

**BOARD OF COUNTY COMMISSIONERS  
LAKE COUNTY, FLORIDA  
OFFICE OF THE COUNTY MANAGER  
AGENDA ITEM COVER SHEET**

**DATE:** 11/07/2024

**MEETING DATE:**

11/19/2024

**TO:** Jennifer Barker, County Manager

**ITEM TYPE:** Consent  
Item

**THRU:**

**ITEM ID:** 33309

Jim Kovacs, Office Of Human Resources & Risk Management  
Director

**BY:** Amy Munday, Contracting Officer II

**SUBJECT:** County Medical Plan for Employees

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**RECOMMENDATION/REQUIRED ACTION:** Approve

Recommend retroactive approval:

1. Of Contract 23-500 for County Medical Plan for Employees to Blue Cross Blue Shield of Florida, Inc. (Jacksonville, FL); and
2. To authorize the Office of Procurement Services to execute all supporting documentation.

The estimated annual fiscal impact is \$600,000 (expenditure) and is within, and will not exceed, the Fiscal Year 2025 Budget. Annual expenditures will not exceed available funding in future Fiscal Year Budgets.

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**BACKGROUND SUMMARY:** The Office of Procurement Services, in coordination with the Office of Human Resources and Risk Management, issued Request for Proposal 23-500 for a County medical plan for employees. This solicitation allows replacement of expiring contract 06-088A, and provides for an initial five-year term with an additional five one-year terms available, and will be effective retroactively October 1, 2024, to coincide with fiscal years.

Proposals were received from three vendors as shown on the attached respondent sheet. Evaluation of responses was conducted via formal Selection Committee (SC) procedures. The SC summary memos reflect technical factors and pricing were evaluated in compliance with the criteria within the RFP. The overall pricing associated with the recommended vendors is competitive with all pricing submitted. Based on the County's needs and in its best interests, the recommendation is to award the contract to the highest ranked and lowest priced vendor: Blue Cross Blue Shield of Florida, Inc.

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Fiscal Impact: \$600,000.00 (expenditure)

Account No.:

Fund Name	Fund Number	Org Code	Object Code	Project Number	Amount
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Employee Group	5300	0713450	830561		\$600,000
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Advertised Date:

Paper:

Attachments:

1.	23-500 Respondent List
2.	23-500 Selection Committee Meeting 1
3.	23-500 Selection Committee Meeting 2
4.	23-500 Contract - VENDOR SIGNED

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**STAFF APPROVALS AND DATES:**

Amy Munday	Created/Initiated - 11/7/2024
Ron Falanga	Approved - 11/7/2024
Jim Kovacs	Approved - 11/7/2024
Kandace Pourbaix	Approved - 11/7/2024
David Eichinger	Approved - 11/7/2024
Allison Tesla	Approved - 11/7/2024
Melanie Marsh	Approved - 11/11/2024
Jennifer Barker	Approved - 11/11/2024
Misty Spahn	Final Approval - 11/12/2024

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**ACTION TAKEN BY BOARD:**

Action: New

Other:

Continued/Deferred

Until:

**ADMINISTRATIVE SERVICES AGREEMENT**

between

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**

and

**HEALTH OPTIONS, INC.**

and

**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS**

This Administrative Services Agreement (hereinafter referred to as the "Agreement"), made this \_\_\_ day of \_\_\_\_\_, 2024 is by and between Blue Cross and Blue Shield of Florida, Inc. d/b/a Florida Blue and Health Options, Inc. both Florida corporations having their principal place of business at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 (hereinafter referred to as "Florida Blue and HOI") and Lake County Board of County Commissioners located at 315 W. Main Street, Tavares, Florida 32778 (hereinafter referred to as the "Employer").

WHEREAS, Employer has established and currently sponsors a self-insured Employee Welfare Benefit Plan, to provide certain benefits (attached hereto as Exhibit "A" and hereinafter called the "Group Health Plan") for covered group members and their covered dependents; and

WHEREAS, except as otherwise specifically provided herein, Employer is to retain all liabilities under its Group Health Plan, and Florida Blue and HOI is to provide the agreed upon services to the Group Health Plan without assuming any such liability; and

WHEREAS, Employer desires that, with respect to the Group Health Plan, Florida Blue and HOI furnish certain claims processing and administrative services.

WHEREAS, the foregoing recitals are hereby adopted as legislative findings of the Board of County Commissioners and are ratified and confirmed as being true and correct and are hereby made a specific part of this Agreement upon adoption hereof.

NOW, Therefore, in consideration of the mutual promises contained herein, and other good and valuable consideration, the parties agree as follows:

SECTION I

TERM

1.1 Initial Term

The initial term of this Agreement shall be from October 1, 2024 (the effective date) and shall end on September 30, 2029 (the termination date) unless the Agreement is terminated earlier in accordance with the provisions of this Agreement.

## 1.2 Renewal Terms

After the Initial Term, this Agreement will automatically renew each anniversary date for successive one-year terms at the renewal rates within Exhibit B, unless either party notifies the other party of its intent not to extend this Agreement at least 30 days prior to the applicable anniversary date.

## SECTION II

### DUTIES AND RESPONSIBILITIES OF EMPLOYER

#### 2.1 Final Authority

Employer retains all final authority and responsibility for the Group Health Plan including, but not limited to eligibility and enrollment for coverage under the Group Health Plan, the existence of coverage, the benefits structure of the Group Health Plan, claims payment decisions, cost containment program decisions, utilization benefits management, compliance with the requirements of COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985, as amended), compliance with reporting and remitting abandoned property funds, and compliance with any other state and federal law or regulation applicable to Employer, the Group Health Plan, or the administration of the Group Health Plan.

Employer agrees to provide Florida Blue and HOI with any information Florida Blue and HOI reasonably requires in order to perform the administrative services set forth herein.

#### 2.2 Eligibility and Enrollment

As of the first day of the term of this Agreement, Employer will have delivered to Florida Blue and HOI enrollment information regarding eligible and properly enrolled members, as determined by Employer. Employer shall deliver to Florida Blue and HOI all employee and dependent eligibility status changes on a monthly basis, or more frequently as mutually agreed by the parties.

Employer shall be responsible for providing each covered employee with a copy of the plan document which shall include the Group Health Plan.

#### 2.3 Financial Obligations

##### A. Claims Payment

Employer is financially responsible for the payment of all claims paid under the Group Health Plan. Financial arrangements regarding the payment of such claims are set forth in Exhibit "B".

B. Administrative Fees

Employer agrees to promptly pay all administrative fees as set forth in Exhibit "B". Administrative fees are not subject to change during the initial term of this Agreement, except as set forth below. The administrative fees shall be payable to Florida Blue and HOI within 10 days of written notification to Employer of the amount owed.

C. Late Charges

In the event Employer fails to pay any amount owed in full by the due date, Employer shall pay Florida Blue and HOI, in addition to the amount due, a late charge as set forth in Exhibit "B".

D. Performance Guarantees

Performance guarantees are set forth in Exhibit D, apply to medical claims only and are for the Initial Term of the Agreement only. Employer acknowledges and agrees that performance guarantees will be considered null and void if this Agreement is not executed and/or the Agreement is not effective at the time any performance guarantee payment amount is otherwise due under this Agreement. In the event of a conflict between the terms of this Section II, subsection 2.3, letter D and other provisions of the Agreement, the terms of this subsection 2.3, letter D shall control. Performance guarantee results will be available on a quarterly basis for informational purposes only with final settlement made no earlier than second quarter of the following year.

In the event there is a ten percent (10%) increase or decrease in enrollment or projected enrollment (number of lives covered by Florida Blue and HOI under the Group's benefit program) for the effective date of the performance guarantees or if Employer makes a material change in benefits during the term of this Agreement, as reasonably determined by Florida Blue and HOI, that affects the performance being measured in the performance guarantees, Florida Blue and HOI reserves the right to revise or void the performance guarantees.

E. Discount Guarantees

Discount guarantees are set forth in Exhibit F and are for the Initial Term of the Agreement. Employer acknowledges and agrees that discount guarantees will be considered null and void if this Agreement is not executed and/or the Agreement is not effective at the time any discount guarantee payment amount is otherwise due under this Agreement. In the event of a conflict between the terms of this Section II, subsection 2.3, letter E and other provisions of the Agreement, the terms of this subsection 2.3, letter E shall control. Discount Guarantee results will be

available on a quarterly basis with final results and settlement made no earlier than the second quarter of the following year.

#### F. Modifications

Florida Blue and HOI may modify the administrative fees contained in Exhibit "B" at any time on or after the first anniversary of this Agreement's effective date, upon giving ninety (90) days prior written notice to Employer. Additionally, Florida Blue and HOI, at any time, may modify the administrative fee, if Employer substantially modifies the Group Health Plan or changes enrollment.

### 2.4 Use of Names and Logos

Employer agrees to allow Florida Blue and HOI to use Employer's name and logo on I.D. cards and other forms necessary to effectuate this Agreement, and to promote Employer's relationship with Florida Blue and HOI to potential or existing providers. Florida Blue and HOI shall not use Employer's name or logo for any other purpose without the prior written consent of Employer.

Employer agrees that the names, logos, symbols, trademarks, tradenames, and service marks of Florida Blue and HOI, whether presently existing or hereafter established, are the sole property of Florida Blue and HOI retains the right to the use and control thereof. Employer shall not use Florida Blue and HOI 's name, logos, symbols, trademarks or service marks in advertising or promotional materials or otherwise without the prior written consent of Florida Blue and HOI and shall cease any such usage immediately upon written notice by Florida Blue and HOI or upon termination of this Agreement, whichever is sooner.

### 2.5 Confidential and Trade Secret Information

Florida Blue and HOI maintains proprietary and confidential information and competitively sensitive trade secret information, which information may be disclosed to Employer for the purposes of analyzing such information in conjunction with the services performed under the Agreement. Florida Blue and HOI shall notify Employer of documents or correspondence that contain trade secret information. In compliance with Chapter 119 and Section 815.045, Florida Statutes, Employer agrees to hold such confidential and/or trade secret information in confidence and only disclose such information to employees of Employer who have a need to know such information; provided however that such employees of Employer agree to maintain the confidentiality of the confidential and/or trade secret information and take all steps necessary to safeguard the confidential and/or trade secret information against unauthorized access, use, and disclosure to at least the extent Employer maintains the confidentiality of its most proprietary and confidential information.

Employer shall not disclose such confidential and/or trade secret information to any third party without the express written permission of Florida Blue and HOI. If Florida Blue and HOI, in its sole discretion, approves release of confidential and/or trade secret information to a third party, the third party and Employer will be required to execute a Confidentiality & Indemnity Agreement, in a form specified by Florida Blue and HOI, prior to the release of the confidential information and/or trade secret information to the third party. For purposes of this paragraph, trade secret information is competitively sensitive information which is advantageous to Florida Blue and HOI in the marketplace and Florida Blue and HOI considers such information to be a trade secret protected from public disclosure, including protection from disclosure in any meeting which is subject to Florida's Government in the Sunshine Law Section 286.011, Florida Statutes.

Employer agrees that under the Inter-Plan Arrangements described in Section 3.9 below, Employer, Group Health Plan and/or their authorized agents or representatives pursuant to Schedule C-2 may be provided with, or otherwise have access to, certain non-public, proprietary and confidential information of a Host Blue (with such information referred to as "Host Blue Confidential Information"). Host Blue Confidential Information may include, but is not limited to, strategic and/or competitively sensitive information, trade secrets, policies, procedures, data (including claims data) and processes. To the extent that Employer, Group Health Plan and/or their authorized agents or representatives maintain such information, Employer shall comply, and shall cause Group Health Plan and any authorized agents or representatives of Employer and/or Group Health Plan to comply, with the following requirements:

- Host Blue Confidential Information must be used and/or disclosed in a manner that reasonably protects and safeguards the confidentiality and security of this information;
- Use of the Host Blue Confidential Information is strictly for the purpose for which it was disclosed;
- Any selling, de-aggregation or commingling of the Host Blue Confidential Information is strictly prohibited;
- Any disclosure of the Host Blue Confidential Information shall be to the minimum necessary to fulfill the purpose for which it was disclosed; and
- Any recipient of the Host Blue Confidential Information must return or securely destroy this information upon conclusion of the purpose for which it was disclosed; if the return or destruction is not feasible, then the recipient must maintain the confidentiality and security of this information in accordance with the requirements above.

Employer agrees that Florida Blue may audit any recipient of the Host Blue Confidential Information relative to the use and/or disclosure of this information in order to ensure compliance with this Section.

## 2.6 Delegation of Authority

Employer delegates to Florida Blue and HOI fiduciary authority to determine claims for benefits under the Plan. Florida Blue and HOI shall administer complaints, appeals and requests for independent review according to Florida Blue and HOI's complaint and appeals policy, and any applicable law or regulation unless otherwise provided in the Plan of Benefits. In carrying out this authority, Florida Blue and HOI is delegated full, final, binding and exclusive discretion to determine eligibility for benefits under the Plan and to interpret the terms of the Plan. In making its decision, Florida Blue and HOI will rely on the Plan and will rely on eligibility data provided by the Employer. Florida Blue and HOI shall be deemed to have properly exercised such authority unless a member proves that Florida Blue and HOI has abused its discretion or that its decision is arbitrary and capricious. Florida Blue and HOI is a fiduciary of the Plan only to the extent necessary to perform its obligations and duties as expressed in this Agreement. Florida Blue and HOI shall not act as the administrator of the Plan nor shall it have any fiduciary responsibility in connection with any other element of the administration of the Plan. The terms of this Section shall not be applicable to claims and appeals related to pharmacy benefits. The Employer will be responsible for the legal defense of claims for which the Employer made the choice as to the determination of coverage. Florida Blue and HOI shall be responsible for the legal defense of claims that involve the claim determination based on the Employer's medical, pharmacy, and authorization standards.

## SECTION III

### DUTIES AND RESPONSIBILITIES OF FLORIDA BLUE AND HOI

#### 3.1 Generally

It is understood and agreed that Florida Blue and HOI is empowered and required to act with respect to the Group Health Plan only as expressly stated herein.

Employer and Florida Blue and HOI agree that Florida Blue and HOI 's role is to provide administrative claims payment services, that Florida Blue and HOI does not assume any financial risk or obligation with respect to claims, that the services rendered by Florida Blue and HOI under this Agreement shall not include the power to exercise control over the Group Health Plan's assets, if any, or discretionary authority over the Health Care Plan's operations, be deemed to be the "Plan Administrator" of the Group Health Plan or a "fiduciary" with respect to the Group Health Plan. Florida Blue and HOI's services hereunder are intended to and shall consist only of ministerial functions.

#### 3.2 Enrollment; Forms and I.D. Cards



Florida Blue and HOI shall enroll those individuals who have completed an application and are identified by Employer as eligible for benefits under the Group Health Plan on the effective date of this Agreement, and subsequently during the continuance of this Agreement. Florida Blue and HOI shall be entitled to rely on the information furnished to it by Employer, and Employer shall hold Florida Blue and HOI harmless for any inaccuracy or failure to provide such information in a timely manner.

Florida Blue and HOI shall furnish to Employer, for distribution to persons participating in the Group Health Plan, a supply of identification cards, benefit plan descriptions, forms to be used for submission of claims and enrollment, and any other forms necessary for the administration of the Group Health Plan, as determined by Florida Blue and HOI.

### 3.3 Claims Processing

Florida Blue and HOI shall provide claims processing services on behalf of Employer for all properly submitted claims, in accordance with the benefits set forth in Exhibit "A", using funds solely supplied by Employer, as set forth in Exhibit "B". Florida Blue and HOI shall furnish each claimant with an explanation of each claim that is paid, rejected, suspended or denied.

For purposes of this Agreement, the term "claim(s)" shall be defined as the amount paid or payable by Florida Blue and HOI to providers of services and/or covered group members under this Agreement and the Group Health Plan, and in conformity with any agreements Florida Blue and HOI enters into with such providers of services, and includes capitation, physician incentives, pharmacy, physician, hospital and other fee-for-service claims expenditures. For value-based reimbursement programs Florida Blue and HOI enters into with participating providers, an applicable claim level surcharge may be included in the claim amount.

Claim level charges are used to fund a bonus pool for making quality improvement and financial performance incentive payments to providers which have entered into a value-based reimbursement arrangement with Florida Blue and HOI. The surcharge is only applicable to services provided by these providers and shall not affect member cost sharing.

The accrued bonus pool, which shall be held in a non-interest-bearing account, will include surcharge amounts contributed by other self-funded employers. All amounts in the bonus pool shall be available to fund incentive payments to providers who have entered into a value-based reimbursement arrangement with Florida Blue and HOI and who have achieved the requisite quality and financial goals.

The amount of the surcharge will be set by Florida Blue and HOI based on actuarially estimated incentive payments contractually due to providers. Florida Blue and HOI will perform periodic reconciliations of the bonus pool and may adjust the applicable claim level surcharge from time to time as it reasonably determines necessary to appropriately fund the bonus pool.

Such claims level surcharge amounts will not be refunded to Employer, including upon termination of this Agreement. Any surplus funds at the end of an incentive payment measurement period shall be used to fund incentive payments in a subsequent period. Any deficit in funds at the end of an incentive payment measurement period shall be collected in the next period through an adjustment to the claims level surcharge amount which will cover the previous period shortfall.

For value-based reimbursement programs Florida Blue and HOI enters into with participating providers, an applicable per member per month charge may be included in lieu of a claim level surcharge.

Additionally, Florida Blue and HOI may enter into bundled payment arrangements with providers of service which require a single provider to be responsible for providing and/or arranging for the provision of a group of services for a defined episode of care (e.g., hospital, physician and/or ancillary services).

In processing such claims for the defined episode of care, notwithstanding the requirements of Exhibit "A", Florida Blue and HOI may calculate the member cost sharing based upon the status of the provider receiving the bundled payment without regard to the fact that other provider types may have provided certain components of the episode included in the bundled payment arrangement.

#### 3.4 Program Administration

Florida Blue and HOI shall administer its established cost containment programs and utilization benefits management programs, as selected by Employer and described in the Group Health Plan.

Florida Blue and HOI shall make available its Preferred Provider Organization Program(s) to covered group members and their covered dependents, as set forth in the Group Health Plan. Any agreements between providers of services and Florida Blue and HOI are the sole property of Florida Blue and HOI and Florida Blue and HOI retains the right to the use and control thereof.

#### 3.5 Inaccurate Payments

Whenever Florida Blue and HOI becomes aware that the payment of a claim under the Group Health Plan to any person was, or may have been, made

which was not in accordance with the terms of the Group Health Plan, whether or not such payment was Florida Blue and HOI 's fault, and whether or not such payment was more than or less than was appropriate under the terms of the Group Health Plan, Florida Blue and HOI shall investigate such payment in accordance with its standard commercial insurance business practices and either 1) for an overpayment of \$50.00 or more, make a diligent effort to recover any payment which was more than was appropriate under the Group Health Plan or 2) as the case may be, adjust any claim the payment of which was less than appropriate under the Group Health Plan. Employer delegates to Florida Blue and HOI the discretion and the authority to determine under what circumstances to compromise a claim or to settle for less than the full amount of the claim. In the event any part of an inaccurate payment is recovered, Employer will receive a refund from Florida Blue and HOI. Nothing herein shall require Florida Blue and HOI to institute a legal action or suit to recover payments made by Florida Blue and HOI .

Additionally, Employer delegates to Florida Blue and HOI the discretion and authority to pursue recoveries for claims paid as a result of fraud, abuse or other inappropriate action by a third party, including the right to opt-out or opt-in Employer from any class action. These claims include, but are not limited to, all legal claims Employer can assert whether based on common law or statute such as RICO, antitrust, deceptive trade practices, consumer fraud, insurance fraud, unjust enrichment, breach of fiduciary duty, breach of contract, breach of covenant of good faith and fair dealing, torts (including fraud, negligence, and product liability), breach of warranty, medical monitoring, false claims and kickbacks. If Florida Blue and HOI obtains a recovery from any of these efforts, Florida Blue and HOI will reimburse Employer's pro rata share of the recovery. This share is calculated from Employer's claims history or covered members at the time of such recovery, less Employer's pro rata share of costs, if any, fees paid to outside counsel and any other costs incurred in obtaining that recovery. Florida Blue and HOI will not charge Employer for any costs if Florida Blue and HOI does not obtain a recovery that exceeds those costs.

### 3.6 Records and Reports

Florida Blue and HOI agrees to establish, maintain and provide to Employer, records and reports generated for the purposes of reporting claims experience and conducting audits of operations. Florida Blue and HOI will provide claims information only in accordance with Exhibit C (and Exhibit D, if applicable) to this Agreement. Florida Blue and HOI will not provide any information with regard to provider pricing agreements or any other information which is of a confidential or proprietary nature, as determined by Florida Blue and HOI.

For pharmacy carve-out reports, Employers will be required to pay \$6,000 per report in advance for open refill transfer files, paid claim files, and prior authorization files for non-specialty claims used to transfer covered group

members to another pharmacy benefits manager. Additionally, Employer is responsible for all carve-out pharmacy benefits manager and/or vendors (collectively "PBM") PBM integration costs which will vary based on PBM and customization required.

3.7 Pharmacy Financial/Rebates Disclosure – Exhibit E (Applicable if Employer has Florida Blue's Pharmacy Benefits)

In certain circumstances, Florida Blue, HOI and/or its PBM negotiate(s) and receive(s) formulary rebates, volume discounts, and/or fees from certain drug manufacturers/distributors as a result of the inclusion of such manufacturer's/distributor's branded products on Florida Blue's and HOI's formularies ("Rebates").

"Rebate(s)" is/are compensation or remuneration of any kind received or recovered by the PBM from any Manufacturer which is directly or indirectly attributable to purchase or utilization of Covered Prescription Drug Services by members. Manufacturer Administrative Fees (MAF) is/are defined as any fee or other amount paid to the PBM by a pharmaceutical manufacturer to assist the pharmaceutical manufacturer in the administration of the formulary rebate program which is not classified as a Rebate as defined in this Agreement.

Employer acknowledges that Florida Blue and HOI currently has a non-controlling ownership interest in its PBM, Prime Therapeutics, LLC. Employer further understands and agrees that fees and compensation that the PBM receives related to the pharmacy benefit management program and/or the provision of pharmaceutical products may be revised from time to time. Some of these fees and compensation may be charged each time a claim is processed (or requested to be processed) through the PBM and/or each time a prescription is filled, and include, but are not limited to, administrative fees charged by the PBM to Florida Blue and HOI, administrative fees charged by the PBM to Network Participants, and administrative fees charged by the PBM to Manufacturers.

As agreed by the Employer, Florida Blue and HOI will retain a portion of the manufacturer administrative fee (MAF) it receives from its pharmacy management vendor(s), to reduce the otherwise required pharmacy administration fee charged to the group in addition to covering expenses for pharmacy rebate administration. On reconciliation, any manufacturer administrative fees exceeding the agreed upon amount of \$6.50 per employee per month will be returned annually.

Florida Blue and HOI may receive a portion of the Rebates on a prepaid, estimated basis, before any drug claims are filed and paid. To the extent that Florida Blue and HOI receives prepaid, estimated rebate amounts, Florida Blue and HOI retains, as part of its compensation, the interest earned on such

amounts from the time it receives such prepayments until it forwards the Employer's Rebates. Florida Blue and HOI expects to earn interest at the rate of 1.25% per annum.

Florida Blue and HOI pays the Employer 100% of its Rebates after Florida Blue and HOI is able to determine the share attributable to the plan paid drug claims made by the Employer's group members. Rebates only apply to claims in which there is plan paid Employer responsibility. This typically occurs seven months after the end of the calendar quarter in which the drugs were dispensed.

### 3.8 Medical Pharmacy Rebate Disclosure

"Rebate(s)" is/are compensation or remuneration of any kind received or recovered from any Manufacturer which is directly or indirectly attributable to purchase or utilization of Covered Medical Drug Services by members. Florida Blue and HOI pays the Employer 80% of its Rebates after Florida Blue and HOI is able to determine the share attributable to the plan paid drug claims made by the Employer's group members. Rebates only apply to claims in which there is plan paid Employer responsibility. This typically occurs seven to nine months after the end of the calendar quarter in which the drugs were dispensed.

Florida Blue and HOI may receive a portion of the Rebates on a prepaid, estimated basis, before any drug claims are filed and paid. To the extent that Florida Blue and HOI receives prepaid, estimated rebate amounts, Florida Blue and HOI retains, as part of its compensation, the interest earned on such amounts from the time it receives such prepayments until it forwards the Employer's Rebates. This time period is generally nine to twelve months. Florida Blue and HOI expects to earn interest at the rate of 1.25% per annum.

### 3.9 Claims Payments

The source or sources of payment under the Group Health Plan are to be only the assets of Employer, and Florida Blue and HOI will have no liability whatsoever for providing a source from which payments will be made under the Group Health Care Plan.

### 3.10 Providers Outside the State of Florida

#### A. Inter-Plan Arrangements

Florida Blue and HOI 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 members access healthcare services outside the geographic area Florida Blue and HOI serves, the

claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below.

Typically, when accessing care outside the geographic area Florida Blue and HOI serves, members obtain care from healthcare 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, members may obtain care from healthcare providers in the Host Blue geographic area that do not have a contractual agreement ("nonparticipating providers") with the Host Blue. Florida Blue and HOI remains responsible for fulfilling our contractual obligations to Employer. Florida Blue and HOI 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 not paid as medical claims/benefits, and those Prescription Drug Benefits or Vision Care Benefits that may be administered by a third party contracted by Florida Blue and HOI to provide the specific service or services are not processed through Inter-Plan Arrangements.)

#### B. BlueCard® Program

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when members 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 healthcare providers. The financial terms of the BlueCard Program are described generally below.

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

###### a. Member Liability Calculation

Unless subject to a fixed dollar copayment, the calculation of the member liability on claims for covered healthcare services will be based on the lower of the participating provider's billed covered charges or the negotiated price made available to Florida Blue and HOI by the Host Blue.

###### b. Employer Liability Calculation

The calculation of Employer liability on claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to Florida Blue and HOI 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 healthcare provider(s) for specific healthcare services. In cases where the negotiated price exceeds the billed charge, Employer may be liable for the excess amount even when the member'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.

## 2. Claims Pricing

Host Blues determine a negotiated price, which is reflected in the terms of each Host Blue's provider contracts. The negotiated price made available to Florida Blue and HOI by the Host Blue may be represented by one of the following:

(i) An actual price. An actual price is a negotiated rate of 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 rate of 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 covered charges 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 average price. The use of estimated or average pricing may result in a difference (positive or negative) between the price Employer 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 member and Employer 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 Employer 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 Employer. If Employer terminates, you 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 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. Host Blues may retain interest earned on funds held in variance accounts.

### 3. BlueCard Program Fees and Compensation

Employer understands and agrees to reimburse Florida Blue and HOI for certain fees and compensation which Florida Blue and HOI is obligated under the BlueCard Program to pay to the Host Blues, to the Association and/or to vendors of BlueCard Program related services. The specific BlueCard Program fees and compensation that are charged to Employer are set forth in Exhibit B. BlueCard Program Fees and compensation may be revised from time to time.

Only the BlueCard Program access fee may be charged separately each time a claim is processed through the BlueCard Program. All other BlueCard Program related fees are included in the Administrative Fee.

The access fee is charged by the Host Blue to Florida Blue and HOI for making its applicable provider network available to Employer's. The access fee will not apply to non-participating provider claims. The access fee is charged on a per claim basis and is charged as a percentage of the discount/differential Florida Blue and HOI receives from the applicable Host Blue subject to a maximum of \$2,000 per claim. When charged, Florida Blue and HOI passes the access fee directly on to Employer.

Instances may occur in which the claim payment is zero or Florida Blue and HOI 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, Florida Blue and HOI will pay the Host Blue's access fee and pass it along directly to Employer as stated above even Employer paid little or had no claim liability.

An Administrative Fee encompasses fees Florida Blue and HOI charges to Employer for administering Employer's benefit plan. They may include both local (within Florida Blue and HOI's service area) and Inter-Plan fees. For purposes of this Agreement, they include the following BlueCard Program related fees other than the BlueCard Program access fee: namely, administrative expense allowance (AEA) fee, central financial agency fee, ITS transaction fee, toll free number fee, PPO provider directory fee and BlueCard Worldwide Program Fees, if applicable.

### C. Special Cases: Value-Based Programs



## Value-Based Programs Definitions

**Accountable Care Organization (ACO):** A group of healthcare providers who agree to deliver coordinated care and meet performance benchmarks for quality and affordability in order to manage the total cost of care for their member populations.

**Global Payment/Total Cost of Care:** A payment methodology that is defined at the patient level and accounts for either all patient care or for a specific group of services delivered to the patient such as outpatient, physician, ancillary, hospital services and prescription drugs.

**Patient-Centered Medical Home (PCMH):** A model of care in which each patient has an ongoing relationship with a primary care physician who coordinates a team to take collective responsibility for patient care and, when appropriate, arranges for care with other qualified physicians.

**Shared Savings:** A payment mechanism in which the provider and payer share cost savings achieved against a target cost budget based upon agreed upon terms and may include downside risk.

**Value-Based Program (VBP):** An outcomes-based payment arrangement and/or a coordinated care model facilitated with one or more local providers that is evaluated against cost and quality metrics/factors and is reflected in provider payment.

## Value-Based Programs Overview

Employer's members 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

Under Value-Based Programs, a Host Blue may pay providers for reaching agreed upon cost/quality goals in the following ways:

The Host Blue may pass these provider payments to Florida Blue and HOI, which Florida Blue and HOI will pass directly on to Employer 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 Employer 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 follows:

- Per Member Per Month (PMPM) Billings: Per member per month billings for Value-Based Programs incentives/Shared Savings settlements to accounts are outside of the claim system. Florida Blue and HOI will pass these Host Blue charges directly through to Employer as a separately identified amount on the group billings; or,
- Where Host Blues pass on the costs of Value-Based Programs to Florida Blue and HOI as PMPM amounts not attached to specific claims, Florida Blue and HOI may elect to pass these amounts to Employer as a claim amount.

The amounts used to calculate either the supplemental factors for estimated pricing or PMPM 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, Host Blues 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 PMPM 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 PMPM price methods, described above, are calculated. If Employer 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 this Agreement.

Variance account balances are small amounts relative to the overall paid claims amounts and will be liquidated 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. Host Blues may retain interest earned on funds held in variance accounts.

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

#### Care Coordinator Fees

Host Blues may also bill Florida Blue and HOI for care coordinator fees for provider services which we will pass on to Employer as follows:

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

As part of this Agreement, Florida Blue and HOI and Employer will not impose member cost sharing for care coordinator fees.

#### D. Return of Overpayments

Recoveries from a Host Blue or its participating and nonparticipating providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recoveries will be applied in general, on either a claim-by-claim or prospective basis. If recovery amounts are passed on a claim-by-claim basis from a Host Blue to Florida Blue and HOI they will be credited to Employer. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be charged to Employer as a percentage of the recovery.

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, Florida Blue and HOI will disclose any such surcharge, tax or other fee to Employer, which will be Employer's liability.

F. Nonparticipating Providers Outside Florida Blue and HOI 's Service Area

1. Member Liability Calculation

a. In General

When covered healthcare services are provided outside of Florida Blue and HOI 's service area by nonparticipating providers, the amount(s) a member pays for such services will be based on either the Host Blue's nonparticipating healthcare provider local payment or the pricing arrangements required by applicable state law. In these situations, the member may be responsible for the difference between the amount that the nonparticipating provider bills and the payment Florida Blue and HOI 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, at Employer's direction, Florida Blue and HOI may pay claims from nonparticipating healthcare providers outside of Florida Blue and HOI 's service area based on the provider's billed charge. This may occur in situations where a member did not have reasonable access to a participating provider, as determined by Florida Blue and HOI (in Florida Blue and HOI's sole and absolute discretion) or by applicable state law. In other exception cases, (at Employer's direction) Florida Blue and HOI may pay such claims based on the payment Florida Blue and HOI would make if Florida Blue and HOI were paying a nonparticipating provider inside of Florida Blue and HOI 's service area, as described elsewhere in this Agreement. This may occur where the Host Blue's corresponding payment would be more than Florida Blue and HOI's in-service area nonparticipating provider payment. Florida Blue and HOI may choose to negotiate a payment with such a provider on an exception basis.

Unless otherwise stated, in any of these exception situations, the member may be responsible for the difference between the amount that the nonparticipating healthcare provider bills and the payment Florida Blue and HOI will make for the covered services as set forth in this paragraph.

## 2. Fees and Compensation

Employer understands and agrees to reimburse Florida Blue and HOI for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer are set forth in Exhibit B, if applicable. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time.

### G. Blue Cross Blue Shield Global® Core

#### 1. General Information

If members 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 members with accessing a network of inpatient, outpatient and professional providers, the network is not served by a Host Blue. As such, when members receive care from providers outside the BlueCard service area, the members will typically have to pay the providers and submit the claims themselves to obtain reimbursement for these services.

- Inpatient Services

In most cases, if members contact the Blue Cross Blue Shield Global® Core Service Center for assistance, hospitals will not require members to pay for covered inpatient services, except for their cost-share amounts. In such cases, the hospital will submit member claims to the Blue Cross Blue Shield Global® Core Service Center to initiate claims processing. However, if the member paid in full at the time of service, the member must submit a claim to obtain reimbursement for covered healthcare services. Members must contact Florida Blue 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 members to pay in full at the time of service. Members must submit a claim to obtain reimbursement for covered healthcare services.

- Submitting a Blue Cross Blue Shield Global® Core Claim

When members pay for covered healthcare services outside the BlueCard service area, they must submit a claim to obtain reimbursement. For institutional and professional claims, members 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 Florida Blue, the Blue Cross Blue Shield Global® Core Service Center, or online at [www.bcbsglobalcore.com](http://www.bcbsglobalcore.com). If members 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

Employer understands and agrees to reimburse Florida Blue for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement related services. The specific fees and compensation that are charged to Employer under the Blue Cross Blue Shield Global® Core Program are set forth in Exhibit B, if applicable. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time.

## SECTION IV

### TERMINATION

#### 4.1 Administration After Termination

Employer is solely liable and responsible for all claims incurred under the Group Health Plan by its covered group members and their dependents during the term of this Agreement, including those incurred claims which are not presented to Employer or Florida Blue and HOI during the term of this Agreement. Florida Blue and HOI will adjudicate all claims incurred during the term of this Agreement. For purposes of this Agreement, the date of an incurred claim is the date the particular service was rendered or the supply was furnished. After the effective date of termination of this Agreement, Employer will continue to provide Florida Blue and HOI with funds to pay claims incurred prior to the termination date and will continue to pay the applicable administrative fees as set forth in Exhibit "B".

#### 4.2 Unilateral Termination

Employer or Florida Blue and HOI may unilaterally terminate this Agreement upon one hundred and eighty (180) days prior written notice to the other party after the Initial Term of this Agreement.

#### 4.3 Intentionally Omitted

#### 4.4 Termination Upon Default

Upon the occurrence of any of the following events, as determined by Florida Blue and HOI, this Agreement will automatically terminate at the end of the 8th business day following the day upon which Employer is notified in writing of any of the events of default set forth hereunder, and then only in the event that Employer has not cured the incident of default:

1. Employer's failure to provide adequate funds, as set in Exhibit "B", as necessary for the payment of claims pursuant to the Group Health Plan;
2. Employer's failure to pay any administrative fees or late penalty as set forth in Exhibit "B" of this Agreement;
3. Employer ceases to maintain a Group Health Plan;
4. Employer modifies the Group Health Plan without the prior written consent of Florida Blue and HOI;
5. At any time Florida Blue and HOI has reasonable grounds for insecurity with respect to Employer's financial ability to adequately fund the Group Health Plan, and Employer has failed to immediately provide adequate assurances of financial soundness to Florida Blue and HOI;
6. At any time any judicial or regulatory body determines that this Agreement, or any provision of this Agreement, is invalid or illegal, or that this arrangement constitutes an insurance policy or program which is subject to state and/or federal insurance regulations and/or taxation;
7. At any time, Employer otherwise materially breaches this Agreement.

#### 4.5 Rights and Responsibilities Upon Termination

In the event of termination of this Agreement, Employer will immediately notify each covered group member of the termination date.

Termination of this Agreement for any reason shall not affect the rights or obligations of either party which arise prior to the date of termination.

## SECTION V

### LEGAL ACTION; INDEMNIFICATION

#### 5.1 Standard of Care

Florida Blue and HOI and Employer shall each use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims in the performance of its duties hereunder.

#### 5.2 Liability; Indemnification

Florida Blue and HOI hereby agree to indemnify and hold harmless the Employer for the actions of Florida Blue, HOI, its agents and employees (collectively, the Indemnifying Party), from suits, actions, damages, costs (including reasonable attorneys' fees and costs) relating to the gross negligence, criminal conduct or fraudulent acts committed by the Indemnifying Party. Florida Blue's and HOI's liability shall be limited to the amount of its applicable insurance policy except in cases of gross negligence, criminal conduct or fraudulent acts by the Indemnifying Party. Florida Blue and HOI shall not be liable to Employer or any other person for any mistake of judgment or other action taken in good faith, or for any loss or damage occasioned thereby, unless the loss or damage is due to Florida Blue's or HOI's gross negligence, criminal conduct or fraudulent acts.

Subject to the limitations and provisions of Section 768.28, Florida Statutes, (the limitations and provisions of which are not altered, expanded or waived by anything in this Agreement) the Employer hereby agrees to indemnify and hold harmless Florida Blue and HOI, its directors, officers, employees and agents against any and all actions, claims, lawsuits, settlements, judgments, costs, interest, penalties, expenses and taxes, including but not limited to, reasonable attorney's fees and courts costs, resulting from or arising directly or indirectly out of or in connection with any function of Florida Blue or HOI under this Agreement, including the administration of any Cost Containment or Utilization Benefit Management Programs, or payments made pursuant to the direction of the Employer, or arising from any allegation of a breach of confidentiality arising out of a release of confidential information to the Group or a third party unless it is determined that the direct and sole cause of such liability was the result of gross negligence, criminal conduct or fraudulent acts on the part of Florida Blue, HOI or any of its directors, officers, employees or agents. Further, the Employer agrees to indemnify



and hold harmless Florida Blue and HOI for any taxes or assessments, including penalties and interest, or any other amounts legally levied based on the terms of this Agreement. This provision applies to any amounts imposed, now or later, under the authority of any federal, state, or local taxing jurisdiction. This provision will continue in effect after termination of this Agreement for any reason.

### 5.3 Legal Actions

In the event Florida Blue and HOI is served with process in any lawsuit or is made a party to any arbitration proceeding or other legal action relating to any matter for which indemnification is required under the preceding paragraph, Employer shall, upon written request by Florida Blue and HOI, immediately furnish a defense to and indemnify and hold harmless, to the extent permitted by Section 768.28, Florida Statutes, Florida Blue and HOI in any such lawsuit, proceeding or other action and shall use its best efforts to secure, by motion or otherwise, the dismissal of Florida Blue and HOI from such lawsuit, proceeding or other action. Florida Blue and HOI will provide Employer with available data and materials that are reasonably necessary for the preparation of the defense of such lawsuit, proceeding or other action.

Likewise, in the event that Employer is served with process in any lawsuit or is made a party to an arbitration proceeding or other legal action ("Legal Action") relating to any matter for which indemnification is required with respect to Section 2.6. Legal Action. Employer will reasonably cooperate with Florida Blue and provide Florida Blue and HOI with available data or materials that are reasonably necessary for the preparation of the defense of such Legal Action.

## SECTION VI

### MISCELLANEOUS PROVISIONS

#### 6.1 Amendment

Except as otherwise provided for herein, this Agreement may be modified, amended, renewed, or extended only upon mutual agreement, in writing, signed by the duly authorized representatives of Employer and Florida Blue and HOI.

#### 6.2 Subsidiaries and Affiliates

Any of the functions to be performed by Florida Blue and HOI under this Agreement may be performed by Florida Blue and HOI or any of its subsidiaries, affiliates, or designees.

#### 6.3 Governing Law

This Agreement is subject to and shall be governed by the laws of the State of Florida, except where those laws are preempted by the laws of the United States.

6.4 Venue

All actions or proceedings instituted by Employer or Florida Blue and HOI hereunder shall be brought in a court of competent jurisdiction in Duval County, Florida.

6.5 Waiver of Breach

Waiver of a breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or a different provision.

6.6 Inconsistencies

If the provisions of this Agreement are in any way inconsistent with the provisions of the Group Health Plan, then the provisions of this Agreement shall prevail and the other provisions shall be deemed modified, but only to the extent necessary to implement the intent of the parties expressed herein.

6.7 Notices

Any notice required to be given pursuant to this Agreement shall be in writing, postage pre-paid, and shall be sent by certified or registered mail, return receipt requested, or by Federal Express or other overnight mail delivery for which evidence of delivery is obtained by the sender, to Florida Blue and HOI or Employer at the addresses indicated on the first page of this Agreement, or such other addresses that the parties may hereafter designate. The notice shall be effective on the date the notice was posted.

6.8 Entire Agreement

This Agreement, including the attachments hereto, contains the entire agreement between Florida Blue and HOI and Employer with respect to the specific subject matter hereof. Any prior agreements, promises, negotiations or representations, either verbal or written, relating to the subject matter of this Agreement and not expressly set forth in this Agreement are of no force and effect.

6.9 Severability

In the event any provision of this Agreement is deemed to be invalid or unenforceable, all other provisions shall remain in full force and effect.

#### 6.10 Binding Effect of Agreement

The Agreement shall be binding upon and inure to the benefit of the parties, their agents, servants, employees, successors, and assigns unless otherwise set forth herein or agreed to by the parties.

#### 6.11 Survival

The rights and obligations of the parties as set forth herein shall survive the termination of this Agreement to the extent necessary to effectuate the intent of the parties as expressed herein.

#### 6.12 Independent Relationship

Notwithstanding any other provision of this Agreement, in the performance of the obligations of this Agreement, each party is at all times acting and performing as an independent contractor with respect to the other party. It is further expressly agreed that no work, act, commission or omission of either party (or any of its agents or employees) pursuant to the terms and conditions of this Agreement, shall be construed to make or render such party (or any of its agents or employees) an agent, servant, representative, or employee of, or joint venture with, such other party.

#### 6.13 Audit

Florida Blue and HOI shall allow the Employer, or a mutually agreeable firm selected by the Employer to conduct annual medical and/or pharmacy claims audits onsite. Florida Blue and HOI will provide full access, regardless of any claim for confidentiality or trade secrets, to applicable records, files and documents related to all medical and pharmacy claims, administrative fees and other elements of the contract in order to conduct the annual audit, as considered reasonable in scope and cost to complete such audit. The cost of the auditor will be at the expense of the Employer. Confidential documents and trade secrets reviewed by the auditor will not be shared with the Employer.

The Employer shall have the right to audit all books and records (in whatever form they may be kept, whether written, electronic or other) relating or pertaining to the Contracts(s) (including any and all documents and other materials, in whatever form they may be kept, which support or underlie those books and records), kept by or under the control of Contractor, including, but not limited to those kept by Contractor, its employees, agents, assigns, successors and subcontractors. Contractor shall maintain such books and records, together with such supporting or underlying documents and materials, for the duration of this Contract and for at least three years following the completion of this Contract, including any and all renewals thereof.

Florida Blue and HOI shall allow the State of Florida Auditor General and the Employer's independent auditors full access as part of its scope of work when conducting an audit of the Employer. State of Florida Audit General audits may occur every three (3) years. This would be in addition to any annual claims audit that the Employer performs through contract with a firm or independent auditing services.

6.14 Execution of Agreement

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, on the date first written above, the parties have caused this Agreement to be executed by their duly authorized representatives.

BLUE CROSS AND BLUE SHIELD  
FLORIDA, INC. d/b/a FLORIDA  
BLUE

LAKE COUNTY BOARD OF COUNTY  
COMMISSIONERS

Rachel Hand Bechtel

Leslie Campione

Signature

Signature

Rachel Bechtel  
Name (Printed)

Leslie Campione  
Name (Printed)

VP Comm Strategy & Market Solutions  
Title

Chairman  
Title

11/6/2024  
Date

11/19/24  
Date

HEALTH OPTIONS, INC.

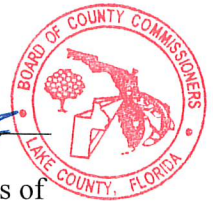
Rachel Hand Bechtel

Signature

ATTEST:

Gary J. Cooney

Gary J. Cooney, Clerk  
Board of County Commissioners of  
Lake County, Florida



Rachel Bechtel  
Name (Printed)

VP Comm Strategy & Market Solutions  
Title

Approved as to form and legality:

11/6/24  
Date

Melanie Marsh 11/21/24  
Melanie Marsh, County Attorney

**EXHIBIT "A"**  
**to the**  
**ADMINISTRATIVE SERVICES AGREEMENT**  
**between**  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.D/B/A FLORIDA BLUE**  
**and**  
**HEALTH OPTIONS, INC.**  
**and**  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS**  
**LAKE COUNTY BOCC**

**GROUP HEALTH PLAN**

The entire Group Health Plan is made a part of this Agreement.

**EXHIBIT "B"**  
to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**  
and  
**HEALTH OPTIONS, INC.**  
and  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS**  
**FINANCIAL ARRANGEMENTS**

I. Effective Date

The effective date of this Exhibit is October 1, 2024.

II. Monthly Payments.

A. Each month, Florida Blue and HOI will notify Employer of the amount due to satisfy the previous month's paid claims liability. Florida Blue and HOI also will provide Employer with a detailed printout of the previous month's claims payments. Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by Florida Blue and HOI by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, Florida Blue and HOI will immediately suspend claims until payment is received by Florida Blue and HOI.

B. Employer agrees to pay to Florida Blue and HOI, each month during and after the term of this Agreement, an administrative fee, as set forth below. Employer agrees to pay to Florida Blue and HOI, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by Florida Blue and HOI by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, Florida Blue and HOI will immediately suspend claims until payment is received by Florida Blue and HOI.

III. Funding Information

A. Method of Funding Transfer: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

Fee Per Subscriber Per Month	Subscribers	Initial Term				
		Oct 2024-Sept 2025	Oct 2025-Sept 2026	Oct 2026-Sept 2027	Oct 2027-Sept 2028	Oct 2028-Sept 2029
HMO Plan	782	\$42.60	\$42.60	\$43.90	\$43.90	\$45.00
PPO Plan	396	\$42.60	\$42.60	\$43.90	\$43.90	\$45.00

Additional Optional Years

Fee Per Subscriber Per Month	Subscribers	Oct 2029-Sept 2030	Oct 2030-Sept 2031	Oct 2031-Sept 2032	Oct 2032-Sept 2033	Oct 2033-Sept 2034
HMO Plan	782	\$46.00	\$47.40	\$47.40	\$48.80	\$48.80
PPO Plan	396	\$46.00	\$47.40	\$47.40	\$48.80	\$48.80

- B. Administrative fees after the termination of the Agreement: There will be no run-out fees after termination.
- C. Clinical Data Feed Integration is included in the administrative fees effective October 1, 2024, through September 30, 2029.
- D. Access fees of up to 1.93% of Network Savings for PPO provider claims and 3.46% of Network savings for Traditional provider claims may be assessed for claims incurred in states under the BlueCard program as explained in more detail under Section 3.10 below. This access fee will not exceed two thousand dollars (\$2,000) for any one claim and will not apply in Florida or in Consortium Plan service areas where enrolled members reside as long as enrollment continues to be equal to or greater than one thousand (1,000) contracts. On the first anniversary date after enrollment falls below one thousand (1,000) contracts, access fees will apply in those Consortium Plan service areas where enrolled members reside and Consortium fees were not previously established. Access fees will also apply in Consortium Plan service areas where no enrolled members reside. A determination of the Consortium Plan service areas that will not apply access fees for services rendered to members will be made on the basis of enrollment on each subsequent anniversary of this Agreement's effective date. Access fees will be applied on the basis of where the service was incurred, and not where the member resides.

Network Savings is defined as the total of the amounts computed by subtracting each "allowed amount" for a particular service under the terms of a participating provider's written agreement from each "billed amount" for such service. In no event shall the term "Network Savings" include duplicate charges or billed amounts for services or supplies not covered under the Employer's Plan. The term "allowed amount" means the amount received as payment in full by a participating provider, under that provider's written agreement, from both BCBSF and covered individuals under Employer's Plan for claims submitted to, and paid by BCBSF for a particular covered

service, and the term "billed amount" means the amount which would be received by such provider for the same covered service utilizing that provider's charges.

E. Florida Blue will provide Employer upon Board approval \$150,000 wellness contribution. Additional wellness funds will be paid to Employer every October as follows:

- October 1, 2024: \$100,000
- October 1, 2025: \$50,000
- October 1, 2026: \$50,000
- October 1, 2027: \$50,000
- October 1, 2028: \$50,000
- October 1, 2029: \$50,000 (as long as coverage remains in force).

V. Late Payment Penalty

A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

A. The administrative fees referenced above are based on an expected enrollment of 1,212.

B. If the actual enrollment is materially different from this expected enrollment, Florida Blue and HOI reserve the right to adjust the administrative fees as set forth in the Agreement. Administrative fees will be charged based on actual enrollment.



**EXHIBIT C**  
**HIPAA BUSINESS ASSOCIATE AGREEMENT ADDENDUM**

The provisions of this HIPAA Business Associate Agreement Addendum ("BAA") address applicable requirements of the implementing regulations, codified at 45 Code of Federal Regulations ("C.F.R.") Parts 160-64, for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 (collectively, "HIPAA"), so that the parties may meet their compliance obligations under HIPAA, and include additional provisions that the parties desire to have as part of the Agreement.

**1. DEFINITIONS**

1.1. All capitalized terms in this BAA that are not defined herein or otherwise in the Agreement will have the meanings ascribed to them by HIPAA.

**2. FLORIDA BLUE'S RESPONSIBILITIES**

2.1. ***Preservation of Privacy.*** Florida Blue will take reasonable steps to protect the confidentiality of all PHI in the performance of its duties under the Agreement and this BAA.

2.2. ***Prohibition on Non-Permitted Use or Disclosure.*** Florida Blue will neither Use nor Disclose PHI except (1) as permitted or required by this BAA; (2) as permitted or required in writing by the Plan; or (3) as permitted or required by Applicable Law.

2.3. ***Permitted Uses and Disclosures.*** Florida Blue may Use or Disclose Protected Health Information as follows:

2.3.1. For the performance of services set forth in the Agreement including, but not limited to, Payment activities, Health Care Operations, and Data Aggregation.

2.3.2. In accordance with 45 C.F.R. § 164.506(c) for the Payment activities of another Covered Entity or Health Care Provider, for the qualifying Health Care Operations of another Covered Entity, and for the Treatment activities of a Health Care Provider.

2.3.3. In accordance with an authorization or other permission granted by a Member (or the Member's Personal Representative) in accordance with 45 C.F.R. § 164.508 or 45 C.F.R. § 164.510, as applicable.

2.3.4. For Florida Blue's proper management and administration or to carry out Florida Blue's legal responsibilities. Disclosure of PHI for Florida Blue's proper management and administration or to carry out Florida Blue's legal responsibilities is permitted only if (i) the Disclosure is Required by Law, or (ii) before the Disclosure, Florida Blue obtains from the entity to which the Disclosure is to be made reasonable assurance, evidenced by written contract, that the entity will (1) hold PHI in confidence, (2) Use or further Disclose PHI only for the purposes for which Florida Blue disclosed it to the entity or as Required by Law; and (3) notify Florida Blue of any instance of which the entity becomes aware in which the confidentiality of any PHI was Breached.

2.3.5. To create De-Identified Health Information in conformance with 45 C.F.R. § 164.514(b). Florida Blue may use and disclose De-Identified Health Information for any purpose, including after any termination of the Agreement and this BAA.

2.3.6. To create a Limited Data Set.

2.4. **Minimum Necessary.** Florida Blue, in the performance of services under the Agreement, will make reasonable efforts to comply with the minimum necessary standard for PHI under HIPAA.

2.5. **Disclosure to Florida Blue's Subcontractors.** Florida Blue may disclose PHI to a Subcontractor. Florida Blue will require each Subcontractor and agent to which Florida Blue may disclose PHI to provide reasonable assurance, evidenced by written contract, that such Subcontractor or agent will comply with the similar but no less restrictive privacy and security obligations with respect to PHI as this BAA applies to Florida Blue.

2.6. **Reporting Non-Permitted Use or Disclosure and Security Incidents.**

2.6.1. **Privacy Breach.** Florida Blue will report to the Plan within ten (10) calendar days any use or disclosure of PHI of which Florida Blue becomes aware that is not permitted by this BAA and that constitutes a Breach of Unsecured PHI. The Plan hereby delegates to Florida Blue (i) the responsibility for determining whether any use or disclosure of Protected Health Information under this BAA constitutes a Breach of Unsecured PHI, and (ii) the implementation of notification and reporting obligations associated with a Breach of Unsecured PHI in accordance with relevant legal requirements.

2.6.2. **Security Incidents.** Florida Blue will report to the Plan within ten (10) calendar days any incident of which Florida Blue becomes aware that is (a) a successful unauthorized access, use or disclosure of EPHI; or (b) a successful major (i) modification or destruction of EPHI or (ii) interference with system operations in an Information System that results in a Breach of unsecured EPHI.

2.7. **Duty to Mitigate.** Florida Blue will mitigate to the extent reasonably practicable any harmful effect of which Florida Blue is aware that is caused by any use or disclosure of Protected Health Information in violation of this BAA.

2.8. **Return or Destruction of PHI.** Upon termination of the Agreement, Florida Blue will, if Florida Blue determines it is feasible, return to the Plan or destroy, all PHI in Florida Blue's custody or control (or in the custody or control of any subcontractor or agent to which Florida Blue disclosed Protected Health Information). Florida Blue will complete such return or destruction within sixty (60) calendar days after the effective date of termination. Thereafter, Florida Blue will limit its (and, by its written contract pursuant to Section 2.5 above, any subcontractor's or agent's) further use or disclosure of PHI to those purposes that make return or destruction infeasible and to those uses or disclosures Required by Law. Florida Blue's obligations to

preserve the privacy and safeguard the security of PHI as specified in this BAA will survive termination or other conclusion of the Agreement and this BAA.

- 2.9. **Access to PHI.** Florida Blue will, consistent with 45 C.F.R. § 164.524(b)(2), make available to the Member for inspection and copying any of the PHI about the Member that qualifies as part of a Designated Record Set that Florida Blue has in its custody or control, and that is not exempted from access by 45 C.F.R. § 164.524(a), so that the Plan can meet its access obligations under 45 C.F.R. § 164.524.
- 2.10. **Amendment.** Florida Blue will, consistent with 45 C.F.R. § 164.526(b)(2), permit a Member to make a written request to amend any portion of PHI about the Member that qualifies as part of a Designated Record Set.
- 2.11. **Disclosure Accounting.** Disclosure Tracking. Florida Blue will comply with the PHI Disclose Tracking requirements under 45 C.F.R. § 164.528.
- 2.12. **Restriction Requests.** Florida Blue will permit a Member to request restriction on the use of their PHI, in accordance with 45 C.F.R. § 164.522.
- 2.13. **Confidential Communications.** Florida Blue will provide a process for a Member to request that Florida Blue confidential communications consistent with 45 C.F.R. § 164.522(b).
- 2.14. **Complaint Process.** Florida Blue will, consistent with 45 C.F.R. § 164.530(d) and on behalf of the Plan, provide a process for Members to make complaints concerning Florida Blue's policies and procedures.
- 2.15. **Safeguarding PHI.**
  - 2.15.1. **Privacy.** Florida Blue will maintain reasonable and appropriate administrative, physical, and technical safeguards, consistent with 45 C.F.R. § 164.530(c) and any other implementing regulations issued by DHHS that are applicable to Florida Blue as the Plan's Business Associate, to protect against reasonably anticipated threats or hazards to the security and integrity of PHI, to protect against reasonably anticipated unauthorized use or disclosure of PHI, and to reasonably safeguard PHI from any intentional or unintentional Use or Disclosure in violation of this BAA.
  - 2.15.2. **Security.** Florida Blue will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Florida Blue creates, receives, maintains, or transmits on behalf of the Plan consistent with the Security Rule, 45 C.F.R. Part 164, Subpart C.
- 2.16. **Inspection of Internal Practices, Books and Records.** Florida Blue will make its internal practices, books, and records relating to its Use and Disclosure of PHI available to DHHS to determine the Plan's compliance with 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information."

- 2.17. **Summary Health Information.** Upon Employer's written request to either (A) obtain premium bids for providing health insurance coverage under the Plan, or (B) modify, amend, or terminate the Plan, Florida Blue will provide Summary Health Information regarding the Members participating in the Plan to Employer.

### **3. EMPLOYER'S RESPONSIBILITIES**

- 3.1. **Enrollment Data and Disenrollment Data.** Employer may electronically exchange data with Florida Blue regarding the enrollment and disenrollment of Members.
- 3.2. **Employer's Certification.** Employer hereby makes the certification specified in Schedule C-1 so that Employer may request and receive the minimum necessary PHI from Florida Blue for those plan administration functions that Employer will perform for the Plan. The Plan authorizes Florida Blue to disclose the minimum necessary PHI to those authorized representatives of Employer as specified in Schedule C-2 for the plan administration functions that Employer will perform for the Plan as specified in the Plan's Plan Document as amended and in Schedule C-2. Employer acknowledges and agrees that Florida Blue is relying on Employer's certification and the Plan's authorization that Employer has provided the requisite certification and that Florida Blue is not responsible for verifying (1) that the Plan's Plan Document has been amended to comply with the requirements of 45 C.F.R. § 164.504(f)(2), 45 C.F.R. § 164.314(b)(2), or this Section 3, or (2) that Employer is complying with the Plan's Plan Document as amended.
- 3.3. **Notice of Privacy Practices("NPP").** The Plan hereby adopts the Florida Blue Notice of Privacy Practices as the Plan's own NPP in accordance with 45 C.F.R. § 164.520(c). The current Florida Blue "Notice of Privacy Practices" is available at: [www.floridablue.com/general/hipaa-notice-privacy-practice](http://www.floridablue.com/general/hipaa-notice-privacy-practice) . Florida Blue reserves the right to amend its NPP and the web address where it is located at any time.

### **4. MISCELLANEOUS**

- 4.1. **Amendment to Conform to Applicable Law.** Upon the compliance date of any final regulation or amendment to final regulation with respect to Protected Health Information, Standard Transactions, the security of Health Information, or other aspects of HIPAA applicable to this BAA or to the Agreement, the parties will mutually agree to amend such that the obligations imposed on Employer, the Plan, and Florida Blue to remain in compliance with such regulations, unless Florida Blue elects to terminate the Agreement by providing Employer and the Plan notice of termination in accordance with the Agreement at least 90 days before the compliance date of such final regulation or amendment to final regulation.
- 4.2. **Conflicts.** The provisions of this BAA will override and control any conflicting provision of the Agreement. All nonconflicting provisions of the Agreement will remain in full force and effect.

**Schedule C-1**  
**EMPLOYER'S CERTIFICATION**

**To EXHIBIT C**  
**HIPAA BUSINESS ASSOCIATE AGREEMENT ADDENDUM**

**PART 1 – Employer to Amend Plan Documents for Privacy Provisions**

Employer certifies that Employer has amended the Plan's Plan Document to incorporate the provisions required by 45 C.F.R. § 164.504(f)(2), as set forth below, and agrees to comply with the Plan's Plan Document as amended.

1. Neither use nor further disclose Protected Health Information, except as permitted or required by the Plan's Plan Document or as required by law.
2. Neither use nor disclose Protected Health Information for any employment-related action or decision, or in connection with any other benefit or employee benefit plan of Employer.
3. Ensure adequate separation between Employer and the Plan by (a) describing those employees or classes of employees or other persons under Employer's control who will be given access to Protected Health Information to perform plan administration functions for the Plan, (b) restricting the access to and use of Protected Health Information by such employees or other persons to the plan administration functions that Employer will perform for the Plan, and (c) instituting an effective mechanism for resolving any noncompliance with the Plan's Plan Document by such employees or other persons.
4. Ensure that any subcontractor or agent to which Employer provides Protected Health Information agrees to the restrictions and conditions of the Plan's Plan Document with respect to Protected Health Information.
5. Report to the Plan any use or disclosure of Protected Health Information of which Employer becomes aware that is inconsistent with the uses and disclosures allowed by the Plan's Plan Document.
6. Make Protected Health Information available to the Plan or, at the Plan's direction, to the Member who is the subject of Protected Health Information (or the Member's Personal Representative) so that the Plan can meet its access obligations under 45 C.F.R. § 164.524.
7. Make Protected Health Information available to the Plan for amendment and, on notice from the Plan, amend Protected Health Information, so that the Plan can meet its amendment obligations under 45 C.F.R. § 164.526.
8. Record Disclosure Information as defined above for each disclosure that Employer makes of Protected Health Information that is not excepted from disclosure accounting and provide that Disclosure Information to the Plan on request so that the Plan can meet its disclosure accounting obligations under 45 C.F.R. § 164.528.

9. Make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to the Plan and to DHHS to determine the Plan's compliance with 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information."
10. Return to the Plan or destroy if feasible all Protected Health Information in whatever form or medium that Employer (and any subcontractor or agent of Employer) received from the Plan or Florida Blue , including all copies thereof and all data, compilations, and other works derived there from that allow identification of any present or past Member who is the subject of Protected Health Information, when Employer no longer needs Protected Health Information for the plan administration functions for which the Employer received Protected Health Information. Employer will limit the use or disclosure of any of Protected Health Information that Employer (or any subcontractor or agent of Employer) cannot feasibly return to the Plan or destroy to the purposes that make its return to the Plan or destruction infeasible.

## **PART 2 - Employer to Amend Plan Documents for Security Provisions**

Employer further certifies that Employer has amended the Plan's Plan Document to incorporate the provisions required by 45 C.F.R. § 164.314(b)(2), as set forth below, and agrees to comply with the Plan's Plan Document as amended.

1. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of Electronic Protected Health Information that Employer creates, receives, maintains or transmits on the Plan's behalf.
2. Ensure that the adequate separation between Employer and the Plan required by 45 C.F.R. § 164.504(f)(2)(iii) (as described in item 3 above) is supported by reasonable and appropriate Security Measures.
3. Ensure that any subcontractor or agent to which Employer provides Electronic Protected Health Information agrees to implement reasonable and appropriate Security Measures to protect the Electronic Protected Health Information.
4. Report to the Plan any incident of which Employer becomes aware that is (a) a successful unauthorized access, use or disclosure of Electronic Protected Health Information; or (b) a successful major (i) modification or destruction of Electronic Protected Health Information or (ii) interference with system operations in an Information System containing or having access to Electronic Protected Health Information. Upon the Plan's request, Employer will report any incident of which Employer becomes aware that is a successful minor (a) modification or destruction of Electronic Protected Health Information or (b) interference with system operations in an Information System containing or having access to Electronic Protected Health Information.

**Schedule C-2**  
**to EXHIBIT C**  
**HIPAA BUSINESS ASSOCIATE AGREEMENT ADDENDUM**

**DISCLOSURE OF PROTECTED HEALTH INFORMATION**  
**FOR PLAN ADMINISTRATION**

The Plan must promptly notify Florida Blue in writing if any of the information contained in this Schedule C-2 changes.

**PART 1**

Name(s) and Title(s) of Employer representatives (i.e., employees of Employer) authorized by the Employer to request and receive Summary Health Information from Florida Blue to perform Plan administrative functions:


**PART 2**

Identify the name(s), title(s) and company name(s) of any individual(s) from other Business Associates of the Plan that Employer, on behalf of the Plan, hereby authorizes to request and receive Protected Health Information:

Company Name	Type of Service Performed (Example: stop-loss carrier, reinsurer, agent, broker)	Name of Individual Performing Service	Title of Individual Performing Service

Employer acknowledges and agrees that, for purposes of these types of disclosures to third parties, Florida Blue may require the Business Associate of the Plan to enter into a confidentiality and indemnification agreement with Florida Blue in a form acceptable by Florida Blue. Florida Blue may require the Employer and/or the Plan to be a party to this agreement.

**PART 3**

The Employer, on behalf of the Plan, affirms that all authorization forms that may be required from the Plan's Members authorizing the use and/or release of protected or other confidential personal health information by Florida Blue or its Designated Agent in order to perform its obligations under the Agreement have been obtained.

**EXHIBIT "D"**  
**to the**  
**ADMINISTRATIVE SERVICES AGREEMENT**  
**between**  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**  
**and**  
**HEALTH OPTIONS, INC.**  
**and**  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS**

**Performance Guarantees**  
**October 1, 2024 through September 30, 2029**

MEASUREMENTS	STANDARD GOALS	PERCENT AT RISK
<b>I. MEMBER TOUCH POINTS</b>		
<b>Abandon Rate:</b> Number of calls that reach the call center and are placed in queue but do not reach the final destination because the caller hangs up before a representative becomes available.	≤5%	1%
<b>Average ACD Phone Queue Time:</b> Actual length of time a member waits to speak with a customer service associate after all ACD options have been chosen.	≤30 seconds	1%
<b>Blockage Rate:</b> Percentage of calls blocked during business hours.	≤8%	1%
<b>Enrollment Timeliness:</b> Percentage of ID cards mailed by effective date provided that the enrollment data is received from the employer 30 days prior to the effective date of coverage.	≥99%	1%
<b>Claims Processing Timeliness:</b> Percentage of provider and subscriber claims processed within 30 calendar days from receipt to the date that a claim has passed all edits and is pending the issuance of a check, voucher or denial.	≥97%	1%
<b>Claims Processing Accuracy:</b> Percentage of claims processed accurately.	≥97%	1%
<b>Claims Dollar Accuracy:</b> Percentage of claim dollars paid accurately.	≥98%	1%
<b>Inquiry Timeliness</b> Percentage of inquiries finalize within 7 days.	< 90%	1%
<b>Total Percent at Risk of proposed ASO fee not to exceed a maximum payout of 8%</b>		



**EXHIBIT "E"**  
**to the**  
**ADMINISTRATIVE SERVICES AGREEMENT**  
**between**  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**  
**and**  
**HEALTH OPTIONS, INC.**  
**and**  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS**  
**PHARMACY RELATED FINANCIAL ARRANGEMENTS**

**I. Effective Date**

The effective date of this exhibit is October 1, 2024. This Exhibit may be terminated by either party upon ninety (90) days written notice to the other party.

**II. Definitions**

For purposes of this Exhibit E, the following definitions shall apply:

- A. "340B Claims" mean claims submitted by 340B pharmacies with a Submission Clarification Code of "20" or Claims identified by Manufacturer as "340B" claims and rejected by the applicable Manufacturer for invoicing of Rebates.
- B. "Annual Reconciliation Period" is the one-year time period commencing as of the Effective Date and each one-year Anniversary thereof during which any guarantees will be measured and reconciled.
- C. "Authorized Generics" shall mean prescription drugs that are produced by an innovator (i.e., the brand manufacturer) under a New Drug Application (NDA), or licensed to be produced by a generic company under the New Drug Application (NDA), and are marketed, sold and/or distributed as generics under private label. Further, an Authorized Generic is identical to its brand counterpart in dosage form, safety, strength, route of administration, intended use, active and inactive ingredients and, as applicable, size, shape, color, taste, smell and mouth feel.
- D. "Average Wholesale Price" or "AWP" means the average wholesale price of a prescription drug as published by MediSpan at the time a Claim is processed. The price file will be updated no less frequently than once every three (3) business days through the Pricing Source"
- E. "Brand Drugs" are defined in Appendix A of this Agreement.
- F. "Claim" or "Claims" means requests for payment submitted by Network Participants (also referred to as pharmacies) or members for pharmacy benefit services covered under the Group Health Plan.
- G. "Claims Adjudication" means the determination of whether a given Claim is entitled to reimbursement pursuant the terms and conditions of a Benefit Plan and the amount payable to or by a Network Participant or member pursuant to such Benefit

Plan, the applicable Network Contract and any other applicable factors, including any copayment/deductible or coinsurance payable by a member, as well as concurrent (on-line at point of service) drug utilization review. Claims Adjudication shall accommodate any e-prescribing procedures that may be adopted after the date hereof.

- H. "Coinsurance" means that portion of the amount claimed for Covered Prescription Drug Services, calculated as a percentage of the eligible charge (or its substitute) for such services, which is to be paid by Member pursuant to Member's Benefit Plan.
- I. "COB (Secondary Payor) Claim" shall mean a claim which processed with an Other Coverage Code of 2 indicating that the Client is the secondary payer.
- J. "Compound Drug" means a claim where two or more solid, semi-solid, or liquid medications are mixed. The product must not be available in an equivalent commercial form. The product will not be considered a Compound Drug if it is reconstituted or if, to the active ingredient, only water, alcohol, flavoring, coloring, or sodium chloride solutions are added. Compound Drugs shall be priced using the NCPDP D.0 standard which shall capture each ingredient used in the medication.
- K. "Copayment/Deductible" means a fixed dollar portion of the amount claimed for Covered Prescription Drug Services that is to be paid by Member pursuant to Member's Benefit Plan.
- L. "Covered Prescription Drug Services" means the pharmacy services and/or drugs available to members and eligible for reimbursement pursuant to the Benefit Plan.
- M. "Dispensing Fee" means the fee paid to the Network Participant for the professional service of filling a prescription and is added to the submitted ingredient cost or contracted rate.
- N. "Drug Utilization Review" or "DUR" means the process whereby the therapeutic effects and cost effectiveness of various drug therapies are reviewed, monitored and acted upon consistent with the Benefit Plan. DUR can be prospective, concurrent or retrospective.
- O. "Extended Supply Network" or "ESN" means the retail Network Participants who have agreed to provide members more than a one-month's supply (84 + day supply) of Covered Prescription Drug Services provided that the Benefit Plan has a Mail Service benefit and a retail quantity days' supply limit of one month (or as mutually agreed).
- P. "Formulary" or "Drug Formulary" means a list of pharmaceutical products which is available to pharmacies, members, physicians or other health care providers for purposes of guiding the prescribing and dispensing of pharmaceutical products.
- Q. "Generic Drugs" are defined in Appendix A of this Agreement.
- R. "Ingredient Cost" means the ingredient cost amount charged to Group for each Claim subject to the provision set forth in section IV.
- S. "Limited Distribution Drug" means a Specialty Pharmacy Product identified as having a limited distribution network.
- T. "Mail Service" means the service through which covered persons may receive prescription drugs through the mail from the PBM's mail order pharmacy.
- U. "Manufacturer" means a company that manufactures, and/or distributes pharmaceutical drug products.
- V. "Manufacturer Administration Fee" means all fixed fees received by the PBM from any given Manufacturer relating to administration of Rebates under a manufacturer agreement.

- W. "Maximum Allowable Cost" or "MAC" means the highest cost at which a Benefit Plan will reimburse Network Participants or Members for pharmaceutical products present on the MAC list at the time of service.
- X. "Network Participant" means each individual pharmacy, chain or pharmacy service administrative organization (PSAO) that has entered into an agreement with the PBM or Florida Blue ("Network Contract") to provide Covered Prescription Drug Products and Services to members, as may be amended from time to time.
- Y. "Open Refill Transfer File" is a data file created by the Employer's previous PBM containing its members' mail prescriptions, thus enabling a subsequent PBM to continue to fill those open mail prescriptions.
- Z. "Over-the-Counter" or "OTC" shall mean products that are identified by MediSpan RXOTC Indicator as OTC.
- AA. "Paper Claims" means prescription drug services that are submitted to Florida Blue for adjudication through the use of a paper claim form, generally by a member subsequent to the point of sale.
- BB. "Pharmacy Benefit Manager" ("PBM") means Florida Blue's pharmacy program administrator, currently Prime Therapeutics L.L.C.
- CC. "Pricing Source" means Medispan, or such other national drug database as designated by Florida Blue's PBM. In the event the Pricing Source changes, notification will be provided to the Employer.
- DD. "Provider Tax" means any tax on a Covered Prescription Drug Service required to be collected or paid by a Network Participant for a Covered Prescription Drug Service.
- EE. "Rebate(s)" means compensation or remuneration of any kind received or recovered by the PBM from any Manufacturer which is directly or indirectly attributable to purchase or utilization of Covered Prescription Drug Services by members.
- FF. "Single Source Generic Drugs" or "SSGs" shall mean those Generic Drugs that are only available from one manufacturer and labeler, including generics with limited availability, exclusivity, or competition, including Authorized Generics. When a drug is identified as Single Source Generic Drug, it shall be considered a Single Source Generic Drug for all purposes, including Eligible Member Cost Share, therapeutic classification, pricing and all related guarantees.
- GG. "Specialty Drugs" means an FDA-approved prescription drug that has been designated by Florida Blue as a Specialty Drug due to requirements such as special handling, storage, training, distribution, and management of the therapy.
- HH. "Specialty Pharmacy Drugs", as used in this Agreement, refers to the list of drugs which will be available upon request.
- II. "Specialty Pharmacy" means a participating preferred pharmacy designated to dispense Specialty Drugs by Florida Blue.
- JJ. "Usual and Customary" or "U&C" means the lowest price, including any Dispensing Fee, a pharmacy would charge a customer without any insurance coverage if such customer were paying cash for the identical drug on the date dispensed. This includes any applicable discounts, including but not limited to, senior discounts, frequent shopper discounts, and other special discounts offered to customers.
- KK. "Utilization Management" means a broad collection of standard clinical products and services that may be selected by Employer that are designed to encourage

proper drug utilization in order to enhance member outcomes while managing drug benefit costs for Employer. Such services include, but are not limited to: Formulary exception, prior authorization, step therapy, quantity limits and retrospective DUR.

- LL. "Zero Balance Claim" or "Zero Balance Due" shall mean a claim for which there is no balance due from the Client following the application of the Eligible Member Cost Share to the cost of the claim.

**III. PHARMACY RELATED ADMINISTRATIVE FEES**

A. Fee for PBM Services

Employer will pay Florida Blue the fees referenced in Appendix A.

B. Other Fees

<b>PEPM</b>	<b>Occurrence, Frequency</b>
\$6.50	Per Employee Per Month
	<b>Services Included but not limited to</b>
	Adhoc reporting
	Rebate management
	Clinical prior authorizations
	Administrative prior authorizations
	Member submitted claims
	Responsible Rx Program
	Guided Health

**IV. PHARMACY CLAIM PRICING.**

A. Pharmacy Network Services

It is agreed that all pharmacy claims for services covered under the Group Health Plan will be priced as follows:

- A. Retail Pharmacy Claims, up to an 83-day supply: All claims will be billed at a pass-through rate equal to the amount that PBM on behalf of HOI is contracted with the pharmacy for such claim in regard to discounts and Dispensing Fees, plus any applicable taxes and minus any copayments.
- B. Mail Service claims, 84+ day supply: All claims will be billed at a pass-through rate equal to the amount that PBM on behalf of HOI is contracted with its third-party provider of Mail Service services for such claim in regards to discounts and Dispensing Fees, plus any applicable taxes and minus any copayments.
- C. Retail ESN pharmacy claims, 84+ day supply: All claims will be billed at a pass-through rate equal to the amount that PBM on behalf of HOI is contracted with the

pharmacy for such claim in regard to discounts and Dispensing Fees, plus any applicable taxes and minus any copayments.

- D. Specialty Pharmacy claims, up to a 30-day supply: All claims will be billed at a pass-through rate equal to the amount that HOI and or PBM is contracted with the specialty pharmacy for such claim in regard to discounts and Dispensing Fees, plus any applicable taxes and minus any copayments.

#### **V. Annual Reconciliation.**

Within 180 days following the end of each Annual Reconciliation Period, Florida Blue will separately calculate the actual discount effective rate, the actual average Dispensing Fee and the actual Rebates achieved during the Annual Reconciliation Period and compare the results to the guaranteed amounts and terms set forth in Appendix A. The discount effective rate will be calculated as follows:  $[1 - (\text{total discounted AWP Ingredient Cost} / \text{total undiscounted AWP Ingredient Cost})]$ . For the discount effective rate, Florida Blue will use the AWP then in effect on the date of service.

Pricing guarantees will only apply to any Annual Reconciliation Period during which this Exhibit has been in effect for the full twelve (12) months of such Annual Reconciliation Period. Group must be actively enrolled at time of annual reconciliation to be eligible for performance guarantee payments.

Specialty drugs dispensed through the medical benefit will not be included in this guarantee reconciliation.

Group agrees that any earnings which may accrue on amounts collected by Florida Blue from Employer related to Claims during any Annual Reconciliation Period may be retained by Florida Blue.

#### **VI. GENERAL PROVISIONS**

The following terms and conditions apply to this Exhibit E:

- A. Florida Blue reserves the right to modify or amend the financial provisions of this Exhibit upon prior notice to Employer in the event of (a) any material changes in the ASO Agreement or the Group Health Plan that results in a material change in any of the services provided by Florida Blue under the terms of this Exhibit; (b) any government imposed change in federal, state or local laws or interpretation thereof or industry wide change that would make Florida Blue's performance of its duties hereunder materially more burdensome or expensive; (c) a material change in the scope of services to be performed under this Agreement upon which the financial provisions included in this Exhibit are based; (d) significant changes made to the AWP benchmark or the methodology by which AWP is calculated or reported; (e) or as otherwise indicated in Appendix A.

- B. Formulary rebates may not be available or may be adjusted for as a result of a greater than fifty percent (50%) member cost share on an aggregate annual basis, participation in a high deductible health plan/consumer driven health plan and/or any other material change that impacts rebate performance not agreed to by Florida Blue and Pharmacy Benefit Manager.
- C. Eligible Members will always pay the lower of the client negotiated price or Eligible Member Cost Share. Any excess Eligible Member Cost Share will not be retained by Florida Blue.
- D. Any postage increases, shipping & handling increases, will not result in increases to dispensing fees or any other pricing component and will not be billed back to Group.
- E. Aggregate Specialty Guarantees are based upon an exclusive Specialty arrangement.
- F. Florida Blue will allow Group to terminate the agreement with or without cause, and without termination charges, with ninety (90) days written notice. Either party may terminate the agreement with ninety (90) days written notice to the other party.

## **VII. INSPECTION AND AUDIT**

Employer and the State of Florida Auditor General's Office or designee has the right, subject to applicable law, to inspect, upon reasonable advance notice and during reasonable times, the PBM's records relating to this Agreement. Notwithstanding the foregoing, there shall be no more than one (1) audit during any twelve (12) month period and audits shall be limited to claims adjudicated during the current year and the preceding year unless a longer time period is mutually agreed upon by the parties. Employer and State Auditors will strive to provide a minimum of thirty (30) days' advance written notice of its intent to audit and the scope of the audit. A member of Florida Blue's External Audit Team and the PBM's account management team will coordinate the audit and all audits will take place during normal business hours. Employer and/or its auditor must follow the PBM's visitor security policy if on-site.

Any third-party auditor must be reasonably acceptable to both Florida Blue and the PBM and must enter into a Confidentiality and Non-Disclosure Agreement (C&I) approved by both legal departments before any information is exchanged. The C&I will specify the information provided by the PBM to the auditor is to be used solely for the purpose of conducting the immediate audit and the information may not be used for any other purpose. The parties agree to collaborate in good faith to develop a reasonable procedure for conducting the audit (e.g., 100 claims to be reviewed).

Only the information necessary for Employer to conduct a fair and valid audit will be disclosed. Any unnecessary information will be redacted. If access to Network Contracts or Manufacturer (Rebate) Agreements is requested, the PBM will provide access as long as the PBM is legally or contractually able to do so and only the

relevant page(s) or exhibits (that is, not the entire contract) will be provided for review.

Unless otherwise contractually specified, Employer will bear all costs and expenses related to the audit. Additionally, Employer will reimburse the PBM for all reasonable actual out of pocket expenses incurred by the PBM in compliance with an audit. The auditor cannot keep or make copies of any documents provided by the PBM without the PBM's express written consent. The PBM will provide screenshots of the claims adjudication system. The auditor will not have access to the live claims adjudication system without prior approval by the PBM. Except as may otherwise be required by applicable law, reporting of the audit results will be restricted to the Employer and its auditor's internal use only. The auditor will provide copies of the audit report to the Employer and the PBM.

# Appendix A



Lake County_BOCC	
Effective Date:	10/1/2024
Members:	2,636
Employees:	1,200

CUSTOM PASSTHROUGH PRICING	
Contract Period	Performance
<b>BRAND DISCOUNTS</b>	
Retail Network	
10/1/2024 to 9/30/2025	21.00%
10/1/2025 to 9/30/2026	21.05%
10/1/2026 to 9/30/2027	21.10%
Extended Supply Network (ESN) - 90 Day Channel	
10/1/2024 to 9/30/2025	25.50%
10/1/2025 to 9/30/2026	25.60%
10/1/2026 to 9/30/2027	25.70%
Exclusive Mail	
10/1/2024 to 9/30/2025	24.50%
10/1/2025 to 9/30/2026	24.50%
10/1/2026 to 9/30/2027	24.50%
<b>GENERIC DISCOUNTS</b>	
Retail Network	
10/1/2024 to 9/30/2025	85.10%
10/1/2025 to 9/30/2026	85.25%
10/1/2026 to 9/30/2027	85.40%
Extended Supply Network (ESN) - 90 Day Channel	
10/1/2024 to 9/30/2025	89.00%
10/1/2025 to 9/30/2026	89.15%
10/1/2026 to 9/30/2027	89.30%
Exclusive Mail	
10/1/2024 to 9/30/2025	88.30%
10/1/2025 to 9/30/2026	88.45%
10/1/2026 to 9/30/2027	88.60%
<b>BRAND DISPENSING FEES</b>	
Retail Network	
10/1/2024 to 9/30/2025	\$0.30
10/1/2025 to 9/30/2026	\$0.30
10/1/2026 to 9/30/2027	\$0.30
Extended Supply Network (ESN) - 90 Day Channel	
10/1/2024 to 9/30/2025	\$0.00
10/1/2025 to 9/30/2026	\$0.00
10/1/2026 to 9/30/2027	\$0.00
Exclusive Mail	
10/1/2024 to 9/30/2025	\$0.00
10/1/2025 to 9/30/2026	\$0.00
10/1/2026 to 9/30/2027	\$0.00
<b>GENERIC DISPENSING FEES</b>	
Retail Network	
10/1/2024 to 9/30/2025	\$0.30
10/1/2025 to 9/30/2026	\$0.30
10/1/2026 to 9/30/2027	\$0.30
Extended Supply Network (ESN) - 90 Day Channel	
10/1/2024 to 9/30/2025	\$0.00
10/1/2025 to 9/30/2026	\$0.00
10/1/2026 to 9/30/2027	\$0.00
Exclusive Mail	
10/1/2024 to 9/30/2025	\$0.00
10/1/2025 to 9/30/2026	\$0.00
10/1/2026 to 9/30/2027	\$0.00
<b>AGGREGATE SPECIALTY</b>	
Discount	
10/1/2024 to 9/30/2025	22.50%
10/1/2025 to 9/30/2026	22.60%
10/1/2026 to 9/30/2027	22.50%
Specialty Pharmacy Dispensing Fee	
10/1/2024 to 9/30/2025	\$0.00
10/1/2025 to 9/30/2026	\$0.00
10/1/2026 to 9/30/2027	\$0.00

**Notes:**

- Discounts are based on the actual NDC-11 dispensed on the fill date.
- Guarantees are based upon the above selected Florida Blue Network.
- Guarantees are based upon an implemented Florida Blue Extended Supply Network (90-day retail). If not implemented, Retail rates apply.
- For the purpose of reconciliation at contract year end, discount and dispensing fee guarantees are reconciled in aggregate, as long as the contract remains in effect.
- Discount and dispensing fee rates exclude compound, long term care (LTC) pharmacy, home infusion (HI) pharmacy, veterans affairs (VA) pharmacy, Indian/tribal/urban (I/T/U) pharmacy, U.S. territory (TER) pharmacy, 340B, Medicare/Medicaid, out-of-network, member-submitted (e.g. DMRs), coordination of benefits (COB), subrogation, invalid, usual and customary (U&C) claims and non-specialty discount and dispensing fees also exclude specialty (as defined by the Florida Blue specialty drug management list) claims.
- For discount purposes, Specialty is defined by the Florida Blue specialty drug management list.
- Guarantees are based upon an exclusive specialty network arrangement.
- Aggregate Specialty discount guarantees do not include any new specialty drugs brought to market and added to the specialty list during the term of each contract year.
- For discount and dispensing fees, Brand drugs are defined as drugs that have a Medi-Span multisource code field equal to "M", "N", or "O".
- For discount and dispensing fees, Generic drugs are defined as drugs that have a Medi-Span multisource code field equal to "Y".
- Unexpected generic launches and products launched at risk or under patent litigation are excluded from generic guarantees.
- Guarantees are based upon MedsYourWay Home Delivery being the exclusive mail provider.



CUSTOM PASSTHROUGH PRICING	
Contract Period	FL 3 Tier
<b>REBATE PER BRAND</b>	
<b>Retail Network</b>	
10/1/2024 to 9/30/2025	\$331.60
10/1/2025 to 9/30/2026	\$360.00
10/1/2026 to 9/30/2027	\$389.15
<b>Extended Supply Network (ESN) - 90 Day Channel</b>	
10/1/2024 to 9/30/2025	\$833.29
10/1/2025 to 9/30/2026	\$900.69
10/1/2026 to 9/30/2027	\$952.73
<b>Exclusive Mail</b>	
10/1/2024 to 9/30/2025	\$744.48
10/1/2025 to 9/30/2026	\$767.64
10/1/2026 to 9/30/2027	\$788.73
<b>Specialty</b>	
10/1/2024 to 9/30/2025	\$4,403.81
10/1/2025 to 9/30/2026	\$5,096.36
10/1/2026 to 9/30/2027	\$5,320.57

**Notes:**

- For rebate purposes, Specialty is defined by the Florida Blue specialty drug management list.
- For the purpose of reconciliation at contract year end, all rebate guarantees are reconciled in aggregate as long as the contract remains in effect.
- Compound, long term care (LTC) pharmacy, home infusion (HI) pharmacy, veterans affairs (VA) pharmacy, Indian/tribal/urban (I/T/U) pharmacy, U.S. territory (TER) pharmacy, 340b, Medicare/Medicaid, out of network, member-submitted (e.g. DMRs), coordination of benefits (COB), subrogation, invalid, vaccine, over-the-counter (OTC), zero balance due (100% member paid), biosimilar, dispense as written (DAW) Codes 3/4/5/6/9, COVID test kits & oral medications, and multi source code is O & DAW codes are not 1 or 2 claims are excluded from rebate guarantees.
- For rebate purposes, Brand drugs are defined as all drugs that have a Medi-Span multisource code field equal to "M", "N", or "O".
- Rebate guarantees assume WAC reduction for the following products due to AMP CAP: all versions of HUMALOG, HUMULIN, LANTUS, LEVEMIR, NOVOLIN, NOVOLOG, VICTOZA. Florida Blue reserves the right to adjust the reconciliation of guarantees for any other products with a WAC decrease.

GENERIC FILL RATE GUARANTEE	
Contract Period	All Channels
10/1/2024 to 9/30/2025	84.75%
10/1/2025 to 9/30/2026	84.85%
10/1/2026 to 9/30/2027	84.95%

CUSTOM PASSTHROUGH PRICING	
ADMINISTRATIVE FEE	
Contract Period	Per Employee Per Month
10/1/2024 to 9/30/2025	\$6.50
10/1/2025 to 9/30/2026	\$6.50
10/1/2026 to 9/30/2027	\$6.50

**Notes:**

- Administrative Fees will be charged at the above rate on a per employee per month basis.
- Generic Fill Rate guarantees are based on 30 days of supply and excludes Specialty Drugs as defined by the Florida Blue specialty drug management list, DAW, vaccine, and compound claims from calculations.

**Additional Caveats:**

- Guarantees are based on adoption and adherence of an above Florida Blue formulary, including associated utilization management, recommended formulary strategies, and clinical programs. Florida Blue reserves the right to make an equitable modification to the pricing terms of the agreement for the following: changes in any law or regulation, changes in interpretation of a law or regulation, changes within PBM marketplace which lead to a significant deviation from the current economic environment, unexpected market events, unexpected generic launches, authorized generic launches, biosimilar products, products launched at risk, products under patent litigation, new lower cost NDCs priced net of rebates from the innovator, products with WAC decreases, biosimilar utilization or mix being materially different from underwriting assumptions, changes in drug indications, implementation of new clinical programs, removal of existing clinical programs, changes in pharmacy benefit plan design, specialty drug management list, limited distribution list, or formulary changes.
- Members will pay the lower of the contracted rate, U&C, or their applicable copayment.
- Assumes client does not have 340B pricing.
- Guarantees provided does not include savings from DUR or other clinical programs.
- Specialty drugs dispensed through the medical benefit will not be included in reconciliation of guarantees.
- Guarantees assumes 29% ESN penetration, if that differs significantly, Florida Blue reserves the right to revise guarantees terms and financials.
- Guarantees assumes 1% Mail penetration, if that differs significantly, Florida Blue reserves the right to revise guarantees terms and financials.
- Florida Blue reserves the right to equitably adjust the guarantees in the event the number of covered members or pharmacy claims volume changes by greater than 10% over the course of the contract.
- Products with government mandated reimbursement, emergency use protocols, or related to Covid-19 (e.g testing, vaccines, and treatments) are excluded from guarantee reconciliation.
- Florida Blue reserves the right to remove financial guarantees if the implementation of a drug importation program materially impacts the drug utilization of the group.
- Mail guarantees only include claims from a mail vendor with 84 days of supply or greater. Claims from 1 to 83 days of supply from a mail vendor are included in the retail guarantees.

**EXHIBIT "F"**  
**to the ADMINISTRATIVE SERVICES AGREEMENT**  
**between**  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**  
**and**  
**HEALTH OPTIONS, INC.**  
**and**  
**LAKE COUNTY BOARD OF COUNTY COMMISSIONERS**

**DISCOUNT GUARANTEE**

10/01/24 through 09/30/26

Administrative Fee	Discount Achieved	Fee Credit	Net Administrative Fee
\$42.60	65.00% - above	\$00.00	\$42.60
\$42.60	64.00% - 64.99%	(\$1.00)	\$41.60
\$42.60	63.00% - 63.99%	(\$2.00)	\$40.60
\$42.60	62.00% - 62.99%	(\$3.00)	\$39.60

10/01/26 – 9/30/27

Administrative Fee	Discount Achieved	Fee Credit	Net Administrative Fee
\$43.90	65.00% - above	\$00.00	\$43.90
\$43.90	64.00% - 64.99%	(\$1.00)	\$42.90
\$43.90	63.00% - 63.99%	(\$2.00)	\$41.90
\$43.90	62.00% - 62.99%	(\$3.00)	\$40.90

**Assumptions:**

- This guarantee arrangement is offered for the period 10/01/24 – 09/30/27 only, and is based on the proposed provider network(s).
- Applies to In-Network claims only.
- Discount ranges are account specific and apply to total discounts only.
- No significant benefit changes or membership changes by geographical regions.
- Administrative fee based on Health Products only (excludes ancillary, Rx and AOR fees).
- Results will be provided on a quarterly basis with final settlement no earlier than the second quarter of the following year.
- BCBSF Network and Program Savings Report will be used for validation of results (or a designated TPA partner data as appropriate, e.g., WebTPA reports).
- Only includes claims incurred in FL.
- Claims in excess of \$150,000 will be removed in their entirety from the discount guarantee calculation.
- The following claims are excluded from the guarantee: pharmacy claims, claims with COB, claims where the Billed Charges equals the Allowed Amount, and certain types of claim denials.
- Each year of the discount guarantee must be settled individually, however any overperformance by Florida Blue on the discount achieved in years 1 and 2 may be used to offset any potential penalties in future years.
- Lake County BOCC must stay with Florida Blue for the duration of the contract to receive any potential payouts.

- Since we are preparing a multi-year discount guarantee so far in advance of the actual effective date of the guarantee, Florida Blue will have the right to revise our estimates closer to the effective date in case there should be any material changes in contracting, inflation, etc.