



RFP 22-004
Employee Benefits Consultant

ADDENDUM #3
Administrative Services Agreement (ASA)

This addendum is being issued to provide a copy of the Administrative Services Agreement (ASA) and Schedule A.

ACKNOWLEDGEMENT

It is the vendor's responsibility to ensure their receipt of all addenda, and to clearly acknowledge all addenda within their initial bid or proposal response in the space provided on the Submittal Checklist included in the original solicitation document. Failure to do so may subject the bidder to disqualification.

CITY OF SEBRING

AGENDA ITEM SUMMARY

MEETING DATE: May 1, 2018

PRESENTER: Penny Robinson

AGENDA ITEM#: 8 F - Administrative Services Agreement between City of Sebring and Anchor Benefit Consulting, Inc.

BACKGROUND: The City of Sebring, as Plan Sponsor of a self-funded Group Health Plan has retained Anchor Benefit Consulting, Inc. as the Third Party Administrator since October 1, 1992 to (1) process the enrollment of eligible individuals and termination of Plan members, (2) respond to direct routine inquiries by employees and other persons concerning eligibility in the Plan, and (3) perform claims administrative services. The Administrative Services Agreement has been updated to include current definitions and terms of the agreement consistent with the industry. The agreement has been reviewed by Bob Swaine, City Attorney.

REQUESTED MOTION: Approve Administrative Services Agreement as presented.

COUNCIL ACTION:

APPROVED

DENIED

TABLED TO: _____

Moved by: _____

Carlisle Dettman

 OTHER

; Seconded by: _____

Stanley Stewart Lowrance

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") is entered into by and between **City of Sebring ("Plan Sponsor")** and **Anchor Benefit Consulting, Inc. ("Third Party Administrator")** and is effective as of October 1, 2017 upon the following terms and conditions:

1. Plan Sponsor is the sponsor of a self-funded Group Health Plan (as defined below) providing, among other things, health care benefits to certain eligible employees and their qualified dependents.
2. Plan Sponsor desires to retain Third Party Administrator as an independent contractor to administer certain elements of Plan Sponsor's Group Health Plan.
3. Third Party Administrator desires to administer certain elements of Plan Sponsor's Group Health Plan pursuant to the terms of this Agreement.

In consideration of the promises and the mutual covenants contained in this Agreement, Third Party Administrator and Plan Sponsor (the "Party" or "Parties" as appropriate) agree as follows:

ARTICLE 1: DEFINITIONS

For purposes of this Agreement and any amendments, attachments or schedules to this Agreement, the following words and terms have the following meanings unless the context or use clearly indicates another meaning or intent:

ADMINISTRATIVE SERVICES FEE: The amount payable to Third Party Administrator in consideration of its administrative services and operating expenses as indicated in Section 3 of Schedule A, excluding any cost for stop loss insurance coverage or any other policy of insurance, if applicable. All additional charges not included in the Administrative Services Fee are specified elsewhere in this Agreement.

AGREEMENT PERIOD: The period of time indicated in Section 1 of Schedule A.

BILLED CHARGES: The amount that appears on a Member's Claim form (or other written notification acceptable to Third Party Administrator that Covered Services have been provided) as the Provider's charge for the services rendered to a Member, without any adjustment or reduction and irrespective of any applicable reimbursement arrangement with the Provider.

CLAIM: Written or electronic notice of a request for reimbursement of any health care service or supply on a form acceptable to Third Party Administrator.

CLAIMS RUNOUT SERVICES: Processing and payment of claims that are incurred but unreported and/or unpaid as of the date this Agreement terminates.

COVERED SERVICE: Any health care service or supply rendered to Members for which benefits are eligible for reimbursement pursuant to the terms of the applicable Plan Document.

GROUP HEALTH PLAN OR PLAN: An employee welfare benefit plan established by the Plan Sponsor, in effect as of the Effective Date, as described in the Plan Documents, as they may be amended from time to time.

INVOICE DUE DATE: The date on the invoice provided to Plan Sponsor indicating when payment is due.

MEMBER: The individuals, including the employee and his/her dependents, as defined in the Plan Document, who have satisfied the Plan eligibility requirements of the Participating Employer, applied for coverage, and been enrolled for Plan benefits.

PAID CLAIM: The amount charged to the Plan Sponsor for Covered Services or services provided during the term of this Agreement. Paid Claims may also include any applicable interest any surcharges assessed by a state or government agency. In addition, Paid Claims shall be determined as follows:

1. *Provider and Vendor Claims.* Except as otherwise provided in this Agreement, Paid Claims shall mean the amount the Third Party Administrator actually pays the Provider or Vendor (without regard to whether Third Party Administrator reimburses such Provider or Vendor on a percentage of charges basis, a fixed payment basis, a global fee basis, or single case rate, or other reimbursement methodology) or whether such amount is more or less than the Provider's or Vendor's actual Billed Charges for a particular service or supply.
2. *Fees Paid to Manage Care or Costs.* Paid Claims may also include fees paid to Providers or Vendors for managing the care or cost of care for designated Members. In additions, Paid Claims may also include an amount Third Party Administrator charges to oversee programs and such program charges, if any, shall be provided in Section 4 of Schedule A.

PLAN DOCUMENTS: The documents that set forth the terms of the Plan, and which includes the schedule of benefits.

NETWORK PROVIDER: A physician, health professional, hospital, pharmacy, or other individual, organization and/or facility that has entered into a contract, either directly or indirectly, with Third Party Administrator to provide Covered Services to Members through negotiated reimbursement arrangements.

VENDOR: a person or entity other than a Provider, that provides services or supplies pursuant to a contract with Third Party Administrator.

ARTICLE 2: ADMINISTRATIVE SERVICES PROVIDED BY THIRD PARTY ADMINISTRATOR

- A. Third Party Administrator shall process the enrollment of eligible individuals and termination of Plan members as directed by the Plan Sponsor subject to the provisions of this Agreement. Third Party Administrator shall, with the assistance of Plan Sponsor, respond to direct routine inquiries made to it by employees and other persons concerning eligibility in the Plan.
- B. Third Party Administrator shall perform the following claims administrative services:
1. Process claims and provide customer service at a level consistent with industry standards, including investigating and reviewing such a claims to determine what amount, if any, is due and payable according to the terms and conditions of the Plan Document. Third Party Administrator shall perform coordination of benefits ("COB") with other payors, including Medicare. In processing claims, Third Party Administrator shall utilize standard practice and policy in the definition of medical necessity, its precertification and/or preauthorization policies and applicable claim timely filing limits.
 2. Disburse to the applicable individuals or entities (including providers and vendors) payments that it determines to be due according to the provisions of the Plan Document.
 3. Provide notice in writing when a claim for benefits has been denied in whole or in part, which notice shall set forth the reasons for the denial and the right to full and fair review of the denial under the terms of the Plan Document and shall otherwise satisfy applicable regulatory requirements governing the notice of a denied claim.
 4. Plan Sponsor delegates to Third Party Administrator fiduciary authority to determine claims for benefits under the Plan as well as the authority to determine appeals of any adverse benefit determinations under the Plan. Third Party Administrator shall administer complaints and appeals according to Third Party Administrator complaint and appeals policy, unless otherwise provided in the Plan Document. Third Party Administrator shall not act as the administrator of the Plan nor shall it have any fiduciary responsibility in connection with any other element of the administration of the Plan.
 5. Third Party Administrator shall have obtained authorization from the City of Sebring prior to the authorizing utilization management, case management, disease management or wellness initiatives (if applicable) when applicable. It is Third Party Administrator's ongoing effort to find innovative ways to make available high quality and more affordable healthcare and will apply equally to Plan members.
 6. Third Party Administrator shall issue identification cards to Plan members, as applicable, and the content and design of the identification cards shall comply with Plan requirements and/or provider contracts.
 7. Third Party Administrator will provide the Plan Sponsor with Plan data and assistance necessary for preparation of the Plan's information returns and forms required by federal law. Third Party Administrator shall prepare and mail all IRS Form 1099s and any other similar form that is given to providers or brokers.

ARTICLE 3: OBLIGATIONS OF PLAN SPONSOR

- A. The Plan Sponsor shall furnish to Third Party Administrator initial eligibility information regarding Plan members. Plan Sponsor is responsible for determining eligibility of individuals and advising Third Party Administrator in a timely manner, as to which employees, dependents and other individuals are to be enrolled. Third Party Administrator reserves the right to limit the effective date of retroactive enrollment to a date not earlier than 60 days prior to the date notice is received. Such retroactive enrollments shall be subject to Third Party Administrator's receipt of the applicable Administrative Services Fees. The Plan Sponsor shall keep such records and furnish to Third Party Administrator such notification and other information as may be required by Third party Administrator for the purpose of enrolling members, processing terminations, effecting COBRA coverage elections, effecting changes in single or family coverage status, effecting changes due to member becoming eligible or ineligible for Medicare, effecting changes due to a leave of absence, or for any other purpose reasonably related to the administration of eligibility under this Agreement. The Plan Sponsor acknowledges that prompt and complete furnishing of the required eligibility information is essential to the timely, accurate, and efficient processing of claims.
- B. Plan Sponsor shall notify Third Party Administrator monthly of Plan members, dependents, or other individuals that will be or have become ineligible for benefits under the Plan. Upon receipt of such notice, Third Party Administrator shall terminate coverage effective as of the date specified in the Plan Document. The Plan Sponsor shall give Third Party Administrator advance notice, if possible, of any member's expensed termination and/or retirement. Third Party Administrator reserves the right to limit retroactive terminations to a maximum of 60 days prior to the date such notice is received. Third Party Administrator shall credit Plan Sponsor Administrative Services Fees for such retroactive terminations.
- C. Plan Sponsor is solely responsible for compliance with the Family and Medical Leave Act ("FMLA").
- D. Unless otherwise agreed to by the Parties in writing, the Plan Sponsor shall prepare and distribute all notices or summaries of changes or material modifications to the Plan Participants. Plan Sponsor shall ensure that if it creates any documents that refer to benefits offered under the Plan, the documents will accurately reflect the terms of the Plan Documents.
- E. Plan Sponsor shall give notice to Third Party Administrator of the expected occurrence of any of the following events, with such notice to be given at least 30 days prior to the effective date of the event, unless such advance notice is prohibited by law or contract in which case, notice will be provided as soon as practicable:
1. Change of Plan Sponsor's name; or
 2. Any solvency, receivership or inability of Plan Sponsor to pay its debts as they become due.
- F. The Plan Sponsor may request Third Party Administrator, on an exception basis, to process and pay claims that were denied by Third Party Administrator or take other actions with respect to the Plan that are not specifically set forth in this Agreement or the Plan Document. In such cases, any payments shall not count toward the stop loss accumulations under a stop loss agreement, unless otherwise agree to by the stop

loss carrier. Third Party Administrator shall not be responsible for any liability associated with any act or omission undertaken at the direction of, or in accordance with, instructions received from the Plan Sponsor under this provision.

ARTICLE 4: CLAIMS PAYMENT METHOD

- A. Plan Sponsor shall pay or fund Paid Claims according to the claims payment method described in Section 4 of Schedule A. Plan Sponsor shall pay or fund such amounts by the invoice due date. In addition, from time to time, the Parties acknowledge that Plan Sponsor may request a review of the appropriateness of a claim payment and, during the review period, Plan Sponsor shall pay or fund such claim.
- B. The Parties acknowledge that, from time to time, a claims adjustment may be necessary as a result of coordination of benefits, subrogation, other third party recoveries, payment errors and the like, and that the adjustment will take the form of a debit (for an additional amount paid by Third Party Administrator) or a credit (for an amount refunded to Plan Sponsor). Any claims credit may be reduced by a fee charged by vendors.
- C. Plan Sponsor shall open and maintain a bank account (the "Account") according to the criteria set forth on Schedule C to this Agreement. Plan Sponsor agrees to maintain funds in the Account at appropriate levels satisfactory to Third Party Administrator in order to satisfy Plan Sponsor's obligations under this Agreement. Plan Sponsor authorizes Third Party Administrator to pay claims for covered services from this Account.
- D. The Plan Sponsor authorizes the Third Party Administrator to open bank account, maintain bank account, enter into contract for banking services and initiate banking transactions, including but not limited to all treasury services on behalf of the Plan Sponsor. The amounts paid in by the Plan Sponsor to pay claims for benefits under the Plan shall be deposited in a bank account (the "Claims Account") designated by the Third Party Administrator (unless otherwise arranged) at a bank or other financial institution upon which the Third Party Administrator, as their agent, shall be authorized to issue checks for payment of claims. Amounts deposited by the Employer shall not be used for anything other than for payment of claims under the Plan. The amounts deposited by the Employer remain the general assets of the Employer subject to the right of its creditors, not plan assets that must be held in trust. Third Party Administrator shall establish the Claims Account in the Plan Sponsor's name, for the benefit of the Plan Administrator, on which the Third Party Administrator will write checks for payment of Plan benefits and expenses.

ARTICLE 5: ADMINISTRATIVE SERVICES FEE

During the term of this Agreement, Plan Sponsor shall pay Third Party Administrator the Administrative Services Fee, described in Section 3 of Schedule A. Plan Sponsor shall pay the Administrative Services Fee and other fees authorized under this Agreement by the applicable invoice due date according to the payment method described in Section 5 of Schedule A.

ARTICLE 6: RENEWAL SCHEDULES

If Third Party Administrator offers to renew this Agreement at the end of the Agreement Period, then Third Party Administrator shall provide Plan Sponsor with the terms and conditions of the proposed renewal in writing within the time period provided in Section 1 of Schedule A. The Plan Sponsor shall notify the Third Party Administrator in writing of its selection from the renewal options by indicating its selection and signing the Third Party Administrator's designated renewal form. If Third Party Administrator does not receive a signed acceptance of the renewal from Plan Sponsor prior to the start of the next Agreement Period, the Plan Sponsor's payment of the amounts set forth in the renewal shall constitute Plan Sponsor's acceptance of the terms. Third Party Administrator shall provide a revised Schedule A that will become part of this Agreement without necessity of securing Plan Sponsor's signature.

ARTICLE 7: CLAIMS RUN-OUT SERVICES

- A. Claims Run-Out Services shall be provided for the period of time provided in Section 6 of Schedule A (the "Claims Run-Out Period"). During the Claims Run-Out Period, the terms of this Agreement shall continue to apply. Third Party Administrator shall have no obligations to process or pay any Claims or forward claims to Plan Sponsor beyond the Claims Run-out Period. Third Party Administrator shall return any recoveries for which Third Party Administrator had received monies, but had not processed the recovery prior to the end of the Claims Run-Out Period.
- B. The Administrative Services Fee for the Claims Run-Out Period, if applicable, is provided in Section 6 of Schedule A. Paid Claims and the Administrative Services Fee shall be invoice and paid in the same manner as provided in Sections 4 and 5 of Schedule A, unless otherwise provided or agreed to in writing by the Parties.

ARTICLE 8: LATE PAYMENT PENALTY

No Penalty will be applied

ARTICLE 9: HIPAA

- A. Third Party Administrator's duties and responsibilities in connection with the requirements imposed by the Health Insurance Portability and Accountability Act ("HIPAA") and the privacy and security regulations promulgated thereunder will be set forth in a separate business associate agreement between the Parties.

- B. In the event the Plan submits Claims or eligibility inquiries or any other HIPAA covered transaction as defined in 45 CFR Part 160 and 162 to Third Party Administrator through electronic means, the Plan and Third Party Administrator shall comply with all applicable requirements of HIPAA and the Plan and Third Party Administrator shall require any of their respective agents or subcontractors to comply with all applicable requirements under HIPAA.

ARTICLE 10: PUBLIC RECORDS

Third Party Administrator is required to keep and maintain public records that ordinarily and necessarily would be required by the City of Sebring in order to perform the service sought herein. Third Party Administrator is required to provide the public with access to public records on the same terms and conditions that the City of Sebring would provide the records and at a cost that does not exceed the cost provided in Ch. 119.07 *et seq.*, Fla. Stat. or as otherwise provided by law. Third Party Administrator must ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law and must meet all requirements for retaining public records and transfer, at no cost, to the City of Sebring all public records in possession of the Third Party Administrator upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the City of Sebring in a format that is compatible with the information technology systems of the public agency. **IF THE THIRD PARTY ADMINISTRATOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE THIRD PARTY ADMINISTRATOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT KATHY HALEY, THE CUSTODIAN OF PUBLIC RECORDS AT 863-471-5100, kathyhaley@mysebring.com or 368 SOUTH COMMERCE AVENUE, SEBRING, FL 33870.**

ARTICLE 11: REPORTS

- A. Upon Plan Sponsor's request and only as permitted by the business associate agreement entered into between the Parties, Third Party Administrator will provide data or reports (the Parties must mutually agree to the types, format, content and purpose of the reports). A service charge may be applied for non-standard reports requested by the Plan Sponsor.
- B. Third Party Administrator shall have the right to use or disclose Claims data collected in the performance of services under this Agreement or any other agreement between the Parties, so long as: (1) the data is de-identified in a manner consistent with the requirements of HIPAA; or (2) the data is used or disclosed for research, health oversight activities, or other purposes permitted by law; or (3) a Member has consented to the release of his or her individually identifiable data. The data used or disclosed shall be used for a variety of lawful purposes including, but not limited to, research, monitoring, and benchmarking of industry and health care trends.

ARTICLE 12: AUDIT

- A. At Plan Sponsor's expense, Plan Sponsor shall have the right to audit Claims on Third Party Administrator's premises, during regular business hours.
- B. If Plan Sponsor elect to utilize a third-party auditor to conduct an audit pursuant to this Agreement, such auditor must be mutually acceptable to Plan Sponsor and Third Party Administrator. Third Party Administrator will only approve auditors that are independent and objective and will not approve auditors paid on a contingency fee or other similar basis.

ARTICLE 13: RECOVERY SERVICES

- A. Pursuant to the provisions of this Article 13, Third Party Administrator shall pursue recoveries related to Paid Claims processed under this Agreement, including during any Claims Run-Out Period. Third Party Administrator shall obtain authorization from the City of Sebring prior to pursuing recovery, in no event will Third Party Administrator pursue a recovery if the cost of the collection is likely to exceed the recovery amount or if the recovery is prohibited by law or an agreement with a Provider or Vendor. Third Party Administrator will not be liable for any amounts it does not successfully recover. If Third Party Administrator determines that there is a potential recovery opportunity, authorization from the City of Sebring must be obtained to do the following: (1) determine and take steps reasonably necessary and cost-effective to effect recovery; (2) select and retain outside counsel or other Vendors as appropriate; (3) reduce any recovery obtained on behalf of the Plan by its proportionate share of the outside counsel fees and costs incurred during litigation or settlement activities to obtain such recovery; and (4) negotiate and effect any settlement of the Plan Sponsor's and Plan's rights by, among other things, executing a release waiving the Plan Sponsor's and Plan's rights to take any action inconsistent with the settlement.
- B. During the term of this Agreement and any applicable Claims Run-Out Period, Third Party Administrator may pursue payments to Members by any other person, insurance company or other entity on account of any action, claim, request, demand, settlement, judgement, liability or expense that is related to a Claim for Covered Services ("Subrogation Services"). Third Party Administrator may charge Plan Sponsor a fixed percentage fee up to 30% of subrogation recovery. Any subrogation recoveries shall be treated as an adjustment to the Claims payment in the billing period in which the adjustment occurs as described in Article 4 of this Agreement.
- C. Notwithstanding any other provision of this Article 13, Third Party Administrator has responsibility for compliance with Provider and Vendor contracts, including discount and contract audits. Third Party Administrator shall have authority to enter into a settlement or compromise regarding enforcement of these contracts, including the right to reduce future reimbursement to Provider or Vendor in lieu of a lump sum settlement.

- D. Third Party Administrator shall credit Plan Sponsor recovery amounts after deduction of fees and costs as set forth in this Article 13 following the receipt of such recovery amounts.

ARTICLE 14: PHARMACY SERVICES

- A. If applicable to Plan benefits and as indicated in Schedule B of this Agreement, Third Party Administrator, through the pharmacy benefit manager ("PBM"), shall provide the following prescription drug management services:
1. Third Party Administrator shall offer Plan Sponsor access to a network of pharmacies that have entered into contractual arrangements with PBM under which such pharmacies agree to provide pharmacy services to Members and accept negotiated fees for such services.
 2. PBM will furnish and maintain a drug formulary for use with the Plan, and PBM shall periodically (on a quarterly basis) review and update its formulary. The Plan Sponsor shall adopt such formulary as part of the design of the Plan. The drug formulary will be made available to Members on the Third Party Administrator's benefits portal and PBM's web site and upon request.
 3. PBM shall offer Plan Sponsor a mail order pharmacy program, if elected, through which Members may receive mail order prescription services. Additional fees for express mail, shipping or handling may be charged to Members. PBM may also offer a specialty pharmacy program, if applicable, through which Members may receive specialty pharmacy prescription services.
 4. Third Party Administrator and PBM shall arrange for the processing of prescription drug claims in accordance with the Plan Document and PBM contract.
- B. PBM has negotiated programs with pharmaceutical manufacturers for rebates on certain prescription drugs dispensed to Members and has arranged for payments of such rebates to be made directly to PBM ("Drug Rebate Programs"). PBM will pay the plan a portion of the rebates it receives (such portion being referred to in this Agreement as "Drug Rebates"). The plan will retain all Drug Rebates.
1. *Drug Rebates.* Means the formulary rebates, include base and market share rebates, collected by the Pharmacy Benefit Manager (PBM), if applicable, in its capacity as a group purchasing organization for the Plan from various pharmaceutical companies that attribute to the utilization of single source brand, prescription drugs by plan participants, but specifically excluding any rebates paid with respect to utilization of specialty drugs which shall be retained by the PBM, if applicable. PBM shall provide to Employee Benefits Design, on behalf of the Plan, with an additional credit of \$2.00 per mail and retail prescription dispensed to a plan participant (excluding 100% member paid plans). It is the intention of the parties that, for purposes of the Federal Anti-kickback statute and any required government reporting, the credit shall constitute and shall be treated by each Plan as a discount against the price of drugs within the meaning of 42 U.S.C. § 1320 a-7b(3)(A).
- C. Third Party Administrator may receive and retain administrative fees from PBM or directly from pharmaceutical manufacturers. In addition, Third Party Administrator may receive and retain service fees from pharmaceutical manufacturers for providing services (e.g. Provider and Member education programs that promote clinically appropriate and safe dispensing and use of prescription drugs). Those fees, if any, inure to the benefit of the Plan Sponsor. The plan will retain all such benefits. For purposes of this Agreement, administrative fees received by Third Party Administrator or PBM shall not be considered Drug Rebates.

ARTICLE 15: LITIGATION AND INDEMNIFICATION

Third Party Administrator hereby acknowledges and confirms that the contract price includes the consideration for this indemnification and hold harmless. Third Party Administrator shall, in addition to any other obligation to indemnify the City of Sebring and to the fullest extent permitted by law, protect, defend, indemnify and hold harmless the City of Sebring, its elected officials, employees, agents and volunteers from and against all claims, actions, liabilities, losses (including economic losses), costs, including attorney fees and all costs of litigation, and judgments of every name and description arising out of or incidental to the performance of this contract, unless caused by the sole negligence of the City of Sebring, its elected officials, employees, agents or volunteers. Any cost or expenses, including attorney fees (including appellate, bankruptcy or patent council fees), incurred by the City of Sebring to enforce this agreement shall be borne by the Third Party Administrator. This indemnification shall also cover all claims brought against the City of Sebring, its elected officials, employees, agents or volunteers by any employee of Third Party Administrator, or anyone directly or indirectly employed by any of them. The Third Party Administrator's obligation under this paragraph shall be limited to \$10,000,000 and shall not be limited in any way to the agreed upon contract price as shown in this contract or the Third Party Administrator's limit of all services, obligations, and duties provided for in this contract, or in the event of termination of this contract for any reason, the terms and conditions of this paragraph shall survive indefinitely.

Subject to the limitations of Sec. 768.28, Fla. Stat., in any action brought by either party for the interpretation or enforcement of the obligations of the other party including City of Sebring's right to indemnification, the prevailing party shall be entitled to recover from the losing party all reasonable attorney's fees, paralegal fees, court and other costs, whether incurred before or during litigation, on appeal, in bankruptcy or in post judgment collections.

ARTICLE 16: CHANGES IN PLAN DOCUMENT AND AGREEMENT

- A. Either Party reserves the right to propose changes to the provisions described in the Plan Document by giving written notice to the other Party not less than 60 days prior to the start of an Agreement Period. Both Parties may also propose changes to the Plan Document at a time other than the start of an Agreement Period and such changes will be made to the Plan Document if mutually agreed to in writing by the Parties. Third Party Administrator's incorporation of the requested changes into the Plan Document shall constitute Third Party Administrator's acceptance of the Plan Sponsor's requested changes.

- B. If changes to the provisions of the Plan Document are mandated as a result of a change to any applicable state, federal law or applicable regulations, Third Party Administrator shall make such changes to the Plan Document to comply with the law and shall provide written notice to Plan Sponsor at least 30 days prior to the effective date of the change, unless the effective date specified in the law is earlier.
- C. Third Party Administrator also reserves the right to change the Administrative Services Fee at a time other than the start of an Agreement Period upon the occurrence of one or more of the following events: (1) a change to the Plan benefits initiated by Plan Sponsor that results in a substantial change in the services to be provided by Third Party Administrator; (2) a change in ownership as described in Article 3 of this Agreement; (3) a change in the total number of Members resulting in either an increase or decrease of 10% or more of the number of Members enrolled for coverage on the date the Administrative Services Fee was last modified; or (4) a change in applicable law that results in an increase in the cost or amount of administrative services from those currently being provided by Third Party Administrator under this Agreement. Third Party Administrator shall provide notice to Plan Sponsor of the change in the Administrative Services Fee at least 30 days prior to the effective date of such change. If such change is unacceptable to Plan Sponsor, either Party shall have the right to terminate this Agreement by giving written notice of termination to the other Party before the effective date of the change. If Plan Sponsor accepts the proposed rates, Third Party Administrator shall provide a revised Schedule A that will then become part of this Agreement.
- D. In the event any action of any department, branch or bureau of the federal, state or local government is initiated or taken ("Action") against a Party to this Agreement and such Action materially and adversely affects that Party's performance of the obligations under this Agreement, the affected Party shall notify the other Party of the nature of the Action and provide copies of pertinent documents supporting the reason(s) for the Action. If a modification to the Agreement is needed as a result of the Action, the Parties shall meet within 30 days of the notice by the affected Party to the other Party and shall, in good faith, attempt to negotiate a modification to this Agreement that minimizes or eliminates the impact of the Action. If the Parties are unable to minimize or eliminate the impact of the Action, then either Party may terminate this Agreement by giving at least 90 days' notice of termination. This Agreement may be terminated sooner if agreed to by the Parties or required by the government entity initiating or taking the Action.
- E. No modification or change in any provision of this Agreement, including but not limited to, changes at renewal, shall be effective unless and until approved in writing by an authorized representative of Third Party Administrator and evidenced by an amendment or new Schedule attached to this Agreement.

ARTICLE 17: TERMINATION

- A. Notwithstanding any other provision of this Article, this Agreement automatically terminates, without further notice or action, if Plan Sponsor fails to pay or fund any amount due under this Agreement within 7 days of the date of Third Party Administrator's notice to the Plan Sponsor of a delinquent amount owed. Such termination shall be effective as of the last period for which full payment was made. In addition, this Agreement automatically terminates, without further notice or action, at the end of each Agreement Period unless Third Party Administrator offers to renew this Agreement and Plan Sponsor accepts such offer of renewal pursuant to Article 6 of this Agreement. Upon termination of this Agreement, Plan Sponsor shall remain liable for all payments due to Third Party Administrator under the terms of this Agreement. Notwithstanding the above, Third Party Administrator has the right to suspend performance of its obligations under this Agreement if full payment is not made by the Invoice Due Date. Third Party Administrator shall have no obligation to pay any Claims under the Agreement until all required payments have been paid in full.
- B. If either Party fails to comply with any material duties and obligations under this Agreement other than payment of amounts due under this Agreement, the other Party shall have the right to terminate this Agreement by giving the non-compliant Party at least 60-days prior written notice of termination. Either Party, at its option, may allow the non-compliant Party to cure a breach of this Agreement.
- C. The Plan Sponsor may terminate this Agreement at any time other than at the end of an Agreement Period by giving Third Party Administrator 31-days written notice of its intent to terminate.
- D. In connection with the termination of this Agreement and upon Plan Sponsor's request, Third Party Administrator shall provide reports that are part of Third Party Administrator's standard reporting at no extra charge. However, Third Party Administrator shall have no obligation to provide the reports after the termination date of this Agreement if such termination is due to non-payment pursuant to Article 18(A) of this Agreement. Upon Plan Sponsor's request, Third Party Administrator shall also provide data extract files to Plan Sponsor for an additional fee mutually agreed to by the Parties.

ARTICLE 18: LIMITATION ON ACTIONS AND GOVERNING LAW

- A. This Agreement shall be governed by, and shall be construed in accordance with the laws of Florida but without giving effect to that state's rules governing conflict of laws.

ARTICLE 19: NOWAIVER

No failure or delay by either Party to exercise any right or to enforce any obligation herein, and, no course of dealing between Plan Sponsor and Third Party Administrator, shall operate as a waiver of such right or obligation or be construed as or constitute a waiver of the right to enforce or insist upon compliance with such right or obligation in the future. Any single or partial exercise of any right or failure

to enforce any obligation shall not preclude any other or further exercise, or the right to exercise any other right or enforce any other obligation.

ARTICLE 20: ASSIGNMENT

Unless it has first obtained the written consent by the other Party, neither Party may assign this Agreement to any other person. The Party subcontracting the services shall remain responsible for fulfilling its obligations under this Agreement.

ARTICLE 21: NOTICES

- A. Any notice or demand pursuant to Articles 18 and 21 of this Agreement shall be deemed sufficient when made in writing as follows: to Plan Sponsor, by first class mail, personal delivery, electronic mail or overnight delivery with confirmation capability, to **City of Sebring, Attn: City Administrator, 368 South Commerce Drive, Sebring, FL 33870** and to the Third Party Administrator, by first class mail, personal delivery, electronic mail or overnight delivery with confirmation capability, to Anchor Benefit Consulting, Inc., Attn: CFO, 2400 Maitland Center Pkwy., Suite 111, Maitland, FL 32751.
- B. A notice or demand shall be deemed to have been given as of the date of deposit in the United States mail with postage prepaid or, in the case of delivery other than by mail, on the date of actual delivery at the appropriate address.
- C.
- D. Plan Sponsor shall be obligated to provide all notices to Members as may be necessary to effectuate any change in or termination of the Agreement.

ARTICLE 22: ADMINISTRATION

- A. The Plan Sponsor, on behalf of itself and its Members, hereby expressly acknowledges its understanding that this Agreement constitutes a contract solely between the Plan Sponsor and Third Party Administrator, that Third Party Administrator is an independent corporation. The Plan Sponsor further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than Third Party Administrator and that no person, entity, or organization other than Third Party Administrator shall be held accountable or liable to it for any of Third Party Administrator's obligations to the Plan Sponsor created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of Third Party Administrator other than those obligations created under other provisions of this Agreement.
- B. Third Party Administrator is providing administrative services only with respect to the portion of the Plan described in the Plan Document. Third Party Administrator has only the authority granted it pursuant to this Agreement. Third Party Administrator is not the insurer or underwriter of any portion of the Plan. Third Party Administrator has no responsibility or liability for funding benefits provided by the Plan, notwithstanding any advances that might be made by Third Party Administrator. Plan Sponsor retains the ultimate responsibility and liability for all benefits and expenses incident to the Plan, including but not limited to, any state or local taxes that might be imposed relating to the Plan.
- C. Plan Sponsor shall ensure that sufficient amounts are available to cover Claims payments, the monthly Administrative Services Fee, and other fees or charges.

ARTICLE 23: ENTIRE AGREEMENT

- A. The following documents will constitute the entire Agreement between the Parties: this Agreement, including any amendments and Schedules thereto, and the Plan Document.
- B. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- C. This Agreement supersedes any and all prior agreements between the Parties, whether written or oral, and other documents, if any, addressing the subject matter contained in this Agreement.

If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law, order, judgment or settlement, such provision shall be excluded from the Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

ARTICLE 24: ARBITRATION

- A. In the event that any dispute, claim, or controversy relating to this Agreement arises between the Parties, the Parties agree to meet in person and make a good faith effort to resolve the dispute. If the dispute is not resolved following such meeting, and either Party wishes to pursue the dispute further, that Party shall commence arbitration by filing an arbitration demand with the American Arbitration Association ("AAA") within 20 days of the meeting. The dispute shall be resolved through arbitration to be heard in Orlando, Florida

unless the Parties agree otherwise.

- B. Any dispute subject to arbitration as set forth in this Article 25 shall be settled by binding arbitration, except to the extent that the dispute is required by law to be resolved by a state or federal regulatory authority..

ARTICLE 25: MISCELLANEOUS

- A. Plan Sponsor and Third Party Administrator are separate legal entities. Third Party Administrator is strictly an independent contractor. Nothing contained in this Agreement shall cause either Party to be deemed a partner, member, agent or representative of the other Party, nor shall either Party have the expressed or implied right or authority to assume or create any obligation on behalf of or in the name of the other Party through its actions, omissions or representations.
- B. Except as may be explicitly set forth in this Agreement, nothing herein shall be construed as an implied license by a Party to use the other Party's name, trademarks, domain names, or other intellectual property. Neither Party shall use the name, trademarks, domain names, or any other name or mark of the other Party in any press release, printed form, advertising or promotional materials or otherwise, without the prior written consent of the other Party.
- C. Nothing contained herein shall cause either Party to be deemed an agent for service of legal process for the other Party.
- D. Each Party shall comply with all laws and regulations applicable to their respective duties and obligations assumed to under this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by affixing the signatures of duly authorized officers.

City of Sebring (Plan Sponsor)

Kathy Haly
Signature
City Clerk
Title
5/1/18
Date

Anchor Benefit Consulting, Inc. (Third Party Administrator)

Stephanie Norman
Signature
President
Title
4/3/2018
Date

**SCHEDULE A
TO ADMINISTRATIVE SERVICES AGREEMENT WITH
CITY OF SEBRING**

This Schedule A shall govern the Agreement Period from October 1, 2017 through September 30, 2018. For purposes of this Agreement Period, this Schedule shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedule A, and this Schedule A, the terms of this Schedule A shall control.

Section 1: Effective Date and Renewal Notice

This Agreement Period shall be from 12:01 a.m. October 1, 2017 to the end of the day of September 30, 2018.

Section 2: Broker or Consultant Compensation

Broker Commission:	Single	\$12.00 Per Employee Per Month
	Family	\$25.00 Per Employee Per Month

Section 3: Fees

A. Administrative Services Fee (Fixed Cost)

TPA Admin Fee:	\$34.97	Per Employee Per Month	
Dental/Vision Admin Fee:	\$4.33	Per Employee Per Month	
Provider Network Access:	\$6.50	Per Employee Per Month	Provider Network Elected: GlobalCare (First Health)
Provider Network Access:	\$2.50	Per Employee Per Month	Provider Network Elected: Sebring Select
Utilization Management:	\$3.00	Per Employee Per Month	Managed by: Delphi of Florida
Medical Advocate Program:	\$3.50	Per Employee Per Month	Managed by: Delphi of Florida
Total Administrative Services Fee:	\$54.80		

B. Optional Program Fee

Case Management:	Delphi of FL (\$130/hour, only when services rendered)	Managed by: Delphi of Florida
Wrap Around Network:	N/A	

C. Stop Loss Rates – Plan will be funded based on total expected costs PEPM, as follows:

Specific:	Single - \$100.08	Family - \$236.48
Aggregate:	\$7.35	

Section 4: Paid Claims, Billing and Payment Method

A. Paid Claims - Claims also include the following:

Out-of-Network Claims Negotiation: 30% (Percentage of savings; Fee appears in the Plan's check register, if applicable)
Subrogation: 30% of recovery fees.

B. Billing Cycle

Refer to Schedule C of this Agreement.

C. Payment Method

Refer to Schedule C of this Agreement

Section 5: Administrative Services Fee Billing and Payment Method

A. Billing Cycle - The billing cycle occurs on a monthly basis.

Third Party Administrator shall notify Plan Sponsor of the amount due to Third Party Administrator pursuant to Section 3 of Schedule A according to the billing cycle stated above. The actual date of notification of amounts due and the Invoice Due Date will be determined according to Third Party Administrator's regular business practices and system capabilities.

B. Payment Method

Check Reimbursement, Wire, or ACH. Plan Sponsor shall provide the amount due by check, wire, or ACH to Third Party Administrator as agreed upon by both Parties.

**SCHEDULE A (CONTINUED)
TO ADMINISTRATIVE SERVICES AGREEMENT WITH
CITY OF SEBRING**

Section 6: Claim Run-Out Services

A. Claims Run-Out Period

Claims Run-Out Period shall be for the 90-days following the date of termination of this Agreement.

B. Claims Run-Out Administrative Services Fees

Claims Run-Out Administrative Services Fee, is the fee under Section 3(A), based on average number of employees covered on your Plan during the last 90-days prior to the termination of this Agreement. Additional fees may be included such as storage facility fees, if we are required to store plan documents and eligibility files on behalf of the Plan; or a per claim fee, if the Plan Sponsor submits a written request to provide run-out services beyond the original run-out period.

IN WITNESS WHEREOF, the Parties have caused this Schedule A to the Agreement to be executed by affixing the signatures of duly authorized officers.

City of Sebring (Plan Sponsor)

Kathy Haley
Signature
City Clerk
Title
5/1/18
Date

Anchor Benefit Consulting, Inc. (Third Party Administrator)

Stephanie Norman
Signature
President
Title
4/3/2018
Date

**SCHEDULE B
TO ADMINISTRATIVE SERVICES AGREEMENT WITH
CITY OF SEBRING**

For purposes of this Agreement Period, this Schedule B shall supplement and amend the Agreement between the Parties.

SERVICES INCLUDED IN THE ADMINISTRATION FEE IN SECTION 3A OF SCHEDULE A

Management Services

- Third Party Administrator Standard benefits and administration:
 - Complaint and appeals process
 - Claims incurred and paid as provided in Schedule A
 - Accumulation toward plan maximums beginning at zero on effective date
 - Claim forms
 - Standard ID card
 - Standard Explanation of Benefits
 - Standard Communication Materials
- Acceptance of electronic submission of updated eligibility information
- Preparation of Plan Document, if applicable
- Information for ERISA 5500
- Account reporting - standard data reports
- Plan Design consultation
- Benefit Portal
 - Add and delete Members
 - Download administrative forms
 - View Member Benefits and request ID cards
 - View eligibility
 - View Claim status and detail
 - Run standard reports
 - View Plan Documents
- Account management

Claims and Customer Services

- Claims processing services
- Coordination of Benefits
- Subrogation
- Medicare crossover processing
- Complaint and appeals processing
- Plan Sponsor customer service, standard business hours
- Member customer service, standard business hours
- 1099s prepared and delivered to Providers
- CMS reporting

Prescription Benefit Services through PBM (CVS Caremark)

- Mail Order pharmacy, if elected
- Specialty Pharmacy Services, if elected
- CVS/caremark website access
- Pharmacy locator
- Online formulary
- Point of sale claims processing
- Mail order claims processing
- Standard management reports
- Ad hoc reports (subject to additional programming charge if required)
- Concurrent/Retrospective Drug Utilization Review (DUR) programs
- Administrative override (i.e., vacation, lost, stolen or spilled medications)
- Clinical review
- Pharmacy help desk with toll free number

Please initial below as acceptance of Schedule B to the Agreement:

Initials of Authorized Officer: _____

KH

Initials of TPA: _____

SN

**SCHEDULE C
TO ADMINISTRATIVE SERVICES AGREEMENT WITH
CITY OF SEBRING**

This Schedule C, which describes the bank account method by which Plan Sponsor will fund Paid Claims and other charges agreed to by the Parties under this Agreement. For purposes of this Agreement Period, this Schedule shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement and this Schedule C, the terms of this Schedule C shall control.

Third Party Administrator shall open and maintain, a deposit bank account ("Account") in a bank designated by Third Party Administrator. Plan Sponsor agrees to execute all documents necessary for Third Party Administrator to access the Account, including the authority to issue stop payment on checks. The Account shall be at all times in compliance with the following:

Unless otherwise agreed to by the Parties, all Paid Claims, and other charges consistent with the terms of the Agreement shall be paid from the designated Account.

- Plan Sponsor authorizes Third Party Administrator, as Plan Sponsor's disbursing agent, to:
- Issue checks on a scheduled basis from the Account.

Initiate ACH debit transactions to withdraw any other amounts due under this Agreement by the Invoice Due Date.

Third Party Administrator shall provide Plan Sponsor scheduled notice of the total dollar amount of checks issued. In addition, Third Party Administrator shall also provide a notice that will contain information about each check, including the date that each check was issued and an itemization of the charges deducted from the Account and any credits to the Account.

Plan Sponsor agrees that it will, at all times, have sufficient funds available in the Account to satisfy its obligations under this Agreement. Should Plan Sponsor fail to provide sufficient funds to satisfy its obligations, Third Party Administrator shall not have an obligation to make its own funds available for the payment of such checks.

Billing and Banking

Third Party Administrator shall provide the Plan Sponsor:

- A Fund Request showing the amount required to fund the Account necessary to pay Claims incurred by Plan Members.
- An estimate of Claims incurred but not paid within an Agreement Period

IN WITNESS WHEREOF, the Parties have caused this Schedule C to the Agreement to be executed by affixing the signatures of duly authorized officers.

City of Sebring (Plan Sponsor)

Kathy Haley

Signature
C. J. Clark

Title
5/1/18

Date

Anchor Benefit Consulting, Inc. (Third Party Administrator)

Stephanie Norman

Signature
President

Title
4/3/2018

Date