

**BOARD OF COUNTY COMMISSIONERS  
SARPY COUNTY, NEBRASKA**

**RESOLUTION APPROVING AGREEMENTS WITH BLUE CROSS BLUE SHIELD OF  
NEBRASKA AND EMPLOYEE BENEFIT SYSTEMS FOR EMPLOYEE HEALTH  
INSURANCE**

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6) (Reissue 2007), the County has the power to do all acts in relation to the concerns of the county necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103 (Reissue 2007), the powers of the County as a body are exercised by the County Board; and,

WHEREAS, the County of Sarpy desires to enter into a Master Group Application agreement with Blue Cross Blue Shield of Nebraska effective July 1, 2012 through June 30, 2013 for the purpose of providing health insurance for county employees, as outlined in the agreement attached hereto as Exhibit A; and,

WHEREAS, the County of Sarpy desires to enter into an agreement with Employee Benefit Systems effective July 1, 2012 through June 30, 2013 for the purpose of partial self-funding for health insurance, as outlined in the Employee Benefits System Third Party Administration Service Agreement attached hereto as Exhibit B; and,

WHEREAS, said attached agreements with Blue Cross Blue Shield of Nebraska and Employee Benefit Systems are for unique, non-competitive and professional services and are in the best interests of the citizens of Sarpy County; and,

NOW, THEREFORE, BE IT RESOLVED by the Sarpy County Board of Commissioners that this Board hereby approves and adopts the Master Group Application agreement with Blue Cross Blue Shield of Nebraska, effective July 1, 2012 through June 30, 2013, a copy of which is attached as Exhibit A.

BE IT FURTHER RESOLVED by the Sarpy County Board of Commissioners that this Board hereby approves and adopts the Employee Benefit Systems Third Party Administration Service Agreement, effective July 1, 2012 through June 30, 2013, a copy of which is attached as Exhibit B.

BE IT FURTHER RESOLVED that the Chairman of this Board, together with the County Clerk, is hereby authorized to sign on behalf of this Board the contracts with Blue Cross Blue Shield of Nebraska and Employee Benefit Systems, Option 1 (70%/30%, \$2,500/\$5,000), copies of which are attached, and any other related documents, the same being approved by the Board.

The above Resolution was approved by a vote of the Sarpy County Board of Commissioners at a public meeting duly held in accordance with applicable law on the 22<sup>nd</sup> day of May, 2012.

  
Sarpy County Board Chairman



  
County Clerk



BlueCross BlueShield of Nebraska

An Independent Licensee of the Blue Cross and Blue Shield Association

MASTER GROUP APPLICATION (INSURED)

Group No. 300074 Roll No. [ ] Renewal [ ] Revision

[x] Fully Insured [ ] Minimum Premium

Group No. 300074 Roll No. [x] Roll Listing Attached

Market Affiliation Code: 3349 Rate Pool Code: 0000 NAICS: 92110

Effective Date: The Master Group Contract shall be effective on 07/01/2012 ("Effective Date") provided this Application is accepted by Blue Cross and Blue Shield of Nebraska ("BCBSNE")...

APPLICANT INFORMATION

A. Applicant/Employer Sarpy County

Address 1308 Gold Coast Rd c/o Personnel Dept Ste Papillion NE, 68046

(Street) (City) (State, Zip Code)

Billing Address (if different) (Street)

(PO Box) (City) (State, Zip Code)

Group Leader/Group Health Plan Primary Contact (Name) Linda Welles

(Title) Senior Administrator of Personnel

(Phone) 402-593-4487

(FAX) 402-593-5781

(E-mail) lwelles@sarpy.com

Employer (Tax) Identification Number (EIN) 47-6006504

B. Names of subsidiaries or affiliated organizations to be included (must be majority-owned - 51% or greater):

C. Is the Group Health Plan subject to the Employee Retirement Income Security Act of 1974 (ERISA)? [ ] Yes [x] No

D. Is the Group Health Plan subject to the Consolidated Omnibus Reconciliation Act (COBRA), as amended, during this calendar year? [x] Yes [ ] No

If yes, does the Group have a COBRA Administrator? [x] Yes [ ] No

Please provide name of the COBRA Administrator: Payflex

E. Does the Applicant authorize BCBSNE to administer dependent coverage requests involving court-ordered alternate recipients, which will include reviewing and determining dependent coverage and notifications required by OBRA '93 regarding Qualified Medical Child Support Orders (QMCSO)?  Yes  No

F. Does the Applicant authorize BCBSNE to provide Certificates of Creditable Coverage to eligible employees/dependents as provided by law?  Yes  No

G. Does the Applicant have an HSA Administrator?  Yes  No If yes, identify the vendor below:

BNY Mellon (01)  US Bank (02)  Other \_

(If BNY Mellon or US Bank is selected, attach completed HSA Employer Setup Form)

H. Does the Applicant have an HRA Administrator? Yes  No  If yes, identify the vendor:

Cypress (31)  MidAmerican (32)  EBS (34)  First Concord (35)

Three Rivers (37)  Other

(Internal use only: load vendor code and rider GEX219)

I. <b>Employee Data:</b> The following is from and agrees with your payroll and personnel records:	Total
1. Total employees on the payroll (includes full-time, part-time, leased employees):	_____
2. Total eligible employees on the payroll on the effective date of the Contract	_____
3. Eligible employees not enrolling due to coverage	_____
a. Number of employees with creditable coverage (Medicare, Medicaid, Spousal coverage)	_____
b. Number of employees with individual coverage	_____
c. Number of employees not enrolling due to cost or other reasons	_____
4. Eligible employees enrolling on the effective date of the Contract	451
5. Persons on COBRA or State Continuation Coverage	_____

J. **Other Applicant Information:** \_\_\_\_\_

**ELIGIBILITY AND ENROLLMENT**

A. An employee working a minimum of 30 hours per week (must be at least 17 1/2) on a regular calendar year basis will be eligible for coverage on the Group's next due date after such employee has completed an eligibility (probationary) waiting period of See Below days of service, and completes the applicable enrollment form. To remain eligible, the employee must continue to work the minimum number of hours per week required. If the Applicant includes Subgroups, the Subgroup Application shall indicate the eligibility (probationary) waiting period, and the minimum number of hours necessary for eligibility.

If an otherwise eligible employee is not actively at work on the effective date for other than personal health reasons, coverage for that employee will go into effect on the Group's next due date following his/her return to active employment, subject to the receipt of an enrollment form within 31 days of the return-to-work date. As of the effective date indicated above, there are such employees not actively working. (Attach list of names and corresponding social security numbers.)

For dependents who apply for coverage at the same time as the eligible employee, coverage will become effective on the same day as the employee.

Other eligibility provisions: Employees are effective the first of the month following hire date. Elected officials will be effective immediately

B. Retirees eligible?  Yes  No. (Attach list of retirees and copy of Retirement Program describing plan eligibility requirements and contribution toward the monthly charges.)

**C. Enrollment Options – Membership Units: (Check all that apply)**

Standard Membership Units

- Single – Employee Only
- Employee & Spouse
- Employee & Children
- Family

Alternate Membership Tiers

- Employee & One Dependent
- Employee & Two or More Dependents

Other Enrollment Provisions: \_\_\_\_\_

**D. Waiting Periods for Pre-Existing Conditions (Health Coverage):**

Initial Enrollment of the Group .....  Waived  Enforced  
 (For groups with 99 or less enrolling, waiver applies only to those covered under the prior group contract. Attach prior billing.)

Other Waiting Period provisions: \_\_\_\_\_

Note: Pre-existing condition waiting periods are not applicable to individuals under age 19.

**E. Late Enrollment:** Late enrollment is only allowed during the open enrollment period, which is the month prior to the annual renewal date. Enrollment Forms must be signed by the last day of open enrollment and must be received by BCBSNE in a timely manner.

Other provisions: \_\_\_\_\_

**F. Other Eligibility Provisions:**

Endorsement Title or Description of Provision	Endorsement Number	Medical	Dental
		<input type="checkbox"/>	<input type="checkbox"/>

## EMPLOYER CONTRIBUTION AND MONTHLY CHARGES

- A. Do you, as the employer, fund a portion of the employee's deductible and/or coinsurance liability on any option offered?  Yes  No

If yes, please provide the amount funded and applicable option: \_\_\_\_\_

- B. Please indicate the premium and employer's contribution to premium by completing the **App-Att-Employer Contribution and Monthly Charges Form**. The **App-Att-Employer Contribution and Monthly Charges Form** must be completed and attached to this Application.

- C. It is understood that the amount shown as employer contribution will be paid by you without charge to the eligible employees and the remainder collected by you from the eligible employees by payroll deduction and remitted monthly to BCBSNE.

The monthly charges will not change prior to 07/01/2013. This rate guarantee and continuation of coverage is subject to the Applicant continuing to meet BCBSNE underwriting guidelines, including minimum requirements for participation and contribution. If the number of covered employees increases or decreases 5% or more, or the terms of the Contract are changed, BCBSNE reserves the right to change the rates.

Other provisions: \_\_\_\_\_

## GROUP DATA FOR CALCULATION OF MEDICAL LOSS RATIO

As part of BCBSNE's compliance with the Patient Protection and Affordable Care Act, BCBSNE must collect information on group size in order to calculate and report medical loss ratios. On average, how many employees did you employ during the calendar year prior to the Effective Date written above? This total should include full-time, part-time, and seasonal employees, but exclude independent contractors. If your company has affiliated parent or sister companies that are members of the same control group for IRS reporting purposes, all employees in all the affiliated companies should be included in your total, whether or not the affiliated companies have coverage with BCBSNE.

- 50 or Fewer  
 51 or More

## GROUP DATA FOR MEDICARE SECONDARY PAYER

BCBSNE is required to collect information in order to properly pay claims for your employees who are eligible for Medicare benefits. In accordance with Medicare law, depending on the current employment status of your employee and/or employer size, BCBSNE may be required to pay primary to Medicare for certain group health benefits, regardless of an employee's or dependent's entitlement to Medicare.

- A. **Employee Information:** Do you have employees or covered dependents enrolled in your group health plan who also currently have Medicare coverage or who are turning 65 this year?  Yes  No

- B. **Employer Information:** When responding to questions 1 through 3 below, include full-time, part-time, leased and seasonal employees, but exclude independent contractors. If your company has affiliated parent or sister companies that are members of the same control group for IRS reporting purposes, all employees in all the affiliated companies should be included in your total, whether or not the affiliated companies have coverage with BCBSNE.

1. Do you have 20 or more employees for 20 or more calendar weeks during the current calendar year?  
 Yes  No If yes, please provide the date this threshold was reached 07/01/07
2. Did you have 20 or more employees for 20 or more calendar weeks during the previous calendar year?  
 Yes  No If yes, please provide the date this threshold was reached 07/01/07

3. Did you have 100 or more employees during 50 percent of your business days during the previous calendar year?  Yes  No

**BENEFIT DESIGNS – COVERAGE ELECTION**

The Benefit Plan Design options are described in the Application Attachment Forms, as identified below.

Please indicate the Benefit Plan Design(s) requested by marking the applicable box(es) below, and complete the appropriate Attachment Form(s). **The applicable Attachment Form(s) must be attached to this Application.**

- PPO Options – **App-Att-A**
- HSA-HDHP Options – **App-Att-B**
- Rx Nebraska Prescription Drug Program – **App-Att-C**
- Dental Coverage – **App-Att-D**
- Group Medicare Supplemental - Retirees Only – **App-Att-E**
- 4718A – Benefit Schedule Attachment
- Other Benefit Plan Design \_\_\_\_\_

**AUTHORIZED PLAN CONTACTS**

The HIPAA Privacy Rules provide that the Group Health Plan ("GHP") is a separate legal entity from the Employer/Plan Sponsor. In compliance with the HIPAA Privacy Rules, it is necessary to designate Authorized Plan Contacts for the GHP.

The GHP Primary Contact is indicated on page 1 of this Application. The GHP Primary Contact serves as BCBSNE's primary contact for the GHP, and may also designate additional Authorized Plan Contacts for the GHP. The GHP Primary Contact shall notify BCBSNE of any additions or deletions to the following list, by noting changes/additions below.

We will automatically include your GHP's Agent of Record as one of your Authorized Plan Contacts. If you choose not to have the GHP's Agent of Record authorized to receive this information, please check here:

In addition, the following individuals may be given access to GHP information received from BCBSNE in accordance to the requirements set forth within the HIPAA Privacy Rules.

Authorized Plan Contacts:

Reason for Change: New  Delete

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Title: \_\_\_\_\_

Reason for Change: New  Delete

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Title: \_\_\_\_\_

Reason for Change: New  Delete

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Title: \_\_\_\_\_

BCBSNE will not release protected health information ("PHI") to fully insured groups, except as specifically agreed in writing by BCBSNE, the GHP, and Employer/Plan Sponsor. When there is a written agreement, all disclosure of PHI from BCBSNE shall be made to the GHP or an Authorized Plan Contact.

**APPLICANT CERTIFICATION AND SIGNATURE**

I have read and understand the provisions of this Application for a Master Group Contract and certify that all information herein is true and accurate and agree to the provisions specified. I understand that if any information on this Application is in conflict with the proposal, BCBSNE reserves the right to recalculate and change the rates previously proposed, or to decline coverage. I understand the possible effect of canceling our current group plan coverage or administrative services prior to receiving final approval from BCBSNE.

By signing this application, I represent that I am authorized to obtain coverage on behalf of the Group Health Plan.

Signature *Rusty Hike* Title Chairman Date 5-22-2012  
Rusty Hike Chairman Sarpy County Board  
(Typed Name) (Typed Title)

**AGENT CERTIFICATION:**

I certify that I have verified the information in this Application for a Master Group Contract with the records of the Applicant and it is true and accurate to the best of my knowledge.

Signature *Mike Williams* Title Broker Date 5-22-12  
Mike Williams Broker  
(Typed Name) (Typed Title)

**ACCEPTANCE BY BLUE CROSS AND BLUE SHIELD OF NEBRASKA:**

- This Master Group Application is accepted.
- This Master Group Application is accepted with the following changes: \_\_\_\_\_

*Daniel W. Alm* VP UNDERWRITING 6.25.12  
Signature (Blue Cross and Blue Shield of Nebraska) Title Date

The noted changes in this part are acceptable.

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

Please sign both the original and the copy. Retain the copy and return the original to Blue Cross and Blue Shield of Nebraska.

**FOR OFFICIAL USE ONLY**

Contract No.: Health 96-0671 (01/11) Dental \_\_\_\_\_ Med. Supp. \_\_\_\_\_  
Endorsements: 3-00005 3-00018 3-00029 \_\_\_\_\_

# APP-ATT-EMPLOYER CONTRIBUTION AND MONTHLY CHARGES FORM

Contract Form No. 96-067 1 1/2011

Group-Roll No. 300074-01,02,99

## EMPLOYER CONTRIBUTION AND MONTHLY CHARGES

Please check this box if you are only contributing towards the cost of the employee only (single) rate for all tiers of coverage.

**For Health Coverage Only:** Please check this box if the employer contribution is different among employees within the same option. (For example, employer pays 85 percent of premium for employees earning less than \$35,000; the employer pays 80 percent for those making 35,000 to \$99,999; and the employer pays 75 percent for those earning more than \$100,000.) If you checked this box, please describe the different employer contribution scenarios:

\_\_\_\_\_

Option:  Option 1

Option:

	Employer Contribution		Total Monthly Charge
	Percent	or Fixed Amount	
<input checked="" type="checkbox"/> Single	90%		\$635.25
<input checked="" type="checkbox"/> Family	83%		\$1,560.90
<input checked="" type="checkbox"/> Employee & Spouse	83%		\$1,361.06
<input checked="" type="checkbox"/> Employee & Child/ren	83%		\$1,361.06
<input type="checkbox"/> Employee & One Dependent			
<input type="checkbox"/> Employee & Two or More Dependents			

	Employer Contribution		Total Monthly Charge
	Percent	or Fixed Amount	

Option:

Option:

	Employer Contribution		Total Monthly Charge
	Percent	or Fixed Amount	
<input type="checkbox"/> Single			
<input type="checkbox"/> Family			
<input type="checkbox"/> Employee & Spouse			
<input type="checkbox"/> Employee & Child/ren			
<input type="checkbox"/> Employee & One Dependent			
<input type="checkbox"/> Employee & Two or More Dependents			

	Employer Contribution		Total Monthly Charge
	Percent	or Fixed Amount	

Other Monthly Charge or Contribution Provisions:

APP-ATT-A

Preferred Provider Organization Master Group Contract Standard Design Options

Contract Form No. 96-067 I 1/2011

Group – Roll No. 300074 - 01.02.99

This Attachment may be duplicated as necessary to include additional options. Please indicate number of options here: 1

OPTION 1 Structured Option 13

A. Deductible/Coinsurance

Deductible:

Individual

In-network

Out-of-network

Family Maximum

\$4,000

\$8,000

\$8,000

\$16,000

Coinsurance Limit (not including the deductible):

Individual

\$450

\$3,900

Family Maximum

\$900

\$7,800

Coinsurance Percentage for:

Hospital/Medical/Surgical

30%

50%

Family Deductible: [ ] Aggregate [x] Embedded - If embedded, each family member must only meet the embedded single Deductible.

Family Coinsurance Limit: [ ] Aggregate [x] Embedded - If embedded, each family member must only meet the embedded single Coinsurance Limit.

Unless otherwise noted, Out-of-network benefits for the Covered Services listed below will be subject to the Out-of-network Deductible/Coinsurance indicated in this item.

B. Physician Office (In-Network Benefit):

[ ] Deductible and Coinsurance

[x] Copayment

• Primary \$30 Copay

• Specialist \$60 Copay

• [x] Office Service Copay OR [ ] Office Visit Copay

o If Office Visit selected: Other Covered Services and Supplies provided in the Physician's Office (deductible waived): [ ] Coinsurance only OR [ ] Plan Pays 100%

C. Allergy Injection/Serum (In-Network Benefit):

[ ] Deductible and Coinsurance

[x] Copayment (\$10 Copay only)

[ ] Medical Coinsurance

[ ] Plan Pays 100%

D. Manipulations (In-network Benefit):

[x] Deductible and Coinsurance

[ ] Copayment

• \_\_\_ Copay

E. Urgent Care Services (In-Network Benefit):

[ ] Deductible and Coinsurance

[x] Copayment

• \$30 Copay

**F. Emergency Care Services (In-Network Benefit):**

- Deductible and Coinsurance
- Copayment
  - Facility: \$100 Copay, then Medical coinsurance
  - Professional: Medical Coinsurance, deductible waived
- Other \_\_\_\_\_

Note: Out-of-network benefits are paid at the In-network level.

**G. Preventive Services:**

**In-network**

- Health Care Reform ("HCR") required Preventive Services (may be subject to limits that include, but are not limited to, age, gender & frequency) Plan Pays 100%
- HCR required covered Preventive Services (outside of limits)  Deductible and Coinsurance  
 Plan Pays 100%
- Other covered Preventive Services not required by HCR Plan Pays 100%
- Immunizations Plan Pays 100%

**Note:** Out-of-network Preventive Services subject to Out-of-network Deductible/Coinsurance in Item A, except for pediatric immunizations. For pediatric (from birth up to age 7 years) immunizations, the deductible is waived and only the Out-of-network coinsurance applies.

**H. Independent Laboratory Benefits (In-network Benefit):**

**Diagnostic:**

- Deductible and Coinsurance
- Coinsurance Only
- Plan Pays 100%

**Preventive:** Same as Preventive Benefits in Item G.

Note: Out-of-network benefits are paid at the In-network level.

**I. Mental Illness and/or Substance Dependence and Abuse:**

(Benefits based upon actuarial analysis of most predominant financial requirements applied to substantially all medical/surgical benefits covered by the plan.)

**In-network**

**Out-of-network**

**Inpatient Services:**

Deductible and Coinsurance

Deductible and Coinsurance

**Office Visit/Service**

Same cost-share as described in Item B. (If applicable, copayment for Mental Illness and/or Substance Dependence and Abuse will be at the PCP level.)

**Outpatient Services:**

- Deductible and Coinsurance
- Copayment
  - \_\_\_\_\_ Copay
- Coinsurance Only
- Plan Pays 100%

Deductible and Coinsurance

**Emergency Care:**

Same cost-share as described in Item F

J. **Appeals Procedure Endorsement: G – Insured** (Endorsement 3-00005)

K. **Optional Endorsements:**

- Yes **Preventive Vision Exam** (Endorsement 3-00018 – 1 exam per calendar year)
- Yes **Nicotine Dependence or Addiction, includes Classes and Acupuncture** (Endorsement 3-00020)
- Yes **Treatment of Infertility** (Endorsement 3-00019)
  - Option 1 - Up to a \$10,000 Contract Maximum (\$7,500 for medical and \$2,500 for prescription drug)
  - Option 2 - Up to a \$ 20,000 Contract Maximum (\$15,000 for medical and \$5,000 for prescription drug)
  - Option 3 - Up to a \$ 30,000 Contract Maximum (\$22,500 for medical and \$7,500 for prescription drug)
- Yes **Exclude Coverage for Sexual Dysfunction** (Endorsement 3-00016)
- Yes **Exclude Coverage for Elective Abortion** (Endorsement 3-00029)
- Yes **Exclude Coverage for Contraceptive Services & Supplies** (Endorsement 3-00033)

L. **Other Endorsements/Benefits:**

Endorsement Title	Endorsement Number

M. **Other Cost Share Amounts not reflected above or limits not shown in the Master Group Contract:**

Provision	Limits	In-Network	Out-of-Network

APP-ATT-C

RX Nebraska Prescription Drug Program

Contract Form No. 96-0671/2011 Group - Roll No. 300074 - 01,02,99

Option 1

[X] Standard Benefit Schedule - Covered and noncovered services as stated in Master Group Contract.

[ ] Non-Standard Benefit Schedule - Form 4718A (please complete)

[ ] Integrated Benefits (RX applies to medical deductible and coinsurance limit)

[ ] HSA Eligible Plan

[ ] Endorsement 3-00083

[ ] Other Endorsement: \_\_\_\_\_

[ ] Non HSA Eligible Plan

[ ] Endorsement: \_\_\_\_\_

A. Benefit Design Options (Standard and Non-Standard Benefits)

Mail Order Benefits: [X] Yes [ ] No

Maximum Day Supply:

Retail: [X] 90-Day Supply [ ] \_\_\_ Day Supply

Mail Order (if applicable): [X] 90-Day Supply [ ] \_\_\_ Day Supply

Deductible: [ ] Yes [X] No

Individual: [ ] Yes [X] No Amount: \_\_\_\_\_

Family: [ ] Yes [X] No Amount: \_\_\_\_\_ [ ] Aggregate [ ] Embedded \_\_\_\_\_

Calendar Year Copayment/Coinsurance Maximum: [ ] Yes [X] No Amount: \_\_\_\_\_

Individual: [ ] Yes [X] No Amount: \_\_\_\_\_

Family: [ ] Yes [X] No Amount: \_\_\_\_\_ [ ] Aggregate [ ] Embedded \_\_\_\_\_

Once Copayment maximum is met for a year, benefits payable as follows: \_\_\_\_\_

Copayment/Coinsurance:

	<u>Copay \$</u>	<u>Coinsurance%</u>	<u>Minimum \$/%</u>	<u>Maximum \$/%</u>
Retail:				
[X] Generic = Tier 1:	\$10			
[X] Formulary Brand = Tier 2	\$40			
[X] Non-Formulary Brand = Tier 3	\$60			

- Copayment is applicable per each 30 -day supply (retail); per each 30 -day supply (mail order).

[Remainder of this Page Intentionally Left Blank]

**Specialty Pharmacy Benefit\***  Yes  No Applies to drugs on the specialty pharmacy drug list. Must choose either Mandatory Specialty Pharmacy or In/Out of Network Specialty Pharmacy Benefit.

\* Specialty medications are not available through mail order. Standard benefit always defaults to 30 day supply.

**Mandatory Specialty Pharmacy.** Choosing this Option means that Specialty Drugs must be purchased at an In-network Specialty Pharmacy. If this Option is chosen, will this benefit include two specialty medication fills at any In-network retail pharmacy?  Yes  No

Specialty:  3-tier Specialty Pharmacy Benefit  4-tier Specialty Pharmacy only

3-Tier Specialty:

Same copay/coinsurance structure as retail  Different copay/coinsurance structure

	<u>Copay \$</u>	<u>Coinsurance%</u>	<u>Minimum \$/%</u>	<u>Maximum \$/%</u>
<input type="checkbox"/> Generic = Tier 1:	_____	_____	_____	_____
<input type="checkbox"/> Formulary Brand = Tier 2	_____	_____	_____	_____
<input type="checkbox"/> Non-Formulary Brand = Tier 3	_____	_____	_____	_____
<b>OR</b>				
<input type="checkbox"/> Specialty = Tier 4	_____	_____	_____	_____

**In/Out of Network Specialty Pharmacy Benefit.** Two prescription fills at any In-network retail pharmacy is **not** available with this Option.

	<u>Copay \$</u>	<u>Coinsurance%</u>	<u>Minimum \$/%</u>	<u>Maximum \$/%</u>
In-network:	_____	_____	_____	_____
Out-of-network:	_____	_____	_____	_____

**Mandatory Generic Penalty**  **No Mandatory Generic Penalty**

Mandatory generic pricing: If the covered person requests a Name Brand Medication when a generic version is available, he or she is responsible for the difference in cost between the name brand and generic drug, plus the applicable copayment amount.

If the doctor indicates DAW Code 1 (dispense as written), and specifies a name brand drug be dispensed, copay/coinsurance is the applicable brand tier.

**B. Pharmacy Preauthorization Programs**

Angiotensin Receptor Blockers (ARB) Preauthorization Program:  Yes  No

COX-2 Inhibitor Preauthorization Program:  Yes  No

Leukotriene Modifier Preauthorization Program:  Yes  No

Proton Pump Inhibitor Therapy Preauthorization Program:  Yes  No

Sedative Hypnotics (Insomnia) Preauthorization Program:  Yes  No

Statin Preauthorization Program:  Yes  No

**C. Other Rx Nebraska Provisions:**

Benefits for medications, including agents to treat nicotine addiction, will be provided as required by the Patient Protection and Affordable Care Act (PPACA).

**EMPLOYEE BENEFIT SYSTEMS  
THIRD PARTY ADMINISTRATION SERVICE AGREEMENT**

**B**

THIS AGREEMENT effective July 1, 2012 is made by and between Sarpy County ("Client"), a Nebraska Government Entity, and Employee Benefit Systems ("Administrator"), an Iowa corporation.

WHEREAS, the Client desires to retain the Administrator to provide certain Administrative services on behalf of the Client;

WHEREAS, the Administrator agrees to provide these certain Administrative services on behalf of Client;

NOW THEREFORE, in consideration of these promises and the mutual promises set forth in this Agreement, the parties hereby agree as follows:

**1. APPOINTMENT.**

The Client appoints the Administrator to provide administrative services, subject to the terms and conditions of this Agreement. The Administrator shall have only such authority as granted expressly by this Agreement. The Administrator shall not have any authority to make any agreement binding upon Client.

**2. COMPLIANCE WITH LAWS.**

The Administrator agrees that it will comply with all laws, statutes, rules and regulations. Except as authorized in writing by Client, Administrator shall not disclose to any person, institution, or company not authorized by Client any information directly or indirectly related to Employees and shall not reveal any individually identifiable medical information, in accordance with the Health Insurance Portability & Accountability Act (HIPAA) privacy and security regulations, without first receiving authorization from the individual involved.

**3. BOND.**

Administrator shall maintain a Fidelity bond for protection against fraud or dishonesty on the part of any employee of the Administrator in an amount to comply with Employee Retirement Income Security Act (ERISA) guidelines for this size plan.

**4. INSURANCE.**

Administrator shall obtain and maintain general, E&O liability insurance and other insurance necessary or appropriate to insure its ability to comply with all applicable regulations.

**5. INDEPENDENT CONTRACTOR.**

The relationship between Client and Administrator is intended to be that of independent contractors. Nothing in this Agreement shall be construed to create any partnership, joint venture or agency or employment relationship of any kind between Client and Administrator or any employee or agent.

**6. STATUS OF ADMINISTRATOR.**

Administrator hereby represents and warrants that neither Administrator nor, to the best of its knowledge, its employees or subcontractors have been charged with a criminal offense.

## **7. LICENSES.**

Administrator represents and warrants that it possesses the necessary licenses from regulatory authorities to perform its duties under this Agreement and that it is a corporation duly organized and existing and in good standing under the laws of the State of Iowa.

## **8. RECORDS.**

All records in the possession of the Administrator shall be kept by the Administrator for the periods required by law. Client may audit during regular business hours any and all records of Administrator pertaining to claims or premiums paid on behalf of Client's plan participants.

## **9. CONFIDENTIALITY.**

During the course of performance under and during the "fact finding process", each party will obtain or have access to certain proprietary information. Each party acknowledges that all such material is offered on a proprietary basis, for the sole purpose of enhancing this Agreement and will only be used as necessary to carry out the terms and conditions of this Agreement.

## **10. COMPENSATION.**

Client shall pay Administrator an administrative fee, as described in Addendum A to this Agreement, as the sole compensation for the performance under this Agreement. Such fee shall be in full satisfaction of all services performed pursuant to this agreement. In consideration of a monthly administration fee (as outlined in Addendum A), Administrator agrees to provide claims payment, administrative and enrollment services for the Client. These services shall include but not be limited to the processing and payment or denial of claims, monthly and yearly reporting of the financial and quality indicators and claims data, file 1099-Med forms to the IRS and provide copies to the provider, and perform other services as necessary to administer Client's benefit plan.

All benefits will be paid with the care, skill, diligence and impartiality normally expected of a third-party administrator in the insurance industry.

All forms, materials and computerized checks used by Administrator will be provided at Administrator's expense. Booklet printing charges are not contemplated under this agreement and will be separately contracted for as necessary. Enrollment packet information can be provided in an electronic pdf format upon request. Printed material provided at an additional cost.

## **11. FINANCIAL REQUIREMENTS.**

Client shall adequately fund a checking account, which shall be used exclusively for maintaining reserve funds, payment of Client's claims, premiums and monthly administration fees and other expenses. Client will be responsible for any monthly checking account service charges relating to this account. The funding of the checking account (timing and amount) will be the responsibility of the Client. Administrator will not pre-fund any claim or premium payments. Neither Administrator nor its officers shall be liable to pre-fund any of the costs outlined above in this section, including but not limited to claim payments, premiums, cost or administration costs. Administrator will not be liable for any claims resulting from a group's termination due to lack of adequate funding to Administrator.

## **12. CLIENT RESPONSIBILITIES.**

Client shall provide a method of notification to Administrator detailing the eligibility of new members enrolled and those persons that are no longer eligible for the benefit. In the absence of notification (of termination or loss of benefit coverage), eligibility for payment of the claim or other benefit will continue.

Client hereby authorizes Administrator to draw checks, drafts or other instruments for the payment of Benefits associated with the processing of Benefits in accordance with the terms and conditions of the Plan and this agreement against any account maintained and designated by Client for this purpose.

In the event of delayed filing of subrogation or similar claims by any party, including by any Government agency, Client will retain responsibility for all benefits payable under the Health Care Plan in effect at the time the loss is incurred. Administrator shall handle any such matters in a timely manner. If Client has retained another Administrator when such an event happens, Administrator shall provide any information it may have related to the matter as soon as possible.

## **13. CLAIMS APPEALS.**

Administrator shall refer to Client or its designee, for final determination, any claim for benefits or coverage that is appealed after initial rejection by the Administrator or any class of claims the Client may specify, including: (a) any question of eligibility or entitlement of the claimant for coverage under the Plan; (b) any question with respect to the amount due; or (c) any other appeal.

## **14. TERM & TERMINATION.**

- a. **Term.** The initial term of this Agreement shall be for one (1) year. This Agreement shall renew automatically each year unless either party gives notice of termination to the other party at least sixty (60) days prior to beginning of any term.
- b. **Termination.** This Agreement shall terminate:
  - a. By mutual agreement of the parties;
  - b. By either party, if, after giving written notice of any material breach, the breaching party fails to correct such breach within 30 days of receipt of such written notice.
  - c. Post Termination Duties. The parties shall have no duties upon termination of this Agreement except to settle their accounts, including payment of any indebtedness and, to carry out any residual obligations which arose while this agreement was in force. Administrator can and will offer to process any run-out claims for a fee agreed upon by both parties.
  - d. Administrator can and will offer to process any run-out claims for a fee that is based on the current PEPM cost times the number of participants at date of termination. The agreed upon fee, based upon the number of months of run-out, must be paid in full before any run-out claims will be processed.

## **15. INDEMNIFICATION.**

Each party shall defend, indemnify, and hold the other party or any of its directors, officers or employees harmless from and against all costs, claims, expense, demands, actions, suits or proceedings, liabilities and damages (including, but not limited to, attorney's fees) directly or

indirectly arising out of or resulting from any act or omission of the indemnifying party that occurred in the performance of its duties under this Agreement.

**16. GENERAL PROVISIONS**

- a) Administrator agrees to provide at least 60 days notice prior to future fee increases and to limit such increases to once in a 12-month period. The fee thereafter shall be based on each month's count of participating employees. For fee calculation purpose, Plan participants on Leave of Absence, early retirement and COBRA extensions will be included as employees. Administrator will bill the group monthly for the administration fee.
- b) Entire Contract - This agreement supersedes any and all previous contracts, stipulations and agreements, written or oral.
- c) Applicable Law - This Agreement shall be deemed to be an Iowa contract, and shall be construed and governed by the laws of such state.

**Employee Benefit Systems**

  
\_\_\_\_\_

Mark Lehman, CFO

6/13/12  
Date

**Sarpy County**

  
\_\_\_\_\_

Authorized Signature & Title

5-22-2012  
Date

Employee Benefit Systems • 214 North Main Street • Burlington, IA 52601  
Phone: 800-373-1327 • Fax: 319-753-6441 • www.ebs-tpa.com

**AGREEMENT BETWEEN  
EMPLOYEE BENEFIT SYSTEMS AND  
SARPY COUNTY**

**ADDENDUM (A)  
FEE SCHEDULE EFFECTIVE JULY 1, 2012  
(All fees are per employee per month)**

Partial Self-Funding Administration \$ 6.50 or \$75.00 minimum per month  
(Participants of 12 or less will be charged the minimum)

\*Please note these fees include standard reporting only. Additional reports will be charged an additional fee accordingly. Enrollment packet information can be provided in an electronic pdf format upon request. Printed material provided at an additional cost.

Employee Benefit Systems

Mark Lehman

Mark Lehman, CFO

6/18/12

Date

Sarpy County

Russell

Authorized Signature & Title

5-22-2012

Date

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Phone: 800-373-1327 • Fax: 319-753-6441 • www.ebs-tpa.com

Revised 7/15/2011

**AGREEMENT BETWEEN  
EMPLOYEE BENEFIT SYSTEMS AND  
SARPY COUNTY**

**ADDENDUM (B)  
BUSINESS ASSOCIATE AGREEMENT**

**1. PREAMBLE.**

Sarpy County ("Covered Entity") and Employee Benefit Systems ("Business Associate") (jointly "the Parties") wish to modify the Administrative Services Agreement ("Agreement") to incorporate the terms of this Addendum to comply with the requirements of: (i) the implementing regulations at 45 C.F.R Parts 160, 162, and 164 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") (*i.e.*, the HIPAA Privacy Rule, the HIPAA Security Standards, and the HIPAA Standards for Electronic Transactions (collectively referred to in this Addendum as "the HIPAA Regulations")), and (ii) the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (the "HITECH Act") that are applicable to business associates, along with any guidance and/or regulations issued by the U.S. Department of Health and Human Services ("DHHS") as of September 2009. Covered Entity and Business Associate agree to incorporate into this Addendum any regulations issued by DHHS with respect to the HITECH Act that relate to the obligations of business associates and that are required to be (or should be) reflected in a business associate agreement. Business Associate recognizes and agrees that it is obligated by law to meet the applicable provisions of the HITECH Act.

**2. DEFINITIONS.**

- (a) "*Electronic PHI*" shall mean protected health information that is transmitted or maintained in any electronic media, as this term is defined in 45 C.F.R. § 160.103.
- (b) "*Limited Data Set*" shall mean protected health information that excludes the following direct identifiers of the individual or of relatives, employers, or household members of the individual:
  - (i) Names;
  - (ii) Postal address information, other than town or city, State, and zip code;
  - (iii) Telephone numbers;
  - (iv) Fax numbers;
  - (v) Electronic mail addresses;
  - (vi) Social security numbers;
  - (vii) Medical record numbers;
  - (viii) Health plan beneficiary numbers;
  - (ix) Account numbers;
  - (x) Certificate/license numbers;
  - (xi) Vehicle identifiers and serial numbers, including license plate numbers
  - (xii) Device identifiers and serial numbers;
  - (xiii) Web Universal Resource Locators (URLs);

- (xiv) Internet Protocol (IP) addresses numbers;
  - (xv) Biometric identifiers, including finger and voice prints; and
  - (xvi) Full face photographic images and any comparable images.
- (c) “*Protected Health Information*” or “*PHI*” shall mean information created or received by a health care provider, health plan, employer, or health care clearinghouse, that: (i) relates to the past, present, or future physical or mental health or condition of an individual, provision of health care to the individual, or the past, present, or future payment for provision of health care to the individual; (ii) identifies the individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual; and (iii) is transmitted or maintained in an electronic medium, or in any other form or medium. The use of the term “Protected Health Information” or “PHI” in this Addendum shall mean both Electronic PHI and non-electronic PHI, unless another meaning is clearly specified.
- (d) “*Security Incident*” shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
- (e) All other terms used in this Addendum shall have the meanings set forth in the applicable definitions under the HIPAA Regulations and/or the security and privacy provisions of the HITECH Act that are applicable to business associates along with any regulations issued by the DHHS.

### 3. **GENERAL TERMS.**

- (a) In the event of an inconsistency between the provisions of this Addendum and a mandatory term of the HIPAA Regulations (as these terms may be expressly amended from time to time by the DHHS or as a result of interpretations by DHHS, a court, or another regulatory agency with authority over the Parties), the interpretation of DHHS, such court or regulatory agency shall prevail. In the event of a conflict among the interpretations of these entities, the conflict shall be resolved in accordance with rules of precedence.
- (b) Where provisions of this Addendum are different from those mandated by the HIPAA Regulations or the HITECH Act, but are nonetheless permitted by the Regulations or the Act, the provisions of this Addendum shall control.
- (c) Except as expressly provided in the HIPAA Regulations, the HITECH Act, or this Addendum, this Addendum does not create any rights in third parties.

### 4. **SPECIFIC REQUIREMENTS.**

#### (a) **Privacy of Protected Health Information**

- (i) *Permitted Uses and Disclosures of PHI.* Business Associate agrees to create, receive, use, or disclose PHI only in a manner that is consistent with this Addendum or the HIPAA Privacy Rule and only in connection with providing the services to Covered Entity identified in the Agreement. Accordingly, in providing services to or for the Covered Entity, Business Associate, for example, will be permitted to use and disclose PHI for “treatment, payment, and health care operations” in accordance with the HIPAA Privacy Rule.
- (1) Business Associate shall report to Covered Entity any use or disclosure of PHI that is not provided for in this Addendum.
  - (2) Business Associate shall maintain safeguards as necessary to ensure that PHI is not used or disclosed except as provided for by this Addendum.

- (ii) *Business Associate Obligations.* As permitted by the HIPAA Privacy Rule, Business Associate also may use or disclose PHI received by the Business Associate in its capacity as a Business Associate to the Covered Entity for Business Associate's own operations if:
- (1) the *use* relates to: (1) the proper management and administration of the Business Associate or to carry out legal responsibilities of the Business Associate, or (2) data aggregation services relating to the health care operations of the Covered Entity; or
  - (2) the *disclosure* of information received in such capacity will be made in connection with a function, responsibility, or services to be performed by the Business Associate, and such disclosure is required by law or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidential and the person agrees to notify the Business Associate of any breaches of confidentiality.
- (iii) *Minimum Necessary Standard and Creation of Limited Data Set.* Business Associate's use, disclosure, or request of PHI shall utilize a Limited Data Set if practicable. Otherwise, in performing the functions and activities as specified in the Agreement and this Addendum, Business Associate agrees to use, disclose, or request only the minimum necessary PHI to accomplish the intended purpose of the use, disclosure, or request.
- (iv) *Access.* In accordance with 45 C.F.R. § 164.524 of the HIPAA Privacy Rule and, where applicable, in accordance with the HITECH Act, Business Associate will make available to those individuals who are subjects of PHI, their PHI in Designated Record Sets by providing the PHI to Covered Entity (who then will share the PHI with the individual), by forwarding the PHI directly to the individual, or by making the PHI available to such individual at a reasonable time and at a reasonable location. Business Associate shall make such information available in an electronic format where directed by the Covered Entity.
- (v) *Disclosure Accounting.* Business Associate shall make available the information necessary to provide an accounting of disclosures of PHI as provided for in 45 C.F.R. § 164.528 of the HIPAA Privacy Rule, and where so required by the HITECH Act and/or any accompanying regulations, Business Associate shall make such information available directly to the individual. Business Associate further shall provide any additional information to the extent required by the HITECH Act and any accompanying regulations. Business Associate is not required to record disclosure information or otherwise account for disclosures of PHI that this Addendum or the Agreement in writing permits or requires: (i) for the purpose of payment activities or health care operations (except where such recording or accounting is required by the HITECH Act, and as of the effective dates for this provision of the HITECH Act), (ii) to the individual who is the subject of the PHI disclosed, or to that individual's personal representative; (iii) to persons involved in that individual's health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a limited data set; and (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented.
- (vi) *Amendment.* Business Associate shall make available PHI for amendment and incorporate any amendment to PHI in accordance with 45 C.F.R. § 164.526 of the HIPAA Privacy Rule.
- (vii) *Right to Request Restrictions on the Disclosure of PHI and Confidential Communications.* If an individual submits a Request for Restriction or Request for Confidential Communications to the Business Associate, Business Associate and Covered Entity agree that Business Associate, on behalf of Covered Entity, will evaluate and respond to these requests according to Business Associate's own procedures for such requests.

- (viii) *Return or Destruction of PHI.* Upon the termination or expiration of the Agreement or this Addendum, Business Associate agrees to return the PHI to Covered Entity, destroy the PHI (and retain no copies), or further protect the PHI if Business Associate determines that return or destruction is not feasible.
- (ix) *Availability of Books and Records.* Business Associate shall make available to DHHS or its agents the Business Associate's internal practices, books, and records relating to the use and disclosure of PHI in connection with this Addendum.
- (x) *Termination for Breach.*
  - (1) Business Associate agrees that Covered Entity shall have the right to terminate this Addendum or seek other remedies if Business Associate violates a material term of this Addendum.
  - (2) Covered Entity agrees that Business Associate shall have the right to terminate this Addendum or seek other remedies if Covered Entity violates a material term of this Addendum.

(b) Information and Security Standards

- (i) Business Associate will develop, document, implement, maintain, and use appropriate administrative, technical, and physical safeguards to preserve the integrity, confidentiality, and availability of, and to prevent nonpermitted use or disclosure of, PHI created or received for or from the Covered Entity.
- (ii) Business Associate agrees that with respect to PHI, these safeguards, at a minimum, shall meet the requirements of the HIPAA Security Standards applicable to Business Associate.
- (iii) More specifically, to comply with the HIPAA Security Standards for PHI, Business Associate agrees that it shall:
  - (1) Implement administrative, physical, and technical safeguards consistent with (and as required by) the HIPAA Security Standards that reasonably protect the confidentiality, integrity, and availability of PHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity. Business Associate shall develop and implement policies and procedures that meet the Security Standards documentation requirements as required by the HITECH Act.
  - (2) As also provided for in Section 4(d) below, ensure that any agent, including a subcontractor, to whom it provides such PHI agrees to implement reasonable and appropriate safeguards to protect it;
  - (3) Report to Covered Entity, Security Incidents of which Business Associate becomes aware that result in the unauthorized access, use, disclosure, modification, or destruction of the Covered Entity's PHI, (hereinafter referred to as "Successful Security Incidents"). Business Associate shall report Successful Security Incidents to Covered Entity as specified in Section 4(e);
  - (4) For any other Security Incidents that do not result in unauthorized access, use, disclosure, modification, or destruction of PHI (including, for purposes of example and not for purposes of limitation, pings on Business Associate's firewall, port scans, attempts to log onto a system or enter a database with an invalid password or username, denial-of-service attacks that do not result in the system being taken off-line, or malware such as worms or viruses) (hereinafter "Unsuccessful Security Incidents"), Business Associate shall aggregate the data and, upon the Covered

Entity's written request, report to the Covered Entity in accordance with the reporting requirements identified in Section 4(e);

- (5) Take all commercially reasonable steps to mitigate, to the extent practicable, any harmful effect that is known to Business Associate resulting from a Security Incident;
- (6) Permit termination of this Addendum if the Covered Entity determines that Business Associate has violated a material term of this Addendum with respect to Business Associate's security obligations and Business Associate is unable to cure the violation; and
- (7) Upon Covered Entity's request, Business Associate will provide Covered Entity with access to and copies of documentation regarding Business Associate's safeguards for PHI.

(c) Compliance with HIPAA Transaction Standards

- (i) *Application of HIPAA Transaction Standards.* Business Associate will conduct Standard Transactions consistent with 45 C.F.R. Part 162 for or on behalf of the Covered Entity to the extent such Standard Transactions are required in the course of Business Associate's performing services under the Agreement and this Addendum for the Covered Entity. As provided for in Section 4(d) below, Business Associate will require any agent or subcontractor involved with the conduct of such Standard Transactions to comply with each applicable requirement of 45 C.F.R. Part 162. Further, Business Associate will not enter into, or permit its agents or subcontractors to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of the Covered Entity that:
  - (1) Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
  - (2) Adds any data element or segment to the maximum defined data set;
  - (3) Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or
  - (4) Changes the meaning or intent of the Standard Transaction's implementation specification.
- (ii) *Specific Communications.* Business Associate and Covered Entity recognize and agree that communications between the parties that are required to meet the Standards for Electronic Transactions will meet the Standards set by that regulation. Communications between the Business Associate and the Covered Entity do not need to comply with the HIPAA Standards for Electronic Transactions. Accordingly, unless agreed otherwise by the Parties in writing, all communications (if any) for purposes of "enrollment" as that term is defined in 45 C.F.R. Part 162, Subpart O or for "Health Covered Entity Premium Payment Data," as that term is defined in 45 C.F.R. Part 162, Subpart Q, shall be conducted between the Business Associate or the Covered Entity. For all such communications (and any other communications), shall use such forms, tape formats, or electronic formats as Business Associate may approve.
- (iii) *Communications Between the Business Associate and the Covered Entity.* All communications between the Business Associate and the Covered Entity that are required to meet the HIPAA Standards for Electronic Transactions shall do so. For any other communications between the Business Associate and the Covered Entity, the Covered Entity shall use such forms, tape formats, or electronic formats as Business Associate may approve. The Covered Entity will

include all information reasonably required by Business Associate to affect such data exchanges or notifications.

- (d) **Agents and Subcontractors.** Business Associate shall include in all contracts with its agents or subcontractors, if such contracts involve the disclosure of PHI to the agents or subcontractors, the same restrictions and conditions on the use, disclosure, and security of such PHI that are set forth in this Addendum.
- (e) **Breach of Privacy or Security Obligations.**
- (i) *Notice and Reporting to Covered Entity.* Business Associate will notify and report to Covered Entity (in the manner and within the timeframes described below) any use or disclosure of PHI not permitted by this Addendum, by applicable law, or permitted in writing by Covered Entity.
- (ii) *Notice to Covered Entity.* Business Associate will notify Covered Entity following discovery and without unreasonable delay but in no event later than ten (10) calendar days following discovery, any "Breach" of "Unsecured Protected Health Information" as these terms are defined by the HITECH Act and any implementing regulations. Business Associate shall cooperate with Covered Entity in investigating the Breach and in meeting the Covered Entity's obligations under the HITECH Act and any other security breach notification laws. Business Associate shall follow its notification to the Covered Entity with a report that meets the requirements outlined immediately below.
- (iii) *Reporting to Covered Entity.*
- (1) For Successful Security Incidents and any other use or disclosure of PHI that is not permitted by this Addendum, the Agreement, by applicable law, or without the prior written approval of the Covered Entity, Business Associate – without unreasonable delay and in no event later than thirty (30) days after Business Associate learns of such non-permitted use or disclosure – shall provide Covered Entity a report that will:
- a. Identify (if known) each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been accessed, acquired, or disclosed during such Breach;
  - b. Identify the nature of the non-permitted access, use, or disclosure including the date of the incident and the date of discovery;
  - c. Identify the PHI accessed, used, or disclosed (*e.g.*, name; social security number; date of birth);
  - d. Identify who made the non-permitted access, use, or received the non-permitted disclosure;
  - e. Identify what corrective action Business Associate took or will take to prevent further non-permitted accesses, uses, or disclosures;
  - f. Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted access, use, or disclosure; and
  - g. Provide such other information, including a written report, as the Covered Entity may reasonably request.
- (2) For Unsuccessful Security Incidents, Business Associate shall provide Covered Entity, upon its written request, a report that: (i) identifies the categories of Unsuccessful Security Incidents as described in Section 4(b)(iii)(4); (ii) indicates whether Business Associate believes its current defensive security measures are adequate to address all

Unsuccessful Security Incidents, given the scope and nature of such attempts; and (iii) if the security measures are not adequate, the measures Business Associate will implement to address the security inadequacies.

(iv) *Termination for Breach.*

(1) Covered Entity and Business Associate each will have the right to terminate this Addendum if the other party has engaged in a pattern of activity or practice that constitutes a material breach or violation of Business Associate's or the Covered Entity's respective obligations regarding PHI under this Addendum and, on notice of such material breach or violation from the Covered Entity or Business Associate, fails to take reasonable steps to cure the material breach or end the violation.

(2) If Business Associate or the Covered Entity fail to cure the material breach or end the violation after the other party's notice, the Covered Entity or Business Associate (as applicable) may terminate this Addendum by providing Business Associate or the Covered Entity written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination. Such termination shall be effective 60 days from this termination notice.

(v) *Continuing Privacy and Security Obligations.* Business Associate's and the Covered Entity's obligation to protect the privacy and security of the PHI it created, received, maintained, or transmitted in connection with services to be provided under the Agreement and this Addendum will be continuous and survive termination, cancellation, expiration, or other conclusion of this Addendum or the Agreement. Business Associate's other obligations and rights, and the Covered Entity's obligations and rights upon termination, cancellation, expiration, or other conclusion of this Addendum, are those set forth in this Addendum and/or the Agreement.

5. **AMENDMENT.**

The parties agree that this Addendum may be amended by mutual agreement of the parties, in writing. In the event an amendment to this Addendum is required by modifications to the HIPAA Privacy Rule, EBS may unilaterally amend this Addendum to comply with the HIPAA Privacy Rule, and the Plan shall be bound by such amendment.

Employee Benefit Systems

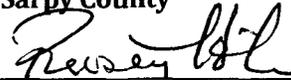


Mark Lehman, CFO

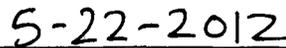


Date

Sarpy County



Authorized Signature & Title



Date

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**AGREEMENT BETWEEN  
EMPLOYEE BENEFIT SYSTEMS AND  
SARPY COUNTY**

**ADDENDUM (C) RESPONSIBILITY AGREEMENT**

**Responsibility of Sarpy County – hereafter referred to as “Client”.**

**1. Group Setup and Renewal Information**

- a. The Client and or the Agent is responsible for completing, signing, and returning the Setup or Renewal Forms and Re-enrollment Forms by the designated deadline.

**2. Adds, Changes or Terminations**

- a. Notices of additions, changes or terminations of members should be sent to the EBS Billing and Enrollment Specialist in a timely manner.
- b. The maximum adjustment for late notification of additions, changes, or terminations is 60 days from date of receipt by EBS. (Ex: Employee terminates coverage December 1<sup>st</sup>. EBS is notified April 10<sup>th</sup>. Credit will be given for prior 60 days, February and March).
- c. EBS will not be responsible for claims paid in the event that a change or termination was not sent to EBS in a timely fashion.

**3. Report Verification**

- a. The Client is responsible for reviewing the EBS Monthly Reports if applicable and the Monthly Billing Statement against their payroll and other records for accuracy.

**4. Payroll Reporting for Flex Spending Accounts (if applicable)**

- a. The Client is responsible to provide the payroll contributions information to EBS in a timely manner.

**5. Claim Funding (if applicable)**

- a. The preferred method of funding the claims account is by ACH.
- b. If another method is used to fund processed claims, EBS will not hold claims longer than four business days.
- c. EBS will not be responsible for any overdraft fees or bank charges due to non-funded accounts.

**6. IRS Reporting (if applicable)**

- a. Clients with over 100 lives are required to file Form 5500 Annual Report / Report of Employee Benefit Plan.

**7. Fees on Self Insured Health Plans (if applicable)**

- a. Clients with self insured health plans are responsible for the payment of any fees assessed (i.e. Comparative Effectiveness Research (CER fees) in accordance with any new or revised federal and/or state regulations.

**Responsibility of Employee Benefit Systems, hereafter referred to as “Administrator”.**

**1. Adds, Changes or Terminations**

- a. Administrator will process adds, changes, or terminations in a timely manner, one to three business days after receipt of notification.

**2. Claims Processing (if applicable)**

- a. Claims will be paid in a timely manner consistent with normal business practices.
- b. Administrator will contact the Client in the case where additional funds are needed to release processed claims. Administrator will not hold claims longer than four business days.

**3. Reports**

- a. Administrator will generate a Monthly Billing Statement and send by email to the Client. If EBS bills the client for payroll contributions and additional funding has been collected throughout the year, an adjustment to the monthly billing will be made on the twelfth -12<sup>th</sup>-month bill of the Plan Year.
- b. Check registers will be sent by email to the Client.
- c. Monthly Reports and Financials will be sent by email to the Client if applicable.

**4. ID Cards (if applicable)**

- a. Administrator will create and send out ID cards for the members.

Employee Benefit Systems

Mark Lehman  
Mark Lehman, CFO

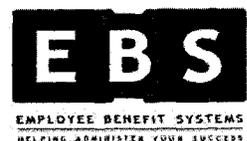
8/18/12  
Date

Sarpy County

[Signature]  
Authorized Signature & Title

5-22-2012  
Date

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# Employee Benefit Systems Third Party Administration Services

## PSF Renewal

Client Number: 49130  
 Plan Year: 7/1/12-6/30/13  
 Services: PSF  
 Plan changes:  Yes  No

### A) Plan Sponsor - All Information is required for Renewal Groups

Group Name: Sarpy County Tax ID: 47-6006504  
 Address: 1210 Golden Gate Drive Papillion, NE 68046-2895  
 Telephone: 402-593-4487 Facsimile: 402-593-4360 Website: \_\_\_\_\_  
 Contact: Linda Welles Title: Sr Admin Personnel Email: lwelles@sarpy.com  
 Agency: William-Deras Address: 10040 Regency Circle, Suite 345 Omaha, NE 68114  
 Agent: Mike Williams/Stephanie Dow Phone: 402-398-9898 Email: steph@williamsderas.com  
 Is this group a part of a Collective Bargaining Agreement?  yes  no

### B) PSF Plan Information

**PRIMARY PLAN (EMPLOYER PLAN)** PLEASE ATTACH PLAN SUMMARY FROM CARRIER

Carrier: BCBS-NE Plan: Base Plan #1--Blue In-Network Non-Network

Is this an Aggregate?  yes  no

	Single	Family	Single	Family
Deductible:	\$4,000	\$8,000	\$8,000	\$16,000
Out-of-Pocket maximum (OPM):	\$4,450	\$8,900	\$11,900	\$23,800
Co-insurance:	70/30		50/50	
Deductible included in OPM:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Co-pay: OV = \$ 30-60 ER = \$ 100 Wellness = \$ \_\_\_\_\_ Supl Accd = \$ \_\_\_\_\_  
 Drug Program: \$10-40-60

**REIMBURSEMENT PLAN (EMPLOYEE PLAN)**

Plan: \_\_\_\_\_

Is this an Aggregate?  yes  no

	Single	Family	Single	Family
Deductible:	\$500	\$1,000	\$8,000	\$16,000
Out-of-Pocket maximum (OPM):	\$2,500	\$5,000	\$11,900	\$23,800
Co-insurance:	70/30		50/50	
Deductible included in OPM:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Co-pay: OV = \$ 30-60 ER = \$ 100 Wellness = \$ \_\_\_\_\_ Supl Accd = \$ \_\_\_\_\_  
 Drug Program: \$10-40-60

Maximum dollar exposure to the employer per member, in-network: \$1,950  
 Maximum dollar exposure to the employer per member, non-network: \$0

### C) Fees

PSF Admin	<u>\$6.50/\$75</u>	EOB Fee	\$ _____	Billing Admin	\$ _____	COBRA Admin	\$ _____
Flex Admin	\$ _____	HRA Admin	\$ _____	Dental Admin	\$ _____	Vision Admin	\$ _____
		Broker Fee	\$ _____	OR Monthly minimum fee:			

### D) Funding - if applicable

Single	40.63	Emp/Ch	86.94	Emp/Sp	86.94	Family	99.94
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### E) Plan Confirmation

EBS shall be entitled to rely on information furnished by the Client, Agent, or Broker regarding group set-up, renewal and implementation. The Client, Agent, or Broker will furnish EBS with such other information as EBS may reasonably require in the performance of its duties hereunder. In the case of inaccurate information provided to EBS, EBS will only go back sixty (60) days for reprocessing of claims and EBS will not be held responsible for claims under or overpaid prior to that period.

Signature: [Signature] Date: 5-22-2012  
 Print Name: Rusty Hike, Chairman County Board



# Sarpy County

## Medical Coverage Rate Comparison

May-12

Medical Rates	Current BC/BS of NE	Renewal BC/BS of NE
	\$3,000 / 70-30	\$3,000 / 70-30
	30% PSF	30% PSF
Employee --- 159	\$612.52	\$720.32
Employee / Spouse --- 67	\$1,305.66	\$1,535.46
Employee / Child(ren) --- 43	\$1,305.66	\$1,535.46
Family --- 182	\$1,496.76	\$1,760.19
Total	\$513,424	\$603,786
Increase		17.6%

BC/BS of NE	BC/BS of NE	BC/BS of NE	BC/BS of NE
\$4,000 / 70-30	Funding	Processing Fee	\$4,000 / 70-30
25% PSF			25% PSF
\$635.25	\$40.63	\$6.50	\$682.38
\$1,361.06	\$86.94	\$6.50	\$1,454.50
\$1,361.06	\$86.94	\$6.50	\$1,454.50
\$1,560.90	\$99.94	\$6.50	\$1,667.34
			\$571,949
			11.4%

Williams-Deras & Associates

**HEALTH INSURANCE: PREMIUM COSTS FY 12-13**

OPTION #1: Blue Plan (70/30: 2500/5000)			
<u>Coverage Level</u>	<u>Total Premium</u>	<u>County Share</u>	<u>Employee Share</u>
Single	\$682.38	\$614.14	\$68.24
Employee + Spouse	\$1,454.50	\$1,207.24	\$247.27
Employee + Child(ren)	\$1,454.50	\$1,207.24	\$247.27
Family	\$1,667.34	\$1,383.89	\$283.45



# SARPY COUNTY HUMAN RESOURCES

## MEMORANDUM

**To:** County Commissioners  
**From:** Karen Buche, Human Resources Director  
**Date:** May 18, 2012  
**Subject:** Employee Health Insurance Plans

As you are aware, our health insurance plans are up for renewal. Because of the high claims-to-premium ratio, we received a 30% increase in premiums. Mike Williams, our broker, was able to negotiate a reduction in the premium increase to approximately 18%. Because this premium was still too high, Mike provided us with multiple plan options.

After reviewing the various options and utilization statistics, we identified two options that provide the best plan benefits as a function of the premium. The two options and the specific plan changes are as follows:

<b>Option 1 (Blue Plan)*</b>
Increase in premium rates of 11.4%
No change to employee deductibles
No change in coinsurance
Change in out-of-pocket maximum from \$1,500/\$3,000 to \$2,500/\$5,000

<b>Option 7 (Green Plan)*</b>
Increase in premium rates of 12.6%
No change to employee deductibles
Change in coinsurance from 70/30 to 50/50
Change in out-of-pocket maximum from \$1,500/\$3,000 to \$2,000/\$4,000

\*Both options reduce the partial self-funding mechanism from 30% to 25%

Meetings were held to discuss the various plan options. Those involved in the meetings were Mike Williams and Stephanie Dow of Williams-Deras as well as Mark Wayne, Brian Hanson, Fred Uhe, Linda Welles, and me. It was decided that we would need to obtain some additional data regarding the plan's usage before a decision could be made. Mike was able to get the following statistics to assist in analyzing the various plan options.

The following chart reflects the utilization statistics, which were used to determine the recommendation.

<b>BCBS PLAN STATISTICAL INFORMATION</b>	
<b>2011-12 Renewal Period</b>	
553	Employees Eligible for health insurance
451	Employees enrolled in health insurance
	<b>81.5% Participation Rate</b>
248	Employees did not reach \$750 in Out of Pocket (OOP)
112	Employees reached OOP maximum (16 of those were family)
91	Employees did not reach OOP maximum but had more than \$750 OOP
451	Total Employees enrolled
	<b>339 Employees did not reach OOP maximum</b>
55%	Employees did not reach \$750 in OOP
25%	Employees reached OOP maximum
20%	Employees did not reach OOP maximum but had more than \$750 OOP
100%	Total Employees enrolled
	<b>75% of Employees did not reach OOP maximum</b>
\$1,762,680	10 Employees/families had catastrophic claims
	<b>2% of Employees accounted for 31% of Claims</b>
\$5,669,059	Total Premiums paid to BCBS/EBS
\$5,569,055	Total Claims paid by BCBS/EBS
	<b>98% Claims to Premium Ratio</b>

We are recommending Option 1 (Blue Plan) primarily because it has the least impact on the majority of employees; the premiums are less expensive (11.4% vs. 12.6%); and the increased out-of-pocket maximums (\$2,500/\$5,000 vs. \$2,000/\$4,000) apply only to those employees who have many and/or large claims during the claim year.

Mike Williams, Human Resources, and Administration held meetings with the representatives of the FOP, Local 251, and the Employee Association. During these meetings both plan options were presented and the union representatives were told that the County would be recommending Option 1 (Blue Plan) to the County Commissioners. The unions were asked to provide feedback by Tuesday, May 15<sup>th</sup> at the close of business. The Employee Association and Local 251 have expressed favor in Option 1 (Blue Plan), and the FOP in Option 7 (Green Plan).

Open enrollment has been scheduled for June 1<sup>st</sup> through June 15<sup>th</sup> to allow employees sufficient time to review and elect benefits as well as provide time for processing of benefits. Since there is no meeting the week of the Memorial Day Holiday, a plan must be chosen today.

If you have any questions, please contact Mike Williams at 402-398-9898, me at 403-593-4485 or Mark Wayne at 402-593-2347.

Thank you.

# Sarpy County

## Medical Coverage Rate Comparison

May-12

Medical Rates	Current BC/BS of NE	Renewal BC/BS of NE
	\$3,000 / 70-30	\$3,000 / 70-30
	30% PSF	30% PSF
Employee --- 159	\$612.52	\$720.32
Employee / Spouse --- 67	\$1,305.66	\$1,535.46
Employee / Child(ren) --- 43	\$1,305.66	\$1,535.46
Family --- 182	\$1,496.76	\$1,760.19
<b>Total</b>	<b>\$513,424</b>	<b>\$603,786</b>
<b>Increase</b>		<b>17.6%</b>

BC/BS of NE	BC/BS of NE	BC/BS of NE	BC/BS of NE
\$4,000 / 70-30	Funding	Processing Fee	\$4,000 / 70-30
25% PSF			25% PSF
\$635.25	\$40.63	\$6.50	\$682.38
\$1,361.06	\$86.94	\$6.50	\$1,454.50
\$1,361.06	\$86.94	\$6.50	\$1,454.50
\$1,560.90	\$99.94	\$6.50	\$1,667.34
			\$571,949
			11.4%

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# Sarpy County

## Medical Coverage Rate Comparison

April-12

Medical Rates	Current BC/BS of NE	Renewal BC/BS of NE
	\$3,000 / 70-30	\$3,000 / 70-30
	30% PSF	30% PSF
Employee --- 159	\$612.52	\$720.32
Employee / Spouse --- 67	\$1,305.66	\$1,535.46
Employee / Child(ren) --- 43	\$1,305.66	\$1,535.46
Family --- 182	\$1,496.76	\$1,760.19
<b>Total</b>	<b>\$513,424</b>	<b>\$603,786</b>
<b>Increase</b>		<b>17.6%</b>

BC/BS of NE	BC/BS of NE	BC/BS of NE
\$4,000 / 70-30	\$4,000 / 70-30	\$4,000 / 70-30
30% PSF	25% PSF	20% PSF
\$690.50	\$682.38	\$674.25
\$1,471.89	\$1,454.50	\$1,437.11
\$1,471.89	\$1,454.50	\$1,437.11
\$1,687.33	\$1,667.34	\$1,647.35
\$578,791	\$571,949	\$565,106
12.7%	11.4%	10.1%

Williams-Deras & Associates

# Sarpy County

Medical Benefit Analysis

Effective Date July 1, 2012

Williams-Deras & Associates

Holmes-Murphy

April-12

	Base Plan Option 1		Partial Self Fund	
	Blue Cross/Blue Shield of Nebraska Blue Preferred PPO		Blue Cross/Blue Shield of Nebraska Blue Preferred PPO	
Preferred Provider Organization	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>BENEFIT OVERVIEW</b>				
<u>Deductible</u>				
Single	\$4,000	\$8,000	\$500	\$8,000
Family	\$8,000	\$16,000	\$1,000	\$8,000
Coinsurance	70% / 30%	50% / 50%	70% / 30%	50% / 50%
<u>Out of Pocket Maximum</u>				
Single (includes the deductible)	\$1,450	\$1,900	\$2,500	\$2,500
Family (includes the deductible)	\$2,900	\$3,800	\$5,000	\$5,000
<b>BENEFIT HIGHLIGHTS</b>				
<u>Physician Visit</u>	\$30 Copayment per visit \$60 Copayment for Specialist	Deductible then 50%	\$30 Copayment per visit \$60 Copayment for Specialist	Deductible then 50%
<u>Preventive Services</u>				
ADULT	Plan Pays 100%	Deductible then 50%	Plan Pays 100%	Deductible then 50%
CHILD/BABY	Plan Pays 100%	Deductible then 50%	Plan Pays 100%	Deductible then 50%
<u>Emergency Room Urgent Care Center</u>	\$100 Copayment per visit then 30% \$30 Copayment per visit	\$100 Copayment per visit then 30% Deductible then 50%	\$100 Copayment per visit then 30% \$30 Copayment per visit	\$100 Copayment per visit then 30% Deductible then 50%
<u>Hospital Services</u>				
Inpatient	Deductible then 30%	Deductible then 50%	Deductible then 30%	Deductible then 50%
Outpatient	Deductible then 30%	Deductible then 50%	Deductible then 30%	Deductible then 50%
Maternity	Deductible then 30%	Deductible then 50%	Deductible then 30%	Deductible then 50%
<u>Prescription Drugs</u>	Generic --- \$10.00 / Brand Formulary --- \$40.00 / Brand Non-Formulary --- \$60.00	Generic --- \$10.00 + 25% Brand Formulary --- \$40.00 + 25% Brand Non-Formulary --- \$60.00 + 25%	Generic --- \$10.00 / Brand Formulary --- \$40.00 / Brand Non-Formulary --- \$60.00	Generic --- \$10.00 + 25% Brand Formulary --- \$40.00 + 25% Brand Non-Formulary --- \$60.00 + 25%
<u>Overall Lifetime Maximum</u>	UNLIMITED		UNLIMITED	

**NOTE:**

1) This is a summary of benefits provided by the plans. Refer to the carrier's descriptive material for a full discussion of benefits and rates.