

**AMENDMENT 1 TO THE
ADMINISTRATIVE SERVICES AGREEMENT
WITH
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This is an Amendment to the Administrative Services Agreement as of January 1, 2011. 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.

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:



Title: Chief Executive Officer

Date: August 22, 2011

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

This Schedule A shall govern the Agreement Period from January 1, 2011 through December 31, 2011. 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, 2011 to the end of the day of December 31, 2011.

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, 2011 and
Paid from January 1, 2011 through December 31, 2011.

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

Administrative Services Fee:

PPO Plan
Composite \$23.42 per Subscriber per month

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 Program Fees

PPO Plans

Condition Care (Asthma, Pulmonary Disease, Congestive Heart Failure,
Coronary Artery Disease, & Diabetes), Future Mom's,
ComplexCare, 24/7 Nurseline: \$2.22 per Subscriber per month

C. Other Fees or Credits

Conversion right to an individual insured policy upon termination of coverage. Anthem Blue Cross Life and Health shall have no obligation to provide conversion rights in instances in which this Agreement is terminated for failure to pay any amounts due under this Agreement. The fee shall be:

\$1,500 per Member Conversion

Section 4. Paid Claims, Billing Cycle and Payment Method

A. Claims also include the following amounts or charges:

Not Applicable

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 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 24 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 BlueCard Program.

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

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.

Anthem Blue Cross Life and Health Insurance Company
By:



Title: Chief Executive Officer
Date: August 22, 2011

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

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 Blue Cross Life and Health standard Benefits and administration:
 - Anthem Blue Cross Life and Health definitions, 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
 - Standard ID card or standard ID card overprinted with black and white name and logo
 - Standard Explanation of Benefits
- Acceptance of electronic submission of updated eligibility information
- Preparation of Benefits Booklet (accessible via internet)
- Account reporting - standard data reports
- Plan Design consultation
- Plan Sponsor 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
- Plan Sponsor customer service, standard business hours
- Member customer service, standard business hours
- 1099s prepared and delivered to Providers
- NYHCRA (New York Health Care Reform Act) and other legislative reporting requirements

- Member eServices

Prescription Benefit Services

- 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
 - Precertification, concurrent and retrospective review
 - Referrals
 - Utilization management
 - Case management
 - Anthem Blue Cross Life and Health Medical Policy
 - Neonatal Intensive Care Unit management (onsite provided where available)
- 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

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
- BlueCard Program / Out-of-Area discounts

Billing and Banking Services

- Summary and detailed billing and Claims (electronic)
- Financing Arrangements
 - See Schedules A and C of this Agreement

Optional Services

SERVICES INCLUDED IN THE OPTIONAL PROGRAM FEES IN SECTION 3B OF SCHEDULE A

- Condition Care Options
 - Asthma
 - Pulmonary Disease
 - Congestive Heart Failure
 - Coronary Artery Disease
 - Diabetes
- ComplexCare
- Future Moms
- 24/7 NurseLine
 - Utilization-based without Anthem Blue Cross Life and Health supplied promotion

SERVICES INCLUDED IN THE OPTIONAL PROGRAM FEES IN SECTION 3C OF SCHEDULE A

- Conversion

Anthem Blue Cross Life and Health Insurance Company
By:



Title: Chief Executive Officer
Date: August 22, 2011