

**AMENDMENT 5 TO THE  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This is an Amendment to the Administrative Services Agreement as of January 1, 2015. 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 following definition replaces "ARTICLE 1 - DEFINITIONS - PAID CLAIMS (1) Provider and Vendor Claims" in its entirety:

**PROVIDER AND VENDOR CLAIMS.** Except as otherwise provided in this Agreement, Paid Claims shall mean the amount Anthem Blue Cross Life and Health actually pays the Provider or Vendor without regard to: (i) whether Anthem Blue Cross Life and Health reimburses such Provider or Vendor on a percentage of charges basis, a fixed payment basis, a global fee basis, single case rate, or other reimbursement methodology; (ii) whether such amount is more or less than the Provider's or Vendor's actual Billed Charges for a particular service or supply; or (iii) whether such payments are increased or decreased by the Provider's or Vendor's achievement of, or failure to achieve, certain specified goals, outcomes or standards adopted by Anthem Blue Cross Life and Health.

2. The following definition replaces "ARTICLE 1 - DEFINITIONS - PAID CLAIMS (3) Performance Payments" in its entirety:

**PAYMENT INNOVATION PROGRAMS.** If a Provider or Vendor participates in any Anthem Blue Cross Life and Health payment innovation program, excluding any programs described in paragraph 1 of this provision, in which performance incentives, rewards or bonuses are paid based on the achievement of cost, quality, efficiency, or service standards or metrics adopted by Anthem Blue Cross Life and Health ("Payment Innovation Programs") Paid Claims shall also include the amount of such payments to Providers or Vendors for these Payments Innovation Programs. Such payments may be charged to Plan Sponsor on a per Claim, lump sum, per Subscriber, or per Member basis and shall be based on Anthem Blue Cross Life and Health's predetermined methodology for such Payment Innovation Program, as may be amended from time to time.

The total monies charged in advance to fund a Payment Innovation Program shall be actuarially determined as the amount necessary to fund the expected payments attributable to the Payment Innovation Program.

Prior to its implementation, Anthem Blue Cross Life and Health shall provide Plan Sponsor with a description of the Payment Innovation Program, the methodology that will be utilized to charge the Plan Sponsor, and any reconciliation process performed in connection with such program. Payments to Providers or Vendors under these Payment Innovation Programs shall not impact Member cost shares.

3. The following Article replaces Article 13 - Recovery Services in its entirety:

- a) Pursuant to the provisions of this Article 13(a), Anthem Blue Cross Life and Health shall review Paid Claims processed under this Agreement (including during any Claims Runout Period) to determine whether such Claims have been paid accurately and identify recoveries that can be pursued. will receive the entire amount of any recovery obtained on its behalf. In performing these recovery services, Anthem Blue Cross Life and Health shall not be obligated to retain outside counsel or other third parties if Anthem Blue Cross Life and Health's recovery efforts are not successful. The cost of these services provided by Anthem Blue Cross Life and Health for recovery efforts under this Article 13(a) is included in Anthem Blue Cross Life and Health's Administrative Services Fee, as set forth in Section 3(A) ("Base Administrative Services Fee") of Schedule A.

- b) Anthem Blue Cross Life and Health may become aware of additional recovery opportunities by means other than reviewing Paid Claims processed under this Agreement. Plan Sponsor grants Anthem Blue Cross Life and Health the authority and discretion in those instances to do the following: (1) determine and take steps reasonably necessary and cost-effective to effect recovery; (2) select and retain outside counsel; (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 Plan Sponsor's and Plan's rights by, among other things, executing a release waiving Plan Sponsor's and Plan's rights to take any action inconsistent with the settlement.

- c) During the term of this Agreement and any applicable Claims Runout Period, Anthem Blue Cross Life and Health may pursue payments to Members by any other person, insurance company or other entity on account of any action, claim, request, demand, settlement, judgment, liability or expense that is related to a Claim for Covered Services ("Subrogation Services"). Anthem Blue Cross Life and Health shall charge Plan Sponsor a fee provided in Schedule A to this Agreement ("Subrogation Fee"). Any subrogation recoveries shall be net of the Subrogation Fee. Subrogation Fees will not be assessed on subrogation recoveries until they are received by Anthem Blue Cross Life and Health and credited to Plan Sponsor.
- d) Anthem Blue Cross Life and Health will engage third parties: (1) to conduct a review of Paid Claims processed under this Agreement and perform other recovery related services that are in addition to the standard recovery services provided under Article 13(a); and, (2) to conduct audits of Provider and Vendor contracts. The purpose of these services is to determine whether Paid Claims processed under this Agreement have been paid accurately and, if they have not been paid accurately, to pursue recoveries. If Anthem Blue Cross Life and Health makes a recovery as a result of the services described in this Article 13(d), then Anthem Blue Cross Life and Health shall receive a fee provided in Schedule A as compensation for its services, a portion of which shall be paid to third parties for their services, and Plan Sponsor will receive the remaining recovery amount.
- e) In exercising its authority pursuant to Articles 13(a) through (d), Anthem Blue Cross Life and Health shall determine which recoveries it will pursue, and in no event will Anthem Blue Cross Life and Health pursue a recovery if it reasonably believes that 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. Anthem Blue Cross Life and Health will not be liable for any amounts it does not successfully recover. Anthem Blue Cross Life and Health shall retain any recoveries it obtains as a result of its recovery services or audits if the cost to administer the refund is likely to exceed the amount of the refund. Plan Sponsor further understands and agrees that Anthem Blue Cross Life and Health shall have authority to enter into a settlement or compromise on behalf of Plan Sponsor and Plan regarding these recovery, subrogation and audit services, including, but not limited to, the right to reduce future reimbursement to Provider or Vendor in lieu of a lump sum settlement. Anthem Blue Cross Life and Health may have contracts with Network Providers or Vendors or there may be judgments, orders, settlements, applicable laws or regulations that limit Anthem Blue Cross Life and Health's right to make recoveries under certain circumstances. Anthem Blue Cross Life and Health may, but is not required to, readjudicate Claims or adjust Members' cost share payments related to the recoveries made from a Provider or a Vendor. Anthem Blue Cross Life and Health shall credit Plan Sponsor net recovery amounts after deduction of fees and costs as set forth in this Article 13 not later than 150 days following the receipt of the total recovery amount. If Anthem Blue Cross Life and Health does not credit Plan Sponsor within 150 days of its receipt of the total recovery amount, Anthem Blue Cross Life and Health shall pay Plan Sponsor interest calculated at the Federal Reserve Funds Rate in effect at the time of the payment. In no event, however, will Anthem Blue Cross Life and Health be liable to credit Plan Sponsor for any recovery after the termination date of this Agreement and any Claims Runout Period, and Plan Sponsor acknowledges and agrees that such sums shall be retained by Anthem Blue Cross Life and Health as reasonable compensation for recovery services provided by Anthem Blue Cross Life and Health.

4. The following provision replaces Article 16 - Claims Litigation (a.) in its entirety:

- a.) Anthem Blue Cross Life and Health shall defend against any legal action or proceeding brought against Anthem Blue Cross Life and Health to recover a claim for benefits under the Plan as administered by Anthem Blue Cross Life and Health. If a demand for benefits under the Plan is

asserted, or litigation, investigation, or other proceedings are commenced against Anthem Blue Cross Life and Health by a Member, or by any other party on behalf of a Member, in connection with the Plan, Anthem Blue Cross Life and Health shall provide notice to the Plan Sponsor as soon as practicable. Anthem Blue Cross Life and Health will select and retain counsel. Plan Sponsor will assume liability for payment of attorneys' fees and costs in connection with the litigation, proceeding, or investigation. If the Plan Sponsor or Plan are also named in the legal action or proceeding, Plan Sponsor reserves the right to retain separate counsel for itself, in its sole discretion and at its own expense, and separate counsel for the Plan. If during such litigation, investigation or proceedings Plan Sponsor and Anthem Blue Cross Life and Health are both represented by the same counsel selected by Anthem Blue Cross Life and Health and a conflict of interest arises, the selected counsel shall continue to represent Anthem Blue Cross Life and Health's interests. Plan Sponsor shall waive any conflict for such representation and retain its own counsel, or separate counsel for the Plan, at its own expense. Each Party will provide the other with reasonable cooperation in the defense of any such matter. Anthem Blue Cross Life and Health is authorized to settle or compromise any claim to recover benefits under the Plan arising out of a course of legal action with the approval of Plan Sponsor, which approval shall not be unreasonably withheld.

Claims Against Anthem Blue Cross Life and Health and Plan Sponsor/Plan. If Plan Sponsor or Plan are also named in the legal action or proceeding, Plan Sponsor reserves the right to retain separate counsel for itself, in its sole discretion and at its own expense, and separate counsel for the Plan. If during such litigation, investigation or proceedings Plan Sponsor and Anthem Blue Cross Life and Health are both represented by the same counsel selected by Anthem Blue Cross Life and Health and a conflict of interest arises, the selected counsel shall continue to represent Anthem Blue Cross Life and Health's interests. Plan Sponsor shall waive any conflict for such representation and retain its own counsel, or separate counsel for the Plan, at its own expense. Each Party will provide the other with reasonable cooperation in the defense of any such matter.

Settlement of Claims. Anthem Blue Cross Life and Health is authorized to settle or compromise any claim to recover benefits under the Plan arising out of a course of legal action with the approval of Trust, which approval shall not be unreasonably withheld. Notwithstanding the above, settlements of reimbursement disputes brought by Providers do not require the approval of Trust.

5. The following provision replaces Article 18 - Changes in Benefits Booklet and Agreement (e) in its entirety:
  - e) No modification or change in any provision of this Agreement shall be effective unless and until approved in writing by an authorized representative of Anthem Blue Cross Life and Health and evidenced by an amendment or new Schedule attached to this Agreement. If Anthem Blue Cross Life and Health proposes such a modification or change, Anthem Blue Cross Life and Health shall provide written notice to Plan Sponsor at least thirty (30) days prior to the effective date of such change. The modification or change will be deemed accepted by Plan Sponsor unless Anthem Blue Cross Life and Health receives written notice from Plan Sponsor prior to the effective date that such change is unacceptable. If Plan Sponsor does not accept the proposed change, the Parties will meet and confer to reach agreement prior to implementation of such change.
6. Article 27 - Miscellaneous provision (d.) is intentionally omitted in its entirety.
7. Schedule A is replaced by the attached Schedule A.
8. Schedule B is replaced by the attached Schedule B.

- 9. Schedule D is replaced by the attached Schedule D.
- 10. Value Based Programs amendment is added as attached.

Anthem Blue Cross Life and Health Insurance Company



By: Mark Morgan  
Title: President, Anthem Blue Cross (CA Commercial Business)  
Date: January 1, 2015

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

This Schedule A shall govern the Agreement Period from January 1, 2015 through December 31, 2015. 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, 2015 to the end of the day of December 31, 2015.

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

Incurred from December 14, 2009 through December 31, 2015 and  
Paid from January 1, 2015 through December 31, 2015.

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. Administrative Services Fees**

**A. Base Administrative Services Fee**

PPO Composite	\$ 28.39 per Subscriber per month
CDHP Composite	\$ 28.39 per Subscriber per month

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

- Plan Sponsor 's Member to Subscriber ratio is not within +/-5% of 1.40
- 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. Health and Wellness Program Fees**

Not applicable

**C. Other Fees or Credits**

Fee for Subrogation Services. The charge to Plan Sponsor is 25% of gross subrogation recovery, or, if

outside counsel is retained, 15% of the net recovery after a deduction for outside counsel fees.

Fee for Provider Audit Performed by External Vendors. The charge to Plan Sponsor is 0% of the amount recovered from Vendor audits of Provider activity, including but not limited to credit balance, hospital bill audits, DRG readmissions and high-cost drug audits.

Fee for Overpayment Identification Provided by External Vendors. The charge to Plan Sponsor is 0% of the amount recovered from review of Claims and membership data to identify overpayments, including but not limited to COB, duplicates, contract compliance and eligibility.

Fee for Collection Services Provided by External Vendors. The charge to Plan Sponsor is 0% of the amount recovered by a Vendor in collecting receivables.

Fee for Independent Claims Review: \$550.00 per independent review

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

**A. Paid Claims**

Paid Claims are described in Article 1-Paid Claims Definition of the Agreement.

**B. Billing Cycle**

Refer to the Banking Arrangement Schedule of this Agreement.

Anthem Blue Cross Life and Health shall notify Plan Sponsor of the amount due to Anthem Blue Cross Life and Health as a result of Claims processed and paid by Anthem Blue Cross Life and Health according to the billing cycle described above. The actual date of notification of Paid Claims and the Invoice Due Date will be determined according to Anthem Blue Cross Life and Health's regular business practices and systems capabilities.

**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

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**

Medical:

Claims Runout Administrative Services Fee will be equal to 0% 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. (Non-Network Provider Claims fees include, but are not limited to administrative expense allowance fees, Central Financial Agency fee and ITS transaction fee). The extent to which these fees and compensation are (i) included in the Base Administrative Services Fee; or (ii) included in Paid Claims or separately billed to Plan Sponsor is as follows:

Included in Base Administrative Services Fee:

- BlueCard Program toll-free number fee
- BlueCard Program PPO health care provider directory fee. If Plan Sponsor requests paper copies of PPO directories from a non-Anthem Blue Cross Life and Health state, a fee may be charged by the Host Blue for those directories and charged to the Plan Sponsor. All other fees related to PPO directories are included in the Administrative Services 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")
- 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.
- Central Financial Agency fee
- ITS transaction fee

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's 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 Blue Cross Life and Health 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, 2015



**SCHEDULE B  
TO  
ADMINISTRATIVE SERVICES AGREEMENT  
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This Schedule B shall govern the Agreement Period from January 1, 2015 through December 31, 2015. For 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 Schedules and this Schedule B, the terms of this Schedule B shall control.

The following is a list of services that Anthem Blue Cross Life and Health will provide under this Agreement for the Base Administrative Services Fee listed in Section 3(A) of Schedule A. These services will be furnished to in a manner consistent with Anthem Blue Cross Life and Health's standard policies and procedures for self-funded plans. Anthem Blue Cross Life and Health may also offer services to that have an additional fee. If has purchased such services, those services and any additional fees are also listed in Schedule A.

**SERVICES INCLUDED IN THE BASE ADMINISTRATIVE SERVICES FEE IN SECTION 3A OF SCHEDULE A**

**Management Services**

- Anthem Blue Cross Life and Health Benefits and administration, unless otherwise noted below:
  - Anthem Blue Cross Life and Health definitions
  - Plan Sponsor-specific benefits and exclusions
  - Anthem Blue Cross Life and Health complaint and appeals process
  - Claims incurred and paid as provided in Schedule A
  - Accumulation toward plan maximums beginning at zero on effective date
  - Anthem Blue Cross Life and Health Claim forms
  - Personalized ID card overprinted with name and logo
  - Explanation of Benefits (Non-customized)
  - Deductible Accumulation - Calendar Year accumulation
  - Out of Pocket Accumulation - Calendar Year accumulation
- 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
- 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 performed internally by Anthem Blue Cross Life and Health

- 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**

- Home delivery pharmacy
- Specialty Pharmacy Services
- Prescription eServices
  - Pharmacy locator
  - Online formulary
- Point of sale claims processing
- Home delivery claims processing
- Home delivery call center with toll free number
- Home delivery 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**

- Health Care Management
  - Referrals
  - Utilization management
  - Case management
  - Anthem Blue Cross Life and Health 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
- Health and Wellness Services (PPO/CDHP Plans)
  - 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 Blue Cross Life and Health standard Claims bundling edits
- Anthem.com Provider directory
- Network Management

Anthem Blue Cross Life and Health Insurance Company



By: Mark Morgan  
 Title: President, Anthem Blue Cross (CA Commercial Business)  
 Date: January 1, 2015

**BANKING ARRANGEMENT SCHEDULE C  
TO  
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WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

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  
Election of positive pay file transmission after Plan Sponsor effective date

\$150 per month  
\$750

Anthem Blue Cross Life and Health Insurance Company



By: Mark Morgan  
Title: President, Anthem Blue Cross (CA Commercial Business)  
Date: January 1, 2015

**VALUE BASED PROGRAMS AMENDMENT  
TO  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This Value-Based Programs Amendment supplements and amends the Administrative Services Agreement (Agreement) and is effective as of January 1, 2015 (Effective Date). In the event of an inconsistency between the applicable provisions of this Amendment, any other Amendment and/or the Agreement, the terms of this Amendment shall govern, but only as they relate to the Value-Based Programs. Except as set forth herein, all other terms and conditions of the Agreement remain in full force and effect.

**A. Definitions.** For the purposes of this Amendment the following definitions apply:

1. **Accountable Care Organization (ACO):** A group of healthcare Providers who agree to deliver coordinated care and meet performance benchmarks for quality and affordability in order to manage the total cost of care for their member populations.
2. **Care Coordination:** Organized, information-driven patient care activities intended to facilitate the appropriate responses to a Member's healthcare needs across the continuum of care.
3. **Care Coordinator:** An individual within a Provider organization who facilitates Care Coordination for patients.
4. **Care Coordinator Fee:** A fixed amount paid by a Blue Cross and/or Blue Shield Licensee to Providers periodically for Care Coordination under a Value-Based Program.
5. **Global Payment/Total Cost of Care:** A payment methodology that is defined at the patient level and accounts for either all patient care or for a specific group of services delivered to the patient such as outpatient, physician, ancillary, hospital services, and prescription drugs.
6. **Negotiated National Account Arrangement:** An agreement negotiated between a Home Licensee and one or more Host Licensees for any National Account that is not delivered through the BlueCard Program.
7. **Patient-Centered Medical Home (PCMH):** A model of care in which each patient has an ongoing relationship with a primary care physician who coordinates a team to take collective responsibility for patient care and, when appropriate, arranges for care with other qualified physicians.
8. **Provider Incentive:** An additional amount of compensation paid to a healthcare Provider by a Blue Cross and/or Blue Shield Licensee, based on the Provider's compliance with agreed-upon procedural and/or outcome measures for a particular population of covered persons.
9. **Shared Savings:** A payment mechanism in which the Provider and payer share cost savings achieved against a target cost budget based upon agreed upon terms and may include downside risk.
10. **Value-Based Program (VBP):** An outcomes-based payment arrangement and/or a coordinated care model facilitated with one or more local Providers that is evaluated against cost and quality metrics/factors and is reflected in Provider payment.

**B. BlueCard® Program**

Value-Based Programs Overview

In some cases, Members may access Covered Services from certain Host Blue participating Network Providers that have entered into specific, Value-Based Programs with a Host Blue. These Value-Based Programs consist of Accountable Care Organizations, Global Payment/Total Cost of Care arrangements, Patient Centered Medical Homes and Shared Savings arrangements.

### Value-Based Programs Administration

Under Value-Based Programs, a Host Blue may pay Providers for reaching agreed-upon cost/quality goals in the following ways: retrospective settlements, Provider Incentives, a share of target savings, Care Coordinator Fees and/or other allowed amounts. The Host Blue may pass these Provider payments to Anthem Blue Cross Life and Health, which Anthem Blue Cross Life and Health will pass on to Plan Sponsor in the form of either an amount included in the price of the Claim or an amount charged separately in addition to the Claim.

When such amounts are included in the price of the Claim, the Claim may be billed using one of the following pricing methods:

- Actual Pricing
  - Claim Based (Actual Pricing): The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is part of the Claim. These charges are passed via an enhanced fee schedule.
- Estimated/Average Pricing
  - Claim Based (Estimated Pricing): The charge to accounts for Value-Based Programs incentives/Shared-Savings settlements is included in the Claim as an amount based on a supplemental factor.
  - In such cases, Anthem Blue Cross Life and Health will pass any supplemental amounts on to Plan Sponsor as follows: it will be included as part of the Claims charge on the invoice.

When such amounts are billed in addition to the Claim, they may be billed as follows:

- Per Member Per Month (PMPM) Billings: Per Member Per Month billings for incentives/Shared-Savings settlements to accounts are outside of the Claim system. Anthem Blue Cross Life and Health will pass these Host Blue charges through to Plan Sponsor as a separately identified amount on the invoice.

The amounts used to calculate either the supplemental factors or PMPM billings are estimates. This means that Host Blues cannot determine final amounts for these arrangements at the time when Members incur Claims for Covered Services. Consequently, Host Blues may hold some portion of the amounts Plan Sponsor pays under such arrangements until the end of the applicable Value-Based Program payment and/or reconciliation measurement period.

At the end of the Value-Based Program payment and/or reconciliation measurement period for these arrangements, Host Blues will take one of the following actions:

- Use any surplus in funds to fund Value-Based Program payments or reconciliation amount in the next measurement period.
- Address any deficit in funds through an adjustment to the per-member-per-month billing amount or the reconciliation billing amount for the next measurement period.

The measurement period for determining these surpluses or deficits may differ from the term of this Agreement. Such surpluses or deficits would be eventually exhausted through prospective adjustment to the settlement billings in the case of Value-Based Programs.

Note: Members will not bear any portion of the cost of Value-Based Programs except when Host Blues use either average pricing or actual pricing to pay Providers under Value-Based Programs.

### Care Coordinator Fees

For certain Value-Based Programs, Host Blues may also bill Anthem Blue Cross Life and Health for Care Coordinator Fees which we will pass on to Plan Sponsor. Based on the methods that Host Blues use to pass these fees on to Anthem Blue Cross Life and Health, Anthem Blue Cross Life and Health will invoice Plan Sponsor through:

- (1) PMPM billings
- Or
- (2) Individual Claim billings through applicable care coordination codes from the most current editions

of either *Current Procedural Terminology* (CPT) published by the American Medical Association (AMA) or *Healthcare Common Procedure Coding System* (HCPCS) published by the US Centers for Medicare and Medicaid Services (CMS).

Anthem Blue Cross Life and Health and Plan Sponsor will not impose Member cost sharing for Care Coordinator Fees.

**C. Negotiated National Account Arrangements**

If Anthem Blue Cross Life and Health has entered into a Negotiated National Account Arrangement with a Host Blue to provide Value-Based Programs to Members, Anthem Blue Cross Life and Health will follow the same procedures for Value-Based Programs administration and Care Coordination Fees as noted in the BlueCard Program section.

IN WITNESS WHEREOF, Anthem Blue Cross Life and Health has caused this Amendment to be executed by affixing the signature of a duly authorized officer.

Anthem Blue Cross Life and Health Insurance Company



By: Mark Morgan  
Title: President, Anthem Blue Cross (CA Commercial Business)  
Date: January 1, 2015