CL 53480

Blue Cross Blue Shield Blue Care Network of Michigan

Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

GROUP SIGNATURE PAGE

Effective for 10/01/2021 – 09/30/2022

Between Blue Cross Blue Shield of Michigan and

WASHTENAW COUNTY SHERIFF'S OFFICE (INMATES) – (CID – 269685)

Group and Blue Cross Blue Shield of Michigan agree to sign the specified documents checked-off below ("Documents") via this Group Signature Page Each party's Signature is the legal equivalent of a manual / handwritten signature on the specified Documents By providing their Signatures below, the parties are legally bound by the terms and conditions in the Documents referenced. Group agrees that no certification authority or other third-party verification is necessary to validate Group's Signature, and that the lack of such certification or third-party verification will not in any way affect the enforceability of Group's Signature or the Documents

Documents Included:

- ☒ **Administrative Services Contract**
- ☒ **Schedule A**
  - ☒ Exhibit 1 to Schedule A
  - ☐ Exhibit 2 to Schedule A
- ☒ **Schedule B**
  - ☒ Exhibit 1 to Schedule B

→ Requires Group Selection: ***Customer Attestation***

Group Health Plan Type –	
Is Groups' Plan governed by ERISA?	☐ Yes ☒ No

Upon signature by the parties, this page will be electronically attached to applicable Documents and stored for reference and record Copies of this fully executed ASC Contractual package will be shared with all parties upon completion

WASHTENAW COUNTY

11/15/2021

Gregory Dill
County Administrator

AGREED AND ACCEPTED

BLUE CROSS BLUE SHIELD OF MICHIGAN:	**GROUP CUSTOMER:**
By: (Signature) DocuSigned by Gary Gavin 5DD3035CA826411	By: (Signature)
Name: (Print) Gary Gavin	Name. (Print) JERRY L. CLAYTON
Title: VP, Auto, Nat & Key Accts	Title. SHERIFF
Date. 9/23/2021	Date:

ATTESTED TO

11/15/2021

Signed by Deputy E. Golembiewski for L. Kestenbaum

Lawrence Kestenbaum
County Clerk/Register

APPROVED AS TO FORM

Michelle K. Billard

Office of Corporation Counsel 11/09/2021

Michelle K Billard
Corporation Counsel

Blue Cross Blue Shield of Michigan

A nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association

ADMINISTRATIVE SERVICES CONTRACT
INMATE MONTHLY INVOICE PROGRAM

Group Name:	**Washtenaw County Inmates**
Address:	**220 N Main, PO Box 8645, Ann Arbor MI, 48107**
Customer ID:	**269685**
Effective Date:	**10/1/2021**

This Contract commences on the above effective date ("Effective Date") and is made between Blue Cross Blue Shield of Michigan, a Michigan non-profit mutual insurance corporation ("BCBSM") and the group customer named above ("Group")

This Contract sets forth the administrative responsibilities of BCBSM and Group's financial and other obligations with respect to BCBSM's role as a service provider.

BCBSM and Group agree as follows.

ARTICLE I
DEFINITIONS

A. **"BCBS Plan"** means a company that has been licensed by BCBSA other than BCBSM

B **"BCBSA"** means the Blue Cross and Blue Shield Association

C. **"BlueCard Program"** means the national program established by BCBSA under which Claims are processed by BCBS Plans when Inmates receive health care services outside of Michigan BCBSA mandates the policies, procedures and disclosures of the BlueCard Program and amends them from time to time Schedule B sets forth BCBSA's required disclosures for the BlueCard Program and is incorporated into this Contract If BCBSA amends the disclosures, such amendments shall automatically become a part of this Contract upon BCBSM giving sixty (60) days prior written notice to Group

D. **"Claim"** means, for the lines of business set forth in Schedule A, a payment request from a health care provider or an Inmate for a health care service, product, or prescription drug provided to an Inmate, with an incurred date during the term of this Contract Claims billed to Group are negotiated rates paid to health care providers pursuant to BCBSM or a BCBS Plan's provider agreements, which may include both service-based and value-based reimbursement Service-based reimbursement means a BCBSM or BCBS Plan fee for a health care service Value-based reimbursement means a fee for Quality Programs, as more fully described in Exhibit 1 to Schedule A

BCBSM and BCBS Plans negotiate provider reimbursement rates on their own behalf, and not Group, and may set rates for health care services to cover any obligations to health care providers Through this Contract, Group receives the benefit of provider rates, but it has no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims. Except as set forth in Schedule A, BCBSM does not retain any portion of Claims as compensation and all amounts collected from Group in Claims are used to satisfy provider obligations

E. **"Contract"** means this administrative services contract and any schedules, parts, exhibits and addenda attached hereto and incorporated herein by reference as amended from time to time

F. **"Contract Year"** means the period from the Effective Date to the first Renewal Date, or the period from one Renewal Date to the next Renewal Date. If termination occurs other than at the end of a Contract Year, Contract Year means that period from the Effective Date or the most recent Renewal Date to the termination date

G **"Coverages"** means the health care benefits set forth in the benefit design document or Part C of the Group Enrollment and Coverage Agreement and BCBSM's medical policies, which are incorporated into this Contract

H. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, as amended, Public Law 104-191 of 1996, *et seq*, and regulations promulgated thereunder

I. **"Inmate"** means only those individuals incarcerated by or otherwise under the custody or control of the Group and for whom the Group is obligated to provide health care coverage. The term "Inmates" does not include any dependent of such individuals including any spouse or children

J **"PPACA"** means the Patient Protection and Affordable Care Act, as amended, Public Law 111-148 of 2010, *et seq*, and regulations promulgated thereunder

K. **"Quality Programs"** refer to BCBSM or BCBS Plan programs funded with value-based provider reimbursement Quality Programs are governed by separate agreements with health care providers and are designed to improve health care outcomes and control health care costs

L. **"Rebates"** means retrospective payments collected from drug manufacturers and paid to BCBSM that are attributable to Inmate drug utilization

M. **"Renewal Date"** means the date one (1) year after the Effective Date, and the same date of every subsequent year The Renewal Date may be changed by mutual agreement of BCBSM and Group.

N **"Transition Assistance Period" or "TAP"** means the period that begins on the Termination Date and concludes twenty-four (24) months thereafter, during which BCBSM shall provide those services, and Group shall perform those obligations, set forth in *Article IV.B.*

ARTICLE II
GENERAL RESPONSIBILITIES

A. **Claims Administrator Status.** Group delegates to BCBSM the responsibility and discretionary authority as claims administrator to make final benefit determinations. Any determination or interpretation made by BCBSM pursuant to its claim determination authority is binding on the Inmate, Group, and BCBSM

B. **Eligibility and Enrollment.** Prior to the Effective Date, Group shall notify BCBSM of all Inmates that will be covered During the term of this Contract, following agreed upon procedures, Group shall notify BCBSM of all changes in Inmate enrollment. Until BCBSM has been properly notified of changes to Group's Inmate enrollment, BCBSM shall continue to process Claims for Inmates as listed on BCBSM's computer membership programs Group represents and warrants that any eligibility and status changes it requests are compliant with and permissible under applicable state and federal law

C **Claims Processing.** During the term of this Contract, Claims will be directly submitted to BCBSM and will be processed according to the Coverages and BCBSM's standard operating procedures for Claims. Notwithstanding the foregoing, Claims from out-of-state providers may, depending on the type of payment request, be directly

submitted to the applicable out-of-state BCBS Plan and are processed and paid under the BlueCard Program as set forth in Schedule B Claims from out-of-state providers are reported and billed to Group as they are received by BCBSM from a BCBS Plan and may include a BlueCard Access Fee for processing the Claim

D. **Disputed Claims.** Group shall notify BCBSM in writing of any Claim that Group disputes within sixty (60) days of Group's access to a paid Claims listing. BCBSM shall investigate such Claim and respond to Group within a reasonable time period. Upon BCBSM's request, Group shall execute any reasonably necessary documents that will allow BCBSM to recover any amounts that may be owed by a third party with respect to such disputed Claim. If BCBSM recovers any amount from a third party or if BCBSM determines that the disputed Claim is not Group's financial responsibility or is incorrect, then BCBSM shall give Group a credit for the recovered or corrected amount (reduced by any stop loss credits given by BCBSM relating to such disputed Claim)

E. **Recoveries.**

1. Subrogation. BCBSM shall be subrogated to all of Group's or an Inmate's rights with respect to any Claim BCBSM will use reasonable efforts to evaluate information provided by the Inmate and other sources to identify Claims in which Group may have a subrogation or reimbursement interest However, BCBSM is not obligated to pursue any subrogation or reimbursement claim, including commencing, becoming a party to, or intervening in any litigation BCBSM will remit to Group the funds recovered from third parties less (a) any attorney fees resulting from recovery litigation undertaken by BCBSM, (b) any negotiated lien reduction, and (c) the percentage set forth on Schedule A Group will reasonably assist in any BCBSM recovery efforts

2. Class Actions and Similar Litigation Group authorizes BCBSM act on their behalf in any health care class action or other similar litigation of which BCBSM has knowledge, e g , a drug manufacturer or product liability lawsuit ("Class Action") Group further authorizes BCBSM to submit Claims, agree to any Class Action settlement, and collect and remit to Group any funds recovered less any reasonable expenses incurred by BCBSM If Group notifies BCBSM that it desires to independently pursue a Class Action, BCBSM will provide Group with applicable Claims and other necessary information

F. **Benefit Litigation Defense.** If a third party initiates a claim, suit, or proceeding against Group or BCBSM relating to benefits payable or any of the administrative services subject to this Contract ("Litigation"):

1 Each party shall provide prompt written notice of the Litigation to the other party if served with such Litigation

2 Group may request that BCBSM select counsel and defend litigation BCBSM retains the right to deny this request and require Group to defend the Litigation

3 Whenever Group or BCBSM is a party in any Litigation, regardless of who defends the litigation, Group and BCBSM each reserve the right, at their own cost and expense, to retain counsel to protect their own interests

4 Regardless of who defends the litigation, Group and BCBSM shall reasonably cooperate with each other to provide all relevant information and documents within their respective control that are not subject to a privilege or confidentiality obligation; and to reasonably assist each other to defend, settle, compromise, or otherwise resolve the Litigation Whenever either party is served with any Litigation, the party served shall take all steps necessary to prevent a default in the Litigation prior to determining which party will defend such Litigation

5 BCBSM shall have full authority to settle or compromise such Litigation, without Group's specific consent, unless.

a $50,000 or more is at issue in the Litigation, or

b State tax issues or mandated benefit issues are part of the Litigation and Group has requested BCBSM to defend the Litigation

If Group's consent to settle or compromise Litigation is required, such consent shall not be unreasonably withheld If Group withholds consent for any reason and the final resolution of the Litigation is equal to or greater than a settlement or compromise proposed by BCBSM, Group shall pay BCBSM the additional cost of any subsequent settlement, compromise or judgment including all of BCBSM's reasonable attorney fees and costs for proceeding with the Litigation

6 When Group defends the Litigation, Group shall have full authority to settle or compromise such Litigation without BCBSM's consent, unless BCBSM has notified Group that the Litigation may have a material adverse impact on BCBSM

If BCBSM's consent to settle or compromise Litigation is required, such consent shall not be unreasonably withheld If BCBSM withholds consent for any reason and the final resolution of the Litigation is equal to or greater than a settlement or compromise proposed by Group, BCBSM shall pay the additional cost of any subsequent settlement, compromise or judgment including all of Group's reasonable attorney fees and costs for proceeding with the Litigation

7. When BCBSM defends the Litigation, the cost and expenses of such defense shall be paid by BCBSM However, Group shall pay for any judgment, award, settlement or payment of amounts due with respect to the underlying Litigation

8 Subject to *paragraph 6* above, when the Group defends the Litigation, Group shall pay the cost and expenses of such defense, reasonable attorney fees and any judgment, award, settlement or payment of amounts due with respect to the underlying Litigation.

G. **Group Audits.**

1 Group, at its own expense, shall have the right to audit Claims incurred under this Contract, however, audits shall not occur more frequently than once every twelve months and shall not include Claims from previously audited periods or Claims paid prior to the last twenty-four (24) months.

2 Prior to any audit, Group and BCBSM must mutually agree upon any independent third-party auditor that Group wishes to perform the audit BCBSM shall not unreasonably withhold its consent Additionally, prior to audit, Group and any third-party auditor shall sign BCBSM's audit agreement.

3. All audits shall be conducted pursuant to BCBSM corporate policy and other requirements at the time of the audit The parties acknowledge staffing constraints may exist in servicing concurrent Group initiated audits Therefore, after notice from Group requesting an audit, BCBSM will have up to ninety (90) days to begin gathering requested documentation and to schedule the on-site phase of the audit.

4 Sample sizes shall not exceed two hundred (200) Claims and shall be selected to meet standard statistical requirements (i e , 95% Confidence Level; precision of +/- 3%). If BCBSM agrees to any additional Claims above the 200, Group shall reimburse BCBSM for Claims documentation in excess of 200 Claims at fifty dollars ($50 00) per Claim

5 Following the on-site activity and prior to disclosing the audit findings to Group, the auditor shall meet with BCBSM management and present the audit findings

6. BCBSM shall have no obligation to make any payments or reimbursements in connection with audit findings to Group unless there has been a recovery from the provider, Inmate, or third-party carrier, as applicable No

adjustments or refunds shall be made based on the auditor's statistical projections of sampled dollar errors. An audit error will not be assessed if the Claim payment is consistent with BCBSM policies and procedures, or consistent with specific provisions contained in this Contract or other written Group Instructions agreed to by BCBSM

H. **Health Care Provider Interest.** Group acknowledges that various states including Michigan have enacted prompt payment legislation with respect to the payment of Claims that may require the payment of interest to providers under circumstances dictated by statute BCBSM will invoice the Group for any interest required by statute and Group shall pay such interest Additionally, out-of-state Claims may be inclusive of any interest owed by statute or required by the terms of provider contracts with the out-of-state BCBS Plan Out-of-state Claims are reported and billed to Group as submitted to BCBSM by the out-of-state BCBS Plan.

I **Confidentiality.** The terms of this Contract and the items set forth below are confidential and shall not be disclosed or released to a third party without the prior written consent of BCBSM, unless required by law

1. Provider Proprietary Information Health care provider names, addresses, tax identification numbers, and financial amounts paid to such providers.

2 BCBSM and Other BCBS Plan Proprietary Information BCBSM's or any other BCBS Plan's methods of reimbursement, amounts of payments, discounts and access fees, BCBSM's administrative fees and, if applicable, stop loss fees, those processes, methods, and systems developed for collecting, organizing, maintaining, relating, processing and transacting comprehensive membership, provider reimbursement and health care utilization data.

J **Coordination with Medicare.** Group shall timely notify BCBSM whether Medicare is the primary payer for Claims of any Inmate. BCBSM shall change such Inmate's eligibility record within fifteen (15) business days of BCBSM's receipt of Group's notice.

K. **Rebates.** BCBSM may contract with rebate administrators ("Rebate Administrators") to submit drug claims for Rebates Group, directly or indirectly, will not submit any claims for Rebates Rebate Administrators may retain a portion of the gross Rebates as a claims processing and rebate administration fee ("Rebate Administrator Fee") BCBSM may retain a portion of the Rebates as administrative compensation ("BCBSM Rebate Service Fee") The Rebate Administrator Fee and BCBSM Rebate Service Fee are set forth in Schedule A Any change to the Rebate Administrator Fee during a Contract Year shall be effective and automatically incorporated in Schedule A following thirty (30) days notice by BCBSM to Group BCBSM will distribute Rebates net of any fees set forth in the Schedule A to Group If BCBSM receives rebate adjustments or de minimis amounts of unidentifiable Rebates that cannot practicably be tied to particular claims, BCBSM will proportionally allocate those Rebate amounts to BCBSM customers

ARTICLE III
FINANCIAL RESPONSIBILITIES

A. **Group Responsibilities** Group shall be responsible and liable for.

1 Claims;
2. Fees set forth in Schedules A, B, and C, including administrative fees, additional administrative compensation, and any other fees identified therein,
3 Health Care Provider Interest,
4 Taxes and surcharges imposed by state and federal governments on Claims or number of Inmates,
5. Statutory court costs and attorney fees awarded by a court of competent jurisdiction to an Inmate as a result of Litigation, and

6. All other risks, financial obligations, and liabilities which BCBSM may assume or which might otherwise attach with respect to the administration of Coverages

B. **Group's Monthly Wire and Other Payments** Group shall make monthly payments of all amounts due to BCBSM by the due date set forth on the invoice In addition, Group shall pay to BCBSM any separately invoiced amounts within fifteen (15) days of invoice or settlement issue date. If Group's payment for any amount payable under this Contract is more than one (1) business day late, Group shall pay a late fee equal to two percent (2%) of any outstanding amount due or the maximum percentage permitted by law, whichever is less BCBSM may cease processing Claims retroactive to the last date for which full payment was made

C. **Interest and Float.** Group shall make payments of amounts due and owing to a designated BCBSM bank account, which funds other BCBSM accounts To the extent any of those bank accounts are interest bearing, BCBSM retains any interest earned and will not pay or credit any interest to Group. Additionally, banks holding BCBSM accounts may retain float interest earned on transactions with the funds in those accounts.

D ***Schedule A Renewals.*** *At least thirty (30) days prior* to each Renewal Date, BCBSM shall send Group a Schedule A for the new Contract Year with all pricing terms for a single or multiple Contract Year(s) Any renewal Schedule A shall be deemed fully executed and effective as of the Renewal Date If Group fails to sign it and makes any payment according to its terms

E **Settlements.**

1 Annual Settlements Group shall receive its Annual Settlement approximately one hundred twenty (120) days after the end of each Contract Year, which may include a reconciliation of any administrative fees based on BCBSM's enrollment records for the Contract Year at the time the reconciliation is performed
If the Group has an arrangement whereby it pays additional administrative compensation ("AAC"), the total *AAC reported to Group with the annual settlement equals the* total amount of AAC collected from Group during the year less any AAC that was refunded to Group pursuant to a stop-loss insurance policy with BCBSM. If the total AAC exceeds the maximum AAC set forth in Schedule A, BCBSM shall return the excess AAC to Group If the total AAC is less than the minimum AAC set forth in Schedule A, Group shall pay BCBSM the shortfall. Neither Group nor BCBSM shall pay any interest on these payments / refunds

2 Customer Savings Refund Customer Savings Refund ("CSR") is the annual report reconciling Claims during the twelve (12) month period 7/1 – 6/30 with any of the following items settled during the same period (1) retroactive adjustments made in the Michigan Hospital Settlement (MHS), explained below, (2) Class Action recoveries, and (3) any other settlements from litigation and provider audits for which claim readjudication is not practicable

If a refund is due, Group will receive a CSR payment in the year following the close of the CSR period In the case of a liability resulting from the MHS, the liability will be reported to Group in the year following the close of the CSR period A liability will accumulate with interest and may be offset against future CSR payments or Rebates

MHS liabilities will continue to accumulate from year to year unless Group elects to pay the liability or CSR payments in subsequent years exceed the amount of Group's outstanding MHS liability. BCBSM may in its sole discretion invoice Group for some or all of Group's CSR liability, which invoice shall be paid within thirty (30) days of receipt by Group

The MHS is designed to reconcile amounts BCBSM paid to a hospital during a year with the total amount of reimbursement due to the hospital Pursuant to separate agreements between BCBSM and Michigan hospitals, BCBSM makes periodic estimated payments to each hospital based on expected claims for all

BCBSM customers. At the end of the contract year with the hospital, BCBSM settles the amount the hospital received in payments with actual claims experience, hospital reward and incentive payments under Quality Programs, and hospital obligations to Quality Programs. The MHS will result in a gain or loss applied to Group's CSR

Group will not receive a CSR or incur adjusted liability attributable to a particular hospital until after the finalization of the MHS for a particular hospital Group's refund or liability attributable to a particular hospital gain or loss, respectively, is proportionate to Group's utilization for that hospital.

ARTICLE IV
TERMINATION AND TERMINATION ASSISTANCE

A Termination & Notice.

1 With or Without Cause Either party may, with or without cause, terminate this Contract by providing the other party with at least ninety (90) days prior written notice of the termination date ("Termination Date")

2. Nonpayment, Partial Payment, Insolvency, or Bankruptcy Notwithstanding any other Contract provisions, if Group fails to timely pay any amounts owed or becomes insolvent or files for bankruptcy protection, BCBSM may terminate this Contract by providing Group with at least five (5) days prior written notice of the Termination Date.

3. Termination within the First Contract Year If Group gives notice of termination before the end of the first Contract Year or if BCBSM terminates under *subsection 2* above before the end of the first Contract Year, Group shall pay BCBSM twelve (12) months of the administrative fees as set forth in Schedule A multiplied by the average monthly Inmate count (less the administrative fees paid prior to the Termination Date) to compensate BCBSM for its implementation costs

B Post-Termination Assistance BCBSM will assist Group during the TAP and each party's obligations will continue to be governed by the terms of this Contract, except as set forth below

1 End of Coverage Notwithstanding any other provisions contained herein, neither BCBSM nor any BCBS Plan shall have any obligation for payment for any health care services which are incurred on or after the Termination Date.

2 Obligation to Pay Notwithstanding any other provisions contained herein, Group is obligated to timely pay all amounts incurred under the Contract during the TAP

3 Claims Processing All Claims incurred, but not paid, prior to the Termination Date shall be processed by BCBSM or other BCBS Plans pursuant to the terms and conditions in this Contract BCBSM may cease processing Claims if Group fails to timely pay BCBSM for amounts due and owing, is insolvent, or files for bankruptcy Group represents and warrants that it will be solely liable for any Claims BCBSM does not pay as a result of Group's failure to make timely payment Group will indemnify, defend, and hold BCBSM harmless for any Litigation or other adversary proceeding brought by an Inmate whose claim was not paid as a result of Group's failure to timely pay BCBSM. This paragraph is independent of BCBSM's rights under *Article IV A 2* above

4 Administrative Fee and Claim Payments For the first three (3) months of the TAP, Group shall pay the fixed administrative fees and Claims on a monthly basis. For the next twenty-one (21) months of the TAP, BCBSM will invoice Group only for Claims each month AAC, if any, will continue to be paid for the duration of the TAP

5 Settlement – Last Contract Year Within one-hundred eighty (180) days following the Termination Date, BCBSM shall prepare a settlement statement for the last Contract Year

6 Final Settlement Within ninety (90) days after the expiration of the TAP, BCBSM will prepare a final settlement and will refund any positive balance or invoice Group for any negative balance. Any negative balance will be due within ten (10) days of the date of invoice The payment to Group or to BCBSM as provided in the immediately preceding sentence shall fully and finally settle, release, and discharge each party from any and all claims that are known, unknown, liquidated, non-liquidated, incurred-but-not-reported, adjustments, recoupments, receivables, recoveries, rebates, hospital settlements, and other sums of money due and owing between the parties and arising under this Contract

7. Group Duty to Notify / Indemnity Group shall notify BCBSM if, as a result of its insolvency or other status, another party is required by law to receive any refunds, payments, or returned funds from BCBSM under this *Article IV* Group shall indemnify, defend, and hold BCBSM harmless for any liability, including attorney fees, *resulting from Group's failure to notify BCBSM under this paragraph*

C **Conversion to Underwritten Group.** If Group converts from a self-funded group to a BCBSM underwritten group, Group shall continue to be obligated for any balance due and Group shall timely pay the amounts due and owing under this Contract in addition to any premium payments as a BCBSM underwritten group

ARTICLE V
GENERAL PROVISIONS

A. **Entire Agreement** This Contract represents the entire understanding and agreement of the parties regarding matters contained herein This Contract supersedes any prior verbal or written agreements and understandings between the parties and shall be binding upon the parties, their successors or assigns Neither party has executed this Contract in reliance on any representations, warranties, or statements other than those expressly set forth herein

B. **Indemnity.** Group agrees to indemnify, defend and hold BCBSM harmless from any claims resulting from Group's breach of any term of this Contract or breach of any obligation or duty not expressly delegated to BCBSM in this Contract, including, but not limited to, Group's obligation to manage eligibility, enrollment, and benefit design *and to read and understand the terms of this Contract* The indemnity and hold harmless provisions of this Contract shall survive the termination of the Contract

C **Service Mark Licensee Status.** BCBSM is an independent licensee of BCBSA and is licensed to use the "Blue Cross" and "Blue Shield" names and service marks in Michigan *BCBSM is not an agent of BCBSA and, by entering into* this Contract, Group agrees that it made this Contract based solely on its relationship with BCBSM or its agents Group agrees that BCBSA is not a party to this Contract, has no obligations under this Contract, and that no BCBSA obligations are created or implied under this Contract

D. **Notices.** Any notice required under this Contract shall be given in writing and sent to the other party by hand-delivery, overnight carrier, email to the other party's representative, or US first class mail at the following address or such other address as a party may designate from time to time

If to Group.	If to BCBSM
Address set forth above	Blue Cross Blue Shield of Michigan 600 Lafayette East, Mail Code B612 Detroit, Michigan 48226-2998

E. **Amendment.** This Contract may be amended only by a written agreement duly executed by authorized representatives of each party provided, however that this Contract may be amended by BCBSM upon written notice to Group in order to facilitate compliance with applicable law including changes in regulations, reporting requirements or data disclosure as long as such amendment is applicable to all BCBSM groups that would be similarly affected by the legal change in question BCBSM will provide thirty (30) calendar days notice of any such amendment and regulatory provision, unless a shorter notice is necessary in order to accomplish regulatory compliance Upon Group's request, BCBSM will consult with Group regarding the regulatory basis for any amendment to this Contract as a result of regulatory requirements.

F. **Severability.** The invalidity or nonenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract

G **Waiver.** The waiver by a party of any breach of this Contract by the other party shall not constitute a waiver as to any subsequent breach.

H **Law** This Contract is entered into in the State of Michigan and, unless preempted by federal law, shall be construed according to the laws of Michigan Group agrees to abide by all applicable state and federal law Group agrees that, where applicable, the federal common law applied to interpret this Contract shall adopt as the federal rule of decision Michigan law on the interpretation of contracts

I. **HIPAA** The parties have entered into a business associate agreement that governs the access, use, and disclosure of protected health information

J **Force Majeure** Neither BCBSM nor Group shall be deemed to have breached this Contract or be held liable for any failure or delay in the performance of all or any portion of its obligations under this Contract if prevented from doing so by acts of God or the public enemy, fires, floods, storms, earthquakes, riots, strikes, boycotts, lock-outs, epidemics, pandemics, wars and war-operations, restraints of government, power or communication line failure, judgment, ruling, order of any federal or state court or agency of competent jurisdiction, change in federal or state law or regulation subsequent to the execution of this Contract, or other circumstances beyond the party's reasonable control for so long as such "force majeure" event reasonably prevents performance

K **Record Retention.** Group will maintain relevant books, records, policies, procedures, internal practices, and / or data logs relating to this Contract in a manner that permits review for a period of seven (7) years (or ten (10) years in the case of Medicare / Medicaid transactions) after the expiration of this Contract.

If Group conducts, or contracts to have conducted, an internal audit or review of the services performed under any agreement with BCBSM, Group shall provide BCBSM with a copy of such audit or review within thirty (30) days of BCBSM's written request Group shall also provide a copy of any findings or reports issued by or to any federal or state regulatory agency related to this Contract

The provisions of this Section shall survive the termination of this Contract

L. **Plan Year.** Group's plan year is the one-year period beginning on the Effective Date and each Renewal Date thereafter unless Group notifies BCBSM at least six months in advance of a change thereto.

M. **Knowing Assent** Group acknowledges that it has had a full opportunity to consult with such legal and financial advisors as it has deemed necessary or advisable in connection with its decision to knowingly enter into this Contract Group acknowledges that it has an obligation to determine whether the financial arrangements set forth in this Contract and Schedules are an appropriate expense. Group acknowledges that it has had any questions about this Contract posed to BCBSM fully answered to Group's satisfaction.

Blue Cross Blue Shield of Michigan
SCHEDULE A – Renewal Term (Effective 10/01/2021 thru 09/30/2022)
Administrative Services Contract (ASC)

1. **Group Name** WASHTENAW COUNTY SHERIFF'S OFFICE (INMATES)
2. **Customer ID** 269685
3. **ASC Funding Arrangement** Monthly Invoice

4 **Line(s) of Business and Products**

Line of Business	Applicable
Facility	X
Professional	X
Prescription Drugs	X
Dental	X
Vision	
Hearing	X

5. **Administrative Fees**

The below administrative fees cover the Lines of Business and Products checked in Section 4 above, unless otherwise indicated

A Fixed Administrative Fees – *Not Applicable*

B Variable Administrative Fees	Percentage	Effective Start Date	Effective End Date
1 Administrative Fee Percent (%) of Claims	11 00%	10/01/2021	09/30/2022

In exchange for a fixed administrative fee, BCBSM will retain as Additional Administrative Compensation (AAC), nine percent (9 00%) of the Michigan Hospital discounts. AAC is included in the medical claims cost that is contained in the Group's Amount Billed The AAC is separate from and does not include BlueCard fees.

6. **Data Feeds – *Not Applicable***

7. **Hospital Advance**

Category	Amount
Advance Deposit	$19,829.00

8 **Advance Deposit Monthly Cap / Level Payment Amount – *Not Applicable***

9 **BCBSM Account**

1840-09397-3	Comerica	0720-00096
Wire Number	Bank	American Bank Association

10 **Late Payment / Interest Charges**

A. Late Payment Charge 2 00%
B. Health Care Provider Interest Charge 12 00%

11. **Buy-Ups – *Not Applicable***

12. Shared Savings Programs

BCBSM has implemented programs to enhance the savings realized by its customers As stated below, BCBSM will retain as administrative compensation a percent of the recoveries or cost avoidance Administrative compensation retained by BCBSM through the Shared Savings Program will be available through reports obtained on eBookshelf.

Program.		BCBSM Retention of	
A	Pre-Payment Forensic Billing Review	30%	Cost avoidance of improper hospital billing identified by third party vendor(s) through forensic pre-payment billing review
B	Advanced Payment Analytics	30%	Recoveries of claims overpayments identified by third party vendor(s) using proprietary data mining analytics and enhanced reviews
C	Subrogation	30%	Recoveries of claims overpayments from subrogation efforts
D	Provider Credit Balance Recovery	30%	Recoveries of claims overpayments obtained by third party vendor(s) through enhanced review of hospital patient accounting systems
E	Non-Participating Provider Negotiated Pricing	30%	Cost avoidance for out-of-network, non-participating Claims equal to the difference between the amount that would have been paid pursuant to the Group's benefit design (before Enrollee cost-share is applied) and the amount actually paid for such Claims (before Enrollee cost-share is applied) as a result of third-party vendor negotiations or benchmark-based pricing
F.	Rebate Service Fee for Medical Prescription Drugs	10%	Medical benefit drug rebates on Claims incurred in the renewal term net of the Rebate Administrator Fee The Rebate Administrator Fee is 5.25% of gross rebates for medical benefit drug Claims
G	Rebate Service Fee for Pharmacy Prescription Drugs	10%	Pharmacy benefit rebates on Claims incurred in the renewal term net of the Rebate Administrator Fee charged and retained by the Rebate Administrator The Rebate Administrator Fee is (i) 3% of gross rebates for BCBSM clinical formulary, custom formulary, and custom select formulary drug Claims, including specialty drug Claims and (ii) 7 7% of gross rebates for Part D formulary drug Claims, including Part D specialty drug Claims

13 Pharmacy Pricing Arrangement

A. Traditional Prescription Drug Pricing and Administrative Compensation

BCBSM has negotiated pricing for prescription drugs with its pharmacy benefit manager ("PBM"). Group acknowledges and agrees the amount BCBSM pays PBM for a prescription drug may be more or less than the amount Group pays BCBSM for such prescription drug. Enrollee coinsurance will be calculated based on the amount Group pays BCBSM for the prescription drug

In addition to any other administration compensation paid to BCBSM by Group, BCBSM shall retain as administrative compensation as follows for the above Traditional Prescription Drug Pricing arrangement ("Traditional Rx Drug Pricing Admin Fee")

a. Up to one (1) percentage point of the aggregated AWP discount BCBSM receives from its PBM for drugs classified by BCBSM as retail (excluding mail order) brand drugs; and

b Up to four (4) percentage points of the aggregated AWP discount BCBSM receives from its PBM for drugs classified by BCBSM as retail or mail order generic drugs

BCBSM's actual Traditional Rx Pricing Admin Fee depends on Group's prescription drug utilization, drug mix, pharmacy choice, and a pharmacy's usual and customary charges BCBSM will credit Group with any amount that was collected during the Contract Year that exceeds the amounts specified in (a) and (b) above The amount retained by BCBSM as administrative compensation will be reported to the Group

Group agrees to timely incorporate language into Group's Summary Plan Description or equivalent document that any Enrollee cost-sharing that is calculated as a percentage will be based upon the amount Group pays BCBSM for the prescription drug

B Pharmacy Monitoring Fee (PMF) Pricing – *Not Applicable*

14. Additional Pharmacy Services and/or Programs

A. 3rd Party Rx Vendor Fee

If Group's prescription drug benefits are administered by a third-party vendor, BCBSM will charge Group an administrative fee of $5 00 per contract per month due to the additional costs and resources necessary for BCBSM to effectively manage and administer the medical benefit without administering the prescription drug benefit.

B. High-Cost Drug Discount Optimization Program – *Not Applicable*

15. 3rd Party Stop-Loss Vendor Fee

If Group obtains stop-loss coverage from a third-party stop-loss vendor, BCBSM will charge an additional fee of $5 00 per contract per month due to the additional costs and resources necessary for BCBSM to effectively manage Group's benefits.

16. Agent Fees

This Schedule A does not include any fees payable by Group to an Agent. If Group has an Agent Fee Processing Agreement on file with BCBSM, please refer to that agreement for fees and details

17 Medicare Contracts

If Group has Medicare contracts that are being separated from the current funding arrangement, all figures within the current funding arrangement will be adjusted.

18. Compensation Agreement with Providers

The Group acknowledges that BCBSM or a Host Blue may have compensation arrangements with providers in which the provider is subject to performance or risk-based compensation, including but not limited to withholds, bonuses, incentive payments, provider credits and member management fees. Often the compensation amount is determined after the medical service has been performed and after the Group has been invoiced The Claims billed to Group include both service-based and value-based reimbursement to health care providers. Group acknowledges that BCBSM's negotiated reimbursement rates include all reimbursement obligations to providers including provider obligations and entitlements under BCBSM Quality Programs Service-based reimbursement means the portion of the negotiated rate attributed to a health care service Value-based reimbursement is the portion of the negotiated reimbursement rate attributable to BCBSM Quality Programs, as described in Exhibit 1 to Schedule A BCBSM negotiates provider reimbursement rates and settles provider obligations on its own behalf, not Group Group receives the benefit of BCBSM provider rates, but it has *no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims*

BCBSM Quality Programs may also include risk sharing arrangements with certain provider entities ("PE"), e g , physician organizations, facilities, health systems, or any combination thereof, that have contracted with BCBSM for upside and downside risk for a performance year The PE's performance will be measured by comparing its total cost of care trend for attributed members to BCBSM's statewide total cost of care trend which may be equated to a per member per month amount BCBSM will calculate each PE's performance approximately 11 months after the end of a performance year

Notwithstanding the above, in the first two years of the program (2020-2021), BCBSM will not invoice Group for any additional reimbursement earned by a PE. Moreover, *reimbursement returned to BCBSM may be used to offset any* additional reimbursement earned by a PE in the following year BCBSM will not retain any amounts resulting from such risk sharing arrangements If the PE's performance results in a payment of additional reimbursement, Group may be invoiced an additional amount based on its attributed membership to that PE. If the PE's performance results in a return of reimbursement, Group may receive a credit based on its attributed membership to that PE BCBSM will provide Group with supporting documentation for such amounts Invoice or credit to Group will occur in conjunction with BCBSM's customer savings refund process as set forth in the administrative services contract

See Exhibit 1 to Schedule A and Schedule B to ASC for additional information

19. Out-of-State Claims

Amounts billed for out-of-state claims may include BlueCard access fees and any value-based provider reimbursement negotiated by a Host Blue with out-of-state providers See Schedule B to ASC and Exhibit 1 to Schedule A for additional information

Exhibit 1 to the Schedule A:
Value-Based Provider Reimbursement

As in prior years, the Claims billed to Group include amounts that BCBSM reimburses health care providers including reimbursement tied to value. BCBSM has adopted a provider payment model that includes both fee-based and value-based reimbursement. BCBSM does not unbundle Claims and does not retain any portion of Claims as compensation Provider reimbursement is governed by separate agreements with providers, BCBSM standard operating procedures, and BCBSM Quality Programs, which are subject to change at BCBSM's discretion BCBSM shall provide Group with at least sixty (60) days' advance written notice of any additions, modifications or changes to BCBSM Quality Programs describing the change and the effective date thereof

BCBSM negotiates provider reimbursement rates on its own behalf and makes those rates available to customers through its products and networks The reimbursement rates can, and often do, vary from provider to provider. Providers may qualify for higher reimbursement rates for satisfying requirements of certain BCBSM Quality Programs, including, for example, Pay-for-Performance (PFP) rates and Value Based Contracting (VBK) rates earned by hospitals and Patient Centered Medical Home (PCMH) rates earned by physicians

Provider reimbursement rates also capture provider commitments to BCBSM Quality Programs For example, hospitals participating in Hospital Collaborative Quality Initiatives (CQIs) agree to allocate a portion of their reimbursement to fund inter-hospital quality initiatives

Providers may also receive reward and incentive payments from BCBSM Quality Programs funded through an allocation from provider reimbursement or collected from Group's Customer Savings Refund Such allocations may be to a pooled fund from which value-based payments to providers are made. For example, pursuant to the Physician Group Incentive Program (PGIP), physicians agree to allocate a percentage of each Claim to a PGIP fund, which in turn makes reward payments to eligible physician organizations demonstrating particular quality and pays physician organizations for participation in collaborative initiatives Starting in 2019, an additional portion of a provider's contractual reimbursement (the "Risk Allocation") on most claims will be allocated to a Risk Pool for payment to organized systems of care based on cost/quality performance.

BCBSM Quality Programs may also include risk sharing arrangements with certain provider entities ("PE"), e g , physician organizations, facilities, health systems, or any combination thereof, that have contracted with BCBSM for upside and downside risk for a performance year The PE's performance will be measured by comparing its total cost of care trend for attributed members to BCBSM's statewide total cost of care trend which may be equated to a per member per month amount BCBSM will calculate each PE's performance approximately 11 months after the end of a performance year

Notwithstanding the above, in the first two years of the program (2020-2021), BCBSM will not invoice Group for any additional reimbursement earned by a PE Moreover, reimbursement returned to BCBSM may be used to offset any additional reimbursement earned by a PE in the following year. BCBSM will not retain any amounts resulting from such risk sharing arrangements If the PE's performance results in a return of reimbursement, Group may receive a credit based on its attributed membership to that PE BCBSM will provide Group with supporting documentation for such amounts. Invoice or credit to Group will occur in conjunction with BCBSM's customer savings refund process as set forth in the administrative services contract

As explained in the Blue Card Program disclosure (Schedule B to ASC), an out-of-state Blue Cross Blue Shield Plan ("Host Blue") may also negotiate fee-based and/or value-based reimbursement for their providers A Host Blue may include all provider reimbursement obligations in Claims or may, at its election, collect some or all of its value-based provider (VBP) reimbursement obligations through a per attributed member per month (PaMPM) benefit expense, as in, for example, the Blue Distinction Total Care (BDTC) Program All Host Blue PaMPM benefit expenses for VBP reimbursement will be consolidated on your monthly invoice and appear as "Out-of-State VBP Provider Reimbursement." The supporting detail for the consolidated amount will be available on e-Bookshelf as reported by each Host Blue Plan Host Blues determine

which members are attributed to eligible providers and calculate the PaMPM VBP reimbursement obligation based only on these attributed members Host Blue have exclusive control over the calculation of PaMPM VBP reimbursement.

Value-based reimbursement includes other obligations and entitlements pursuant to other BCBSM Quality Programs funded in a similar manner to those described in this Exhibit Additional information is available at *www valuepartnerships com* and *www.bcbs com/totalcare* Questions regarding provider reimbursement and BCBSM Quality Programs or Host Blue VBP reimbursement should be directed to your BCBSM account representative

Schedule B
BlueCard Disclosures
Inter-Plan Arrangements

Out-of-Area Services

Overview

BCBSM has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Arrangements " These Inter-Plan Arrangements operate under rules and procedures issued by the Blue Cross Blue Shield Association ("Association") Whenever Enrollees access healthcare services outside the geographic area BCBSM serves, the Claim for those services may be processed through one of these Inter-Plan Programs and presented to BCBSM for payment in accordance with the rules of the Inter-Plan Arrangements The Inter-Plan Arrangements are described generally below

Typically, when accessing care outside the geographic area BCBSM serves, Enrollees obtain care from Providers that have a contractual agreement ("Participating Providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue") In some instances, Enrollees may obtain care from Providers in the Host Blue geographical area that do not have a contractual agreement ("Nonparticipating Providers") with the Host Blue. BCBSM remains responsible for fulfilling its contractual obligations to you. BCBSM's payment practices in both instances are described below

This disclosure describes how Claims are administered for Inter-Plan Arrangements and the fees that are charged in connection with Inter-Plan Arrangements Note that Dental Care Benefits, except when paid as medical claims / benefits, and those Prescription Drug Benefits or Vision Care Benefits that may be administered by a third party contracted by BCBSM to provide the specific service or services, are not processed through Inter-Plan Arrangements

A. BlueCard® Program

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when Enrollees access covered healthcare services within the geographic area served by a Host Blue, the Host Blue will be responsible for contracting and handling all interactions with its Participating Providers The financial terms of the BlueCard Program are described generally below

1. **Liability Calculation Method Per Claim – In General**

    a Enrollee Liability Calculation

The calculation of the Enrollee liability on Claims for covered healthcare services processed through the BlueCard Program will be based on the lower of the Participating Provider's billed covered charges or the negotiated price made available to BCBSM by the Host Blue.

Under certain circumstances, if BCBSM pays the Healthcare Provider amounts that are the responsibility of the Enrollee, BCBSM may collect such amounts from the Enrollee.

Where Group agrees to use reference-based benefits, which are service-specific benefit dollar limits for specific procedures, based on a Host Blue's local market rates, Enrollees will be responsible for the amount that the healthcare Provider bills for a specified procedure above the reference benefit limit for that procedure For a Participating Provider, that amount will be the difference between the negotiated price and the reference benefit limit. For a Nonparticipating Provider, that amount will be the difference between the Nonparticipating Provider's billed charge and the reference benefit limit Where a reference benefit limit exceeds either a negotiated price or a Provider's billed charge, the Enrollee will incur no liability, other than any applicable Enrollee cost sharing.

b. Group Liability Calculation

The calculation of Group liability on Claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to BCBSM by the Host Blue under contract between the Host Blue and the Provider Sometimes, this negotiated price may be greater for a given service or services than the billed charge in accordance with how the Host Blue has negotiated with its Participating Provider(s) for specific healthcare services. In cases where the negotiated price exceeds the billed charge, Group may be liable for the excess amount even when the Enrollee's deductible has not been satisfied This excess amount reflects an amount that may be necessary to secure (a) the Provider's participation in the network and/or (b) the overall discount negotiated by the Host Blue In such a case, the entire contracted price is paid to the Provider, even when the contracted price is greater than the billed charge

In situations where participating agreements allow for bulk settlement reconciliations for Episode-Based Payment/Bundled Payments, BCBSM may include a factor for such settlement or reconciliations as part of the fees BCBSM charges to Group

2. Claims Pricing

The Host Blue determines a negotiated price, which is reflected in the terms of each Host Blue's healthcare Provider contracts The negotiated price made available to BCBSM by the Host Blue may be represented by one of the following

(i) an actual price. An actual price is a negotiated payment in effect at the time a Claim is processed without any other increases or decreases, or

(ii) an estimated price. An estimated price is a negotiated payment in effect at the time a Claim is processed, reduced or increased by a percentage 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, or

(iii) an average price An average price is a percentage of billed charges for covered services in effect at the time a Claim is processed representing the aggregate payments negotiated by the Host Blue with all of its healthcare Providers or a similar classification of its Providers and other Claim- and non-Claim-related transactions. Such transactions may include the same ones as noted above for an estimated price

The Host Blue determines whether it will use an actual, estimated or an average price in its respective Provider agreements The use of estimated or average pricing may result in a difference (positive or negative) between the price Group pays on a specific Claim and the actual amount the Host Blue pays to the Provider. However, the BlueCard Program requires that the amount paid by the Enrollee and Group is a final price, no future price adjustment will result in increases or decreases to the pricing of past Claims.

Any positive or negative differences in estimated or average pricing are accounted for through variance accounts maintained by the Host Blue and are incorporated into future Claim prices As a result, the amounts charged to Group will be adjusted in a following year, as necessary, to account for over- or underestimation of the past years' prices The Host Blue will not receive compensation from how the estimated price or average price methods, described above, are calculated Because all amounts paid are final, neither positive variance account amounts (funds available to be paid in the following year), nor negative variance amounts (the funds needed to be received in the following year), are due to or from Group If Group terminates, Group will not receive a refund or charge from the variance account

Variance account balances are small amounts relative to the overall paid Claims amounts and will be liquidated/drawn down over time The timeframe for their liquidation depends on variables, including, but not limited to, overall volume / number of Claims processed and variance account balance. Variance account balances may earn interest at the federal funds or similar rate The Host Blue may retain interest earned on funds held in variance accounts

3 BlueCard Program Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which BCBSM is obligated under the BlueCard Program to pay to the Host Blue, to the Blue Cross and Blue Shield Association (BCBSA), and/or to vendors of BlueCard Program related services The specific Blue Card Program fees and compensation that are charged to Group and which Group is responsible related to the foregoing are set forth in Exhibit 1 to this Schedule B. BlueCard Program Fees and compensation may be revised annually from time to time as described in H below

B. Negotiated Arrangements

With respect to one or more Host Blue, instead of using the BlueCard Program, BCBSM may process your Enrollee claims for covered healthcare services through Negotiated Arrangements

In addition, if BCBSM and Group have agreed that (a) Host Blue(s) shall make available (a) custom healthcare Provider network(s) in connection with this Agreement, then the terms and conditions set forth in BCBSM's Negotiated Arrangement(s) for National Accounts with such Host Blue(s) shall apply. These include the provisions governing the processing and payment of Claims when Enrollees access such network(s). In negotiating such arrangement(s), BCBSM is not acting on behalf of or as an agent for Group, the Group's health care plan or Group Enrollees.

1. Enrollee Liability Calculation

Enrollee liability calculation for covered healthcare services will be based on the lower of either billed covered charges for covered services or negotiated price that the Host Blue makes available to BCBSM that allows Group's Enrollees access to negotiated participation agreement networks of specified Participating Providers outside of BCBSM's service area

Under certain circumstances, if BCBSM pays the Healthcare Provider amounts that are the responsibility of the Enrollee, BCBSM may collect such amounts from the Enrollee

In situations where participating agreements allow for bulk settlement reconciliations for Episode-Based Payment/Bundled Payments, BCBSM may include a factor for such settlement or reconciliations as part of the fees BCBSM charges to Group

Where Group agrees to use reference-based benefits, which are service-specific benefit dollar limits for specific procedures, based on a Host Blue's local market rates, Enrollees will be responsible for the amount that the healthcare Provider bills for a specified procedure above the reference benefit limit for that procedure For a Participating Provider, that amount will be the difference between the negotiated price and the reference benefit limit. For a Nonparticipating Provider, that amount will be the difference between the Nonparticipating Provider's billed charge and the reference benefit limit. Where a reference benefit limit exceeds either a negotiated price or a Provider's billed charge, the Enrollee will incur no liability, other than any applicable Enrollee cost sharing.

2. Group Liability Calculation

The calculation of Group liability on Claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to BCBSM by the Host Blue under the contract between the Host Blue and the Provider Sometimes, this negotiated price may be greater for a given service or services than the billed charge in accordance with how the Host Blue has negotiated with its Participating Provider(s) for specific healthcare services In cases where the negotiated price exceeds the billed charge, Group may be liable for the excess amount even when the Enrollee's deductible has not been satisfied. This excess amount reflects an amount that may be necessary to secure (a) the Provider's participation in the network and/or (b) the overall discount negotiated by the Host Blue In such a case, the entire contracted price is paid to the Provider, even when the contracted price is greater than the billed charge

3. Claims Pricing

Same as in the BlueCard Program above

4 Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blue, to the Blue Cross and Blue Shield Association, and/or to vendors of Inter-Plan Arrangement-related services Fees and compensation under applicable Inter-Plan Arrangement may be revised annually as described in section H below. In addition, the participation agreement with the Host Blue may provide that BCBSM must pay an administrative and/or a network access fee to the Host Blue, and Group further agrees to reimburse BCBSM for any such applicable administrative and/or network access fees The specific fees and compensation that are charged to Group under the Negotiated Arrangements are set forth in Exhibit 1 to this Schedule B

C Special Cases: Value-Based Programs

Value-Based Programs Overview

Group Enrollees may access covered healthcare services from Providers that participate in a Host Blue's Value-Based Program Value-Based Programs may be delivered either through the BlueCard Program or a Negotiated Arrangement These Value-Based Programs may include, but are not limited to, Accountable Care Organizations, Global Payment/Total Cost of Care arrangements, Patient Centered Medical Homes and Shared Savings arrangements

Value-Based Programs under the BlueCard Program

Value-Based Programs Administration

Under Value-Based Programs, a Host Blue may pay Providers for reaching agreed-upon cost/quality goals in the following ways, including but not limited to retrospective settlements, Provider incentives, share of target savings, Care Coordinator Fees and/or other allowed amounts.

The Host Blue may pass these Provider payments to BCBSM, which BCBSM will pass directly on to Group as either an amount included in the price of the Claim or an amount charged separately in addition to the Claim

When such amounts are included in the price of the Claim, the Claim may be billed using one of the following pricing methods, as determined by the Host Blue.

(i) Actual Pricing. The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is part of the Claim. These charges are passed to Group via an enhanced Provider fee schedule

(ii) Supplemental Factor. The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is a supplemental amount that is included in the Claim as an amount based on a specified supplemental factor (e g , a small percentage increase in the Claim amount) The supplemental factor may be adjusted from time to time

When such amounts are billed separately from the price of the Claim, they may be billed as a Per Attributed Member Per Month (PaMPM) amount for Value-Based Programs incentives/Shared Savings settlements to Group outside of the Claim system. BCBSM will pass these Host Blue charges directly through to Group as a separately identified amount on the Group's invoices

The amounts used to calculate either the supplemental factors for estimated pricing or PaMPM billings are fixed amounts that are estimated to be necessary to finance the cost of a particular Value-Based Program Because amounts are estimates, there may be positive or negative differences based on actual experience, and such differences will be accounted for in a variance account maintained by the Host Blue (in the same manner as described in the BlueCard Claim pricing section above) until the end of the applicable Value-Based Program payment and/or reconciliation measurement period The amounts needed to fund a Value-Based Program may be changed before the end of the measurement period if it is determined that amounts being collected are projected to exceed the amount necessary to fund the program or if they are projected to be insufficient to fund the program

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

- Use any surplus in funds in the variance account to fund Value-Based Program payments or reconciliation amounts in the next measurement period

- Address any deficit in funds in the variance account through an adjustment to the PaMPM billing amount or the *reconciliation billing amount for the next measurement period*

The Host Blue will not receive compensation resulting from how estimated, average or PaMPM price methods, described above, are calculated If Group terminates, you will not receive a refund or charge from the variance account This is because any resulting surpluses or deficits would be eventually exhausted through prospective adjustment to the settlement billings in the case of Value-Based Programs. The measurement period for determining these surpluses or deficits may differ from the term of the administrative services contract

Variance account balances are small amounts relative to the overall paid Claims amounts and will be liquidated / drawn down over time The timeframe for their liquidation depends on variables, including, but not limited to, overall volume / number of Claims processed and variance account balance. Variance account balances may earn interest, and interest is earned at the federal funds or similar rate The Host Blue may retain interest earned on funds held in variance accounts

Note Enrollees will not bear any portion of the cost of Value-Based Programs except when the Host Blue uses either average pricing or actual pricing to pay Providers under Value-Based Programs.

Care Coordinator Fees

The Host Blue may also bill BCBSM for Care Coordinator Fees for Covered Services which BCBSM will pass on to Group as follows:

1 PaMPM billings, or

2 Individual Claim billings through applicable care coordination codes from the most current editions of either Current Procedural Terminology (CPT) published by the American Medical Association (AMA) or Healthcare Common Procedure Coding System (HCPCS) published by the U S Centers for Medicare and Medicaid Services (CMS)

As part of this agreement / contract, BCBSM and Group will not impose Enrollee cost sharing for Care Coordinator Fees

Value-Based Programs under Negotiated Arrangements

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

D. Return of Overpayments

Recoveries of overpayments from a Host Blue or its Participating Providers and Nonparticipating Providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare Provider bill audits, credit balance audits, utilization review refunds, and unsolicited refunds Recovery amounts determined in the ways noted above will be applied so that corrections will be made, in general, on either a Claim-by-Claim or prospective basis If recovery amounts are passed on a Claim-by-Claim basis from the Host Blue to BCBSM they will be credited to the Group account In some cases, the Host Blue will engage a third party to assist in identification or collection of overpayments or recovery amounts. The fees of such a third party may be charged to Group as a percentage of the recovery

Unless the Host Blue agrees to a longer period of time for retroactive cancellations of membership, the Host Blue will provide BCBSM the full refunds from Participating Providers for a period of only one year after the date of the Inter-Plan financial settlement process for the original Claim For Care Coordinator Fees associated with Value-Based Programs, BCBSM will request such refunds for a period of up to ninety (90) days from the termination notice transaction on the payment innovations delivery platform In some cases, recovery of Claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery (a) conflicts with the Host Blue's state law or healthcare Provider contracts, (b) would result from Shared Savings and/or Provider Incentive arrangements, or (c) would jeopardize the Host Blue's relationship with its Participating Providers, notwithstanding to the contrary any other provision of this agreement / contract.

E. Inter-Plan Programs. Federal / State Taxes / Surcharges / Fees

In some instances, federal or state laws or regulations may impose a surcharge, tax or other fee that applies to self-funded accounts If applicable, BCBSM will provide prior written notice of any such surcharge, tax or other fee to Group, which will be Group liability

F. Nonparticipating Healthcare Providers Outside BCBSM's Service Area

1 Enrollee Liability Calculation

a In General

When covered healthcare services are provided outside of BCBSM's service area by Nonparticipating Providers, the amount an Enrollee pays for such services will generally be based on either the Host Blue's Nonparticipating Provider local payment or the pricing arrangements required by applicable state law In these situations, the Enrollee may be responsible for the difference between the amount that the Nonparticipating Provider bills and the payment BCBSM will make for the covered services as set forth in this paragraph Payments for out-of-network emergency services will be governed by applicable federal and state law

b Exceptions

In some exception cases, BCBSM may pay Claims from Nonparticipating Providers outside of BCBSM's service area based on the Provider's billed charge, such as in situations where an Enrollee did not have reasonable access to a Participating Provider, as determined by BCBSM in BCBSM's sole and absolute discretion or by applicable state law. In other exception cases, BCBSM may pay such Claims based on the payment BCBSM would make if BCBSM were paying a Nonparticipating Provider inside of its service area where the Host Blue's corresponding payment would be more than BCBSM's in-service area Nonparticipating Provider payment. BCBSM may choose to negotiate a payment with such a Provider on an exception basis

Unless otherwise stated, in any of these exception situations, the Enrollee may be responsible for the difference between the amount that the Nonparticipating Provider bills and the payment BCBSM will make for the covered services as set forth in this paragraph

2. Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blue, to the Blue Cross and Blue Shield Association, and/or to vendors of Inter-Plan Arrangement-related services The specific fees and compensation that are charged to Group and that Group will be responsible for in connection with the foregoing are set forth in Exhibit 1 to this Schedule B Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in H below

G Blue Cross Blue Shield Global Core (Formerly known as BlueCard Worldwide® Program)

1. General Information

If Enrollees are outside the United States, the Commonwealth of Puerto Rico and the U.S Virgin Islands (hereinafter, "BlueCard service area"), they may be able to take advantage of the Blue Cross Blue Shield Global Core Program when accessing covered healthcare services The Blue Cross Blue Shield Global Core Program is unlike the BlueCard Program available in the BlueCard service area in certain ways For instance, although the Blue Cross Blue Shield Global Core Program assists Enrollees with accessing a network of inpatient, outpatient and professional providers, the network is not served by a Host Blue As such, when Enrollees receive care from Providers outside the BlueCard service area, the Enrollees will typically have to pay the Providers and submit the Claims themselves to obtain reimbursement for these services

- **Inpatient Services**

In most cases, if Enrollees contact the Blue Cross Blue Shield Global Core Service Center for assistance, hospitals will not require Enrollees to pay for covered inpatient services, except for their cost-share amounts/deductibles, coinsurance, etc In such cases, the hospital will submit Enrollee Claims to the Blue Cross Blue Shield Global Core Service Center to initiate Claims processing. However, if the Enrollee paid in full at the time of service, the Enrollee must submit a Claim to obtain reimbursement for covered healthcare services. Enrollees must contact BCBSM to obtain precertification for non-emergency inpatient services

- **Outpatient Services**

Physicians, urgent care centers and other outpatient Providers located outside the BlueCard service area will typically *require Enrollees to pay in full at the time of service* Enrollees must submit a Claim to obtain reimbursement for covered healthcare services

- **Submitting a Blue Cross Blue Shield Global Core Claim**

When Enrollees pay for covered healthcare services outside the BlueCard service area, they must submit a Claim to obtain reimbursement. For institutional and professional claims, Enrollees should complete a Blue Cross Blue Shield Global Core International claim form and send the claim form with the Provider's itemized bill(s) to the Blue Cross Blue Shield Global Core Service Center address on the form to initiate claims processing The claim form is available from BCBSM, the Blue Cross Blue Shield Global Core Service Center, or online at *www bcbsglobal.com* If Enrollees need assistance with their claim submissions, they should call the Blue Cross Blue Shield Global Core Service Center at 1 800 810 BLUE (2583) or call collect at 1.804 673 1177, 24 hours a day, seven days a week.

2 Blue Cross Blue Shield Global Core Program-Related Fees

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blue, to the Association and/or to vendors of Inter-Plan Arrangement-related services The specific fees and compensation that are charged to Group under the Blue Cross Blue Shield Global Core Program and that Group is responsible for relating to the foregoing are set forth in Exhibit 1 to this Schedule B Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in section H below

H. Modifications or Changes to Inter-Plan Arrangement Fees or Compensation

Modifications or changes to Inter-Plan Arrangement fees are generally made effective Jan. 1 of the calendar year, but they may occur at any time during the year. In the case of any such modifications or changes, BCBSM shall provide Group with at least sixty (60) days' advance written notice of any modification or change to such Inter-Plan Arrangement fees or compensation describing the change and the effective date thereof and Group right to terminate the ASC without penalty by giving written notice of termination before the effective date of the change If Group fails to respond to the notice and does not terminate the ASC during the notice period, Group will be deemed to have approved the proposed changes, and BCBSM will then allow such modifications to become part of the ASC

Exhibit 1

BlueCard Program Access Fees may be charged separately each time a claim is processed through the BlueCard Program All other BlueCard Program-related fees are included in BCBSM's administrative fee, unless otherwise agreed to by Group. The BlueCard Access Fee is charged by the Host Blue to BCBSM for making its applicable Provider network available to Group's Enrollees The BlueCard Access Fee will not apply to Nonparticipating Provider Claims The BlueCard Access Fee is charged on a per-Claim basis and is charged as a percentage of the discount / differential BCBSM receives from the applicable Host Blue and is capped at $2,000 00 per Claim The percentages for 2021 are

1. 3 79% for fewer than 1,000 PPO or traditional enrolled Blue contracts,
2. 2 11% for 1,000–9,999 Blue PPO or traditional enrolled Blue contracts,
3. 1.96% for 10,000–49,999 Blue PPO or traditional enrolled Blue contracts,

For Groups with 50,000 or more Blue PPO or Traditional enrolled contracts, Blue Card Access Fees are waived and not charged to the Group If Group's enrollment falls below 50,000 PPO enrolled contracts, BCBSM passes the BlueCard Access Fee, when charged, directly on to the Group.

Instances may occur in which the Claim payment is zero or BCBSM pays only a small amount because the amounts eligible for payment were applied to patient cost sharing (such as a deductible or coinsurance) In these instances, BCBSM will pay the Host Blue's Access Fee and passes it directly on to the Group as stated above even though the Group paid little or had no Claim liability