

**AMENDMENT 4 TO THE  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This is an Amendment to the Administrative Services Agreement as of January 1, 2014. 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. Schedule A is replaced by the attached Schedule A.
2. Schedule B is replaced by the attached Schedule B.
3. Schedule C is replaced by the attached Schedule C.

Anthem Blue Cross Life and Health Insurance Company



By: Mark Morgan  
Title: President, Anthem Blue Cross (CA Commercial Business)  
Date: January 1, 2014

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

This Schedule A shall govern the Agreement Period from January 1, 2014 through December 31, 2014. 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 Schedules, 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. January 1, 2014 to the end of the day of December 31, 2014.

Paid Claims shall be processed pursuant to the terms of this Agreement when incurred and paid as follows:

Incurred from December 1, 2009 through December 31, 2014 and

Paid from January 1, 2014 through December 31, 2014.

Anthem Blue Cross Life and Health shall provide any offer to renew this Agreement at least 120 days prior to the end of an Agreement Period.

**Section 2. Broker or Consultant Base Compensation**

Not Applicable

**Section 3. Fees**

**A. Administrative Services Fee**

PPO Composite \$28.67 per Subscriber per month

Lumenos HSA Composite \$28.67 per Subscriber per month

Change to Administrative Services Fee. In addition to the provisions in Article 18(c), Anthem Blue Cross Life and Health reserves the right to change the Administrative Services Fee upon the occurrence of any of the following events:

- Plan Sponsor's Member to Subscriber ratio is not within +/-5% of 1.34
- Anthem Blue Cross Life and Health is not the sole third party administrator for medical benefits under Plan Sponsor's Plan
- Plan Sponsor moves any of the Plan Benefits administered under this Agreement to another third party administrator or public or private exchanges

Article 3(a) Retroactive Adjustments to Enrollment.

Anthem Blue Cross Life and Health shall credit Administrative Services Fees for each retroactive deletion up to a maximum of 60 days and shall charge Administrative Services Fees for each retroactive addition up to a maximum of 60 days.

**B. Optional Program Fees**

**360° Health Services (PPO Plans)**

ConditionCare Core includes Asthma, Pulmonary Disease, Congestive Heart Failure, Coronary Artery Disease, & Diabetes

Future Mom's Maternity Program

Complex Care

24/7 NurseLine (w/o promotion)

**C. Other Fees or Credits**

Not applicable

**Section 4. Paid Claims, Billing Cycle and Payment Method**

**A. Claims also include the following amounts or charges:**

NCN When Anthem Blue Cross Life and Health, in its discretion, forwards a non-Network Provider Claim to NCN to negotiate with the non-Network Provider, Plan Sponsor will pay a fee equal to 40% of the difference between the non-Network Provider's Billed Charges and the amount Anthem Blue Cross Life and Health 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 C of this Agreement.

**C. Payment Method**

Refer to the Banking Arrangement Schedule C 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:**

Inter-Plan Programs Fees

As described in Article 15, certain fees and compensation may be charged each time a Claim is processed through Inter-Plan Programs, which include the BlueCard Program, Negotiated-National Account Arrangements, and non-Network Provider Claims pricing arrangements\*. The extent to which these fees and compensation 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:

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.

If Plan Sponsor loses grandfathered Plan status under PPACA and notifies Anthem of such loss no fewer than 90 days before the effective date of the change, Anthem Blue Cross Life and Health will implement the additional group market (insurance) reforms that apply to non-grandfathered health Plans subject to the provisions of Article 18 of this Agreement.

Anthem Blue Cross Life and Health Insurance Company



By: Mark Morgan

Title: President, Anthem Blue Cross (CA Commercial Business)

Date: January 1, 2014

Anthem Blue Cross Life and Health Insurance Company



By: Mark Morgan

Title: President, Anthem Blue Cross (CA Commercial Business)

Date: January 1, 2014

**SCHEDULE B  
TO  
ADMINISTRATIVE SERVICES AGREEMENT  
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This Schedule B shall govern the Agreement Period from January 1, 2014 through December 31, 2014. 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:
- Plan Sponsor-specific 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
- Personalized ID card overprinted with name and logo
- 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
- Deductible Accumulation provided – Calendar Year accumulation
- Out-of-Pocket Accumulation provided – Calendar Year accumulation

**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
- Plan Sponsor 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 – Lumenos HSA Plan only:**

- 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 Plan)
  - Core 5 Condition Care (includes Asthma, Pulmonary Disease, Congestive Heart Failure, Coronary Artery Disease, & Diabetes), Future Mom's Maternity Program, Complex Care, & 24/7 NurseLine (w/o promotion)
  - Bariatric Case Management
- 360° Health Services (Lumenos Plan)
  - Future Moms
  - ComplexCare
  - 24/7 NurseLine
  - ConditionCare (asthma, diabetes, COPD, CAD and heart failure)
  - MyHealth Coach
  - MyHealth Advantage as a part of the MyHealth Statements
  - Healthy Lifestyle Online
  - Healthy Lifestyle One-on-One
    - Tobacco Cessation Coaching
    - Weight Mgmt. Coaching

**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 Plan Sponsor has agreed to pay a separate fee.

Anthem Blue Cross Life and Health Insurance Company



By: Mark Morgan

Title: President, Anthem Blue Cross (CA Commercial Business)

Date: January 1, 2014



**BANKING ARRANGEMENT SCHEDULE C  
TO  
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This Banking Arrangement 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, including any prior Schedules and this Banking Arrangement Schedule, the terms of this Banking Arrangement Schedule C shall control.

Plan Sponsor shall open and maintain, at its cost, a demand deposit bank account ("Account") in a bank mutually acceptable to the Parties to this Agreement. Plan Sponsor agrees to execute all documents necessary for Anthem Blue Cross Life and Health to access the Account, including the authority to issue stop payment on checks or other payments. 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 Anthem Blue Cross Life and Health, as Plan Sponsor's disbursing agent, to:

- Issue payments on a daily basis from the Account. Such payment shall be in a form mutually agreed to by the Parties.
- Use Plan Sponsor's signature on all checks issued for the payment of Claims.
- Initiate ACH demand debit transactions to withdraw any other amounts due under this Agreement by the Invoice Due Date.

Anthem Blue Cross Life and Health or the designated bank shall provide Plan Sponsor [daily/weekly] notice of the total dollar amount of payments issued. Anthem Blue Cross Life and Health or the designated bank shall also provide a monthly notice that will contain information about each payment, including the date that each payment was issued. In addition, Anthem Blue Cross Life and Health shall provide 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, Anthem Blue Cross Life and Health shall not have an obligation to make its own funds available for such payments.

Billing and Banking

Anthem Blue Cross Life and Health shall provide the Plan Sponsor:

- An estimate of Claims incurred but not paid within an Agreement Period
- An annual settlement report no later than 4 months following the end of an Agreement Period

If the annual settlement report indicates that Anthem Blue Cross Life and Health owes Plan Sponsor money, Anthem Blue Cross Life and Health shall pay or credit the Plan Sponsor immediately following the reconciliation. If the annual settlement report indicates that Plan Sponsor owes Anthem Blue Cross Life and Health money, Anthem Blue Cross Life and Health shall provide Plan Sponsor with an invoice and Plan Sponsor shall pay any amounts due by the Invoice Due Date.

Banking Fees

Plan Sponsor shall pay Anthem Blue Cross Life and Health the following banking fees:

Change of designated Account	\$1,500
Change to check signature, check name, or check logo	\$250 for each

Plan Sponsor reinstates Account after such Account has been terminated	\$3,000
Election of positive pay file transmission to verify valid checks	\$150 per month
Election of positive pay file transmission after Plan Sponsor effective date	\$750

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Date: January 1, 2014