREEMENT**

between

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**

and

**LAKE COUNTY, FLORIDA**

This Administrative Services Agreement (hereinafter referred to as the "Agreement"), made this 1st. day of January, 2007, is by and between Blue Cross and Blue Shield of Florida, Inc., a Florida corporation having its principal place of business at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 (hereinafter referred to as the "BCBSF") and Lake County, Florida, a political subdivision of the State of Florida, located at 315 West Main Street, P.O. Box 7800, Tavares, Florida (hereinafter referred to as the "Employer").

WHEREAS, the Employer has established and currently sponsors a self-insured Employee Welfare Benefit Plan, to provide certain benefits (attached hereto as Exhibit "A" and hereinafter called the "Group Health Plan") for covered group members and their covered dependents; and

WHEREAS, except as otherwise specifically provided herein, the Employer is to retain all liabilities under its Group Health Plan, and BCBSF is to provide the agreed upon services to the Group Health Plan without assuming any such liability; and

WHEREAS, the Employer desires that, with respect to the Group Health Plan, BCBSF furnish certain claims processing and administrative services.

NOW, therefore, in consideration of the mutual promises contained herein, and other good and valuable consideration, the parties agree as follows:

**SECTION I**

**TERM**

**1.1 Initial Term**

The initial term of this Agreement shall be from October 1, 2006 (the effective date) and shall end on September 30, 2009 (the termination date), unless the Agreement is terminated earlier in accordance with the provisions of this Agreement.

## 1.2 Renewal Terms

This Agreement will automatically renew each anniversary date for successive one year terms at the renewal rates then in effect, unless either party notifies the other party of its intent not to extend this Agreement at least 30 days prior to the applicable anniversary date.

## SECTION II

### DUTIES AND RESPONSIBILITIES OF THE EMPLOYER

#### 2.1 Final Authority

The Employer retains all final authority and responsibility for the Group Health Plan including, but not limited to eligibility and enrollment for coverage under the Group Health Plan, the existence of coverage, the benefits structure of the Group Health Plan, claims payment decisions, cost containment program decisions, utilization benefits management, compliance with the requirements of COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985, as amended), compliance with the requirements of ERISA (Employee Retirement Income Security Act of 1974, as amended), compliance with reporting and remitting abandoned property funds, and compliance with any other state and federal law or regulation applicable to the Employer, the Group Health Plan, or the administration of the Group Health Plan.

The Employer agrees to provide BCBSF with any information BCBSF reasonably requires in order to perform the administrative services set forth herein.

#### 2.2 Eligibility and Enrollment

As of the first day of the term of this Agreement, the Employer will have delivered to BCBSF enrollment information regarding eligible and properly enrolled members, as determined by the Employer. The Employer shall deliver to BCBSF all employee and dependent eligibility status changes on a monthly basis, or more frequently as mutually agreed by the parties.

The Employer shall be responsible for providing each covered employee with a copy of the plan document which shall include the Group Health Plan.

## 2.3 Financial Obligations

### A. Claims Payment

The Employer is financially responsible for the payment of all claims paid under the Group Health Plan. Financial arrangements regarding the payment of such claims are set forth in Exhibit "B".

### B. Administrative Fees

The Employer agrees to promptly pay all administrative fees as set forth in Exhibit "B". Administrative fees are not subject to change during the initial term of this Agreement, except as set forth below. The administrative fees shall be payable to BCBSF within 10 days of written notification to the Employer of the amount owed.

### C. Late Charges

In the event the Employer fails to pay any amount owed in full by the due date, the Employer shall pay BCBSF, in addition to the amount due, a late charge as set forth in Exhibit "B".

### D. Modifications

BCBSF, at any time, may modify the administrative fee, if the Employer substantially modifies the Group Health Plan or changes enrollment.

## 2.4 Use of Names and Logos

The Employer agrees to allow BCBSF to use the Employer's name and logo on I.D. cards and other forms necessary to effectuate this Agreement, and to promote the Employer's relationship with BCBSF to potential or existing providers. BCBSF shall not use the Employer's name or logo for any other purpose without the prior written consent of the Employer.

The Employer agrees that the names, logos, symbols, trademarks, tradenames, and service marks of BCBSF, whether presently existing or hereafter established, are the sole property of BCBSF and BCBSF retains the right to the use and control thereof. The Employer shall not use BCBSF's name, logos, symbols, trademarks or service marks in advertising or promotional materials or otherwise without the prior written consent of BCBSF and shall cease any such usage immediately upon written notice by BCBSF or upon termination of this Agreement, whichever is sooner.

## SECTION III

### DUTIES AND RESPONSIBILITIES OF BCBSF

#### 3.1 Generally

It is understood and agreed that BCBSF is empowered and required to act with respect to the Group Health Plan only as expressly stated herein.

The Employer and BCBSF agree that BCBSF's role is to provide administrative claims payment services, that BCBSF does not assume any financial risk or obligation with respect to claims, that the services rendered by BCBSF under this Agreement shall not include the power to exercise control over the Group Health Plan's assets, if any, or discretionary authority over the Health Care Plan's operations, and that BCBSF will not for any purpose, under ERISA or otherwise, be deemed to be the "Plan Administrator" of the Group Health Plan or a "fiduciary" with respect to the Group Health Plan. BCBSF's services hereunder are intended to and shall consist only of ministerial functions. The Group Health Plan's "Administrator" for purposes of ERISA is the Employer.

#### 3.2 Enrollment; Forms and I.D. Cards

BCBSF shall enroll those individuals who have completed an application and are identified by the Employer as eligible for benefits under the Group Health Plan on the effective date of this Agreement, and subsequently during the continuance of this Agreement. BCBSF shall be entitled to rely on the information furnished to it by the Employer, and the Employer shall hold BCBSF harmless for any inaccuracy or failure to provide such information in a timely manner.

BCBSF shall furnish to the Employer, for distribution to persons participating in the Group Health Plan, a supply of identification cards, benefit plan descriptions, forms to be used for submission of claims and enrollment, and any other forms necessary for the administration of the Group Health Plan, as determined by BCBSF.

#### 3.3 Claims Processing

BCBSF shall provide claims processing services on behalf of the Employer for all properly submitted claims, in accordance with the benefits and procedures set forth in Exhibit "A", using funds solely supplied by the Employer, as set forth in Exhibit "B". BCBSF shall furnish each claimant with an explanation of each claim that is paid, rejected, suspended or denied.

For purposes of this Agreement, the term "claim(s)" shall be defined as the amount paid or payable by BCBSF to providers of services and/or covered

group members under this Agreement and the Group Health Plan, and in conformity with any agreements BCBSF enters into with such providers of services, and includes capitation, physician incentives, pharmacy, physician, hospital and other fee-for-service claims expenditures.

#### 3.4 Program Administration

BCBSF shall administer its established cost containment programs and utilization benefits management programs, as selected by the Employer and described in the Group Health Plan.

BCBSF shall make available its Preferred Provider Organization Program(s) to covered group members and their covered dependents, as set forth in the Group Health Plan. Any agreements between providers of services and BCBSF are the sole property of BCBSF and BCBSF retains the right to the use and control thereof.

#### 3.5 Inaccurate Payments

Whenever BCBSF becomes aware that the payment of a claim under the Group Health Plan to any person was, or may have been, made which was not in accordance with the terms of the Group Health Plan, whether or not such payment was BCBSF's fault, and whether or not such payment was more than or less than was appropriate under the terms of the Group Health Plan, BCBSF shall investigate such payment in accordance with its standard commercial insurance business practices and either 1) for a payment of \$50.00 or more, make a diligent effort to recover any payment which was more than was appropriate under the Group Health Plan or 2) as the case may be, adjust any claim the payment of which was less than appropriate under the Group Health Plan. The Employer delegates to BCBSF the discretion and the authority to determine under what circumstances to compromise a claim or to settle for less than the full amount of the claim. In the event any part of an inaccurate payment is recovered, the Employer will receive a refund from BCBSF. BCBSF shall notify the Employer whenever attempted recovery is unsuccessful. Nothing herein shall require BCBSF to institute a legal action or suit to recover payments made by BCBSF.

Additionally, the Employer delegates to BCBSF the discretion and authority to pursue recoveries for claims paid as a result of fraud, abuse or other inappropriate action by a third party, including the right to opt-out or opt-in the Employer from any class action. These claims include, but are not limited to, all legal claims the Employer can assert whether based on common law or statute such as RICO, antitrust, deceptive trade practices, consumer fraud, insurance fraud, unjust enrichment, breach of fiduciary duty, breach of contract, breach of covenant of good faith and fair dealing, torts (including fraud, negligence, and product liability), breach of warranty, medical monitoring, false claims and kickbacks. If BCBSF obtains a recovery from

any of these efforts, BCBSF will reimburse the Employer's pro rata share of the recovery. This share is calculated from the Employer's claims history or covered members at the time of such recovery, less the Employer's pro rata share of costs, if any, fees paid to outside counsel and any other costs incurred in obtaining that recovery. BCBSF will not charge the Employer for any costs if BCBSF does not obtain a recovery that exceeds those costs.

### 3.6 Records and Reports

BCBSF agrees to establish, maintain and provide to the Employer, records and reports generated for the purposes of reporting claims experience and conducting audits of operations. BCBSF will provide claims information only accordance with Exhibit C (and Exhibit D, if applicable) to this Agreement. BCBSF will not provide any information with regard to provider pricing agreements or any other information which is of a confidential or proprietary nature, as determined by BCBSF.

### 3.7 Pharmacy Rebates

In certain circumstances, BCBSF and/or its pharmacy benefit manager ("PBM") negotiate(s) and receive(s) formulary rebates, volume discounts, and/or fees from certain drug manufacturers as a result of the inclusion of such manufacturer's branded products on BCBSF's formularies ("Rebates").

The PBM generally passes Rebates through to BCBSF, less a 12.5% fee as part of its compensation for its services. At times, the PBM may pass through a guaranteed minimum amount per prescription that exceeds the Rebates otherwise payable to BCBSF. In either situation, BCBSF passes through 100% of the amounts it receives to the Employer.

BCBSF may receive a portion of the Rebates on a prepaid, estimated basis, before any drug claims are filed and paid. To the extent that BCBSF receives prepaid, estimated rebate amounts, BCBSF retains, as part of its compensation, the interest earned on such amounts from the time it receives such prepayments until it forwards the Employer's Rebates. This time period is generally nine to twelve months. BCBSF expects to earn interest at the rate of 1.25% per annum.

BCBSF pays the Employer its Rebates or guaranteed minimum amount after BCBSF is able to determine the share attributable to the drug claims actually made by Employer's group members. This typically occurs seven to nine months after the end of the calendar quarter in which the drugs were dispensed.

BCBSF will provide more specific information on the amounts retained by BCBSF or the PBM upon request by the Employer.

### 3.8 Claims Payments

The source or sources of payment under the Group Health Plan are to be only the assets of the Employer, and BCBSF will have no liability whatsoever for providing a source from which payments will be made under the Health Care Plan.

### 3.9 Providers Outside the State of Florida

#### A. BlueCard

Administrator participates in a program called "BlueCard." Whenever member's access health care services outside the geographic area BCBSF serves, the claim for those services may be processed through BlueCard and presented to BCBSF for payment in conformity with network access rules of the BlueCard Policies then in effect ("Policies"). Under BlueCard, when members receive covered health care services within the geographic area served by an on-site Blue Cross and/or Blue Shield Licensee ("Host Blue"), BCBSF will remain responsible to Employer for fulfilling BCBSF contract obligations. However, the Host Blue will only be responsible, in accordance with applicable BlueCard Policies, if any, for providing such services as contracting with its participating providers and handling all interaction with its participating providers. The financial terms of BlueCard are described generally below.

#### B. Liability Calculation Method Per Claim

The calculation of member liability on claims for covered health care services incurred outside the geographic area BCBSF serves and processed through BlueCard will be based on the lower of the provider's billed charges or the negotiated price BCBSF pays the Host Blue.

The calculation of Employer's liability on claims for covered health care services incurred outside the geographic area BCBSF serves and processed through BlueCard will be based on the negotiated price BCBSF pays the Host Blue.

The methods employed by a Host Blue to determine a negotiated price will vary among Host Blues based on the terms of each Host Blue's provider contracts. The negotiated price paid to a Host Blue by Administrator on a claim for health care services processed through BlueCard may represent:

(i) the actual price paid on the claim by the Host Blue to the health care provider ("Actual Price"), or

(ii) an estimated price, determined by the Host Blue in accordance with BlueCard Policies, based on the Actual Price increased or reduced to reflect aggregate payments expected to result from settlements, withholds, any other contingent payment arrangements and non-claims transactions with all of the Host Blue's health care providers or one or more particular providers ("Estimated Price"), or

(iii) an average price, determined by the Host Blue in accordance with BlueCard Policies, based on a billed charges discount representing the Host Blue's average savings expected after settlements, withholds, any other contingent payment arrangements and non-claims transactions for all of its providers or for a specified group of providers ("Average Price"). An Average Price may result in greater variation to the member and the Employee from the Actual Price than would an Estimated Price.

Host Blues using either the Estimated Price or Average Price will, in accordance with BlueCard Policies, prospectively increase or reduce the Estimated Price or Average Price to correct for over - or underestimation of past prices. However, the amount paid by the member and the Employer is a final price and will not be affected by such prospective adjustment. In addition, the use of a liability calculation method of Estimated Price or Average Price may result in some portion of the amount paid by the Employer being held in a variance account by the Host Blue, pending settlement with its participating providers. Because all amounts paid are final, the fund held in a variance account, if any, do not belong to the Employer and are eventually exhausted by provider settlements and through prospective adjustment to the negotiated prices.

Statutes in a small number of states may require a Host Blue either (1) to use a basis for calculating the member's liability for covered health care services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (2) to add a surcharge. Should any state statutes mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, the Host Blue would then calculate member's liability and the Employer liability for any covered health care services consistent with the applicable state statute in effect at the time the member received those services.

### C. Return of Recoveries

Under BlueCard, recoveries from a Host Blue or from participating providers of a Host Blue can arise in several ways, including but not limited to anti-fraud and abuse audits, provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage third parties to assist in discovery or collection of recovery amounts. The fees of such a third party are netted against the recovery. Recovery

amounts, net of fees, if any, will be applied in accordance with applicable BlueCard Policies, which generally require correction on a claim-by-claim or prospective basis.

Unless otherwise agreed to by the Host Blue, Home Licensees may request adjustments from the Host Blue for full provider refunds due to the retroactive cancellation of membership only for one year after the Inter-Licensee financial settlement process date of the original claim. However, recovery of claim payments associated with a retroactive cancellation may not be possible if the recovery conflicts with the Host Blue's state law, provider contracts or jeopardizes its relationship with its providers.

#### D. BlueCard Fees and Compensation

Employer understands and agrees (1) to pay certain fees and compensation to BCBSF which BCBSF is obligated under BlueCard to pay to the Host Blue, to the Blue Cross Blue Shield Association, or to the BlueCard vendors, unless BCBSF's contract obligations to the Employer require those fees and compensation to be paid only by Administrator and (2) that fees and compensation under BlueCard may be revised from time to time without Employer's prior approval in accordance with the standard procedures for revising fees and compensation under BlueCard. Some of these fees and compensation are charged each time a claim is processed through BlueCard and include, but are not limited to, access fees, administrative expense allowance fees, Central Financial Agency Fees, and ITS Transaction Fees. Also, some of these claim-based fees, such as the access fee and the administrative expense allowance fee may be passed on to the Employer as an additional claim liability. Other fees include, but are not limited to, an 800 number fee and a fee for providing provider directories.

#### E. Inconsistencies

To the extent of any inconsistency between the above provision titled "Providers Outside the State of Florida" and other terms or conditions of the Agreement, the above provision controls.

## SECTION IV

### TERMINATION

#### 4.1 Administration After Termination

The Employer is solely liable and responsible for all claims incurred under the Group Health Plan by its covered group members and their dependents during the term of this Agreement, including those incurred claims which are not presented to the Employer or BCBSF during the term of this Agreement.

BCBSF will adjudicate all claims incurred during the term of this Agreement. For purposes of this Agreement, the date of an incurred claim is the date the particular service was rendered or the supply was furnished. After the effective date of termination of this Agreement, the Employer will continue to provide BCBSF with funds to pay claims incurred prior to the termination date and will continue to pay the applicable administrative fees as set forth in Exhibit "B".

#### 4.2 Unilateral Termination

The Employer or BCBSF may unilaterally terminate this Agreement upon 90 days prior written notice to the other after the initial term of this Agreement.

#### 4.3 Termination On Anniversary Date

This Agreement shall automatically terminate as of the date of any anniversary of the effective date of this Agreement, if either the Employer or BCBSF has given at least 30 days prior written notice to the other of its intention not to renew this Agreement as of that anniversary date.

#### 4.4 Termination Upon Default

Upon the occurrence of any of the following events, as determined by BCBSF, this Agreement will automatically terminate at the end of the 8th business day following the day upon which the Employer is notified of any of the events of default set forth hereunder, and then only in the event that the Employer has not cured the incident of default:

1. The Employer's failure to provide adequate funds, as set in Exhibit "B", as necessary for the payment of claims pursuant to the Group Health Plan;
2. The Employer's failure to pay any administrative fees or late penalty as set forth in Exhibit "B" of this Agreement;
3. The Employer ceases to maintain a Group Health Plan;
4. The Employer modifies the Group Health Plan without the prior written consent of BCBSF;
5. At any time BCBSF has reasonable grounds for insecurity with respect to the Employer's financial ability to adequately fund the Group Health Plan, and the Employer has failed to immediately provide adequate assurances of financial soundness to BCBSF;
6. At any time any judicial or regulatory body determines that this Agreement, or any provision of this Agreement, is invalid or illegal,

or that this arrangement constitutes an insurance policy or program which is subject to state and/or federal insurance regulations and/or taxation;

7. At any time the Employer otherwise materially breaches this Agreement.

#### 4.5 Rights and Responsibilities Upon Termination

In the event of termination of this Agreement, the Employer will immediately notify each covered group member of the termination date.

Termination of this Agreement for any reason shall not affect the rights or obligations of either party which arise prior to the date of termination.

## SECTION V

### LEGAL ACTION; INDEMNIFICATION

#### 5.1 Standard of Care

BCBSF and the Employer shall each use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims in the performance of its duties hereunder.

#### 5.2 Liability; Indemnification

BCBSF shall not be liable to the Employer or any other person for any mistake of judgment or other action taken in good faith, or for any loss or damage occasioned thereby, unless the loss or damage is due to BCBSF's gross negligence, criminal conduct or fraudulent acts.

To the extent permitted by Section 768.28, Florida Statutes, the Employer hereby agrees to indemnify and hold harmless BCBSF, its directors, officers, employees and agents against any and all actions, claims, lawsuits, settlements, judgments, costs, interest, penalties, expenses and taxes, including but not limited to, attorneys fees and courts costs, resulting from or arising directly or indirectly out of or in connection with any function of BCBSF under this Agreement, including the administration of any Cost Containment or Utilization Benefit Management Programs, or payments made pursuant to the direction of the Employer, or arising from any legal action or proceeding to recover benefits under this Agreement, in consequence of any acts or omissions occurring during the operation of this Agreement alleged to be a breach of fiduciary duty under ERISA, or arising

from any allegation of a breach of confidentiality arising out of a release of confidential information to the Group or a third party unless it is determined that the direct and sole cause of such liability was the result of gross negligence, criminal conduct or fraudulent acts on the part of BCBSF or any of its directors, officers, employees or agents. Further, to the extent permitted by Section 768.28, Florida Statutes, the Employer agrees to indemnify and hold harmless BCBSF for any taxes or assessments, including penalties and interest, or any other amounts legally levied based on the terms of this Agreement. This provision applies to any amounts imposed, now or later, under the authority of any federal, state, or local taxing jurisdiction. This provision will continue in effect after termination of this Agreement for any reason.

### 5.3 Legal Actions

In the event BCBSF is served with process in any lawsuit or is made a party to any arbitration proceeding or other legal action relating to any matter for which indemnification is required under the preceding paragraph, the Employer shall, upon written request by BCBSF, immediately furnish a defense to and indemnify and hold harmless BCBSF in any such lawsuit, proceeding or other action and shall use its best efforts to secure, by motion or otherwise, the dismissal of BCBSF from such lawsuit, proceeding or other action. BCBSF will provide the Employer with available data and materials that are reasonably necessary for the preparation of the defense of such lawsuit, proceeding or other action.

## SECTION VI

### MISCELLANEOUS PROVISIONS

#### 6.1 Amendment

Except as otherwise provided for herein, this Agreement may be modified, amended, renewed, or extended only upon mutual agreement, in writing, signed by the duly authorized representatives of the Employer and BCBSF.

#### 6.2 Subsidiaries and Affiliates

Any of the functions to be performed by BCBSF under this Agreement may be performed by BCBSF or any of its subsidiaries, affiliates, or designees.

#### 6.3 Governing Law

This Agreement is subject to and shall be governed by the laws of the State of Florida, except where those laws are preempted by the laws of the United States.

6.4 Venue

All actions or proceedings instituted by the Employer or BCBSF hereunder shall be brought in a court of competent jurisdiction in Lake County, Florida.

6.5 Waiver of Breach

Waiver of a breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or a different provision.

6.6 Inconsistencies

If the provisions of this Agreement are in any way inconsistent with the provisions of the Group Health Plan, then the provisions of this Agreement shall prevail and the other provisions shall be deemed modified, but only to the extent necessary to implement the intent of the parties expressed herein.

6.7 Notices

Any notice required to be given pursuant to this Agreement shall be in writing, postage pre-paid, and shall be sent by certified or registered mail, return receipt requested, or by Federal Express or other overnight mail delivery for which evidence of delivery is obtained by the sender, to BCBSF or the Employer at the addresses indicated on the first page of this Agreement, or such other addresses that the parties may hereafter designate. The notice shall be effective on the date the notice was posted.

6.8 Entire Agreement

This Agreement, including the attachments hereto, contains the entire agreement between BCBSF and the Employer with respect to the specific subject matter hereof. Any prior agreements, promises, negotiations or representations, either verbal or written, relating to the subject matter of this Agreement and not expressly set forth in this Agreement are of no force and effect.

6.9 Severability

In the event any provision of this Agreement is deemed to be invalid or unenforceable, all other provisions shall remain in full force and effect.

6.10 Binding Effect of Agreement

The Agreement shall be binding upon and inure to the benefit of the parties, their agents, servants, employees, successors, and assigns unless otherwise set forth herein or agreed to by the parties.

6.11 Survival

The rights and obligations of the parties as set forth herein shall survive the termination of this Agreement to the extent necessary to effectuate the intent of the parties as expressed herein.

6.12 Independent Relationship

Notwithstanding any other provision of this Agreement, in the performance of the obligations of this Agreement, each party is at all times acting and performing as an independent contractor with respect to the other party. It is further expressly agreed that no work, act, commission or omission of either party (or any of its agents or employees) pursuant to the terms and conditions of this Agreement, shall be construed to make or render such party (or any of its agents or employees) an agent, servant, representative, or employee of, or joint venture with, such other party.

6.13 Execution of Agreement

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, on the date first written above, the parties have caused this Agreement to be executed by their duly authorized representatives.

BLUE CROSS AND BLUE SHIELD  
FLORIDA, INC.

  
Signature William Coats

Name (Printed) VP - Underwriting

Title \_\_\_\_\_  
Date 9/26/06

COUNTY

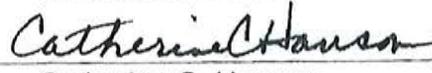
ATTEST:

LAKE COUNTY, through its  
BOARD OF COUNTY  
COMMISSIONERS



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

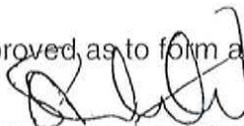
Sept, 2006



Catherine C. Hanson  
Chairman

This 22<sup>nd</sup> day of

Approved, as to form and legality:



Sanford A. Minkoff  
County Attorney

**EXHIBIT "A"**

**to the  
ADMINISTRATIVE SERVICES AGREEMENT  
between**

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.  
and**

**LAKE COUNTY, FLORIDA**

**GROUP HEALTH PLAN**

The entire Group Health Plan is attached hereto and made a part of this Agreement.

**EXHIBIT "B"**

**to the  
ADMINISTRATIVE SERVICES AGREEMENT  
between**

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**

**and  
LAKE COUNTY, FLORIDA**

**FINANCIAL ARRANGEMENTS**

I. Effective Date

The effective date of this Exhibit is October 1, 2006.

II. Monthly Payments.

- A. Each month, BCBSF will notify the Employer of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.
- B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

III. Funding Information

- A. Method of Funding Transfer: ACH

IV. Administrative Fees:

- A. Administrative fees during the term of the Agreement:

October 1, 2006 thru September 30, 2007 \$50.00 per contract per month  
 October 1, 2007 thru September 30, 2008 \$52.50 per contract per month  
 October 1, 2008 thru September 30, 2009 \$55.13 per contract per month

B. Administrative fees after the termination of the Agreement: % of claims paid.

C. 2007 Discount Guarantees

	Admin. Fee	Total Discount Achieved	Net Admin. Fee
Target	\$50.00	50% or greater	\$50.00
	\$50.00	47.00% - 49.99%	\$49.00
	\$50.00	44.00% - 46.99%	\$48.00
	\$50.00	41.00% - 43.99%	\$47.00
	\$50.00	Less than 41.00%	\$46.00

Assumptions:

- Applies to In-network discounts.
- No significant benefit changes or membership changes by geographical regions.
- HMO, PPO and Traditional products only, excluding Rx.
- ASO base fee is for health products.
- Does not include any ancillary products or AOR fees.
- Does not include nationwide BlueCard
- Discount ranges are account specific and applies to total discounts only.
- Results will be provided on a quarterly basis with final annual settlement no earlier than second quarter of following year.
- One year offer based on In-network providers.

V. Late Payment Penalty

A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

A. The administrative fees referenced above are based on an expected enrollment of: 90 Employees.

B. If the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in

the Agreement. Actual administrative fees will be charged based on actual enrollment.

**EXHIBIT "C"**  
to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**  
and  
**LAKE COUNTY, FLORIDA**

**HIPAA-AS ADDENDUM TO ADMINISTRATIVE SERVICES AGREEMENT**

This addendum ("Addendum") is effective upon execution and amends that Administrative Services Agreement ("Agreement") made as of 2006 by and among Blue Cross and Blue Shield of Florida, Inc. ("Administrator"); Lake County, Florida, a political subdivision of the State of Florida, ("Employer") and Health Plan ("GHP").

WHEREAS, Employer has established and maintains GHP as a self-insured employee welfare benefit plan, as described in GHP's Plan Document (referred to in the Agreement as the Group Health Plan); and

WHEREAS, Employer and GHP desire to retain Administrator to provide certain claim processing and administrative services with respect to GHP; and

WHEREAS, Employer, GHP, and Administrator agree to modify the Agreement to incorporate the provisions of this Addendum to address applicable requirements of the implementing regulations, codified at 45 Code of Federal Regulations ("C.F.R.") Parts 160-64, for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 (collectively, "HIPAA-AS"), so that GHP may meet its compliance obligations under HIPAA-AS, and to include additional provisions that Employer, GHP, and Administrator desire to have as part of the Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein, Employer, GHP, and Administrator hereby agree as follows:

**PART I—DEFINITIONS**

**I. DEFINITIONS**

All capitalized terms in this Addendum that are not defined by this Addendum will have the meaning ascribed to them by 45 C.F.R. Parts 160-64. The following terms have the following meanings when used in this Addendum:

- A. "Covered Employee" means the person to whom coverage under GHP has been extended by Employer.
- B. "Covered Person" means the Covered Employee and any other persons to whom coverage has been extended under GHP as specified by GHP's Plan Document.
- C. "Creditable Coverage Certificate" means a certificate disclosing information relating to an individual's creditable coverage under a health care benefit program for purposes of reducing any preexisting condition limitation or exclusion imposed by any group health plan coverage.

- D. "Disclose" and "disclosure" mean, with respect to Protected Health Information, release, transfer, providing access to or divulging to a person or entity not within Administrator.
- E. "Electronic Protected Health Information" means Protected Health Information that is (1) transmitted by electronic media or (2) maintained in electronic media.
- F. "Protected Health Information" means the Protected Health Information, as that term is defined in 45 C.F.R. § 160.103, that Administrator creates or receives for, on behalf of, or from GHP (or from a GHP Business Associate) in the performance of Administrator's duties under the Agreement and this Addendum. For purposes of this Addendum, Protected Health Information encompasses Electronic Protected Health Information.
- G. "Plan Document" means GHP's written documentation that informs Covered Persons of the benefits to which they are entitled from GHP and describes the procedures for (1) establishing and carrying out funding of the benefits to which Covered Persons are entitled under GHP, (2) allocating and delegating responsibility for GHP's operation and administration, and (3) amending the Plan Document. Employer and GHP represent and warrant that GHP's Plan Document provides for the allocation and delegation of the responsibilities assigned to Administrator under the Agreement.
- I. "Use" means, with respect to Protected Health Information, utilization, employment, examination, analysis or application within Administrator.

## **PART 2--ADMINISTRATOR'S RESPONSIBILITIES**

### **II. SERVICES PROVIDED BY ADMINISTRATOR**

During the continuance of the Agreement, Administrator will perform the services set forth in the Agreement with respect to the benefits offered to Covered Persons by GHP.

### **III. PRIVACY AND SECURITY OF PROTECTED HEALTH INFORMATION**

#### **A. Preservation of Privacy**

Administrator will keep confidential all Protected Health Information that Administrator creates or receives on GHP's behalf or receives from GHP (or another Business Associate of GHP) in the performance of its duties under the Agreement and this Addendum.

#### **B. Prohibition on Non-Permitted Use or Disclosure**

Administrator will neither use nor disclose Protected Health Information (including any Protected Health Information that Administrator may receive from a GHP Business Associate) except (1) as permitted or required by this Addendum, (2) as permitted or required in writing by GHP, or (3) as Required by Law.

#### **C. Permitted Uses and Disclosures**

Administrator will be permitted to use or disclose Protected Health Information only as follows:

##### **1. Functions and Activities on GHP's Behalf**

Administrator will be permitted to use and disclose Protected Health Information for the performance of services set forth in the Agreement, which the parties agree are intended to

include, but are not limited to, Payment activities and Health Care Operations, and which shall hereby also include Data Aggregation.

2. **Payment Activities and Health Care Operations**

Administrator will be permitted to disclose Protected Health Information in accordance with 45 C.F.R. § 164.506(c) for the Payment activities of another Covered Entity or Health Care Provider and for the qualifying Health Care Operations of another Covered Entity.

3. **Covered Person Permission**

Administrator will be permitted to use or disclose Protected Health Information in accordance with an authorization or other permission granted by an Individual (or the Individual's Personal Representative) in accordance with 45 C.F.R. § 164.508 or 45 C.F.R. § 164.510, as applicable.

4. **Administrator's Own Management and Administration**

a. **Protected Health Information Use**

Administrator will be permitted to use Protected Health Information as necessary for Administrator's proper management and administration or to carry out Administrator's legal responsibilities.

b. **Protected Health Information Disclosure**

Administrator will be permitted to disclose Protected Health Information as necessary for Administrator's proper management and administration or to carry out Administrator's legal responsibilities only (i) if the disclosure is Required by Law, or (ii) if before the disclosure, Administrator obtains from the entity to which the disclosure is to be made reasonable assurance, evidenced by written contract, that the entity will (1) hold Protected Health Information in confidence, (2) use or further disclose Protected Health Information only for the purposes for which Administrator disclosed it to the entity or as Required by Law; and (3) notify Administrator of any instance of which the entity becomes aware in which the confidentiality of any Protected Health Information was breached.

5. **De-Identified Health Information**

Administrator may use Protected Health Information to create De-Identified Health Information in conformance with 45 C.F.R. § 164.514(b). Administrator may use and disclose De-Identified Health Information for any purpose, including after any termination of the Agreement and this Addendum.

6. **Limited Data Set**

a. **Creation of Limited Data Set.** Administrator may use Protected Health Information to create a Limited Data Set:

- i. that contains the minimum amount of Protected Health Information reasonably necessary to accomplish the purposes set out in Paragraph b of this Section III.C.6, below; and

- ii. from which have been removed all of the direct identifiers, as specified in 45 C.F.R. § 164.514(e)(2), of the Individuals whose Protected Health Information is included in the Limited Data Set and of the relatives, household members and employers of those Individuals.
- b. **Administrator's Permitted Uses and Disclosures.** Administrator may use and disclose the Limited Data Set for only Health Care Operations permitted by this Addendum.
- c. **Prohibition on Unauthorized Use or Disclosure.**
- i. Administrator will neither use nor disclose the Limited Data Set for any purpose other than as permitted by Paragraph b of this Section III.C.6, as otherwise permitted in writing by GHP, or as Required by Law.
  - ii. Administrator is not authorized to use or disclose the Limited Data Set in a manner that would violate the Privacy Rule, 45 C.F.R. Part 164, Subpart E, if done by GHP.
  - iii. Administrator will not attempt to identify the information contained in the Limited Data Set or contact any Individual who may be the subject of information contained in the Limited Data Set.
- d. **Information Safeguards.** Administrator will adopt and use appropriate administrative, physical, and technical safeguards to preserve the integrity and confidentiality of the Limited Data Set and to prevent its use or disclosure other than as permitted by this Section III.C.6.
- e. **Permitted Subcontractors, and Agents.** Administrator will require any agent or subcontractor to which it discloses the Limited Data Set, to agree to comply with the same restrictions and conditions that apply to Administrator's use and disclosure of the Limited Data Set pursuant to this Section III.C.6.
- f. **Breach of Privacy Obligations.** Administrator will report to GHP any use or disclosure of the Limited Data Set that is not permitted by this Section III.C.6 of which Administrator becomes aware.

**D. Minimum Necessary**

Administrator will, in the performance of its functions and activities on GHP's behalf under the Agreement and this Addendum, make reasonable efforts to use, to disclose, or to request of a Covered Entity only the minimum necessary amount of Protected Health Information to accomplish the intended purpose of the use, the disclosure, or the request, except that Administrator will not be obligated to comply with this minimum necessary limitation with respect to:

1. Disclosures to GHP, as distinguished from disclosures to Employer;
2. Disclosure to or request by a health care provider for Treatment;
3. Use with or disclosure to a Covered Person who is the subject of Protected Health Information, or that Covered Person's Personal Representative;

4. Use or disclosure made pursuant to an authorization compliant with 45 C.F.R. § 164.508 that is signed by an Individual who is the subject of Protected Health Information to be used or disclosed, or by that Individual's Personal Representative, as defined in 45 C.F.R. § 164.502(g);
5. Disclosure to the United States Department of Health and Human Services ("DHHS") in accordance with Section VIII below;
6. Use or disclosure that is Required by Law; or
7. Any other use or disclosure that is excepted from the minimum necessary limitation as specified in 45 C.F.R. § 164.502(b)(2).

**E. Disclosure to GHP and GHP's Business Associates**

Other than disclosures permitted by Section III.C. above, Administrator will not disclose Protected Health Information to GHP, a GHP Business Associate, or a GHP Vendor, except as directed by GHP in writing.

**F. Disclosure to Administrator's Subcontractors and Agents**

Administrator may disclose Protected Health Information to a subcontractor or agent. Administrator will require each subcontractor and agent to which Administrator may disclose Protected Health Information to provide reasonable assurance, evidenced by written contract, that such subcontractor or agent will comply with the same privacy and security obligations with respect to Protected Health Information as this Addendum applies to Administrator.

**G. Disclosure to Employer**

Administrator will not disclose any Protected Health Information to Employer, except as permitted by and in accordance with PART 3 below.

**H. Reporting Non-Permitted Use or Disclosure and Security Incidents**

**1. Privacy Breach**

Administrator will report to GHP any use or disclosure of Protected Health Information not permitted by this Addendum or in writing by GHP of which Administrator becomes aware.

**2. Security Incidents**

Administrator will report to GHP any incident of which Administrator becomes aware that is (a) a successful unauthorized access, use or disclosure of Electronic Protected Health Information; or (b) a successful major (i) modification or destruction of Electronic Protected Health Information or (ii) interference with system operations in an Information System containing Electronic Protected Health Information. Upon GHP's request, Administrator will report any incident of which Administrator becomes aware that is a successful minor (a) modification or destruction of Electronic Protected Health Information or (b) interference with system operations in an Information System containing Electronic Protected Health Information.

**I. Duty to Mitigate**

Administrator will mitigate to the extent practicable any harmful effect of which Administrator is aware that is caused by any use or disclosure of Protected Health Information in violation of this Addendum.

**J. Termination of Addendum**

GHP will have the right to terminate the Agreement and this Addendum if Administrator has engaged in a pattern of activity or practice that constitutes a material breach or violation of Administrator's obligations regarding Protected Health Information under this Addendum and, on notice of such material breach or violation from GHP, fails to take reasonable steps to cure the breach or end the violation. If Administrator fails to cure the material breach or end the violation within 90 days after receipt of GHP's notice, GHP may terminate the Agreement and this Addendum by providing Administrator written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination.

**K. Disposition of Protected Health Information**

**1. Return or Destruction Feasible**

Upon termination of the Addendum, Administrator will, if feasible, return to GHP or destroy, all Protected Health Information in Administrator's custody or control (or in the custody or control of any subcontractor or agent to which Administrator disclosed Protected Health Information). Administrator will complete such return or destruction as promptly as practical after termination of the Addendum.

**2. Return or Destruction Not Feasible**

Administrator will identify for GHP any Protected Health Information that Administrator (or any subcontractor or agent to which Administrator disclosed Protected Health Information) cannot feasibly return to GHP or destroy upon termination of the Addendum and will describe the purposes that make the return to GHP or destruction infeasible. Administrator will limit its (and, by its written contract pursuant to Section III.F. above, any subcontractor's or agent's) further use or disclosure of Protected Health Information after termination of the Addendum to the purposes that make return to GHP or destruction infeasible and to those uses or disclosures Required by Law.

**3. Ongoing Privacy and Security Obligations**

Administrator's obligations to preserve the privacy and safeguard the security of Protected Health Information as specified in this Addendum will survive termination or other conclusion of the Agreement and this Addendum.

**IV. ACCESS, AMENDMENT, AND DISCLOSURE ACCOUNTING FOR PROTECTED HEALTH INFORMATION**

**A. Access**

Administrator will, consistent with 45 C.F.R. § 164.524(b)(2), make available to the Covered Person (or the Covered Person's Personal Representative) for inspection and copying any of the

Protected Health Information about the Covered Person that qualifies as part of a Designated Record Set that Administrator has in its custody or control, and that is not exempted from access by 45 C.F.R. § 164.524(a), so that GHP can meet its access obligations under 45 C.F.R. § 164.524.

**B. Amendment**

Administrator will, consistent with 45 C.F.R. § 164.526(b)(2), amend, pursuant to a Covered Person's written request to amend (or a written request to amend by the Covered Person's Personal Representative), any portion of Protected Health Information about the Covered Person that qualifies as part of a Designated Record Set that Administrator has in its custody or control, so that GHP can meet its amendment obligations under 45 C.F.R. § 164.526.

**C. Disclosure Accounting**

So that GHP may meet its disclosure accounting obligations under 45 C.F.R. § 164.528, Administrator will do the following:

**1. Disclosure Tracking**

Starting April 14, 2003, Administrator will, consistent with 45 C.F.R. § 164.528(b), record each disclosure of Protected Health Information that is not excepted from disclosure accounting under 45 C.F.R. § 164.528(a) that Administrator makes to GHP or to a third party ("Accountable Disclosures").

**2. Disclosure Tracking Time Periods**

Administrator will have available for Covered Person the disclosure information for each Accountable Disclosure for at least six (6) years immediately following the date of the Accountable Disclosure (except Administrator will not be required to have disclosure information for disclosures occurring before April 14, 2003).

**3. Provision of Disclosure Information**

Administrator will, consistent with 45 C.F.R. § 164.528(c)(1), make available to the Covered Person (or the Covered Person's Personal Representative) the disclosure information regarding the Covered Person, so that GHP can meet its disclosure accounting obligations under 45 C.F.R. § 164.528.

**D. Restriction Requests**

GHP will direct a Covered Person to promptly notify Administrator in the manner designated by Administrator of any request for restriction on the use or disclosure of Protected Health Information about a Covered Person that may affect Administrator. Consistent with 45 C.F.R. § 164.522(a), and on behalf of GHP, Administrator will agree to or deny any such restriction request. Administrator will not be in breach of the Agreement or this Addendum for failure to comply with a restriction request on the use or disclosure of Protected Health Information about a Covered Person unless GHP or the Covered Person (or the Covered Person's Personal Representative) notifies Administrator in the manner designated by Administrator of the terms of the restriction and Administrator agrees to the restriction request in writing.

**E. Confidential Communications**

Administrator will provide a process for a Covered Person to request that Administrator communicate with the Covered Person about Protected Health Information about the Covered Person by confidential alternative location, and Covered Person to provide Administrator with the information that Administrator needs to be able to evaluate that request. Consistent with 45 C.F.R. § 164.522(b) and on behalf of GHP, Administrator will agree to or deny any confidential communication request. Furthermore, Administrator will develop policies and procedures consistent with 45 C.F.R. § 164.522(b) to fulfill its obligations under this paragraph.

Administrator will provide a process for termination of any requirement to communicate with the Covered Person about Protected Health Information about the Covered Person by confidential alternative location.

**F. Complaint Process**

Administrator will, consistent with 45 C.F.R. § 164.530(d) and on behalf of GHP, provide a process for Covered Persons (or Covered Person's Personal Representative) to make complaints concerning Administrator's policies and procedures, which policies and procedures GHP hereby adopts as its own so that GHP can meet its compliance obligations under 45 C.F.R. Part 164.

**V. GHP'S PRIVACY PRACTICES NOTICE**

**A. Preparation of GHP's Privacy Practices Notices**

Administrator will prepare Privacy Practices Notices appropriate for the benefit plans that Administrator administers for GHP under the Agreement and reflective of the requirements of 45 C.F.R. Part 164 pertaining to use and disclosure of Protected Health Information and Covered Person's rights with respect to Protected Health Information. The Privacy Practices Notices will address whether GHP discloses or authorizes Administrator to disclose to Employer enrollment data, Summary Health Information that may include Covered Persons' Individually Identifiable Health Information, or Protected Health Information for plan administration functions. Unless otherwise agreed upon by the Parties, GHP hereby adopts Administrator's Privacy Practices Notice attached as **EXHIBIT 1**, and any future revisions thereof, as its own.

**B. Distribution of GHP's Privacy Practices Notice**

Administrator will distribute GHP's then effective and appropriate Privacy Practices Notice to each new Covered Employee upon the Covered Employee's enrollment in GHP and to any Covered Employee upon request. Administrator will distribute any GHP revised Privacy Practices Notice to each Covered Employee then enrolled in GHP, and may distribute any GHP revised Privacy Practices Notice to any other Covered Person over the age of 18 then enrolled in GHP, within sixty (60) days after any material change in GHP's Privacy Practices Notice.

Administrator will distribute GHP's Privacy Practices Notice to any Covered Person requesting it. Additionally, every three (3) years after April 14, 2003, Administrator will notify each Covered Employee then enrolled in GHP, and may notify any other Covered Person over the age of 18 then enrolled in GHP, of the availability of GHP's Privacy Practices Notice upon request.

**C. Administrator to Comply with Notices**

Administrator will neither use nor disclose Protected Health Information in any manner inconsistent with the content of GHP's then current Privacy Practices Notice applicable to the benefit plans that Administrator administers for GHP under the Agreement.

**VI. ISSUANCE OF CERTIFICATE OF CREDITABLE COVERAGE**

At the written or electronic direction of Employer or GHP, Administrator may use and disclose Protected Health Information to issue to each Covered Person, whose coverage under a benefits plan administered pursuant to the Agreement terminates during the term of the Agreement, a Certificate of Creditable Coverage. The Certificate of Creditable Coverage will be based upon the coverage that the Covered Person had under the benefits plan administered pursuant to the Agreement and the information that Employer or GHP provides to Administrator regarding the Covered Person's coverage eligibility and coverage termination under that benefits plan.

**VII. SAFEGUARDING PROTECTED HEALTH INFORMATION**

**A. Privacy of Protected Health Information**

Administrator will maintain reasonable and appropriate administrative, physical, and technical safeguards, consistent with 45 C.F.R. § 164.530(c) and any other implementing regulations issued by DHHS that are applicable to Administrator as GHP's Business Associate, to protect against reasonably anticipated threats or hazards to and to ensure the security and integrity of Protected Health Information, to protect against reasonably anticipated unauthorized use or disclosure of Protected Health Information, and to reasonably safeguard Protected Health Information from any intentional or unintentional use or disclosure in violation of this Addendum.

**B. Security of Electronic Protected Health Information**

Administrator will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Administrator creates, receives, maintains, or transmits on behalf of GHP consistent with the Security Rule, 45 C.F.R. Part 164, Subpart C.

**VIII. INSPECTION OF INTERNAL PRACTICES, BOOKS, AND RECORDS**

Administrator will make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to GHP and to DHHS to determine GHP's compliance with 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information."

**PART 3—EMPLOYER'S RESPONSIBILITIES**

**IX. DATA EXCHANGE BETWEEN EMPLOYER AND ADMINISTRATOR**

**A. Enrollment Data**

Administrator may disclose to Employer the minimum necessary information regarding whether an individual is a Covered Person participating in GHP or enrolled or disenrolled from coverage under the GHP.

Employer may electronically exchange data with Administrator regarding the enrollment and disenrollment of Covered Persons as participants in GHP using the Enrollment and Disenrollment

in Health Plan Standard Transaction (ASC X12N 834-Benefit Enrollment and Maintenance) as specified in 45 C.F.R. Part 162, Subpart O.

**B. Other Data Exchanges and Notifications**

Employer will exchange with Administrator all data not otherwise addressed in this Section IX and any notification by using such forms, tape formats, or electronic formats as Administrator may approve. Employer will furnish all information reasonably required by Administrator to effect such data exchanges or notifications.

**X. SUMMARY HEALTH INFORMATION**

Upon Employer's written request for the purpose either (A) to obtain premium bids for providing health insurance coverage under GHP, or (B) to modify, amend, or terminate GHP, Administrator will provide Summary Health Information regarding the Covered Persons participating in GHP to Employer.

**XI. EMPLOYER'S CERTIFICATION**

Employer hereby makes the certification specified in **EXHIBIT 2** so that Employer may request and receive the minimum necessary Protected Health Information from Administrator for those plan administration functions that Employer will perform for GHP. GHP therefore authorizes Administrator to disclose the minimum necessary Protected Health Information to those authorized representatives of Employer as specified in **EXHIBIT 3** for the plan administration functions that Employer will perform for GHP as specified in GHP's Plan Document as amended and in **EXHIBIT 3**. Administrator may rely on Employer's certification and GHP's authorization that Employer has provided the requisite certification and will have no obligation to verify (1) that GHP's Plan Document has been amended to comply with the requirements of 45 C.F.R. § 164.504(t)(2), 45 C.F.R. § 164.314(b)(2), or this Section XI, or (2) that Employer is complying with GHP's Plan Document as amended.

**PART 4—MISCELLANEOUS**

**XII. AUTOMATIC AMENDMENT TO CONFORM TO APPLICABLE LAW**

Upon the compliance date of any final regulation or amendment to final regulation with respect to Protected Health Information, Standard Transactions, the security of Health Information, or other aspects of HIPAA-AS applicable to this Addendum or to the Agreement, this Addendum will automatically amend such that the obligations imposed on Employer, GHP, and Administrator remain in compliance with such regulations, unless Administrator elects to terminate the Agreement by providing Employer and GHP notice of termination in accordance with the Agreement at least 90 days before the compliance date of such final regulation or amendment to final regulation.

**XIII. CONFLICTS**

The provisions of this Addendum will override and control any conflicting provision of the Agreement. All nonconflicting provisions of the Agreement will remain in full force and effect.

**XIV. ADD GHP AS A PARTY TO AGREEMENT**

Notwithstanding Section 3.1 of the Agreement, in order to make clear the respective HIPAA-AS compliance obligations of Administrator, GHP, and Employer, as set forth in this Addendum, GHP shall hereby be added as a separate party to the Agreement.

**XV. REVISION TO SECTION 3.3**

The first sentence of Section 3.3 of the Agreement shall be deleted and replaced as follows: "The Administrator shall provide claims processing services on behalf of the Group Health Plan."

**XVI. REVISION TO SECTION 3.6**

In order for GHP to be able to comply with its obligations under the HIPAA-AS Privacy and Security Rules and for Employer and Administrator to be able to comply with their obligations hereunder, the terms and conditions of Section 3.6 of the Agreement, and any subsequent amendments made thereto by the parties, shall be made subject to this Addendum.

**XVII. REVISION TO SECTION 6.6**

Section 6.6 of the Agreement shall be given effect except with respect to the subject matter of this Addendum, in which case Section XIII of this Addendum shall control.

**XVIII. COMPLIANCE DATE FOR SECURITY OBLIGATIONS**

Administrator's security obligations as set forth in Sections III.F, III.H.2, and VII.B herein shall take effect the later of (A) the last date set forth in PART 5 below or (B) the compliance deadline of the HIPAA-AS Security Rule (which is, as of the date hereof, April 20, 2005 or April 20 2006 for Small Health Plans).

**PART 5—SIGNATURES**

**ADMINISTRATOR:**

Blue Cross and Blue Shield of Florida, Inc.

By: [Signature]

Title: VP - Underwriting

Date: 9/26/06

**GROUP HEALTH PLAN:**

By: [Signature]

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**REINSURER CONSULTANT**

By: [Signature]

Title: President - The Crane Group

Date: 9/28/06

**ATTEST:**

[Signature]

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

**EMPLOYER  
LAKE COUNTY, through its  
BOARD OF COUNTY COMMISSIONERS**

[Signature]

Catherine C. Hanson  
Chairman

This 22<sup>nd</sup> day of Sept., 2006

Exhibit "C" to the Administrative Services Agreement between Blue Cross and  
Blue Shield of Florida, Inc. and Lake County, Florida

Approved as to form and legality:



A handwritten signature in black ink, appearing to read "S. Minkoff", is written over a horizontal line.

Sanford A. Minkoff

County Attorney

## EXHIBIT I—SAMPLE NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

*Si usted desea una copia de esta notificación en español, por favor comuníquese con un representante de servicio al cliente utilizando el número telefónico indicado en su tarjeta de asegurado.*

### **Health Insurance Portability and Accountability Act- Administrative Simplification (HIPAA-AS)**

#### **Notice of Privacy Practices**

for your group health plan Sponsored by your employer and for which Blue Cross and Blue Shield of Florida, Health Options, Inc. and/or Florida Combined Life Insurance Company, Inc. provides claim administration and other services.

#### **Our Legal Duty**

As your health plan, we are required by applicable federal and state laws to maintain the privacy of your protected health information (PHI). We want you to be aware of our privacy practices, our legal duties, and your rights concerning your PHI. We will follow the privacy practices that are described in this notice while it is in effect. This notice took effect **April 14, 2003**, and will remain in effect until a revised notice is issued.

We reserve the right to change our privacy practices and the terms of this notice at any time and to make the terms of our notice effective for all PHI that we maintain.

Before we make a significant change in our privacy practices, we will change this notice and send the new notice to you.

#### **How we can use or disclose PHI without a specific authorization**

**To You:** We must disclose your PHI to you, as described in the Individual Rights section of this notice.

**For Treatment:** For example: we may disclose your PHI to a doctor, dentist or a hospital when requested, in order for the treating provider to provide treatment to you.

**For Payment:** For example: we may use and disclose PHI to pay claims for services provided to you by doctors, dentists or hospitals. We may also disclose your PHI to a health care provider or another health plan so that the provider or plan may obtain payment of a claim or engage in other payment activities.

**For Health Care Operations:** For example: we may use or disclose PHI to conduct quality assessment and improvement activities, to conduct fraud and abuse investigations, to engage in

care coordination or case management or to communicate with you about health related benefits and services or about treatment alternatives that may be of interest to you. We may also disclose PHI to another health plan or a health care provider subject to federal privacy laws, as long as the plan provider has or had a relationship with you and the PHI is disclosed only for certain health care operations of that plan or provider.

**For Public Health and Safety:** We may use or disclose PHI to the extent necessary to avert a serious and imminent threat to the health or safety of you or others. We may also disclose PHI for public health and government health care oversight activities and to report suspected abuse, neglect or domestic violence to government authorities.

**As Required by Law:** We may use or disclose PHI when we are required to do so by law.

**For Process and Proceedings:** We may disclose PHI in response to a court or administrative order, subpoena, discovery request, or other lawful process.

**For Law Enforcement:** We may disclose PHI to a law enforcement official with regard to crime victims and criminal activities.

**Special Government Functions:** We may disclose the PHI of military personnel or inmates or other persons in lawful custody under certain circumstances. We may disclose PHI to authorized federal officials for lawful national security activities.

**To Plan Sponsors (including employers who act as Plan Sponsors):** We may disclose certain PHI to the Sponsor of your group health plan to perform plan administration functions. We may also disclose enrollment and disenrollment information, or summary health information to the Plan Sponsor so that the Plan Sponsor may:

- Obtain premium bids
- Decide whether to amend, modify or terminate your group health plan

**For Research, Death, and Organ Donation:** We may use or disclose PHI in certain circumstances related to research, death or organ donation.

**For Workers Compensation:** We may disclose PHI as permitted by workers' compensation and similar laws.

### **Uses and Disclosures of PHI permitted only after Authorization received**

**Authorization:** You may give us written authorization to use your PHI or to disclose it to anyone for any purpose not otherwise permitted or required by law. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any use or disclosure permitted by your authorization while it was in effect.

**To Family and Friends:** While the law permits us in certain circumstances to disclose your PHI to family, friends and others, we will do so only with your authorization. In the event you are unable to authorize such disclosure, but emergency or similar circumstances indicate that disclosure would be in your best interest, we may disclose your PHI to family, friends or others to the extent necessary to help with your health care coverage arrangements.

## **Individual Rights**

*To exercise any of these rights, please call the customer service number on your ID card.*

**Access:** With limited exceptions, you have the right to review in person, or obtain copies of your PHI. We reserve the right to impose reasonable fees associated with this access request as allowed by law.

**Amendment:** With limited exceptions, you have the right to request that we amend your PHI that we have on file.

**Disclosure Accounting:** You have the right to request and receive a list of certain disclosures made of your PHI. If you request this list more than once in a 12-month period, we may charge you a reasonable, cost-based fee to respond to any additional request.

**Use/Disclosure Restriction:** You have the right to request that we place certain additional restrictions on our use or disclosure of your PHI. We are not required to agree to a requested restriction.

**Confidential Communication:** You have the right to request that we communicate with you in confidence about your PHI at an alternative address. To receive confidential communications at an alternative address, please ask for a PHI address when you call the customer service number located on your ID card.

**Provider Services and Confidential Communications:** If you receive services from any health care providers, you are responsible for notifying those providers directly if you would like to request a PHI address from them.

**Privacy Notice:** You may request a copy of our notice at any time. For more information about our privacy practices, or for additional copies of or questions about this notice, please contact us using the information listed at the end of this notice.

## **Organizations Covered by this Notice**

**This Notice applies to the privacy practices of the organizations listed below:**

**Your group health plan sponsored by your employer and for which Blue Cross and Blue Shield of Florida, Health Options, Inc. or Florida Combined Life Insurance Company, Inc. provides claim administration and other services.**

## **Complaints**

If you are concerned that we may have violated your privacy rights, you may complain to us using the contact information listed at the end of this Notice. You also may submit a written complaint to the U.S. Department of Health and Human Services. We will provide you with the address to file your complaint with the U.S. Department of Health and Human Services upon request.

We support your right to protect the privacy of your PHI. We will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services.

**Contact Office:** The Corporate Compliance Office of Blue Cross and Blue Shield of Florida, administrative service provider for your group health plan.

Telephone: 888-574-2583

Address: P.O. Box 44283, Jacksonville, FL 32203-4283

*Si usted desea una copia de esta notificación en español, por favor comuníquese con un representante de servicio al cliente utilizando el número telefónico indicado en su tarjeta de asegurado.*

## EXHIBIT 2—EMPLOYER'S CERTIFICATION

### PART 1 – Employer to Amend Plan Documents for Privacy provisions

Employer certifies that Employer has amended GHP's Plan Document to incorporate the provisions required by 45 C.F.R. § 164.504(f)(2), as set forth below, and agrees to comply with GHP's Plan Document as amended.

1. Neither use nor further disclose Protected Health Information, except as permitted or required by GHP's Plan Document or as required by law.
2. Neither use nor disclose Protected Health Information for any employment-related action or decision, or in connection with any other benefit or employee benefit plan of Employer.
3. Ensure adequate separation between Employer and GHP by (a) describing those employees or classes of employees or other persons under Employer's control who will be given access to Protected Health Information to perform plan administration functions for GHP, (b) restricting the access to and use of Protected Health Information by such employees or other persons to the plan administration functions that Employer will perform for GHP, and (c) instituting an effective mechanism for resolving any noncompliance with GHP's Plan Document by such employees or other persons.
4. Ensure that any subcontractor or agent to which Employer provides Protected Health Information agrees to the restrictions and conditions of GHP's Plan Document with respect to Protected Health Information.
5. Report to GHP any use or disclosure of Protected Health Information of which Employer becomes aware that is inconsistent with the uses and disclosures allowed by GHP's Plan Document.
6. Make Protected Health Information available to GHP or, at GHP's direction, to the Covered Person who is the subject of Protected Health Information (or the Covered Person's Personal Representative) so that GHP can meet its access obligations under 45 C.F.R. § 164.524.
7. Make Protected Health Information available to GHP for amendment and, on notice from GHP, amend Protected Health Information, so that GHP can meet its amendment obligations under 45 C.F.R. § 164.526.
8. Record Disclosure Information as defined above for each disclosure that Employer makes of Protected Health Information that is not excepted from disclosure accounting and provide that Disclosure Information to GHP on request so that GHP can meet its disclosure accounting obligations under 45 C.F.R. § 164.528.
9. Make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to GHP and to DHHS to determine GHP's compliance with 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information."
10. Return to GHP or destroy if feasible all Protected Health Information in whatever form or medium that Employer (and any subcontractor or agent of Employer) received from GHP or Administrator, including all copies thereof and all data, compilations, and other works derived there from that allow identification of any present or past Covered Person who is the subject of Protected Health

Information, when Employer no longer needs Protected Health Information for the plan administration functions for which the Employer received Protected Health Information. Employer will limit the use or disclosure of any of Protected Health Information that Employer (or any subcontractor or agent of Employer) cannot feasibly return to GHP or destroy to the purposes that make its return to GHP or destruction infeasible.

## **PART 2 - Employer to Amend Plan Documents for Security provisions**

Employer further certifies that Employer has amended GHP's Plan Document to incorporate the provisions required by 45 C.F.R. § 164.314(b)(2), as set forth below, and agrees to comply with GHP's Plan Document as amended.

1. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of Electronic Protected Health Information that Employer creates, receives, maintains or transmits on GHP's behalf.
2. Ensure that the adequate separation between Employer and GHP required by 45 C.F.R. § 164.504(f)(2)(iii) (as described in item 3 above) is supported by reasonable and appropriate Security Measures.
3. Ensure that any subcontractor or agent to which Employer provides Electronic Protected Health Information agrees to implement reasonable and appropriate Security Measures to protect the Electronic Protected Health Information.
4. Report to GHP any incident of which Employer becomes aware that is (a) a successful unauthorized access, use or disclosure of Electronic Protected Health Information; or (b) a successful major (i) modification or destruction of Electronic Protected Health Information or (ii) interference with system operations in an Information System containing Electronic Protected Health Information. Upon GHP's request, Employer will report any incident of which Employer becomes aware that is a successful minor (a) modification or destruction of Electronic Protected Health Information or (b) interference with system operations in an Information System containing Electronic Protected Health Information.

**EXHIBIT 3— DISCLOSURE OF PROTECTED HEALTH INFORMATION  
FOR PLAN ADMINISTRATION**

Group Health Plan (“GHP”) must promptly notify Administrator in writing if any of the information contained in EXHIBIT 3 changes.

**PART 1**

Name(s) and Title(s) of Employer representatives (i.e. employees of Employer) authorized to request and receive the minimum necessary Protected Health Information from Administrator:

Amy Teachout, Employee Services Coordinator
Nadine Ohlinger, Employee Services Specialist
Susan Irby, Employee Services Manager
Sharon Wall, Employee Services Director

for the performance of the following plan administration functions for GHP unless otherwise indicated by GHP:

- Actuarial and statistical analysis
- Claims/membership inquiries
- Procurement of reinsurance or stop loss coverage
- Quality assessment and improvement activities
- Performance monitoring
- Other health care operations
- Payment activities

**PART 2**

Identify the name(s), title(s) and company name(s) of any individual(s) from organizations other than Employer or Group Health Plan (“GHP”) (examples of such “GHP Vendor” types of services include, but are not limited to, stop-loss carriers; reinsurers; agents, brokers or consultants; or external auditors) that Employer or GHP hereby authorizes to request and receive the minimum necessary Protected Health Information to perform plan administration functions and/or assist with the procurement of reinsurance or stop-loss coverage:

Company Name	Type of Service Performed (Example: stop-loss carrier, reinsurer, agent, broker)	Name of Individual Performing Service	Title of Individual Performing Service
Symetra Life Ins	Stop-loss company		
The Crowne Group	Stop-loss agent	Roxane Welch	Representative
The Crowne Group	Stop-loss agent	Mackie Branham	Representative
Aon Consulting	Benefits Consultant	Linda Davis	Consultant
Wakely Consulting	Group Actuarial Analysis	Alison L. Pool	Consulting Actuary

**EXHIBIT "D"**

**TO THE ADMINISTRATIVE SERVICES AGREEMENT**

**between**

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**

**and**

**LAKE COUNTY, FLORIDA**

**CONFIDENTIALITY AND INDEMNITY AGREEMENT**

This Agreement, effective 2006 is entered into between Blue Cross and Blue Shield of Florida, Inc. (hereinafter "Administrator"), and Lake County, Florida, a political subdivision of the State of Florida, (hereinafter "Employer"), and AON Consulting (hereinafter "Consultant") and Symetra Life (hereinafter "Reinsurer").

WHEREAS, Employer has established and maintains a self-insured Employee Welfare Benefit Plan pursuant to the Employee Retirement Income Security Act of 1974 to provide certain benefits as its Group Health Plan (hereinafter "Plan") for covered group members and their covered dependents; and

WHEREAS, Administrator and Employer have entered into an agreement for the administration of the Group Health Plan (hereinafter "Administrative Services Agreement"); and

WHEREAS, Employer has directed Administrator to provide Consultants and/or Reinsurer access to certain Confidential Information (hereinafter defined) for cases which meet the criteria set forth in attached Exhibit 1, which Employer has determined is necessary for Consultants and/or Reinsurer to perform the certain services for the Employer; and

WHEREAS, Administrator desires to safeguard the confidentiality of the medical claims and other information acquired with regard to the covered group members and their covered dependents and to safeguard information regarding Administrator's policies and procedures which are regarded as confidential and proprietary; and

WHEREAS, Employer, Consultants, and Reinsurer recognize the legitimate interests of Administrator and the individuals whose health benefits are administered by Administrator in the proprietary, confidential, and private nature of such Confidential Information, and Administrator is willing to provide the Confidential Information only if its use is restricted to the purpose for which it is released and its confidentiality is maintained;

NOW, THEREFORE, for good and valuable consideration, the parties hereby agree as follows:

1. For the purposes of this Agreement, "Confidential Information" means the information listed below in this Paragraph 1, any information that Consultants and/or Reinsurer learns or becomes aware of, directly or indirectly, through the disclosure of Confidential

Information, and any and all summaries, distillations, excerpts, work product or other documents utilizing or incorporating same, whether in whole or in part.

- Medical claim record information concerning individuals covered under the Plan,
  - Administrator's provider contract information, e.g., allowances, fee schedules, etc., and
  - any other information designated in writing by Administrator as confidential, trade secret, or proprietary.
2. Consultants and/or Reinsurer shall only request, use and disclose the minimum amount of Confidential Information necessary for Consultants and/or Reinsurer to perform the services for Employer.
  3. Confidential Information shall not include information that (i) is already known to Consultants and/or Reinsurer on effective date of this Agreement; (ii) is or becomes known to the general public other than as a direct or indirect result of any act or omission of Employer, Consultants, Reinsurer, or the affiliates, officers, directors, partners, employees, or agents (collectively, the "Related Parties") of Employer, Consultants or Reinsurer; (iii) is lawfully received by Consultants and/or Reinsurer from a third party that Consultants and/or Reinsurer has verified is free to disclose the information without restriction on disclosure; or (iv) is independently developed by Consultants and/or Reinsurer without use of Confidential Information.
  4. Subject to applicable laws, Administrator will release to Consultants and/or Reinsurer certain Confidential Information for purposes of: 1) monitoring designated cases for which reinsurance coverage may be available to Employer; and/or 2) auditing claims payments made by Administrator; provided that Employer is in compliance with all other terms and conditions of this Agreement and the Administrative Services Agreement, and Consultants and Reinsurer are in compliance with all other terms and conditions of this Agreement.
  5. Consultants and Reinsurer each acknowledge that Administrator will provide Confidential Information to Consultants and/or Reinsurer in confidence and solely for Consultants's and/or Reinsurer's use in performing the services for Employer. Accordingly, Consultants and Reinsurer each agree (i) to protect any and all Confidential Information Consultants or Reinsurer receives from unauthorized access, use and disclosure; (ii) not to use the Confidential Information for any purpose other than performing the services for Employer; (iii) not to record, copy, or reproduce any Confidential Information in any form, except to the extent necessary to perform the services for Employer; (iv) not to disclose the Confidential Information to, or otherwise permit to access the Confidential Information, any third party, including without limitation Consultants's or Reinsurer's Related Parties, except as expressly provided herein or with Administrator's prior written consent; (v) to limit access to and use of the Confidential Information to those of Consultants's or Reinsurer's employees who have a need to know such information for the purpose of performing the services ~~and have acknowledged, in a writing which will be made available to Administrator upon request, their individual agreement to the terms hereof;~~ and (vi) to take any and all other steps necessary to safeguard Confidential Information against unauthorized access, use, and disclosure to at least the extent

Consultants or Reinsurer maintains the confidentiality of its most proprietary and confidential information.

6. Consultants and/or Reinsurer shall ensure that its agents, contractors and vendors to whom it discloses Confidential Information agree to abide by those provisions within this Agreement that govern the use, disclosure, and protection of all Confidential Information obtained from Administrator. This provision shall not be construed to permit any delegation or assignment of Consultants's or Reinsurer's obligations otherwise prohibited by this Agreement.
7. Consultants and/or Reinsurer shall promptly report in writing to Administrator any use or disclosure of Confidential Information not provided for under this Agreement, of which Consultants and/or Reinsurer becomes aware, but in no event later than within five business days of first learning of any such use or disclosure. Consultants and/or Reinsurer shall mitigate, to the extent practicable, any harmful effect that is known to Consultants and/or Reinsurer of a use or disclosure of Confidential Information by Consultants and/or Reinsurer in violation of this Agreement.
8. Consultants and/or Reinsurer may disclose Confidential Information if required to do so under any federal, state, or local law, statute, rule or regulation; provided, however, that (i) Consultants and/or Reinsurer will provide Administrator with immediate written notice of any request that Consultants and/or Reinsurer disclose Confidential Information, so that Administrator may object to the request and/or seek an appropriate protective order or, if such notice is prohibited by law, Consultants and/or Reinsurer shall disclose the minimum amount of Confidential Information required to be disclosed under the applicable legal mandate; and (ii) in no event shall Consultants and/or Reinsurer disclose Confidential Information to a party other than a government agency except under a valid order from a court having jurisdiction requiring the specific disclosure.
9. By disclosing Confidential Information to Consultants and/or Reinsurer under this Agreement (including but not limited to information incorporated in computer software or held in electronic storage media), Administrator grants Consultants and/or Reinsurer no ownership right or interest in the Confidential Information. When Consultants and/or Reinsurer no longer need Confidential Information for the purpose for which it was disclosed but no later than the expiration or termination of this Agreement, Consultants and/or Reinsurer shall collect and return to Administrator or destroy all Confidential Information received from or on behalf of Administrator that Consultants and/or Reinsurer has in its control or custody in any form and shall retain no copies of such information. Consultants and/or Reinsurer shall complete these obligations as promptly as possible. Upon request, an authorized officer of Consultants and/or Reinsurer shall certify on oath to Administrator that all Confidential Information has been returned or destroyed and deliver such certification to Administrator within ten (10) business days of its request. If return or destruction of any Confidential Information is not feasible, Consultants and/or Reinsurer shall limit further uses and disclosures of such Confidential Information to those purposes making return or destruction infeasible and continue to apply the protections of this Agreement to such Confidential Information for so long as Consultants and/or Reinsurer retains such Confidential Information. Consultants and/or Reinsurer may, subject to its continued adherence to its obligations of confidentiality as defined in this Agreement, retain one copy of documents containing Confidential Information to

defend its work product and to comply with applicable insurance record-keeping laws and regulations.

10. In the event that Consultants and/or Reinsurer perform any of the services on Administrator's premises, Consultants and/or Reinsurer agree not to remove from Administrator's premises any Confidential Information that is provided to or obtained by the Consultants and/or Reinsurer on such premises, without the prior written consent of Administrator.
11. In any report or transmittal to Employer by Consultants and/or Reinsurer that contains or pertains to oral or written Confidential Information, no medical information or dates of service will be identifiably attributed to any particular employee, dependent, or provider. Furthermore, any such report or transmittal shall not contain any information designated by Administrator as confidential, trade secret, or proprietary.
12. As the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA-AS) and certain of its implementing regulations (HIPAA-AS Regulations) are now effective, Employer, Consultants, and Reinsurer agree to institute any additional procedures and/or agreements required to ensure the parties' compliance with that law and those regulations. Employer represents and warrants that Employer (i) has amended each Plan's plan document to permit Employer to perform plan administration for the Plans (including the activity(ies) described in the recital clauses above) in accordance with 45 C.F.R. § 164.504(f) and 45 C.F.R. § 164.314(b) of the HIPAA-AS Regulations ("HIPAA Amendment"); (ii) has delivered to each Plan and Administrator a written statement, certifying its amendment of the Plan's plan document as required by the HIPAA-AS Regulations and its agreement to comply with that amendment; and (iii) has obtained each Plan's permission to receive individually identifiable health information from Administrator for the purposes and subject to the restrictions and protections described in the HIPAA Amendment. Consultants and Reinsurer each agree to be bound, and to cause any agent or subcontractor to be bound, by the same restrictions and protections agreed to by Employer in the HIPAA Amendment with respect to any individually identifiable health information encompassed within the Confidential Information Consultants and/or Reinsurer receives.
13. No health insurance records or information, or claims information, shall be disclosed without the prior written authorization of the individual whose records or information would be disclosed; provided, however, that Consultants and Reinsurer may release information provided pursuant to this Agreement to subsidiaries of Consultants and Reinsurer so long as any and all such subsidiaries agree to abide by all terms and conditions of this Agreement.
14. Employer, Consultants and Reinsurer shall comply with all applicable federal, state or local laws, rules, or regulations or any other order of any authorized court, agency, or regulatory commission, and all applicable professional standards and practices, concerning the handling and/or safekeeping of information and/or other records of the nature disclosed by Administrator hereunder and shall use such information only for proper and lawful purposes.
15. Employer, Consultants and Reinsurer shall comply with all state and federal laws regulating the disclosure of patient records or private and medically sensitive information

released pursuant to this Agreement, including without limitation, alcohol and drug abuse patient records, information relating to treatment of alcohol or drug dependency, HIV testing results, and psychological or psychiatric evaluation.

16. To the extent permitted by law now or hereinafter enacted, Employer agrees to indemnify, defend, and hold Administrator and each of its officers, directors, employees, agents, and other representatives (collectively, "Administrator's Related Parties") harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or relating to the disclosure of Confidential Information to Employer, Consultants, or Reinsurer, including without limitation any Liability incurred as a result of any actual or alleged breach by Employer, Consultants, Reinsurer or any Related Parties of Employer, Consultants, or Reinsurer of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
17. Consultants agrees to indemnify, defend, and hold Administrator and Administrator's Related Parties harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or in connection with any actual or alleged breach by Consultants or any of Consultants's Related Parties of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
18. Reinsurer agrees to indemnify, defend, and hold Administrator and Administrator's Related Parties harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or in connection with any actual breach by Reinsurer or any of Reinsurer's Related Parties of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
19. Administrator shall have the option to either provide its own legal counsel or arrange for outside counsel for the defense of such matters referenced above, and the costs of either shall be borne by the indemnifying party in the event of indemnification.
20. Employer, Consultants, and Reinsurer acknowledge and agree that Administrator operates in a highly regulated and competitive environment and that the unauthorized use or disclosure of Confidential Information will cause irreparable harm and significant injury to Administrator, which will be difficult to measure with certainty or to compensate through money damages. Accordingly, Administrator shall be entitled to seek injunctive or other equitable relief, without bond, and/or specific performance as a remedy for any breach of this Agreement. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other remedies available at law or in equity.

21. It is understood and agreed that no failure or delay by Administrator in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
22. Upon occurrence of any of the following, this Agreement shall terminate without notice, unless notice is specifically required:
  - a. Termination of the Administrative Services Agreement.
  - b. If Administrator determines at its own discretion that the Confidential Information released pursuant to this Agreement is not being adequately protected by either Employer, Consultants or Reinsurer for confidentiality purposes.
  - c. Upon fifteen (15) days notice to Employer, Consultants or Reinsurer, as appropriate. Such notice shall be given without need for cause.
  - d. Upon any attempt by Employer, Consultants or Reinsurer (which attempts shall be null and void) to assign this Agreement or the right to receive information, without the prior express consent of Administrator.
  - e. Upon enactment of or the effective date of, whichever first occurs, any applicable state or federal law or any rule or regulation of any agency having applicable jurisdiction, which law, rule or regulation shall prohibit (in part or in full) Administrator from fulfilling its obligations hereunder. No penalty, liability or damage shall be applicable or claimed by Employer, Consultants or Reinsurer against Administrator in such event.
23. The relationship between the parties is that of independent contractors. Nothing in this Agreement shall be construed to create a partnership or joint venture between the parties and neither party shall have the right to bind the other to any contracts, agreements, or other obligations without the express, written consent of an authorized representative of the other.
24. This Agreement shall be governed and construed by the laws of the State of Florida (irrespective of its choice of law principles). It constitutes the entire Agreement between the parties in reference to all matters expressed in the Agreement. All previous discussions, promises, representations, and understandings between the parties pertaining thereto, if any, being merged herein.
25. This Agreement may not be assigned, nor any obligations delegated, by Employer, Consultants, and/or Reinsurer, without the prior written consent of Administrator, and any such non-permitted assignment or delegation shall be void.
26. In the event any provision of this Agreement is rendered invalid or unenforceable by any valid act of Congress or the Florida Legislature or by any regulation duly promulgated by the officers of the United States or the State of Florida acting in accordance with law, or if declared null and void by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

- 27. Waiver of breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or a different provision.
- 28. The obligation of Employer, Consultants and/or Reinsurer to protect the privacy of Confidential Information as specified in this Agreement shall be continuous and survive the expiration or termination of this Agreement. In addition, the rights and obligations of the parties set forth in Sections 9, 11, 16 - 20 and of this paragraph 28 of this Agreement shall survive its expiration or termination.
- 29. This Agreement may be amended by mutual agreement of the parties, but no such amendment shall become effective until it is reduced to writing and signed by duly authorized representatives of each party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representative as set forth below.

ADMINISTRATOR  
BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC.

By: [Signature]  
 Title: VP - Underwrite  
 Date: 9/26/06

CONSULTANT

By: [Signature]  
 Title: VP - ADJ CONSULTING  
 Date: 12/4/06

REINSURER

By: [Signature]  
 Title: Servicing Agent - Symetra  
 Date: 9/28/06

REINSURER CONSULTANT

By: [Signature]  
 Title: President - The Course Group  
 Date: 9/28/06

COUNTY

LAKE COUNTY, through its  
 BOARD OF COUNTY COMMISSIONERS

ATTEST:

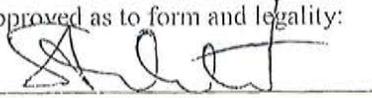
[Signature]  
 James C. Watkins, Clerk  
 of the Board of County  
 Commissioners of Lake  
 County, Florida

[Signature]  
 Catherine C. Hanson  
 Chairman

This 22<sup>nd</sup> day of Sept., 2006

Exhibit "D" to the Administrative Services Agreement between Blue Cross and Blue Shield of Florida, Inc. and Lake County, Florida

Approved as to form and legality:



Sanford A. Minkoff  
County Attorney

## EXHIBIT 1

Administrator shall release confidential information to Stop Loss Carrier, and/or Employee Benefits Consultant for cases which meet the following criteria:

- Cases which reach 50% of the specific stop loss deductible require Large Claim Detail Report.
- Cases which reach 100% of the specific stop loss deductible require an updated large Claim Detail report and an Eligibility Scree Print.
- Monthly Detailed Medical Claims Report
- Pharmacy Report
- Eligibility Report

## EXHIBIT 1

Administrator shall release confidential information to Consultant and/or Reinsurer for cases which meet the following criteria:

- Cases which reach 50% of the specific deductible require a Large Claim Detail Report,
- Cases which reach 100% of the specific deductible require an updated Large Claim Detail report and an Eligibility Screen Print.

**BlueCross BlueShield of Florida**  
*Clarification Items*

1. Have representative available on-site for the following: open enrollment meetings, quarterly on-site administrative meetings, and the 1<sup>st</sup> and 3<sup>rd</sup> Thursday of each month (Initially all day until we see trend of employee needs).

**Acknowledged and Agreed.**

2. Web enabled enrollment process capabilities – County would like to proceed with "paper" enrollment during the open enrollment period (July 20 through Aug 18<sup>th</sup>). Following open enrollment, the County would like to migrate to online enrollment, and realizes that there is a 60 day set up period.

**We can accept paper enrollment using the Group Member Enrollment Change Application during the open enrollment period. Online enrollment is available, however non-standard administrative and benefit options require review and approval to ensure the web can support the requested benefits.**

3. Fiduciary Responsibility - The County does not wish to exercise fiduciary option at this time. County desires that BCBS will process claims according to the proposal.

**Under the ASO funding arrangement, we can assume limited fiduciary responsibility for claims processing. To do so, your plan must extend to us discretionary authority to make decisions concerning claims submitted by plan members. However, we would not assume liability for benefit decisions made by the Plan Administrator and/or Sponsor. Our responsibility as a claims processing fiduciary would be to process claims submitted for members using the care, skill, prudence and diligence one expects from an insurance company and in accordance with plan documents. The Group Health Care Benefit Plan for The County is ultimately responsible for claim denials, especially if the funds used to pay for claims constitute plan assets as defined by federal regulations.**

4. Preventive Care Items:

- Would like to explore the possibilities of having all annual/well exams for children at all ages covered – Current plan language does not include all ages. Plan excluded well exam for ages 7, 9, 11, 13, 15, 17, and 18 years.

Routine Well Child Care		
Includes: office visits, laboratory blood tests, x-rays, hearing tests, vision tests and immunizations through age 16. This coverage allows 18* visits starting at birth. Then at intervals of 2, 4, 6, 9, 12, 15 and 18 months. The Plan further allows visits at 2, 3, 4, 5, 6, 8, 10, 12, 14 and 16 years. Visits must be obtained within 90 days prior to or after reaching the age intervals shown above. If a visit is not obtained within this time period, it may not be carried over.		

*See page 23 of the plan document.*

**\*Note – Instead of a maximum of 18 visits, it would become 25 visits.**

**Researching the ability to administer child well care at all ages**

- Would like to explore the possibilities of having vaccinations covered by plan, including Flu shots, for adults – Current plan does not cover vaccinations.

Preventive Care		
Routine Well Adult Care-excludes adult immunizations, including flu shots		

See page 23 of the plan document.

**Flu shots and adult immunizations are covered under the Adult Wellness benefit for HMO and PPO.**

5. How would BCBS track and report complaints to the County?

**We track and report member grievances and/or appeals monthly, so as to identify issues and resolve them as quickly as possible. We can provide a group's administrator with a group-specific report listing the number and types of grievances/appeals. The list would exclude members' names and contract numbers in keeping with HIPAA privacy regulations.**

6. Explore increasing lifetime maximum from \$1,000,000 to \$2,000,000 on PPO and no lifetime limit on EPO, depending on impact (if any) on Stop-Loss proposal.

**Symetra Life has approved a \$2,000,000 lifetime maximum for the HMO and PPO plans with no impact to rates.**

7. Inclusion of Flexible Spending Account (FSA) administration services, per RFP Section 2.1: Purpose.

**Acknowledged and Agreed.**

8. Pre-existing – Confirm that pre-existing clause will remain as current in the EPO.

**Pre-existing can be applied to HMO and we are researching the newborn provision for likeness to current provision**

9. Confirm that the EPO model is open-access, including PCP, and it is not a gatekeeper model.

**Our HMO will be open-access, non-referral, however, we are asking that each member designate a Primary Care Physician in order to continue to meet current administrative system requirements.**

10. Confirm that signature on proposal is still binding.

**The proposal signature is still binding.**

**Note: Item # 8 and Item #4 are still be clarified.**

  
7/5/06  
~~Scott Chapman~~

ATTACHMENT 2

# SYMETRA<sub>®</sub>

FINANCIAL

Symetra Life Insurance Company  
777 108th Avenue NE, Suite 1200  
Bellevue, Washington 98004-5135

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## PARTICIPATION AGREEMENT

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Policy Number: \_\_\_\_\_

The Participating Employer: LAKE COUNTY, FLORIDA  
(Legal Name)

has received a Symetra contract which consists of:

- (a) the Symetra Excess Loss Policy, including any amendments or endorsements;
- (b) the Excess Loss Schedule of Benefits;
- (c) the Employee Benefit Plan document, approved by Symetra; and
- (d) the Disclosure Statement

and has approved and accepted the terms of this contract.

**No reimbursement under this Policy will be paid until such time as this Participation Agreement has been executed and received by Symetra.**

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Name: See Attached Title: \_\_\_\_\_  
(Please Print Name of Signatory) (Please Print)

By: \_\_\_\_\_  
(Signature of Participating Employer)

Signed at: \_\_\_\_\_ On: \_\_\_\_\_  
(City/State) (Date)

Witness: \_\_\_\_\_ Title: \_\_\_\_\_  
(Signature) (Please Print)

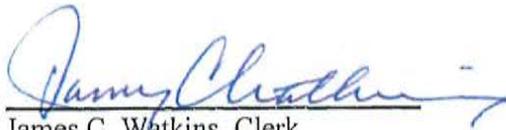
- Instructions to Participating Employer:**
- (1) Sign and return original to Symetra.
  - (2) Retain copy with your Policy.

**COUNTY SIGNATURE PAGE, Solicitation and Resulting Contract 06-088 for  
Medical Health Insurance for County Employees – Excess Loss Insurance**

**IN WITNESS WHEREOF**, the County hereto has made and executed the above referenced contract on the date specified below. LAKE COUNTY has executed the contract through its BOARD OF COUNTY COMMISSIONERS, signing by and through its Chairman, authorized to execute same by Board action on the 11th day of July, 2006 and by CONTRACTOR through duly authorized representative with such signature appearing within the CONTRACTOR'S initial proposal response..

ATTEST:

LAKE COUNTY, through its Board  
of County Commissioners

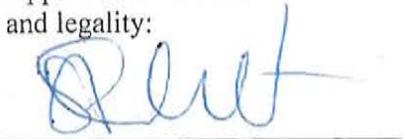


James C. Watkins, Clerk  
of the Board of County  
Commissioners of Lake  
County, Florida



Catherine C. Hanson, Chairman

Approved as to form  
and legality:



Sanford A. Minkoff  
County Attorney

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## INDIVIDUAL EXCESS LOSS ADVANCE FUNDING ENDORSEMENT

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The Participating Employer may request Advance Funding for Covered Expenses when all of the following conditions have been met:

- a. the request must be made in writing to Symetra;
- b. the Covered Expenses that apply toward the Individual Deductible shown on the Schedule or the Alternate Individual Deductible for a Covered Unit or Covered Family Unit must be a Paid Claim;
- c. Covered Expenses are adjudicated before the Policy Period ends; and
- d. the minimum request must be \$1,000 per Covered Unit or Covered Family Unit.

In order for Covered Expenses to be eligible for Advance Funding Symetra must receive the requests:

- a. during the Policy Period;
- b. during the Run-out Period; or
- c. within 30 days after the Policy Period or the Run-out Period ends.

Advanced Funds must be used to pay the Covered Expenses within 5 working days after the Participating Employer receives the funds. If the funds, or any portion of the funds, are not used as required within this timeframe, the Participating Employer must repay the advanced funds to Symetra within 10 working days after receiving the funds.

# Symetra Life Insurance Company

Proposal for Insurance

## General Information

Employer's Name: Lake County Board of County Commissioners  
City, State, Zip: Tavares, Florida 32778  
Third Party Administrator: Blues of FL  
Proposed Effective Date: October 01, 2006  
Coverage Period: October 01, 2006 through September 30, 2007  
Best's Rating\*: A

Agent's Name: THE CROWNE GROUP INC

Prepared By: Murphy Head (JZ) Date: May 04, 2006

\* An 'A' rating (Excellent) from A.M. Best Company is the third highest of 16 possible ratings. This rating reflects claims paying ability but is not a guarantee of future performance.

Offer expires if not accepted by October 01, 2006.

Symetra Life Insurance Company Proposal for Lake County Board of County Commissioners  
Effective 10/01/06

**Individual Excess Loss Insurance**

Reimbursement Percentage: 100%      Lifetime Maximum (per person): \$1,000,000  
Covered Expenses: Medical Services, separate Prescription Drug card

Individual (Specific) Deductible:		\$100,000
Claims Basis:		12/15
Enroll/Rates (Composite):	795	\$50.71
Single	387	\$29.41
Family	408	\$70.91
Estimated Total Premium:		\$483,755.40

**Aggregate Excess Loss Insurance**

Reimbursement Percentage: 100%      Maximum Reimbursement: \$1,000,000  
Covered Expenses: As defined below  
Aggregate Corridor (Margin): 120%

**Medical Services, separate Prescription Drug card**

Enroll/Monthly Factors (Composite):	795	\$826.32
Single	387	\$442.52
Family	408	\$1,190.38
Estimated Minimum Agg Deductible:		\$7,883,093

**Total Aggregate Attachment & Premium**

**Medical Services, separate Prescription Drug card**

Individual (Specific) Deductible:	\$100,000
Claims Basis:	12/15
Total Expected Claims:	\$6,306,474
Estimated Minimum Agg Deductible:	\$7,883,093
Premium Rate PEPM:	\$2.41
Estimated Total Premium:	\$22,991.40

**Total Fixed Cost**

Monthly Premium Rate per Emp	\$53.12
Est Total Premium	\$506,746.80

Symetra Life Insurance Company Proposal for Lake County Board of County Commissioners  
Effective 10/01/06  
Conditions and Limitations

The terms of this offer are tentative and may change based on the receipt and review of the following information by Symetra Life Insurance Company. All requested information must be received within 15 days from the proposed effective date, otherwise we reserve the right to withdraw the proposed terms and return any premiums remitted.

**\*\*ILLUSTRATIVE ONLY**

\*\*Quoted rates and factors reflect a full service hospital/physician PPO current plan of benefits utilizing the Blues Network. These rates and factors also reflect the assumption that 100% of the employees have access to this PPO network. Any change in the PPO Network or plan design will require a re-pricing of the Individual Rates and Attachment Factors.

\*\*The Individual rates are contingent upon receipt and evaluation of large claim experience thru 7/31/06.

\*\*More information (LCM) is needed on the current lasered individuals (LCBOCC #46, 84, 95 & 99)

\*\*A pended and denied claims report.

\*\*Completed Plan Sponsor Disclosure Statement including: diagnosis/prognosis, treatment received along with expected treatments, working status and amount paid during the experience period as of the effective date of coverage. Disclosure pertains to:

- Any claim relating to a serious medical condition.
- Each claim in the last 12 months that has exceeded, or regardless of the amount currently paid is expected to exceed, \$30,000 or 50% of the specific deductible (whichever is less).
- Employees absent from work due to disability and dependents, retirees, or COBRA beneficiaries who are hospital confined.

\*\*Monthly paid medical and prescription drug claims experience and monthly enrollments thru 7/31/06.

Note: If Paid Claims and enrollment history result in a 5% or greater increase in the overall resulting factor(s) Symetra reserves the right to make an adjustment to such factors accordingly.

\*\*If this group is contributory, we will require at least 75% of eligible employees to participate in this plan.

\*\*Eligibility is assumed to be all full time employees working 30 hours or more per week at their normal place of business; if the actual is less we reserve the right to re-price or withdraw our proposal.

\*\*COBRA participants is <1% of the enrolled group.

\*\*Retiree participation is 2%. These rates and factors reflect the assumption that all retirees over the age of 65 are Medicare Primary.

\*\*Current census of actual enrollment. Terms are subject to change if final enrollment varies by more than 10% from proposal assumptions. Census must be received at least 14 days prior to the effective date.

\*\*These rates are conditional upon receipt of an enrolled census showing dates of birth, gender, single/family status and zip codes.

\*\*These rates and factors reflect the assumption that the percentage of fire/police personnel does not exceed 40%. We will require confirmation of the exact percentage.

**This offer is made subject to the following:**

\*\*Plan Sponsor's Plan Document. The Plan Document is due within 120 days of the requested effective date of the Excess Loss Insurance Policy.

\*\*Plan must have utilization review and medical case management.

\*\*Any unfunded claims balance must be disclosed, otherwise such claims will not be considered eligible.

\*\*Symetra reserves the right to reprice this proposal if the TPA claim backlog exceeds two weeks.

Symetra Life Insurance Company Proposal for Lake County Board of County Commissioners  
Effective 10/01/06

\*\*Network Fees are ineligible expenses under the Individual or Aggregate unless specifically addressed in the Conditions and Limitations section of this quote.

\*\*Symetra standard policy provisions, limitations and exclusions apply. In the event of early termination (mid policy period), Symetra will not provided coverage for run-out (e.g. 12/15) claims following the termination date.

\*\*The agent/broker does not have the authority to bind or modify the terms of this offer without the prior approval of Symetra Life Insurance Company.

\*\*The agent/broker is properly licensed and appointed with the carrier identified above for which business is written.

\*\*Appointment of the Third Party Administrator.

Mail to: Symetra Financial  
 PO Box 1491  
 Minneapolis , MN 55480-1491

GROUP DEPARTMENT  
 SELF-ADMINISTERED STATEMENT

From: Lake County Government

FOR THE PERIOD OF: \_\_\_\_\_

E-MAIL  
 TO:

SYMETRA POLICY NO.

Case Number:

POLICYHOLDER: Lake County Government

PLEASE REMIT BY 10<sup>TH</sup> OF EACH MONTH

PLEASE COMPLETE THIS STATEMENT, CALCULATE PREMIUMS DUE, AND SUBMIT YOUR CHECK IN THE ENCLOSED ENVELOPE.

	_____	_____		_____	_____
	_____	_____		_____	_____
<i>INDIVIDUAL EXCESS LOSS – EMPLOYEE</i>	#SINGLE	795	X	RATE \$50.71	= \$40,314.45
<i>INDIVIDUAL EXCESS LOSS – DEPENDENT</i>	#FAMILY		X	RATE \$	= PREMIUM
<i>EMPLOYEE AGGREGATE</i>	#EMPLOYEES	795	X	RATE \$2.41	= PREMIUM \$1,915.95
				<b>TOTAL Estimated Premium Due</b>	<b>\$42,230.40</b>