Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 12/29/2020	**PREPARED BY:** Carlee Nave
Meeting Date Requested: 1/5/2021	**PRESENTED BY:** Carlee Nave

ITEM: (Select One) **x** Consent Agenda ☐ Brought Before the Board
Time needed:

SUBJECT: Approval of Premera Blue Cross Contract for 2021 Employee Medical Benefits

FISCAL IMPACT: 2021 Budgeted Item ($945.00/month for eligible employees)

BACKGROUND:
On October 27, 2020, the Board approved the Group Verification Report for Premera Blue Cross to provide 2021 employee medical benefits. The information submitted in the Group Verification Report became the basis for the formal Group Health Benefit Plan Contract between Premera Blue Cross and Franklin County. This contract formalizes the terms of the County's relationship with Premera Blue Cross for 2021 employee medical benefits.

The contract is substantively the same terms as we have had in place for the past several years with Premera and serves to formalize the decision previously made by the Board for employee dental benefits currently being provided by Premera for the new plan year which began on January 1, 2021.

RECOMMENDATION:
Parties below recommend approval of the Contract.

COORDINATION: Conover Insurance worked with HR and Premera to prepare the contract and legal review was completed by J Johnson, Chief Civil Deputy Prosecuting Attorney/Risk Manager.

ATTACHMENTS: **(Documents you are submitting to the Board)**

1. **Resolution**
2. **Group Health Benefit Plan Contract**

HANDLING / ROUTING: **(Once document is fully executed it will be imported into Document Manager. Please list name(s) of parties that will need a pdf)**

Thomas Westerman

I certify the above information is accurate and complete.

Carlee Nave_____Carlee Nave, HR Director

FRANKLIN COUNTY RESOLUTION _____

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON

AUTHORIZING THE BOARD CHAIR TO EXECUTE PREMERA BLUE CROSS CONTRACT FOR 2021 EMPLOYEE MEDICAL BENEFITS

WHEREAS, pursuant to RCW 36.01.010 and RCW 36.32.120 the legislative authority of each county is authorized to enter into contracts on behalf of the county and have the care of county property and management of county funds and business; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and desires to enter into the attached contract in the best interest of Franklin County.

NOW, THEREFORE IT IS HEREBY RESOLVED the Group Health Benefit Plan Contract between Premera Blue Cross and Franklin County is hereby approved by the Board.

AND, BE IT FURTHER RESOLVED the Board of Franklin County Commissioners authorizes the Chair of the Board to sign the Group Health Benefit Plan Contract.

DATED this _____ day of _____, 2021.

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON

_____
Chair

_____
Chair Pro Tem

ATTEST:

_____
Member

_____
Clerk of the Board

PREMERA BLUE CROSS

GROUP HEALTH BENEFIT PLAN CONTRACT

for

Franklin County

1016 N 4TH AVE

PASCO, WA 99301

(herein referred to as the Group)

Premera Blue Cross, an independent licensee of the Blue Cross Blue Shield Association, agrees to provide the benefits described in this Contract for eligible employees of the Group and their eligible dependents who are enrolled for coverage under this Contract, provided that the Group is a large employer, as defined on the next page of the Contract, remains actively engaged in business and requirements are met that would otherwise provide grounds for termination as stated in "Contract Termination" in the benefit booklet or booklets. All benefits of this Contract are subject to the terms and conditions stated herein and any endorsements or riders included or issued thereafter.

The Group Health Benefit Plan delegates its authority to Premera Blue Cross to administer the routine operation of the plan. As part of this function, Premera Blue Cross must use its expertise and judgment to reasonably construe the terms of this coverage and apply the terms of the contract for making decisions in specific eligibility, benefits and claims situations.

This Contract is valid on the effective date indicated below only when signed by an officer of Premera Blue Cross. Payment of the subscription charges indicates that the Group accepts this Contract.

Any existing group contract or agreement between the Group and Premera Blue Cross that is being replaced by this Contract is terminated when this one becomes effective.

GROUP NUMBER	4012688
CONTRACT EFFECTIVE DATE	January 1, 2021
CONTRACT ANNIVERSARY DATE	January 1, 2022
SUBSCRIPTION CHARGE DUE DATE	first of each month
STATE IN WHICH GROUP IS LOCATED	Washington

Signed:	**Jeffrey Roe**
	President and Chief Executive Officer
Title:	Premera Blue Cross
Date:	Date: January 1, 2021

Approved as to form:
PROSECUTING ATTORNEY'S OFFICE

CONTRACT FORM NUMBER: 40126880121MEA

STANDARD PROVISIONS

LARGE EMPLOYER

A large employer is an employer that employed an average of at least 51 common law employees on business days during the preceding calendar year and that employs at least 51 employees on the first day of the current Contract Term.

In the case of an employer that was not in existence throughout the preceding calendar year, the determination of whether the employer is a large employer will be based on the average number of employees that it is reasonably expected the employer will employ on business days in the current calendar year.

By entering into this Contract, the Group certifies that it meets the requirements under State and Federal law in order to purchase the health plan coverage as a large employer. If the Group no longer believes its plan to be a large employer, or if it is found not to be a large employer by a State or Federal agency, the Group must notify Premera Blue Cross as soon as practicable. The Group will indemnify, defend, and hold Premera Blue Cross harmless for any claims, damages, judgments and expenses (including attorney's fees) directly or indirectly based on or arising out of the Group's determination of its large employer status.

CONTRACT

The entire Contract between the Group and Premera Blue Cross consists of all of the following:

- The face page (page 1) and “Standard Provisions”
- The attached benefit booklet(s)
- The Group’s signed application which is kept on file with Premera Blue Cross (a copy is available upon request)
- The Funding Arrangement Agreement (Exhibit A) between the Group and Premera Blue Cross
- All attachments, endorsements and riders included or issued hereafter

No agent or representative of Premera Blue Cross or any other entity is authorized to make any changes, additions or deletions to this Contract or to waive any provision of this Contract. Changes, alterations, additions or exclusions can only be done over the signature of an officer of Premera Blue Cross.

If there is a language conflict between the standard provisions, benefit booklet or other documents, the benefit booklet (as amended by any attachments, endorsements or riders) will govern.

NOTICE

Any notice Premera Blue Cross is required to submit to the Group or subscriber will be considered to be delivered if it’s mailed to the Group or subscriber at the most recent address appearing on Premera Blue Cross's records. Premera Blue Cross will use the date of the postmark in determining the date of the notification. If the Group is required to submit notice to Premera Blue Cross, it will be considered delivered 3 days after the postmark date, or if not postmarked, the date Premera Blue Cross receives it.

CONTRACT TERM AND RENEWAL

The initial Contract Term begins on the Contract’s effective date and continues to the contract anniversary date, unless terminated in accordance with the terms of the Contract. If not so terminated, the Contract is kept in force during the initial Term by the Group’s payment of required subscription charges when due.

After the initial Contract Term, this Contract will continue in force on a month-to-month basis by the Group’s payment of required subscription charges when due, unless it's changed or terminated in accordance with the Contract change and termination provisions stated elsewhere in this Contract.

FUNDING ARRANGEMENT AGREEMENT (EXHIBIT A)

The subscription charges and related provisions are set forth in the Funding Arrangement Agreement (Exhibit A) between the Group and Premera Blue Cross, which is attached to and made part of this Contract.

DOMESTIC PARTNERSHIP

If all requirements below are met, a “lawful spouse” will also mean the domestic partner of the subscriber. All rights and benefits afforded to a “spouse” under the plan will also be afforded to the eligible domestic partner.

In determining benefits for domestic partners and their children under this program, the term “establishment of the domestic partnership” shall be used in place of “marriage”; the term “termination of the domestic partnership” shall

be used in place of “legal separation” and “divorce.”

Domestic partners and their children are eligible if the subscriber and domestic partner have their partnership documented in a state domestic partner registry.

CONTRACT MODIFICATIONS

In addition to the modification provisions stated in the Funding Arrangement Agreement (Exhibit A), Premera Blue Cross may modify the subscription charges, benefits, or any other provisions of this Contract by giving 30 days’ advance written notice to the Group prior to the end of the Contract term.

The Group may reject the modification by written notice delivered to Premera Blue Cross at least 15 days before the modification is to take effect. Rejection of a modification will terminate the Contract on the last date for which subscription charges were paid. If notice is not given to Premera Blue Cross by the Group by the required time, the Contract will be renewed as modified, provided all required subscription charges are paid when due.

Any contract modifications requested by the Group and approved by Premera Blue Cross will take effect on the Group’s next Contract effective date. However, if the request date is that Contract effective date, the approved modification will take effect on that date. For delivery timeliness, please see “Notice” earlier in this document.

OUT-OF-AREA CARE

As a member of the Blue Cross Blue Shield Association (“BCBSA”), Premera Blue Cross has arrangements with other Blue Cross and Blue Shield Licensees (“Host Blues”) for members' care outside Premera Blue Cross service area. These arrangements are called “Inter-Plan Arrangements.” Inter-Plan Arrangements follow the rules and process set by BCBSA. A member's receiving care through these Inter-Plan Arrangements does not change covered benefits, benefit levels, or any stated eligibility requirements of this plan.

The BlueCard® Program is the Inter-Plan Arrangement that applies to most claims from Host Blues' network providers. The Host Blue is responsible for such services as contracting and handling all interactions with its network providers. Premera Blue Cross remains responsible for Premera Blue Cross other duties under the Contract. Other Inter-Plan Arrangements apply to providers that are not in the Host Blues' networks (non-contracted providers). This Out-Of-Area Care section explains how the plan pays both types of providers.

Premera Blue Cross processes claims for the Prescription Drug benefit directly, not through an Inter-Plan Arrangement.

BlueCard Program

Except for copays, Premera Blue Cross will base the amount members must pay for claims from Host Blues' network providers on the lower of the provider's billed charge for the covered services or the allowable charge that the Host Blue made available to Premera Blue Cross.

Host Blues determine allowable charges for covered services, which are reflected in the terms of their network provider contracts. The allowable charge can be one of the following:

- An actual price. An actual price is a negotiated amount passed to Premera Blue Cross without any other increases or decreases.
- An estimated price. An estimated price is a negotiated price that is reduced or increased to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements, and performance-related bonuses or incentives.
- An average price. An average price is a percentage of billed charges for the covered services representing the aggregate payments that the Host Blue negotiated with all of its network providers or with its network providers in the same or similar class. It may also include the same types of claim- and non-claim-related transactions as an estimated price.

Host Blues using either an estimated price or an average price may increase or reduce such prices prospectively to reflect additional amounts or credits for claims already paid or expected to be paid to providers or refunds received or expected to be received from providers. However, the BlueCard Program requires that the Host Blue's allowable charge for a claim is final for that claim; no future price adjustment will change the pricing of past claims. Premera Blue Cross takes into account the various pricing methods used by Host Blues in determining subscription charges for Premera Blue Cross’s plans.

Clark County Providers Services in Clark County, Washington are processed through BlueCard. However, some providers in Clark County do have contracts with Premera Blue Cross. These providers will submit claims

directly to Premera Blue Cross, and benefits will be based on our allowable charge for the covered service or supply.

Value-Based Programs Members might get covered services from providers that participate in a Host Blue's value-based program (VBP). Value-based programs focus on meeting standards for treatment outcomes, cost and quality, and for coordinating care when the member is seeing more than one provider. The Host Blue may pay VBP providers for meeting the above standards. Premera Blue Cross may include a factor in the subscription charges for this plan to cover charges by Host Blues for their VBP payments.

Taxes, Surcharges, and Fees

In some cases, a law or regulation may require that a surcharge, tax or other fee be applied to claims under this plan. When this occurs, Premera Blue Cross will include that surcharge, tax or fee as a claims cost in Premera Blue Cross's subscription charge calculations.

Non-Contracted Providers

When covered services are provided outside Premera Blue Cross's service area by providers that do not have a contract with the Host Blue, the allowable charge will generally be based on either Premera Blue Cross's allowable charge for these providers or the pricing requirements under applicable law. Members are responsible for the difference between the amount that the non-contracted provider bills and this plan's payment for the covered services. Please see the "Allowed Amount" subsection in "Important Plan Information" in the benefit booklet for details on allowable charges.

Blue Cross Blue Shield Global Core

If members are outside the United States, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands (the "BlueCard service area"), they may be able to take advantage of Blue Cross Blue Shield Global Core. Blue Cross Blue Shield Global Core is unlike the BlueCard Program in the BlueCard service area in certain ways. For instance, although Blue Cross Blue Shield Global Core helps members access a provider network, members will typically have to pay the provider and submit the claims themselves to get reimbursement for covered services. However, if members need hospital inpatient care, the Service Center can often direct them to hospitals that will not require members to pay in full at the time of service. In such cases, these hospitals will also submit the member's claims to Blue Cross Blue Shield Global Core.

RECORDS MAINTENANCE

The Group shall maintain such books and records supporting the activities required by this Contract and shall submit such information to Premera Blue Cross as may be required by Premera Blue Cross and as may be necessary for compliance with the applicable provisions of state and federal laws and regulations. Such books and records shall be maintained in accordance with the general standards applicable to such book or record keeping and shall be maintained for a term of at least 11 years, and such obligations shall not terminate upon termination of this Contract. Premera Blue Cross has the right to request, inspect, or audit the Group's records at any reasonable time during regular business hours.

CONFIDENTIALITY OF MEMBER INFORMATION

The parties acknowledge that Premera Blue Cross is subject or will be subject to various federal and state privacy laws that may prohibit, limit, or otherwise restrict its ability to disclose to the Group any protected personal information, including, but not limited to, individually identifiable health information.

MEMBERSHIP ADMINISTRATION

The Group shall provide Premera Blue Cross with an initial list of subscribers and their dependents and notify Premera Blue Cross of changes no less often than monthly. All eligibility updates must be provided in a file format that Premera Blue Cross and the Group agree upon in advance; examples are copies of enrollment forms, standard transaction 834 or sales spreadsheets. Any changes to the agreed file format must also be agreed upon in advance by Premera Blue Cross and the Group. Eligibility information not provided to Premera Blue Cross at least 7 business days before the Group's scheduled monthly billing date may not be reflected on that bill.

The membership change detail provided must clearly and fully identify the applicable group, subgroup, subscriber and member, describe the change, and show the date the change is to take effect.

PAYMENT ADMINISTRATION

During the Contract Term, Premera Blue Cross will bill the Group each month based upon the eligibility information provided as stated in "Membership Administration" above. The Group shall be liable for, and shall pay,

to Premera Blue Cross on or before the first day of each month, an amount equal to the total of the monthly rate on behalf of the members named on the updated eligibility list.

All payments must include all the payment detail data listed in the Quick Reference Guide for Plan Administrators, which standards are hereby incorporated into this Contract by reference. The payment detail data must clearly and fully identify the applicable group, subgroup, subscriber, member, and the period that the payment is for. Payment information not already reflected on Premera Blue Cross's bill must include all the standard detail data in a file format that Premera Blue Cross and the Group agree upon in advance. Any changes to the file format must also be agreed upon by Premera Blue Cross and the Group in advance.

DELEGATION

The Group has the right to delegate some or all of its administrative duties under this Contract to a third-party administrator. Notwithstanding such delegation, the Group shall remain responsible to give Premera Blue Cross the required information. The Group must give Premera Blue Cross contact information for the Group's third-party administrator and inform Premera Blue Cross of the scope of that administrator's duties relative to this Contract. The Group agrees to be responsible for the cooperation of its third-party administrator with the membership and payment administration requirements of this Contract and any other requirements of this Contract that the third-party administrator will be performing on behalf of the Group.

RETROACTIVE CHANGES TO ENROLLMENT

Requests by the Group for retroactive changes to enrollment or termination shall be limited as follows:

Enrollment: Retroactive enrollment of otherwise eligible members shall be limited to the most recent of 3 dates:

- The date the member's coverage would have been validly in force; or
- The first day of the second full calendar month preceding the date Premera Blue Cross receives the request for retroactive enrollment; or
- If the plan is a high deductible health plan, the first day of the current calendar year.

Termination: Retroactive termination of coverage for eligible members, when allowed by law, shall be limited to the most recent of 2 dates:

- The date the member's coverage would have been terminated.
- The first day of the second full calendar month preceding the date Premera Blue Cross receives the request for retroactive termination.

Retroactive enrollments and terminations will be subject to appropriate subscription charge adjustments.

The Group is solely responsible for ensuring enrollment information provided to Premera Blue Cross by the Group or its delegates is accurate and in compliance with all federal and state requirements, including those under the Affordable Care Act. The Group will indemnify, defend and hold Premera Blue Cross harmless for any claims, damages, judgments and expenses (including attorney's fees) based on or arising out of, directly or indirectly, any inaccurate or non-compliant eligibility information provided to Premera Blue Cross by the Group or its delegates.

If the Group is subject to COBRA, Premera Blue Cross has the right to make exceptions for COBRA enrollments and disenrollments as stated under the COBRA provisions of this Contract.

COMPLIANCE WITH LAW

The Group shall comply fully with all applicable state, federal and local laws and regulations, including notice and disclosure requirements, in carrying out its responsibilities under the Contract. These include, but are not limited to, compliance with the Affordable Care Act (including any applicable requirements for distribution of any medical loss ratio rebates and actuarial value requirements), Internal Revenue Code, the Employee Retirement Income Security Act of 1974 (ERISA), the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Family and Medical Leave Act of 1993 (FMLA), the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA), and law and regulations governing the treatment and benefits of members covered by Medicare.

- The Group agrees to provide notification required by HIPAA to all eligible employees before their enrollment.
- The Group agrees to provide Premera Blue Cross the following information required by the MMSEA:
  - Employer Tax Identification Number (TIN/EIN);
  - Social Security Numbers (SSNs) of all covered individuals (employees and dependents); and
  - Medicare Health Insurance Claim Numbers (HICNs) for all Medicare entitled individuals.

- The Group also agrees to notify Premera Blue Cross promptly if the Group experiences an increase in "total employee count," defined below, that would change the order of liability from Medicare primary to Medicare secondary according to the following guidelines.
  - Working Aged Medicare Beneficiaries*. For members that are also covered by Medicare based solely on their age, Medicare is the primary payer to the group health plan if the Group did not employ 20 or more "total employees" for each working day in each of 20 or more calendar weeks in either the current **or** preceding calendar year. For all other groups, Medicare pays secondary to the group health plan.
  - Disabled Medicare Beneficiaries*. For members that are also covered by Medicare based solely on disability other than End Stage Renal Disease, Medicare is the primary payer to the group health plan if the Group did not employ more than 100 employees on 50% or more of its working days in the preceding calendar year. For all other groups, Medicare pays secondary to the group health plan.

  *When determining the "total employee count," include all full-time and part-time employees, as well as those employees on disability and subject to FICA taxes. Also, count leased employees if they would be counted as employees under §414(n)(2) of the Internal Revenue Code (IRC), and count employees employed by an "affiliated service group" under IRC §414(m) or by employers considered to be a "single employer" under IRC §52(a) or (b).
- The Group agrees to comply with the Medicare Prescription Improvement and Modernization Act of 2004 (MMA). MMA requires groups that provide prescription drug coverage to Medicare-eligible individuals to provide Medicare Part D Creditable Coverage Notices and to report creditable coverage status to the Center for Medicare and Medicaid Services (CMS).
- If the Group has a grandfathered plan, the Group must maintain records that will document the terms and limitations of its grandfathered plan that existed on March 23, 2010. The Group must also maintain any other documents needed to confirm, explain, or clarify the plans' grandfathered status. The Group must maintain this documentation for as long as the Group takes the position that the plan is grandfathered. The Group must make its documentation available to Premera Blue Cross, a member, or a state or Federal agency upon request. If the Group no longer believes its plan to be grandfathered, or if it is found not to be grandfathered by a State or Federal agency, the Group must notify Premera Blue Cross as soon as practicable. The group will indemnify, defend, and hold Premera Blue Cross harmless for any claims, damages, judgments and expenses (including attorney's fees) based on or arising out of, directly or indirectly, the Group's determination of its grandfathered status.

For delivery timeliness of notices to Premera Blue Cross, please see "Notice" earlier in this document.

MEMBER CONTACT INFORMATION

In order to place calls to the Group's members, Premera Blue Cross may receive member phone numbers provided by the Group or by a third party (such as a producer) on the Group's behalf. For Premera Blue Cross and its affiliates to contact the Group's members in accordance with telecommunication-related laws and regulations, the Group confirms the following with respect to member phone numbers that the Group has or will provide to Premera Blue Cross: (1) The member provided his/her phone number to the Group on his or her health plan application, or otherwise provided or updated his/her phone number with the Group with the expectation that it will be provided to Premera Blue Cross in connection with obtaining health coverage; (2) the Group only obtains phone numbers directly from the member and not through a lookup service or other third party; and (3) the Group retains enrollment information and will furnish that information to Premera Blue Cross upon request in a timely manner.

INACCURATE AND UNAPPROVED DESCRIPTIVE MATERIALS

The Group will indemnify, defend and hold Premera Blue Cross harmless for any claims, damages, judgments and expenses (including attorney's fees) based on or arising out of, directly or indirectly, descriptive materials written, created, designed or printed by the Group, or on the Group's behalf by any third party, when such descriptive materials are used without prior approval by Premera Blue Cross and/or inaccurately reflect any of the terms, conditions, and/or provisions of this contract.

The term "descriptive materials" includes, without limitation, any type of circular, leaflet, booklet, summary, handbook, letter or form that describes in whole or in part any of the terms, conditions and/or provisions of this Contract.

COBRA

As directed by the Federal Consolidated Omnibus Budget Reconciliation Act of 1985, (referred to in this Contract

as “COBRA”), most employers with 20 or more employees must offer members who meet COBRA’s “qualified beneficiary” criteria an election to continue their group coverage. The Group is responsible to determine if it’s required to comply with COBRA at the time of initial application and renewal of this Contract.

The Group must fulfill all the obligations and responsibilities regarding continued coverage that are assigned by COBRA to the employer, plan sponsor or administrator, and to the “group health plan.” Premera Blue Cross is not the COBRA plan administrator, and Premera Blue Cross’s actions pertaining to COBRA continued coverage won’t be construed as relieving the Group of responsibility under COBRA. Nothing contained herein is intended to serve as legal advice. The Group should consult legal advisors as to the scope and applicability of COBRA.

The COBRA provisions outlined in the employee benefit booklet are a summarization of the requirements of the COBRA law. If there’s a discrepancy between this summary and federal law, federal law will prevail.

When requested by the Group, Premera Blue Cross will provide continued coverage under this Contract, but only to the extent that members are entitled to continue group coverage under the COBRA law, and only to the extent required by the COBRA law. In addition, all the requirements listed below must be met in order for the plan to provide COBRA coverage:

- The Group is subject to COBRA on the date of the qualifying event. If the Group was not subject to COBRA on the effective date of this Contract, the Group must notify Premera Blue Cross as soon as possible if it will become subject to COBRA on the next January 1. If the Group's workforce shrinks during the calendar year, the Group must also notify Premera Blue Cross as soon as possible that it will no longer be subject to COBRA on the next January 1.
- The Group complies with all the requirements assigned by COBRA to the employer, plan sponsor, plan administrator or group health plan that pertain to that qualified beneficiary. This includes all of COBRA's notice requirements and the time limits set by COBRA for each. If the Group appoints a third party to perform COBRA notices or other administrative tasks, that party's failure to meet COBRA's standards will be deemed a failure of the Group.
- The qualified beneficiary elects and pays for COBRA within the time limits set by COBRA, and the application and required subscription charges are submitted to Premera Blue Cross with the Group’s next billing.
- The required subscription charges continue to be paid when due or within the 30-day COBRA grace period. The Group must submit qualified beneficiaries’ subscription charges with its regular monthly subscription charge payment.
- This Contract remains in force. The Group acknowledges that even after this Contract is terminated, COBRA may require the Group to offer continuation unless the Group ceased to offer group health care coverage to any employee.

The Group will terminate the coverage for any qualified beneficiary who doesn’t elect COBRA continuation.

LABOR DISPUTE

Washington State law requires that if a subscriber’s compensation is suspended or terminated, directly or indirectly, due to a strike, lockout, or other labor dispute, that subscriber must be allowed to pay the subscription charges due to keep the coverage under this plan in force for himself or herself and his or her enrolled dependents for up to six months.

The Group must send written notice of this right immediately to each affected subscriber at the most recent address the Group has for him or her. The Group is responsible for receiving the subscription charges for this interim coverage and remitting them to Premera Blue Cross with its payment for the same period of coverage for active subscribers.

The Group must notify Premera Blue Cross of the labor dispute as far in advance as possible. For delivery timeliness, please see “Notice” earlier in this document.

INDEPENDENT CORPORATION

The Group hereby expressly acknowledges, on behalf of itself and all of its eligible employees and their eligible dependents, its understanding that the Contract constitutes a contract solely between the Group and Premera Blue Cross. Premera Blue Cross is an independent corporation operating under a license with the Blue Cross Blue Shield Association, an association of independent Blue Cross Blue Shield Licensees (the “Association”). The Group expressly acknowledges that Premera Blue Cross is not contracting as the agent of the Association and that the Association has no obligation under the Contract. The Association permits Premera Blue Cross, as a Licensee, to use its Service Marks as follows:

- The Blue Cross Service Mark in the States of Washington and Alaska
- The Blue Shield Service Mark in the State of Alaska
- The Blue Shield Service Mark in certain counties of eastern Washington

The Group further acknowledges and agrees that it has not entered into the Contract based upon representations by any person other than Premera Blue Cross, and that no person, entity or organization other than Premera Blue Cross shall be held accountable or liable to the Group for any of Premera Blue Cross obligations to the Group created under the Group Contract. This provision shall not create any additional obligations whatsoever on Premera Blue Cross's part other than those obligations created under other provisions of the Contract.

RIGHTS OF ASSIGNMENT

- Notwithstanding any other provision in this Contract, and subject to any limitations of state or federal law, in the event that Premera Blue Cross merges or consolidates with another corporation or entity, or does business under another name or jointly with another entity, or transfers this Contract to another corporation or entity, this Contract shall remain in full force and effect in accordance with its terms, and bind the Group and the successor corporation or other entity. In such event, Premera Blue Cross guarantees that all Premera Blue Cross's obligations under this Contract will be performed by the successor entity.
- No assignment of the Group's interest hereunder may be made without Premera Blue Cross's prior written consent. Any assignment made without Premera Blue Cross's prior written consent shall be void.

SEVERABILITY, CONSTRUCTION AND INTERPRETATION

This Contract and any questions concerning the validity, construction, interpretation, and enforcement of this Contract or the benefits provided herein shall be governed by the laws of the State of Washington, except to the extent pre-empted by federal law.

Should any part, term or provision of this Contract be held by the courts to be illegal or in conflict with any law of the State of Washington, the validity of the remaining portion shall not be affected.

TRADEMARK

We reserve the right to, the control of, and the use of the words "Premera Blue Cross, Premera Blue Cross Blue Shield of Alaska" and all symbols, trademarks and service marks existing or hereafter established. The Group shall not use such words, symbols, trademarks or service marks in advertising, promotional materials, materials supplied to members or otherwise without Premera Blue Cross's prior written consent which shall not be unreasonably withheld.

EXHIBIT A

LARGE GROUP FULLY INSURED FUNDING ARRANGEMENT AGREEMENT

to the Group Health Benefit Plan Contract ("the Contract") between

Premera Blue Cross

AND

Franklin County

Effective: 1/1/2021 through 12/31/2021

All participating employers and segmented employers who are members of the Group shall be treated as one entity for purposes of this Contract, including the establishment of Contractual Rates, billing, and calculation of late charges.

I. DEFINITIONS

In addition to the definitions in the "Definitions" section of the benefit booklet(s), the following definitions apply:

Contractual Rate

The term "Contractual Rate" means the monthly subscription charges set forth as such in Attachment A for the Contract Term.

Contractual Revenue

The term "Contractual Revenue" means the total of the Contractual Rate for each rate classification multiplied by the number of employees in each such classification for each month in the Contract Term. Contractual Revenue does not include Customization Fees, if such fees are charged for this Plan.

Contribution and Participation Requirements

The term "Contribution Requirement" means the percentage or dollar amount contribution the employer will make toward the cost of employee and/or dependent coverage. The term "Participation Requirement" means the minimum percentage or number of employees and/or dependents that must be enrolled under the Plan. The Contribution and Participation Requirements are set forth in the Attachment A.

Customization Fee

The term "Customization Fee" means the fee that applies if the Group requests either of the following:

1. A Plan benefit configuration that Premera Blue Cross has determined to be nonstandard for the plan type and was not filed as standard with the state regulators for that reason.
2. An off-anniversary benefit change, regardless of whether the desired benefit is standard for the plan type. The Customization Fee for each off-anniversary change shall be $2,000. Any changes in benefits made off-anniversary must be in compliance with state and federal law.

For purposes of Customization Fees, "benefits" include eligibility, termination, continuation and benefit payment provisions, benefit terms, limitations, and exclusions, funding arrangement changes, and any other standard provisions of the Plan. Fees are computed based on current administrative costs to implement and administer the benefit.

Customization Fees assessed on this Plan as of its effective date are set forth in Attachment A. Off-anniversary Customization Fees, if any, will be invoiced separately to the Group.

Due Date

The day of the month upon which subscription charge payments are due. The Due Date is shown on the face page of this Contract.

Grace Period

The term "Grace Period" means the period of time (see Attachment A) from the Due Date during which the Group may make the required payment and the Contract will not be terminated for nonpayment.

II. CONTRACTUAL RATES (MONTHLY SUBSCRIPTION CHARGES)

A. Contractual Rates

The monthly Contractual Rates for the Contract Term are set forth in Attachment A.

B. Adjustments to Contractual Rates

The Contractual Rates set forth in II.A. above will remain in effect until the end of the Contract Term, and during any extension thereof granted by Premera Blue Cross, or until the Contract is terminated, if earlier. During the period for which this guarantee is effective, Premera Blue Cross agrees to accept payment of these subscription charges as payment in full for the current level of benefits provided under this Contract. However, Premera Blue Cross reserves the right to revise current subscription charges at any time during the Contract Term if any of the following occurs:

1. Should any federal, state or local authority mandate a change in benefits, eligibility or procedure or impose or change a tax or assessment on Premera Blue Cross or the Plan during the Contract Term or any extension of the Contract Term, whether by statute, regulation, interpretation or otherwise. Premera Blue Cross may increase the Contractual Rates set forth in Attachment A, as of the date specified in Premera Blue Cross's notice to the Group or its agent.
2. Premera Blue Cross may increase the Contractual Rates during the Contract Term by giving thirty (30) days advance written notice to the Group or its agent, if Premera Blue Cross determines that the basis upon which Premera Blue Cross assumed the risk is materially changed for any reason. Examples of material changes that may require re-rating are:
    a. A benefit change requested by the Group.
    b. A fluctuation of ten (10) percent or more in the number of Members as set forth on the census information included in Attachment A which is herein incorporated by reference and made a part of this Contract.
    c. A change in the amount of the employer's contribution on behalf of each Member.
    d. Fraud or intentionally false or misleading medical or other information
    e. A change in procedure agreed to by the Group and Premera Blue Cross, including any change in Premera Blue Cross's reporting requirements.
    f. A change in the Group's health care plans and/or carriers from those set forth in Attachment A.
    g. The addition of Members, with Premera Blue Cross's prior approval, who live outside Washington and Alaska.
    h. The addition of a dual, triple, or multiple choice option or a change in the plan choices offered by a dual, triple or multiple choice group.
    i. A change in the third-party administrator, if any, used by the Group with respect to the benefits provided under this Contract. The Group will provide Premera Blue Cross no less than one hundred and twenty (120) days' advance written notice of any such change.

    Any such revision to current subscription charges will take effect on the date specified in the notice. For delivery timeliness, see “Notice” in “Standard Provisions.”
3. Premera Blue Cross may adjust the Contractual Rates during the Contract Term by giving thirty (30) days advance written notice to the Group or its agent, if the Group agrees with Premera Blue Cross that the Contractual Rates are based in whole or in part upon a mistake that materially impacts such rates.

III. PAYMENTS

A. Monthly Payments

No benefits are payable for expenses incurred on any date for which subscription charges are not paid. The Group is liable for all subscription charges covering any period of time that this Contract remains in force.

B. Late Payments

A Grace Period (see Attachment A) after the Due Date shall be allowed to the Group for payment of the monthly Contractual Rates. If Premera Blue Cross does not receive payment by the end of the Grace Period, the Contract may automatically terminate on the Due Date. No benefits will be paid for otherwise eligible expenses incurred on any day for which payment has not been made. If a partial payment has been received, Premera Blue Cross may, at its discretion, return the payment or provide benefits for those Members for whom payment has been made. Acceptance by Premera Blue Cross of late or partial payment shall not be construed as a waiver of Premera Blue Cross's right to demand timely payment or to terminate this Contract for nonpayment if a subsequent payment is late.

C. Late Charges

Premera Blue Cross reserves the right to invoke the provision below for all groups covered by this Fully Insured funding arrangement. Premera Blue Cross will notify all such groups 30 days in advance of the date that Premera Blue Cross will begin invoking this provision. Premera Blue Cross will then charge late charges on payments that are not received within any Grace Period that falls on or after the date stated in the notice.

If Premera Blue Cross does not receive a payment by the end of the Grace Period, the Group will pay Premera Blue Cross a daily late charge. This late charge is calculated from the Due Date, rather than from the end of the Grace Period. The late charge is based on the average prime rate posted by Premera Blue Cross's designated bank during the Contract Term, plus two (2) percent on the amount of the late payment for the number of days late. Late charges will not be assessed against any partial payment that Premera Blue Cross retains. Late charges are in addition to Contractual Revenue and they are calculated and billed at the end of the Contract Term or upon termination of the Contract, if earlier.

D. Customization Fees

Customization Fees for custom benefits that take effect on the effective date shown on the Face Page of this Contract are due and payable prior to that effective date. Customization Fees for off-anniversary benefit changes are due and payable prior to the effective date of the change.

IV. CONTRIBUTION AND PARTICIPATION REQUIREMENTS

A. The Group must pay at least the minimum percentage of the Contractual Rate for employees that is shown in Attachment A. At least the minimum percentage of eligible employees that is shown in Attachment A must be enrolled.

B. When a percentage of the Contractual Rate is shown in Attachment A, the Group must pay at least the minimum percentage of the Contractual Rate for dependents, if any is shown in Attachment A. At least the minimum percentage of the eligible dependents, if any is shown in Attachment A, must be enrolled.

C. If the Group has Members who are continuing this plan’s coverage as directed by COBRA, they do not count toward the participation minimums.

D. For purposes of this Section IV, eligible Members are individuals who satisfy the Contract's eligibility requirements, except for any contribution requirement.

Premera Blue Cross reserves the right to terminate this Contract if the Group fails to maintain the contribution and participation requirements stated in the Attachment A or any eligibility requirement stated in the Group Contract.

V. ACCOUNTING

A. Accounting

No annual or final accountings will be performed. Except for refunds required by law, Premera Blue Cross will absorb any gains and losses.

B. Reporting

Within one hundred twenty (120) days of the end of the Contract Term, Premera Blue Cross shall provide information to the Group for preparing Form 5500's when such forms are required by law. The Group shall be solely responsible for insuring timely filing of the Form 5500's.

VI. CONTRACT TERMINATION

This Contract can be terminated as described in “Contract Termination” in the “When Will My Coverage End?” section of the benefit booklet.

VII. OTHER PROVISIONS

A. Credit Worthiness

Evidence of credit worthiness, which is satisfactory to Premera Blue Cross, may be required at any time during the Contract Term as Premera Blue Cross deems necessary.

ATTACHMENT A
to the Fully Insured Funding Arrangement Agreement
between
PREMERA BLUE CROSS

and
Franklin County

Effective: 1-Jan-2021 through 31-Dec-2021

GRACE PERIOD

Ten (10) Days

BROKERAGE FEES AND COMMISSIONS

The Contractual Rates include brokerage fees and commissions equal to $12.00 PEPM of the Contractual Rate.

CONTRACTUAL RATES (MONTHLY SUBSCRIPTION CHARGES)

The monthly Contractual Rates for the Contract Period are as follows:

Group No. **4012688**

Rate Classification

	E	FAM
$750 Ded Medical Plan	$574.04	$1,377.72
$1500 Ded Medical Plan	$535.04	$1,284.12
$3000 Ded Medical Plan	$499.36	$1,198.46
HSA Medical Plan	$495.56	$1,189.34

CONTRIBUTION AND PARTICIPATION REQUIREMENTS

	Employer Contribution	**Participation**
Employees	100%	100%
Dependents	Partial	25%

ACCOUNTING PROCEDURES

No annual accountings are performed under this funding arrangement. Premera Blue Cross absorbs all gains and losses.

NUMBER OF ENROLLEES

The Contractual Rates are based on the following:

Number of Active Enrollees:

	Employees	**Spouse**	**Children**
ACTIVES	211	82	159

Other carriers offered: None