

**AMENDMENT 3 TO THE
ADMINISTRATIVE SERVICES AGREEMENT
WITH
San Joaquin Valley Insurance Authority**

This is an Amendment to the Administrative Services Agreement as of January 1, 2013. This Amendment shall supplement and amend the Agreement between Plan Sponsor and Anthem Blue Cross Life and Health Insurance Company. If there are any inconsistencies between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

1. The definition "PERFORMANCE PAYMENTS" is deleted in its entirety and replaced by the following:

PERFORMANCE PAYMENTS. If a Provider or Vendor participates in any Anthem program in which performance incentives, rewards or bonuses ("Performance Payments") are paid based on the achievement of certain goals, outcomes or performance standards adopted by Anthem (collectively, "Performance Targets"), Paid Claims shall also include the amount of such Performance Payments. Such Performance Payments may be charged to Plan Sponsor on a per Claim, lump sum, per Subscriber, per Member, or a pro-rata apportionment basis. The amount charged to Plan Sponsor may be greater than the amount actually paid to any one particular Provider or Vendor pursuant to the terms of the contract with such Provider or Vendor. Anthem shall retain the difference, if any, between the amount invoiced to Plan Sponsor and the amount paid to any Provider or Vendor as a fee Anthem charges to oversee such programs. In no event shall the amount charged to Plan Sponsor be greater than its proportionate share of total Performance Payments

2. The Agreement is expanded to include Article 2 - Administrative Services Provided by Anthem, as follows:

y) Anthem will provide Plan Sponsor with Plan information and assistance necessary for the preparation of the Plan's Summary of Benefits and Coverage ("SBC") related to the elements of the Plan that Anthem administers. Plan Sponsor is solely responsible for ensuring that the SBC accurately reflects the benefits Plan Sponsor will offer and for finalizing and distributing the SBC to Subscribers. Notwithstanding the provisions in Article 18(a), if Plan Sponsor's open enrollment period is at a time other than 30 days prior to the end of an Agreement Period, Plan Sponsor agrees to provide Anthem with any changes to the benefits Anthem administers at least 60 days prior to the start of the open enrollment period.

3. Paragraph c of Article 13 - Recovery Services is deleted in its entirety and replaced by the following:

c) Notwithstanding any other provision of this Article 13, Anthem will periodically perform audits of Provider and Vendor contracts and other Claims audits to determine if Claims were accurately paid. Anthem shall have authority to enter into a settlement or compromise regarding these audits, including, but not limited to, the right to reduce future reimbursement to Provider or Vendor in lieu of a lump sum settlement. If Anthem conducts an audit and makes a recovery as a result of such audit of Claims accuracy, then Anthem shall provide Plan Sponsor a credit, after a reduction of third party vendor fees or costs, if any. Anthem shall credit Plan Sponsor a proportionate share of the net recovery equal to the ratio of (1) total Members' Paid Claims to such Provider or Vendor for the audit period, to (2) total payments made to such Provider or Vendor for all of Anthem's business during the audit period. Notwithstanding the above, Anthem shall retain any recoveries made from a Provider or Vendor resulting from any audits if the cost to administer the refund is likely to exceed the total recovery from the Provider or Vendor.

4. Schedule A is replaced by the attached Schedule A.
5. Schedule B is replaced by the attached Schedule B.

Anthem Blue Cross Life and Health
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By: Pam Kehaly

Title: President and General Manager

Date: November 26, 2012

uses to calculate Plan liability for the Covered Services (the "Plan Liability Amount"). In the case of hospital or facility Provider Claims in non-Anthem Blue Cross Life and Health or non-Anthem Blue Cross Life and Health Affiliate states, if negotiations are successful, the Plan Liability Amount will be based on the negotiated rate. If negotiations are not successful, the Plan Liability Amount shall be determined using NCN's Data iSight tool if Data iSight pricing is lower than Host Blue pricing. If Data iSight pricing is not lower than Host Blue pricing, the Plan Liability Amount will be determined based on Host Blue pricing and there will be no fee charged. In the case of professional Provider Claims in all states, and/or hospital or facility Provider Claims in Anthem Blue Cross Life and Health states or Anthem Blue Cross Life and Health Affiliate states, if negotiations are successful the Plan Liability Amount will be based upon NCN's negotiated rate. If negotiations are not successful, there will be no fee charged as the Plan Liability Amount will be determined based on Host Blue pricing.

B. Billing Cycle

Refer to the Banking Arrangement Schedule of this Agreement.

C. Payment Method

Refer to the Banking Arrangement Schedule of this Agreement.

Section 5. Administrative Services Fee Billing Cycle and Payment Method

A. Billing Cycle

Monthly List Bill (pay as billed)

Anthem Blue Cross Life and Health shall notify Plan Sponsor of the amount due to Anthem Blue Cross Life and Health pursuant to Section 3 of Schedule A according to the billing cycle described above. The actual date of notification of amounts due and the Invoice Due Date will be determined according to Anthem Blue Cross Life and Health's regular business practices and systems capabilities.

B. Payment Method

Check Reimbursement. Plan Sponsor shall provide the amount due by check to Anthem Blue Cross Life and Health through a designated lockbox address as designated on the Administrative fee billing coupon. The check shall be made in accordance with any policies and regulations of the bank necessary to assure that the deposit is credited to Anthem Blue Cross Life and Health's account no later than the next business day.

Section 6. Claims Runout Services

A. Claims Runout Period

Claims Runout Period shall be for the 12 months following the date of termination of this Agreement.

B. Claims Runout Administrative Services Fees

Claims Runout Administrative Services Fee will be equal to 6% of Claims processed and paid by Anthem Blue Cross Life and Health or through the Inter-Plan Programs.

Section 7. Other Amendments. The Administrative Services Agreement is otherwise amended as follows:

BlueCard Program, Other Inter-Plan Programs and Non-Network Provider Fees

As described in Article 15, certain fees and compensation may be charged each time a Claim is processed through the BlueCard Program, other Inter-Plan Programs, including Negotiated National Account Arrangements, and non-participating Provider Claims. The extent to which they are (i) included in the Administrative Services Fee; or (ii) included in Paid Claims or separately billed to Plan Sponsor is as follows:

Included in Administrative Services Fee:

Negotiated National Account Arrangement administrative and/or network access fee. It may be based on either a per Claim, per Subscriber per month or per Member per month basis.

BlueCard Program toll-free number fee

BlueCard Program PPO health care provider directory fee

Included in Paid Claims or separately billed to Plan Sponsor:

Access fee, which is a percentage of the discount/differential Anthem Blue Cross Life and Health, receives from the Host Blue, based on the current rate in accordance with the BlueCard Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any Claim.

Administrative expense allowance fee ("AEA")

Central Financial Agency fee

ITS transaction fee

Non-Network Provider Claim fees, which include, but are not limited to (administrative expense allowance fees) (Central Financial Agency Fees) and (ITS Transaction Fees)

Notice of Loss of Grandfathering Status

In the event Plan Sponsor maintains a grandfathered health plan(s), as that term is used in the Patient Protection and Affordable Care Act ("PPACA"), Plan Sponsor shall not make any changes to such plan(s), including, but not limited to, changes with respect to Plan Sponsor contribution levels, without providing Anthem Blue Cross Life and Health with advance written notice of the intent to change such plan(s). Making changes to grandfathered plans without notice to Anthem Blue Cross Life and Health may result in the plan(s) losing grandfathered status and significant penalties and/or fines to Plan Sponsor and Anthem Blue Cross Life and Health. In the event Plan Sponsor implements changes to its plan(s) and does not provide advance notice to Anthem Blue Cross Life and Health, Plan Sponsor agrees to indemnify Anthem Blue Cross Life and Health according to the indemnification provisions set forth elsewhere in this Agreement for any penalties, fines or other costs assessed against Anthem Blue Cross Life and Health.

Additionally, at each renewal after September 23, 2010, Plan Sponsor shall affirm in writing, upon reasonable request of Anthem Blue Cross Life and Health, that it has not made changes to its plan(s) that would cause the plan(s) to lose its/their grandfathered status.

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**SCHEDULE B
TO
ADMINISTRATIVE SERVICES AGREEMENT
WITH
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This Schedule B shall govern the Agreement Period from January 1, 2013 through December 31, 2013. For the purposes of this Agreement Period, this Schedule B shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedule and this Schedule B, the terms of this Schedule B shall control.

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

Management Services:

Anthem standard Benefits and administration, unless otherwise noted below::

- Anthem definitions, and exclusions
- Anthem complaint and appeals process
- Claims incurred and paid as provided in Schedule A
- Accumulation toward plan maximums beginning at zero on effective date
- Anthem Claim forms
- Standard ID card
- Standard Explanation of Benefits

Acceptance of electronic submission of eligibility information in HIPAA-compliant format

Preparation of Benefits Booklet (accessible via internet)

Account reporting – standard data reports

Billing and Banking Services

- See Schedules A and C of this Agreement

Plan Design consultation

Employer eServices

- Add and delete Members
- Download administrative forms
- View Member Benefits and request ID cards
- View eligibility
- View Claim status and detail

Claims and Customer Services:

Claims processing services

Coordination of Benefits

Recovery Services

Medicare crossover processing

Complaint and appeals processing

- One mandatory level of appeal, one voluntary level of appeal

Employer customer service, standard business hours

Member customer service, standard business hours

1099s prepared and delivered to Providers

Residency-based assessments and/or surcharges and other legislative reporting requirements Member eServices

Prescription Benefit Services through PBM:

- Mail Order pharmacy
- Specialty Pharmacy Services

- Prescription eServices
 - Pharmacy locator
 - Online formulary
- Point of sale claims processing
- Mail order claims processing
- Mail order call center with toll free number
- Mail order regular shipping and handling
- Standard management reports
- Ad hoc reports (subject to additional programming charge if required)
- Concurrent Drug Utilization Review (DUR) programs
- Retrospective DURs
- Administrative override (i.e., vacation, lost, stolen or spilled medications)
- Clinical review
- Pharmacy help desk with toll free number

Pharmacy audits (desk and onsite; routine, in depth or focused)

Health Care Management and 360° Health Services:

Health Care Management

- Referrals
- Utilization management
- Case management
- Anthem Medical Policy

SpecialOffers

HealthCare Advisor

Care Comparison (where available)

Transplant services – Blues Distinction

Healthy Solutions Newsletter (available online)

MyHealth (Member Portal)

Electronic Health Risk Assessment

Personal Health Record

Online Communities

Member Alerts

360° Health Services (PPO Plans)

- Core 5 Condition Care (includes Asthma, Pulmonary Disease, Congestive Heart Failure, Coronary Artery Disease, & Diabetes), Future Mom's, Complex Care, & 24/7 Nurseline (w/o promotion)
- Bariatric Case Management

Networks:

- Access to networks
 - Provider Network
 - Mental Health/Substance Abuse Network
 - Coronary Services Network
 - Human Organ and Tissue Transplant Network
 - Complex and Rare Cancer Network
 - Bariatric Surgery Network

- Cost Management/Quality improvement program
 - Credentialing
 - Hospital audit program
 - Anthem standard Claims bundling edits

- Anthem.com Provider directory

OPTIONAL PROGRAMS – FEES LISTED IN SECTION 3B, 3C OR 4A OF SCHEDULE A

In addition to the services listed above, Anthem agrees to provide all services that are listed in Schedule A and for which Employer has agreed to pay a separate fee.

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