

EXHIBIT C

COBRA/HIPAA ADMINISTRATION ADDENDUM

General

All capitalized terms used herein shall have the same meaning given to them in the Administration Services Agreement by and between **BOARD OF COUNTY COMMISSIONERS, LAKE COUNTY, FLORIDA** and WEB-TPA dated **October 1, 2005**.

WEB-TPA's Obligations

1. WEB-TPA hereby agrees to provide the following services to the Employer with COBRA and HIPAA compliance and administration for the Employer's health insurance plan.
 - (a) WEB-TPA shall distribute, via first class U.S. Mail and will obtain Certificate of Mailing from Postmaster, COBRA Qualifying Event notices and election forms (in a form approved by or provided by Employer) to all eligible members within 14 days of receipt of a notice of the qualifying event from either the Employer or one of its Covered Employees or Dependents. WEB-TPA shall document when each Qualifying Event notice is sent. Any notice sent by WEB-TPA shall be in the form approved by the Employer. WEB-TPA shall deliver with such Qualifying Event notices and election forms, Certificates of Creditable Coverage required under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and as required under section 9801(e) of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations issued thereunder.
 - (b) WEB-TPA shall track all eligibility and election periods. WEB-TPA shall collect and keep records of all COBRA enrollee premium payments and shall issue notices to any COBRA enrollee who makes a payment that is less than the full amount of the premium owed. Any underpayment of COBRA premium that is less than or equal to 2% of the entire COBRA premium shall be deemed to be payment in full. The premium payments will be applied beginning with the enrollee's most recent "paid through" service date. All contributions will be forwarded within 15 days of receipt to a designated Employer contact. Upon recording a non-payment of the COBRA premium that extends beyond the grace period prescribed in the Employer's Plan document, WEB-TPA shall notify the Employer via the standard monthly reports and terminate the individual who failed to pay their COBRA premium effective as of midnight on the last day through which the individual had paid for coverage.

- (c) WEB-TPA shall comply in administering the COBRA notification requirements with the U.S. Department of Labor's proposed regulations under section 2590.606-1 through 4 for all notifications provided on or after January 1, 2004, including issuance of a notification of termination of coverage and notification of ineligibility of coverage in compliance with the U.S. Department of Labor's regulations on COBRA notification, and the notice of underpayment of the COBRA premium in compliance with the requirements of the Treasury Regulations governing COBRA continuation coverage found at Treas. Reg. section 54.4980B-1 through 9. All notices or explanations of whether an individual is covered under COBRA shall be full explanations of the individual's status and how and whether such status may be changed (e.g., for an individual in the COBRA election period, they are not currently covered but if they make a timely COBRA election and pay the premium in a timely manner, their coverage will be reinstated retroactively to the date on which the coverage terminated) in compliance with the requirements in the Treasury Regulations governing COBRA continuation coverage found at Treas. Reg. section 54.4980B-1 through 9.
 - (d) In the event an individual's coverage under the Plan terminates and there is no COBRA qualifying event, WEB-TPA shall deliver, via first class U.S. Mail, a Certificate of Creditable coverage, as required under section 9801(e) of the Code, to any such covered person whose coverage terminated as soon as administratively feasible following termination of his/her coverage.
2. WEB-TPA shall additionally provide Employer with confirmation reports upon the receipt of said elections by qualified beneficiaries, notices from qualified beneficiaries and premium payments and shall document receipt of each and the date each was postmarked or sent. WEB-TPA shall provide reports and documentation of its issuance of and monitoring COBRA elections, notices and premium payments to the Employer, on a monthly basis within 15 days of the end of each month, so as to keep Employer informed of WEB-TPA's current performance of this contract.
 3. WEB-TPA shall also provide current and updated information to the Employer relating to compliance with COBRA and HIPAA, including any change or modifications in compliance requirements and related steps necessary to act in accord with said changes/modifications.

Employer's Obligations

1. Employer shall provide the Claims Administrator, upon forms or in the format provided by the Claims Administrator, the following information as it relates to Employer's employee (and dependents) and their association with the health insurance plan offered by Employer within 15 days of Employer's receipt of notification of qualifying event listed in a, c, d, or e below, or knowledge of the occurrence of a qualifying event, listed in b enumerated below. Employer shall notify

WEB-TPA of the list of any individuals listed in (f) below within 15 days of the date on which the Benefits Department of the Employer receives notice of a new hire from a store or other party within the Employer.

- (a) The death of the covered employee.
 - (b) The termination or reduction of hours, of the covered employees employment.
 - (c) The divorce or legal separation of the covered employee from the employee's spouse.
 - (d) The covered employee becoming entitled to benefits under the Title XVIII of the Social Security Act {42 U.S.C.A & 1395 et seq.}.
 - (e) A dependent child ceasing to be a dependent child under the generally applicable requirements of the plan.
 - (f) New enrollees covered by the plan(s).
 - (g) Any other relevant information to the fulfillment of this contract as is necessary for compliance with said Act or any amendment thereto.
2. Employer shall provide to the Claims Administrator and keep the Claims Administrator currently informed of all pertinent information relating to Employer's group health plan, both at the inception of this agreement and as may be later modified by the Employer.
 3. Employer shall distribute the initial COBRA Rights Notification notices to all covered employees and covered dependents residing at a different address from the covered employee, and to all persons covered pursuant to a Qualified Medical Child Support Order or National Medical Support Notice.