

**Administrative Services Only Agreement**

**By and Between**

**South San Antonio Independent School District  
“Employer”**

**And**

**Cigna Health and Life Insurance Company  
“CHLIC”**

**Effective Date: November 1, 2021**

**EXCEPT AS PROVIDED BY APPLICABLE LAW, THIS AGREEMENT AND ITS TERMS ARE  
PROPRIETARY AND CANNOT BE DISCLOSED WITHOUT THE PERMISSION OF EACH OF THE  
PARTIES**

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**THIS AGREEMENT**, effective November 1, 2021 (the “**Effective Date**”) is by and between South San Antonio Independent School District (“**Employer**”) and Cigna Health and Life Insurance Company (“**CHLIC**”).

**RECITALS:**

**WHEREAS**, Employer, as Plan sponsor, has adopted the benefit described in Exhibit A, as may be amended, (“**Plan**”) for certain of its employees/members and their eligible dependents (collectively “**Members**”); and

**WHEREAS**, Employer has requested CHLIC to furnish certain administration services in connection with the Plan (for its own internal purposes, CHLIC identifies Employer’s account by the following numbers 3344553).

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, it is hereby agreed as follows:

**Definitions**

**Agreement** means this entire document including the Schedule of Financial Charges and all Exhibits and Addenda, as attached hereto, as well as any subsequent amendments.

**Applicable Law** means the state, federal and/or international law and/or regulation that apply to a Party or the Plan.

**Bank Account** means a benefit plan account with a bank designated by CHLIC; established and maintained by Employer in its or a nominee’s name.

**ERISA** means the Employee Retirement Income Security Act of 1974, as amended and related regulations. CHLIC acknowledges that Employer's Plan may not be subject to ERISA.

**Extra-Contractual Benefits** means payments which Employer has instructed CHLIC to make for health care services and/or products that CHLIC has determined are not covered under the Plan.

**Member** means a person eligible for and enrolled in the Plan as an employee or dependent.

**Participant/Participating Members** means Member(s) who is (are) participating in a specific program and/or product available to Members under the Plan.

**Participating Providers** means providers of health care services and/or products, who/which contract directly or indirectly with CHLIC to provide services and/or products to Members.

**Party/Parties** means Employer and CHLIC, each a “Party” and collectively, the “Parties”.

**Plan Benefits** means amounts payable under the terms of the Plan for expenses incurred by Members for services/items covered under the Plan.

**Plan Year** means the twelve (12) month period, beginning on the Effective Date and, thereafter, each subsequent twelve (12) month period.

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**Run-Out Claims** means claims for Plan Benefits relating to health care services and products that are incurred but not processed prior to termination of this Agreement; termination of a Plan benefit option or termination of eligible Members, as applicable.

**Subscriber** means the Member whose employment or participation is the basis for eligibility under the Plan.

**Section 1. Term and Termination of Agreement**

This Agreement is effective on the Effective Date and shall remain in effect until the earliest of any of the following dates:

- i. The date which is at least sixty (60) days from the date that either Employer or CHLIC provides written notice to the other of termination of this Agreement;
- ii. The effective date of any Applicable Law or governmental action which prohibits performance of the activities required by this Agreement;
- iii. The date upon which Employer fails to fund the Bank Account as required by this Agreement provided CHLIC notifies Employer of its election to terminate;
- iv. The date upon which Employer fails to pay CHLIC any charges identified in this Agreement when due provided CHLIC notifies Employer of its election to terminate;
- v. Any other date mutually agreed upon by Employer and CHLIC.

**Section 2. Claim Administration and Additional Services**

- a. While this Agreement is in effect, CHLIC shall, consistent with, the claim administration policies and procedures then applicable to its own health care insurance business (i) receive and review claims for Plan Benefits; (ii) determine the Plan Benefits, if any, payable for such claims; (iii) disburse payments of Plan Benefits to claimants; and (iv) provide in the manner and within the time limits required by Applicable Law, notification to claimants of (a) the coverage determination or (b) any anticipated delay in making a coverage determination beyond the time required by Applicable Law.
- b. Following (i) termination of this Agreement, except pursuant to Section 1.iii and 1.iv; (ii) termination of a Plan benefit option or (iii) termination of eligible Members, if any required fees have been paid in full, CHLIC shall process Run-Out Claims for the applicable Run-Out Period (Refer to Schedule of Financial Charges for applicable fees and Run-Out Period). At the termination of any applicable Run-Out Period, CHLIC shall cease processing Run-Out Claims and, subject to the requirements of Section 21.a, make all relevant records in its possession relating to such claims, other than CHLIC's proprietary information, reasonably available to Employer or Employer's designee. CHLIC is not required to provide proprietary information to Employer or any other party.
- c. Employer hereby delegates to CHLIC the authority, responsibility and discretion to determine coverage under the Plan based on the eligibility and enrollment information provided to CHLIC by Employer. Employer also hereby delegates to CHLIC the authority, responsibility and discretion to (i) make factual determinations and to interpret the provisions of the Plan to make coverage determinations on claims for Plan Benefits, (ii) conduct a full and fair review of each claim which has been denied as defined by ERISA, (iii) conduct level one of internal appeals of "Urgent Care Claims," "Concurrent," "Pre-service," and "Post-service" claims (as those terms are defined under ERISA) and notify the Member or the Member's authorized representative of its decision. Employer will ensure that all summary plan description materials provided to Members reflect the delegation of discretionary authority outlined above.

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If the Plan provides a level two internal appeal, Employer shall conduct and retain full responsibility and discretionary authority for such appeals including notification to the Member and/or the Member's authorized representative of its decision. Employer will ensure that the summary plan description materials provided to Members properly outline the internal appeal process and Employer's responsibility for level two internal appeals.

- d. In addition to the basic claim administrative duties described above, CHLIC shall also perform the Plan-related administrative duties agreed upon by the Parties and specified in Exhibit B. Unless otherwise agreed to in writing by CHLIC, all services identified in this Agreement shall be provided by CHLIC on an exclusive basis with respect to that portion of the Plan administered by CHLIC pursuant to this Agreement.

**Section 3. Funding and Payment of Claims**

- a. Employer shall establish a Bank Account, and maintain in the Bank Account an amount sufficient at all times to fund payments from it for the following (collectively "**Bank Account Payments**"): (i) Plan Benefits; (ii) those charges and fees identified in the applicable Schedule of Financial Charges as payable through the Bank Account and (iii) any sales or use taxes, or any similar benefit- or Plan-related charge or assessment however denominated, which may be imposed by any governmental authority. Bank Account Payments may include without limitation: (a) fixed per person payments and pay-for-performance payments to Participating Providers; (b) amounts owed to CHLIC which are not billed to Employer in accordance with Section 4 of this Agreement; and (c) amounts paid to CHLIC's affiliates and/or subcontractors for, among other things, network access or in- and out- of network health care services/products provided to Members. CHLIC may credit the Bank Account with payments due Employer under a stop loss policy issued by CHLIC or an affiliate.
- b. CHLIC, as agent for the Employer, shall make Bank Account Payments from the Bank Account, in the amount CHLIC reasonably determines to be proper under the Plan and/or under this Agreement.
- c. In the event that sufficient funds are not available in the Bank Account to pay all Bank Account Payments when due, CHLIC shall cease to process and issue payment for claims for Plan Benefits including Run-Out Claims and CHLIC may notify claimants and Members regarding such insufficient funding.
- d. CHLIC will promptly adjust any underpayment of Plan Benefits or pay-for-performance payments by drawing additional funds due the claimant from the Bank Account. In the event CHLIC determines that it has overpaid a claim for Plan Benefits or paid Plan Benefits to the wrong party, it shall take all reasonable steps consistent with the policies and procedures applicable to its own health care insurance business to recover the overpayments of Plan Benefits. CHLIC shall also take all reasonable steps consistent with the policies and procedures applicable to its own health care insurance business to collect pay-for-performance payments due to Employer or to recover pay-for-performance overpayments (collectively "**Pay-for-Performance Recoveries**"). CHLIC shall not be required to initiate court, mediation, arbitration or other administrative proceedings to recover any overpayment of Plan Benefits or to collect or recover Pay-for-Performance Recovery. However, when it elects to do so, CHLIC is expressly authorized by Employer to take all actions on behalf of the Employer and/or the Plan to pursue overpayment recovery of Plan Benefits or to collect or recover Pay-for-Performance Recovery including, but not limited to, retaining counsel, settling and compromising claims or Pay-for-Performance Recoveries, in which case CHLIC shall be responsible for the attorney fees, court costs or arbitration fees incurred by CHLIC in the specific overpayment recovery action of Plan Benefits (not applicable to subrogation or conditional claim payment

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recoveries) or to collect or recover Pay-for-Performance Recovery, but not any other associated third party costs absent consent of CHLIC. CHLIC shall not be responsible for reimbursing any unrecovered payments of Plan Benefits or Pay-for-Performance Recoveries unless made as a result of its gross negligence or intentional wrongdoing.

- e. Employer shall promptly reimburse CHLIC for any Bank Account Payments paid by CHLIC with its own funds on Employer's behalf and no such payment by CHLIC shall be construed as an assumption of any of Employer's liability for such Bank Account Payments.
- f. Following termination of this Agreement, Employer shall remain liable for payment of all Plan Benefits and other due Bank Account Payments and for all reimbursements due Members under the Plan.

The obligations set forth in this Section 3 shall survive termination of this Agreement.

**Section 4. Charges**

- a. Charges. CHLIC shall provide to Employer a monthly statement of all charges Employer is obligated to pay under this Agreement that are not paid as Bank Account Payments. Payment of all billed charges shall be due on the first day of the month, as indicated on the monthly statement. Payments received after the last day of the month in which they are due, shall be subject to late payment charges, from the due date at a rate calculated as follows: the one (1) year Treasury constant maturities rate for the first week ending in January plus five percent (5%). For purposes of calculating late payment charges, payments received will be applied first to the oldest outstanding amount due. CHLIC may reasonably revise the methodology for calculating late payment charges upon thirty (30) days' advance written notice to Employer.
- b. Changes - Additions and Terminations. If a Subscriber's effective date is on or before the fifteenth (15th) day of the month, full charges applicable to that Subscriber shall be due for that Subscriber for that month. If coverage does not start or ceases on or before the fifteenth (15th) day of the month for a Subscriber, no charges shall be due for that Subscriber for that month.
- c. Retroactive Changes and Terminations. Employer shall remain responsible for all applicable charges and Bank Account Payments incurred or charged through the date CHLIC processed Employer's notice of a retroactive change or termination of a Member. However, if the change or termination would result in a reduction in charges, CHLIC shall credit to Employer the reduction in charges charged for the shorter of (a) the sixty (60) day period preceding the date CHLIC processes the notice, or (b) the period from the date of the change or termination to the date CHLIC processes the notice.

The obligations set forth in this Section 4 shall survive termination of this Agreement.

**Section 5. Enrollment and Determination of Eligibility**

- a. Eligibility Determinations and Information. Employer is responsible for administering Plan enrollment. In determining any person's right to benefits under the Plan, CHLIC shall rely upon enrollment and eligibility information provided by the Employer and CHLIC shall have no liability for administering the Plan in reliance upon enrollment and eligibility information provided by Employer. Such information shall identify the effective date of eligibility and the termination date of eligibility and shall be provided promptly on a monthly basis (unless otherwise agreed to in writing by CHLIC) to CHLIC in a format and with such other information as reasonably may be required by CHLIC for the proper administration of the Plan.

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- b. Release of Liability. Notwithstanding any inconsistent provision of this Agreement to the contrary, if Employer, fails to provide CHLIC with accurate enrollment and eligibility information, benefit design requirements, or other agreed-upon information in CHLIC's standard timeframe and format, CHLIC shall have no liability under this Agreement for any act or omission by CHLIC, or its employees, affiliates, subcontractors, agents or representatives, directly or indirectly caused by such failure, except to the extent CHLIC contributed to such failure.
- c. Reconciliation of Eligibility Information and Default Terminations. CHLIC will periodically share potential discrepancies in eligibility information with Employer. Employer will review and reconcile any discrepancies within thirty (30) days of receipt and provide CHLIC corrected eligibility information. CHLIC may terminate coverage for any Member not listed as eligible in Employer's submitted eligibility information and provide written notice to Employer of such termination.

**Section 6. Claim Audits**

- a. Claim Audit. Employer may, audit CHLIC's payment of Plan Benefits in accordance with the following requirements:
  - i. Employer shall provide to CHLIC a scope of audit letter and the fully executed Claim Audit Agreement, a sample of which is attached hereto as Exhibit C together with a forty-five (45) day advance written request for audit.
  - ii. Employer may designate with CHLIC's consent (which consent shall not to be unreasonably withheld) an independent, third-party auditor to conduct the audit (the "Auditor").
  - iii. Employer and CHLIC will agree upon the date for the audit during regular business hours at CHLIC's office(s).
  - iv. Except as otherwise agreed to by the parties in writing prior to the commencement of the audit, the audit shall be conducted in accordance with the terms of CHLIC's Claim Audit Agreement attached hereto as Exhibit C, which is hereby agreed to by Employer and which shall be signed by the Auditor prior to the start of the audit.
  - v. If the audit identifies any claim adjustments, such adjustments will be made in accordance with this Agreement and based upon the actual claims reviewed and not upon statistical projections or extrapolations.
  - vi. Employer shall be responsible for its Auditor's costs.

Employer may (as determined by CHLIC based upon the resources required by the audit requested) be responsible for CHLIC's reasonable costs with respect to the audit, except that while this Agreement is in effect there shall be no additional cost to Employer for an audit of payment documents (subject to any contrary terms in Participating Provider agreements) relating to a random, statistically valid sample of two-hundred twenty-five (225) claims paid during the two prior Plan years and not previously audited, provided that if Employer has five thousand (5,000) or more employee who are Members, Employer may conduct one such audit every Plan Year (but not within six (6) months of a prior audit); otherwise, Employer may conduct one such audit every two (2) Plan Years (but not within eighteen (18) months of a prior audit). In no event shall any audit involve Plan benefit payments made prior to the most recent two (2) Plan Years. In the event Employer requests to alter the scope of the claim audit, CHLIC will endeavor to reasonably accommodate the Employer's request, which may be subject to additional charges to be mutually agreed upon by the Employer and CHLIC prior to the start of the audit.

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**Section 7. Plan Benefit Liability**

- a. **Employer Liability for Plan Benefits.** Employer is solely responsible for all Plan Benefits including any Plan Benefits paid as a result of any legal action. Employer is responsible for reimbursing CHLIC, its directors, officers and employees for any reasonable expense incurred (including reasonable attorneys' fees) by them in the defense of any action or proceeding involving a claim for Plan Benefits. CHLIC shall reasonably cooperate with Employer, in its defense of such actions.

If Employer directs CHLIC in writing to pay Extra-Contractual Benefits, Employer is responsible for funding the payment and such payments shall not be considered in determining reimbursements or payments under stop loss insurance provided by CHLIC or CHLIC affiliate or in determining any CHLIC or CHLIC affiliate risk-sharing or performance guarantee reimbursements. Employer shall reimburse CHLIC for any liability or expenses (including reasonable attorneys' fees) CHLIC may incur in connection with making such payments.

- b. **Employer Liability for Plan-Related Expenses.** Employer shall reimburse CHLIC for any amounts CHLIC may be required to pay (i) as state premium tax or any similar Plan-related tax, charge, surcharge or assessment, or (ii) under any unclaimed or abandoned property, or escheat law, with respect to Plan Benefits and any penalties and/or interest thereon.

The obligations set forth in this Section 7 shall survive termination of this Agreement.

**Section 8. Modification of Plan and Charges**

- a. Except as may be otherwise provided in the Schedule of Financial Charges, CHLIC shall have the right to revise the charges identified in this Agreement (i) on the first anniversary of this Agreement and at any time thereafter by giving Employer at least sixty (60) days' prior written notice, but not more frequently than once in a twelve (12) month period, (ii) upon any modification or amendment of the benefits under the Plan, (iii) upon any variation of fifteen percent (15%) or more in the number of Members used by CHLIC to calculate its charges under this Agreement, and/or (iv) upon any change in law or regulation that materially impacts CHLIC's liabilities and/or responsibilities under this Agreement.
- b. Employer shall provide CHLIC written notice of any modification or amendment to the Plan sufficiently in advance of any such change as to allow CHLIC to implement the modification or amendment. Employer and CHLIC shall agree upon the manner and timing of the implementation of such modification or amendment subject to CHLIC's system and operational capabilities.
- c. Employer is solely responsible for communicating any Plan modification or amendment to Members or individuals considering enrolling in the Plan.

**Section 9. Modification of Agreement**

Except, as otherwise provided herein, the provisions of this Agreement shall control in the event of a conflict with the terms of any other agreements. Except for changes to the charges or other financial terms, including any terms or conditions related thereto, identified in this Agreement, no modification or amendment hereto shall be valid unless in writing and agreed to by an authorized person of each of the Parties. The charges identified in this Agreement may be revised in accordance with Section 8 by CHLIC providing written notice to Employer and Employer indicating its acceptance of the modification either by paying the revised charges or failing to object to such revised charges in writing to CHLIC within fifteen (15) business days of receipt of such notice from CHLIC. The revised charges will be effective on the date indicated in CHLIC's written notice to Employer unless otherwise agreed to by CHLIC and Employer.



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**Section 10. Choice of Law**

- a. This Agreement shall be interpreted and construed in accordance with the laws of the State of Texas. Any and all claims, controversies, and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, shall be governed by the laws of the State of Texas, including its statutes of limitations, without regard to any conflict-of-laws or other rule that would result in the application of the law of a different jurisdiction.
- b. The Parties shall perform their obligations under this Agreement in conformance with all Applicable Laws and regulatory requirements.

**Section 11. Information in CHLIC Processing Systems**

CHLIC may retain and use all Plan-related claim/payment information recorded/integrated into CHLIC's business records (including claim processing systems) in the ordinary course of business. Such information will be available to Employer pursuant to Section 21. CHLIC will retain such Plan-related claim/payment information in accordance with its record retention policy and Applicable Law.

**Section 12. Resolution of Disputes**

It is understood and agreed that any dispute between the Parties arising from or relating to the performance or interpretation of this Agreement ("**Controversy**") shall be resolved exclusively pursuant to the following mandatory dispute resolution procedures prior to the initiation of litigation by a Party; provided, however, that the following do not alter or affect the respective rights of the Parties to give notices of default and/or terminate this Agreement:

- a. Any Controversy shall first be referred to an executive level employee of each Party who shall meet and confer with his/her counterpart to attempt to resolve the dispute ("**Executive Review**") as follows: The disputing Party shall initiate Executive Review by giving the other Party written notice of the Controversy and shall specifically request Executive Review of said Controversy in such notice. Within twenty (20) calendar days of any Party's written request for Executive Review, the receiving Party shall submit a written response. Both the notice and response shall include a statement of each Party's position and a summary of the evidence and arguments supporting its position. Within thirty (30) calendar days of any Party's request for Executive Review, an executive level employee of each Party shall be designated by the Party to meet and confer with his/her counterpart to attempt to resolve the dispute. Each representative shall have full authority to resolve the dispute.
- b. In the event that a Controversy has not been resolved within thirty-five (35) calendar days of the request of Executive Review under Section 12.a, above, either Party may initiate mediation by providing written notice to the other Party, which shall be conducted in San Antonio, Texas, in accordance with the American Arbitration Association commercial mediation rules ("**Mediation**") using American Arbitration Association mediators. Each Party shall assume its own costs and attorneys' fees, and the compensation and expenses of the mediator and any administrative fees or costs associated with the mediation proceeding shall be borne equally by the Parties. The Parties shall not, however, be required to mediate the Controversy.
- c. In the event that a Controversy has not been resolved by Executive Review or Mediation, an action at law or in equity may be instituted by either Party in Bexar County, Texas. Each Party expressly waives any right it may have to demand a jury trial in such proceedings. The Parties waive any right to assert any claims against the other Party as a representative or member in any class or representative action. Each Party shall assume its own costs and attorneys' fees.

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The obligations set forth in this Section 12 shall survive termination of this Agreement.

**Section 13. Third Party Beneficiaries**

This Agreement is for the exclusive benefit of Employer and CHLIC. It shall not be construed to create any legal relationship between CHLIC and any other party.

**Section 14. No Waivers**

No waiver by any Party of a breach or default of any provision of this Agreement, failure by any Party, on one or more occasions, to enforce any of the provisions of this Agreement, or failure by any Party to exercise any right or privilege hereunder shall be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of such rights or privileges hereunder, unless and solely to the extent waived by the party against whom the waiver is sought in writing and signed.

**Section 15. Headings**

Article, section, or paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

**Section 16. Severability**

If any provision or any part of a provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not invalidate or render unenforceable any other portion of this Agreement.

**Section 17. Force Majeure**

CHLIC shall not be liable for any failure to meet any of their obligations under this Agreement where such failure to perform is due to any contingency beyond the reasonable control of CHLIC or its affiliates or subcontractors, its employees, officers, or directors. Such contingencies include, but are not limited to, acts of God, fires, wars, accidents, labor disputes or shortages, and governmental actions, laws, ordinances, rules or regulations.

**Section 18. Assignment and Subcontracting**

No Party may assign any right, interest, or obligation hereunder without the express written consent of the other Party; provided, however that CHLIC may assign any right, interest, or responsibility under this Agreement to its affiliates and/or subcontract specific obligations under this Agreement provided that CHLIC shall not be relieved of its obligations under this Agreement when doing so.

**Section 19. Notices**

Except as otherwise provided, all notices or other communications hereunder shall be in writing and shall be deemed to have been duly made when (a) delivered in person, (b) delivered to an agent, such as an overnight or similar delivery service, (c) delivered electronically, or (d) deposited in the United States mail, postage prepaid, and addressed as follows:

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To CHLIC:

Cigna Health and Life Insurance Company

2000 South Colorado Blvd

Tower Three, STEs 1100, 1200

Denver, CO 80222

Attention: Thomas Whitmore, Underwriting Director/Assistant Underwriting Director

To Employer:

South San Antonio Independent School District

1450 Gillette Blvd.

San Antonio, TX 78224

Attention: Tony Kingman

Chief Financial Officer

The address to which notices or communications may be given by any Party may be changed by written notice given by one Party to the other pursuant to this Section.

**Section 20. Identifying Information, Internet Usage and Trademark**

Each Party reserves all right, title, and interest in and to its respective trademarks, service marks, trade names, trade dress, logos, and other proprietary trade designations, whether presently existing or hereafter authored, developed, established, or acquired (collectively, "Marks"). Except as necessary in the performance of their duties under this Agreement, no Party shall use the other Party's Marks in advertising or promotional materials or otherwise. All use of a Party's Marks shall remain subject to such Party's reasonable quality control and brand usage guidelines. Additionally, no Party shall establish a link to the other's World Wide Web site, without the owner's prior written consent. All goodwill arising from use of a Party's Marks shall inure exclusively to such Party's benefit.

The obligations set forth in this Section 20 shall survive termination of this Agreement.

**Section 21. Confidentiality**

- a. Subject to the requirements of Applicable Law, the terms of this Agreement and the Privacy Addendum in Exhibit D, a signed Business Associate Agreement between Employer and its designee(s), and a signed Confidentiality Agreement between CHLIC and applicable designee(s), CHLIC shall release copies of confidential claims and Plan Benefit payment information in CHLIC's claims system ("**Confidential Information**") and may release copies of proprietary information relating to the Plan in CHLIC's claims system ("**Proprietary Information**") to the Employer and/or its designee(s). Employer will keep Confidential Information and Proprietary Information confidential and will use Confidential Information and Proprietary Information solely for the purpose of administering the Plan or as otherwise required by law. Employer is solely responsible for any unauthorized use or disclosure of Confidential Information and/or Proprietary Information provided by CHLIC pursuant to this Section 21 whether by itself or its designee and the consequences thereof.
- b. CHLIC and any of its affiliates or subsidiaries which have any Protected Health Information in their possession will maintain the confidentiality of such Protected Health Information in accordance with the Privacy Addendum in Exhibit D and any applicable state privacy laws, including, without limitation, 201 CMR 17.00: Massachusetts Standards for the Protection of Personal Information of Residents of the Commonwealth.

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- c. Upon termination of this Agreement and subject to the provisions of Section 21.a above, CHLIC shall make information available, to the extent administratively feasible, if the Parties agree upon the charge to be paid by Employer.

The obligations set forth in this Section 21, shall survive termination of this Agreement.

**Section 22. Independent Contractors**

The Parties' relationship with respect to each other is that of independent contractors and nothing in this Agreement is intended, and nothing shall be construed to, create an employer/employee, partnership, principal-agent, or joint venture relationship, or to exercise control or direction over the manner or method by which CHLIC performs services hereunder. No Party shall make any statement or take any action that might cause a third party to believe it has the authority to transact any business, enter into any agreement, or in any way bind or make any commitment on behalf of the other Party, unless set forth in this Agreement or expressly authorized in writing by a duly authorized officer of the other Party. For the avoidance of doubt, CHLIC are authorized to perform certain services on behalf of Employer under this Agreement and this provision is not intended to in any way diminish that authorization.

**Section 23. Reservation of Intellectual Property Rights**

Each Party reserves all right, title, and interest in and to its respective copyrights, patents, trade secrets, trademarks, and other intellectual property, whether presently existing or hereafter authored, invented, developed, or acquired. Without limiting the foregoing, as between the Parties, CHLIC shall solely and exclusively own the systems, methodologies, and technology used to provide the services, all modifications, enhancements, and improvements thereto, and all associated intellectual property rights. No rights or licenses are granted to Employer other than the limited right to receive and use the services under and in accordance with this Agreement. CHLIC shall own and be free to use and incorporate without payment or other consideration to Employer any ideas, suggestions, recommendations, or other feedback provided to CHLIC in connection with its provision of the services. Nothing in this Agreement is intended or shall be construed to create any joint authorship, joint inventorship, or similar relationship or endeavor between the Parties.

The obligations set forth in this Section 23 shall survive termination of this Agreement.

**Section 24. Entire Agreement**

As of the Effective Date, this Agreement constitutes the entire agreement between the Parties regarding the subject matter herein and supersedes all previous and contemporaneous agreements, understandings, inducements or conditions expressed or implied, oral or written, between the Parties, except as herein contained. Further, this Agreement shall not be modified by any shrink-wrap, click-wrap, browse-wrap, click-through, web-site based, online or use agreements ("Click-Wrap") that purport to be accepted or deemed accepted by download or online acknowledgment. Each Party acknowledges that in entering into this Agreement, it is not relying on any statement, representation, or warranty, other than those expressly set forth herein. Except as otherwise provided herein the provisions of this Agreement shall control in the event of a conflict with the terms of any other agreement regarding the subject matter herein.

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**Section 25. Texas Law Verifications**

- a. In accordance with Texas Government Code, Chapter 2274 CHLIC hereby verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the Agreement against a firearm entity or firearm trade association.
- b. In accordance with Texas Government Code, Chapter 2271 CHLIC hereby verifies that the CHLIC does not boycott Israel and will not boycott Israel during the term of this Agreement.
- c. In accordance with Texas Government Code, Chapter 2270, CHLIC hereby verifies that it is not a foreign terrorist organization as identified on the list prepared and maintained by the Texas Comptroller of Public Accounts. If CHLIC has misrepresented its inclusion on the Comptroller's list such omission or misrepresentation will void this Agreement.
- d. In accordance with Texas Government Code, Chapter 2274, CHLIC hereby verifies that CHLIC does not boycott energy companies and will not boycott energy companies during the term of this Agreement.

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## SIGNATURES

IN WITNESS WHEREOF, the Parties have caused this Agreement, to be executed in duplicate and signed by their respective officers duly authorized to do so as of the dates given below. Employer executes as the authorized representative of the Plan with respect to the Privacy Addendum to this Agreement.

Dated at San Antonio Texas

**SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**

Dated: December 1, 2021

By: Tom Kingman  
Name: Tom Kingman  
Its Chief Financial Officer  
Duly Authorized

Dated at Hartford, Connecticut

**CIGNA HEALTH AND LIFE INSURANCE COMPANY**

Dated: November 16, 2021

By: Victoria A. Sirica  
Name: Victoria A. Sirica  
Its Operations Senior Manager  
Duly Authorized

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### Schedule of Financial Charges

Certain fees and charges identified in this Schedule of Financial Charges will be billed to Employer monthly in accordance with CHLIC's then standard billing practices. However, CHLIC is authorized to pay all fees and charges from the Bank Account unless otherwise specified in this Agreement.

<b>MEDICAL ADMINISTRATION CHARGES</b>		
<b>Product</b>	<b>Description</b>	<b>Charge</b>
Medical	Open Access Plus (OAP) with Care Management Preferred	\$19.57/employee/month
<b>MEDICAL NETWORK ACCESS FEE, UTILIZATION MANAGEMENT FEE AND OPTIONAL PROGRAM FEE</b>		
<b>Product</b>	<b>Description</b>	<b>Charge</b>
Medical	OAP Access Fee	\$18.57/employee/month Included in Medical Administration Charge
<b>AMOUNTS OWED TO CHLIC</b>		
Amounts paid by CHLIC with its own funds on behalf of Employer or the Plan with respect to charges for which Employer or the Plan is obligated to pay under this Agreement including Plan Benefits, Bank Account Payments (including fixed per person payments and pay-for-performance payments to Participating Providers), governmental taxes or assessments will be billed to Employer and CHLIC is authorized to pay all such amounts from the Bank Account.		
<b>CIGNA HOME DELIVERY PHARMACY DISCLOSURE</b>		
	<b>Product</b>	<b>Charge</b>
Cigna Home Delivery Pharmacy (a CHLIC affiliated company(ies))	Specialty drugs dispensed by Cigna Home Delivery Pharmacy and administered under the Plan's medical benefit.  "Cigna Home Delivery Pharmacy" means a duly licensed pharmacy operated by CHLIC or its affiliates, where prescriptions are filled and delivered via the mail service. Cigna Home Delivery Pharmacy may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers and wholesale distributors. Cigna	The drug's charge under a national specialty drug discount schedule that generates a 19.00% annual average aggregate discount off AWP across specialty

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	<p>Home Delivery Pharmacy contract for these arrangements on its own account in support of its pharmacy operations. These arrangements relate to services provided outside of this Agreement and other pharmacy benefit management arrangements and may be entered into without regard to whether a specific drug is on one of the formularies that CHLIC offers to entities like Employer that sponsor group health plans. Discounts and fee-for-service payments received by Cigna Home Delivery Pharmacy are not part of the administrative fees or other charges paid to CHLIC in connection with CHLIC's services hereunder.</p> <p>This provision shall survive termination or expiration of the Agreement.</p>	<p><b>drug claims dispensed at Cigna Home Delivery Pharmacy to CHLIC's self-funded and insured group-client book of business.</b></p>
<b>FEES FOR PROCESSING RUN-OUT CLAIMS</b>		
OAP	Run-Out Period of twelve (12) months	<b>No Additional Cost</b>
<b>CHLIC MEDICAL COST CONTAINMENT FEES</b>		
<p>CHLIC administers the programs listed below to contain costs with respect to charges for health care service/supplies that are covered by the Plan (the “<b>Cost-Containment Programs</b>”). In administering these Cost-Containment Programs, CHLIC may contract with vendors to perform various Cost-Containment Program related services.</p> <p>CHLIC’s charge for administering a Cost-Containment Program is the percentage indicated in the table below of the:</p> <ol style="list-style-type: none"> <li>1) “gross savings” (i.e., the difference between the charge the provider made and the allowable amount resulting from the Cost-Containment Program);</li> <li>2) “net savings” (i.e., the gross savings less the applicable vendor charge); or</li> <li>3) "gross recovery" (i.e., the amount recovered as a result of the Cost-Containment Program) as applicable.</li> </ol> <p>CHLIC will make a per claim charge to the Bank Account that includes both CHLIC’s applicable Cost Containment Program charge, as shown in the table below, and the applicable vendor charge. CHLIC will pay the vendor its charge.</p> <p>For charges for covered services received from a non-Participating Provider (including emergency/urgent care services that are covered at the in-network benefit level), CHLIC may apply discounts available under agreements with third parties or through negotiation of the non-Participating Provider’s charges whether on a claim-by-claim basis or in advance of services being rendered. The programs for obtaining these discounts are identified in Section A of the table below as Non-Participating Provider Cost-Containment Programs. Applying these discounts may result in higher payments than if the maximum reimbursable charge is applied. Whereas application of the maximum reimbursable charge may result in the patient being balance billed for the entire unreimbursed amount, applying these discounts avoids balance billing and may substantially reduce the patient’s out-of-pocket cost.</p>		



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CHLIC's per claim charge for administering the Non-Participating Provider Cost-Containment Programs in Section A of the table below plus any per claim vendor charges associated with the Non-Participating Provider Cost-Containment Programs in Section A of the table shall not exceed \$30,000.00 per claim. Vendor charges for the Non-Participating Provider Cost-Containment Programs in Section A of the table generally range from 7-11% of gross savings. Specific rates charged by vendors for the programs in Section A of the table are available upon request, subject to execution of a mutually agreed upon non-disclosure agreement to protect the proprietary vendor information from unauthorized use/disclosure.

If no discount is available or negotiated, reimbursement will be based upon:

- (i) If charges are not subject to CHLIC's benefit enhancement policy – the plan's maximum reimbursable charge (in which case the patient may be balance billed by the provider if the provider's charge exceeds the plan's maximum reimbursable charge); or
- (ii) If charges are subject to CHLIC's benefit enhancement policy – depending upon the Employer's election:
  - a. the amount of provider's billed charge not exceeding the greater of a CHLIC determined percentage of the Medicare allowable amount (the 80th percentile of the reasonable and customary charge if there is no Medicare allowable charge) or the amount required by state or federal, law (in the case of emergency room services) for charges subject to CHLIC's benefit enhancement policy (patient may be balance billed by the provider if the provider's charge exceeds such amount), or
  - b. the provider's billed charge.

The administration of charges for covered services from non-Participating Providers described above is consistent with the claim administration practices with respect to CHLIC's own health care insurance business where applicable.

**A. Non-Participating Provider Cost-Containment Programs**

1.	Network Savings Program	<b>29% of net savings</b>
2.	Supplemental Network	<b>29% of net savings</b>
3.	Medical Bill Review – (Pre-payment Cost Containment for Non-contracted claims):	
	<b>Inpatient Hospital Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
	• Line Item Analysis Re-pricing	<b>29% of net savings</b>
	<b>Outpatient Hospital Bill Review</b>	

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	<ul style="list-style-type: none"> <li>Professional Fee Negotiation</li> </ul>	<b>29% of net savings</b>
	<ul style="list-style-type: none"> <li>Line Item Analysis Re-pricing</li> </ul>	<b>29% of net savings</b>
	<b>Physician/Professional Bill Review</b>	
	<ul style="list-style-type: none"> <li>Professional Fee Negotiation</li> </ul>	<b>29% of net savings</b>
	<ul style="list-style-type: none"> <li>Line Item Analysis Re-pricing</li> </ul>	<b>29% of net savings</b>
<b>B. Other Cost-Containment Programs</b>		
1.	Medical Bill Review – (Pre or Post-payment Cost Containment for Non-contracted and Contracted claims):	
	<ul style="list-style-type: none"> <li>Bill Audit</li> </ul>	<b>29% of the gross savings/gross recovery achieved plus hospital fees or expenses passed through</b>
	Diagnosis Related Grouping (DRG) Validation/Audits and Recovery. An overpayment audit and recovery program in which CHLIC or its vendors review paid claim data to identify overpayments based on inaccurate DRG coding.	<b>29% of gross savings/gross recovery plus any fees or expenses passed through by the hospital or regulatory agency</b>
	Medical Implant Device Audits	<b>29% of the gross savings/gross recovery</b>
2.	COB Vendor Recoveries [Exclusive of pharmacy programs where claims are adjudicated at time prescription is received.]	<b>29% of the gross recovery</b>
3.	Secondary Vendor Recovery Program	<b>29% of the gross recovery</b>
4.	Provider Credit Balance Recovery Program	<b>29% of the gross recovery</b>

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5.	High Cost Specialty Pharmaceutical Audits (this service is only provided with respect to Medical coverage)	<b>29% of the gross recovery</b>
6.	Eligibility Overpayment Recovery Vendor Services. Identification and recovery of funds in situations where the overpayment is due to the late receipt of Member termination information. (This service is only provided with respect to Medical coverage).	<b>29% of the gross recovery</b>
7.	Class Action Recoveries	<b>35% of the gross recovery</b>
8.	Subrogation/Conditional Claim Payment. Identification, investigation and recovery of claim payments involving other party liability or where another entity is responsible for payment (including by way of example but not by limitation automobile insurance, homeowner insurance, commercial property insurance, worker’s compensation). (This service is only provided with respect to Medical coverage.)	<b>5% of the gross recovery plus litigation costs if counsel is retained and an appearance is filed on behalf of CHLIC or Employer in any litigation, or a lawsuit is filed on their behalf;</b>  <b>29% of the gross recovery if no counsel is retained and in all other instances, including cases where state law requires that employee benefit plans be named as party defendants or involuntary plaintiffs.</b>
<b>EMBARC BENEFIT PROTECTION<sup>SM</sup> A NETWORK SOLUTION FOR CERTAIN HIGH-COST GENE THERAPY DRUGS</b>		
Embarc Benefit Protection	To provide financial protection from the high cost, CHLIC has contracted with an affiliate, eviCore (“eviCore” refers to eviCore healthcare MSI, LLC d/b/a/ eviCore healthcare and certain of its affiliates), to arrange for the provision of the following gene therapy drugs for Members when both drugs are covered by the Plan administered by CHLIC, and medically necessary (as determined by CHLIC) to treat the conditions indicated:	<b>\$0.99 per Member/per month.</b>  If, across eviCore’s entire Embarc Benefit Protection book of business (Cigna

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	<p>i. Luxturna® to treat inherited form of progressive blindness</p> <p>ii. Zolgensma® to treat children under 2 years old with spinal muscular dystrophy (Luxturna is the registered trademark of Spark Therapeutics, Inc. and Zolgensma is the registered trademark of AveXis, Inc.)</p> <p>As a result of this network contracting arrangement, eviCore is in most cases the exclusive, in-network Participating Provider of these drugs. eviCore arranges for the provision of these drugs through its network of specialty pharmacies (including its affiliate, Accredo), and certain facilities authorized to administer the gene therapies by the drug manufacturers. eviCore will reimburse these specialty pharmacies and facilities at negotiated reimbursement rates. This network solution is called Embarc Benefit Protection.</p> <p>For arranging for the provision of these drugs, eviCore will be reimbursed by CHLIC on a fixed Per Member Per Month (PMPM) basis. eviCore's PMPM fee (which is subject to change) will be charged to the Bank Account one month in arrears. (e.g., eviCore's charges for January will be made in February.) These Bank Account Payments will appear in Employer's monthly reporting. Embarc Benefit Protection does not provide financial protection from the cost of administering the two drugs. These costs are small in comparison to the drug costs.</p> <p>When covered under the Plan and determined by CHLIC to be medically necessary for the treatment of the specified conditions, Members will not incur any out-of-pocket costs for the two drugs and the Plan will not be required to reimburse any expenses for the two drugs with two exceptions:</p> <p><u>Exceptions:</u></p> <ol style="list-style-type: none"> <li>For Members born before the date that Embarc Benefit Protection is effective for the Plan and receiving Zolgensma®, the Plan's in-network reimbursement and the Member's in-network cost-sharing apply to either (as applicable): <ul style="list-style-type: none"> <li>eviCore's fee-for-service charge for Zolgensma® when provided through Accredo: Average Wholesale Price (AWP) minus 15.8% AWP (based on Medispan) = \$2,550,000, or</li> </ul> </li> </ol>	<p>and non-Cigna clients), eviCore's cost for the two (2) drugs provided in a given calendar year is lower than a predetermined percentage of the PMPM charges received, eviCore will refund the difference pro rata, after having fully recovered the outstanding balance created by any prior year deficits. The refund, in any, will be determined on an eviCore Embarc benefit Protection book-of-business basis. The refund will be provided by March 31st of the following year.</p> <p><u>Assuring Transparency:</u> After the refund is made for a particular calendar year, eviCore will, upon request, provide Embarc Benefit Protection book-of-business information for that calendar year.</p>
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	<ul style="list-style-type: none"> <li>• the reimbursement rate of the participating facility or specialty pharmacy.</li> </ul> <p>2. Members with an HSA must have met the applicable minimum deductible required for a high deductible health plan.</p> <p><b>eviCore’s Embarc Benefit Protection and PMPM charge do not apply to a plan that:</b></p> <ul style="list-style-type: none"> <li>i. does not cover either or both drugs;</li> <li>ii. covers both drugs under its pharmacy benefits which are not administered by CHLIC, or</li> <li>iii. does not utilize a Cigna participating provider network.</li> </ul> <p>Upon Employer’s request on or after the Effective Date, CHLIC shall provide to Employer an updated drug list, if applicable.</p> <p>CHLIC may revise charges/fees by giving Employer at least thirty (30) days’ prior written notice.</p>	
<b>CARE MANAGEMENT/COST CONTAINMENT PROGRAM FEES</b>		
	<p>CHLIC arranges for third parties to provide care management services to:</p> <ul style="list-style-type: none"> <li>(i) contain the cost of specified health care services/items overall with respect to all plans insured and/or administered by CHLIC, and/or</li> <li>(ii) improve adherence to evidence based guidelines designed to promote patient safety and efficient patient care.</li> </ul> <p>Charges for these services will be processed through the Bank Account.</p>	<p><b>Specific vendor fees and care management program services are available upon request.</b></p>
	<p>Medical Management (inclusive of Medical Necessity Review) of Chiropractic services.</p>	<p><b>Effective January 1, 2022: National Average is \$0.16 PMPM; rates vary by market and are available upon request.</b></p>

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	In addition to such third parties, CHLIC has arranged for an affiliate, eviCore, to provide the following care management/cost-containment programs:	
	<ul style="list-style-type: none"> <li>Pre-certification of coverage of radiation therapy services.</li> </ul>	<p><b>\$842.79 per episode of care (EOC)</b></p> <p><b>Effective January 1, 2022:</b> <b>\$885.00 per episode of care (EOC)</b></p>
	<ul style="list-style-type: none"> <li>Pre-certification of coverage of diagnostic cardiology services <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i></li> </ul>	<b>\$0.19 PMPM</b>
	<ul style="list-style-type: none"> <li>Pre-certification of coverage of medical oncology services.</li> </ul>	<p><b>\$816.00 per episode of care (EOC)</b></p> <p><b>Effective January 1, 2022:</b> <b>\$1,000.00 per episode of care (EOC)</b></p>
	<ul style="list-style-type: none"> <li>Pre-certification of coverage of musculoskeletal therapy services <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i></li> </ul>	<p><b>\$0.37 PMPM</b></p> <p><b>Effective January 1, 2022:</b> <b>\$0.39 PMPM</b></p>
	<ul style="list-style-type: none"> <li>Services related to the coverage of high tech radiology which may include pre-certification.</li> </ul> <p>In certain instances, the Plan will pay eviCore a fee on a per member/per month basis for pre-certification, arranging care, and other services that eviCore may render. Such reimbursement will be in addition to the amount that the Plan pays to reimburse the provider through which eviCore arranged for the provision of the service or supply,</p>	<p><b>Fee reimbursement method and rates may vary by market and are available upon request</b></p>

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	<p>which will be based on eviCore’s contracted rate with that provider. In such instances, Plan Benefits and member cost-share will be determined based on the rate that eviCore contracted to pay the provider for the provision of the service or supply.</p> <p><i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and a charge is not applicable to that membership).</i></p> <p>eviCore may also charge for services related to the provision of high tech radiology as described below in “Other Vendors and Health Care Services Providers.”</p>	
	<ul style="list-style-type: none"> <li>• Pre-certification of coverage of sleep management services <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i></li> </ul>	<b>\$0.10 PMPM</b>
	<ul style="list-style-type: none"> <li>• Pre-certification of coverage of gastroenterology services (If Employer has elected Basic Standard Medical Management <i>(see Administration Charges section above) this program and charge is not applicable to that membership).</i></li> </ul>	<b>Effective January 1, 2022: \$0.09 PMPM</b>
	<ul style="list-style-type: none"> <li>• Pre-certification of coverage for appropriate setting of care/service for high tech radiology services <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i></li> </ul>	<b>Effective January 1, 2022: No more than \$0.20 PMPM. Billing method may vary by market and is available upon request.</b>
	<ul style="list-style-type: none"> <li>• Pre-certification of coverage for appropriate setting of care/service for certain medical oncology drugs (redirection may be to Accredo, a CHLIC affiliate).</li> </ul>	<b>Effective January 1, 2022: 30.00% of shared savings (where savings is derived from the difference between drug dose cost at higher cost provider initially requested and drug dose cost at lower</b>

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		cost provider). Fee shall not exceed \$5,000.00 per dose for a maximum of three doses resulting in a maximum total of \$15,000.00. Note: CHLIC may retain a portion of the shared savings fee before reimbursing eviCore.
	<ul style="list-style-type: none"> <li>• Network management and care coordination of coverage of home health, durable medical equipment and home infusion services.</li> </ul>	\$0.30 PMPM
	CHLIC may revise charges/fees by giving Employer at least sixty (60) days' prior written notice.	
<b>EXTERNAL REVIEW AND CONSULTATIVE REVIEW FEES</b>		
	When a Member elects an External Review (as that term is defined in the Patient Protection and Affordable Care Act (PPACA)) of a benefit determination by an independent third party, the cost of a specific third party review is dependent on the nature and complexity of the issue on appeal. Third party review charges will be commensurate with the level of expertise necessary and the time required to complete the review.	<b>\$500-\$1,500 Review</b>
<b>STRATEGIC ALLIANCES</b>		
	CHLIC contracts directly or indirectly with other managed care entities and third party network vendors for access to their provider networks and discounts. These third parties charge either a network access fee, which is included in CHLIC's monthly charges, or a percentage of the savings realized on a claim by claim basis as a result of the application of their discounts. Charges based on percentage of savings may be paid from the Bank Account. Additional details regarding specific charges will be provided upon request.	<b>All Medical Products</b>



<b>OTHER VENDORS AND HEALTH CARE SERVICES PROVIDERS</b>	
	<p>The fixed per person per period and/or fee-for-service charges that CHLIC has directly or indirectly negotiated with Participating Providers for in-network health care services and/or supplies will be charged to the Bank Account and will be used in calculating any applicable Member cost-sharing. In addition, performance-based payments to Participating Providers will be charged to the Bank Account. Such payments will be at the payment rates then in effect, which may be amended from time to time.</p> <p>For certain types of specialty care, including, but not limited to, home health care, durable medical equipment, sleep management, high tech radiology, chiropractic care, acupuncture, physical medicine (such as physical and occupational therapy), speech therapy, orthotics and prosthetics, implants, and hearing, in certain markets CHLIC may contract with various third parties and/or affiliated companies, including eviCore, (“Specialty Vendors”) to arrange for the provision of care through their own networks of health care providers on a fee-for-service basis. In addition to arranging for care through their own networks of providers, these Specialty Vendors may also provide additional services, including utilization management services and case management services designed to (i) improve adherence to coverage guidelines; and (ii) contain overall healthcare costs to the Plan. Specialty Vendors are included within the definition of “Participating Provider” set forth in this Agreement and in any benefit booklet covering the Plan.</p> <p>When care is arranged through a Specialty Vendor’s network of providers, the form of reimbursement to the Specialty Vendor will be through one of the following methods:</p> <ul style="list-style-type: none"> <li>• <u>Fee-For-Service Payment</u>: In certain instances, the Plan will pay the Specialty Vendor rather than the treating provider on a fee-for-service basis as a claim for Plan Benefits. The Specialty Vendors’ fee-for-service charges may be higher than the amounts that the Specialty Vendor contracts to pay the provider for the provision of any particular service or supply, and some portion of the Specialty Vendor’s charges may be attributable to the services that the Specialty Vendor provides in addition to those services or supplies provided by the Specialty Vendor’s network of providers, including any utilization management services and case management services. In such instances, Plan Benefits and member cost-share will be determined based on the Specialty Vendor’s charges according to Plan terms.</li> </ul>
	<b>All Products</b>

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	<ul style="list-style-type: none"> <li>• <u>Administration Capitation Payment</u>: In certain instances, the Plan will pay the Specialty Vendor a fee on a per member/per month basis for arranging care and other services that the Specialty Vendor may render. Such reimbursement will be in addition to the amount that the Plan pays to reimburse the provider through which the Specialty Vendor arranged for the provision of the service or supply, which will be based on the Specialty Vendor's contracted rate with that provider. In such instances, Plan Benefits and member cost-share will be determined based on the rate that the Specialty Vendor contracted to pay the provider for the provision of the service or supply.</li> <li>• <u>All-Inclusive Capitation Payment</u>: In certain instances, the Plan will pay the Specialty Vendor a fee on a per member/per month basis that covers (i) the services that the Specialty Vendor may render, including arranging care, and (ii) the fees charged by the provider through which the Specialty Vendor arranged for the provision of the service or supply. In such instances, Plan Benefits and member cost-share will be determined based on the rate that the Specialty Vendor contracted to pay the provider for the provision of the service or supply.</li> </ul> <p>CHLIC's arrangements with Specialty Vendors are subject to change at any time, and upon request, additional information can be provided that identifies current Specialty Vendors, their area of specialty(ies), whether they are CHLIC affiliates, and the form of payment that they currently receive.</p>	
	<p>Notwithstanding the terms of the Plan, CHLIC shall not administer Member cost-sharing with respect to charges made by Cricket Health, Inc. for its personalized, evidence-based approach to managing chronic kidney disease and end-stage renal disease for clinically eligible Members in CA and such cost-sharing expenses shall, instead, be reimbursed by the Plan (not applicable if Employer has opted out).</p>	<p><b>All Products (excluding HSA Products)</b></p>

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<b>NOTICE REGARDING PAYMENTS FROM THIRD PARTIES</b>		
<p>Rebate and Other Remuneration Disclosure (Medical)</p>	<p>CHLIC may directly or indirectly receive and retain payments under contracts with pharmaceutical manufacturers or third parties with respect to Members' utilization of the manufacturer's products covered under the Employer's Plan medical benefit. These payments may include rebates, service fees (e.g. administrative fees), or other remuneration. CHLIC directly or indirectly contracts with pharmaceutical manufacturers or other third parties or any remuneration on its own behalf and for its own benefit, and not on behalf of Employer or the Plan. Accordingly, CHLIC retains all right, title and interest to any and all such remuneration received from manufacturer; neither Employer, its Members, nor Employer's Plan retains any beneficial or proprietary interest in any such remuneration, which shall be considered part of the general assets of CHLIC.</p> <p>This provision shall survive termination or expiration of the Agreement.</p>	<p><b>All Medical Products</b></p>
<p>Implementation/Referral Fee Disclosure</p>	<p>From time to time, CHLIC, directly or through its affiliates, arranges with third parties (e.g., service vendors, provider network managers) to provide various services (e.g., cost-containment services or health care services) in connection with the Plan. CHLIC and its affiliates may receive payments from such third parties to help defray CHLIC's expenses associated with its implementation and/or ongoing administration of these arrangements or as a reimbursement for services or network access provided to such parties by CHLIC. CHLIC may also receive compensation from third-party vendors that Employer may retain based upon a referral from CHLIC or that Members may utilize following an introduction facilitated by CHLIC or an affiliate. CHLIC may also receive:</p> <ul style="list-style-type: none"> <li>• network administration fees from some providers participating in its provider network,</li> <li>• credits from banks on balances in accounts utilized to administer claims,</li> <li>• non-material incidental compensation/benefits from other source as a result of administering the Plan.</li> </ul>	<p><b>All Products</b></p>

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<b>COMPLIANCE ASSISTANCE</b>		
	CHLIC shall provide the following services to assist Employer in meeting its compliance obligations under section 2715 of the Public Health Service Act as added by the Patient Protection and Affordable Care Act and applicable regulations with respect to the provision of the Summary of Benefits and Coverage (“SBC”), translation notice and glossary. Applicable to all medical plans including HRA and FSA which are considered "group health plans" subject to the SBC requirements.	
1.	Preparation of SBC, translation notice. CHLIC will not be responsible for any changes that Employer makes to the SBC.	<b>No charge</b>
2.	Provide SBC, translation notices prepared by CHLIC to Employer electronically as well as any updates or material modifications.	<b>No charge</b>
3.	Include in SBC a summary of benefits administered by carve-out vendor if Employer or carve-out vendor provides CHLIC with necessary carve-out benefit information at least twelve (12) weeks prior to the date the SBCs are to be delivered to Employer.	<b>\$500 for each benefit option under the Plan for which carve-out vendor benefits are included in SBC</b>
<b>ADDITIONAL SERVICES</b>		
<b>Service</b>	<b>Description</b>	<b>Charge</b>
Behavioral Health	Access to inpatient and outpatient behavioral health services and focused utilization review and case management for both inpatient and outpatient, in-network behavioral health services.	<b>For OAP Products: Included in Medical Access Fee (All Members)</b>
Clinical Program	A targeted condition medication therapy management program in which CHLIC provides support for Members using specialty medications for certain chronic conditions and that are obtained or administered at retail pharmacies or outpatient, office or home health care settings. As part of the program, Members are counseled on their condition, medication side effects, and importance of adherence. For the sake of clarity, if a specialty pharmacy affiliate of CHLIC provides therapy management for specialty medications the pharmacy dispenses to Members, then it does so in its capacity as a specialty pharmacy and not on behalf of CHLIC; CHLIC does not exert direction or control over the pharmacists at any specialty pharmacy affiliate.	<b>For OAP Products: Included at No Additional Cost</b>

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<p>Your Health First</p>	<p>A proactive health education and improvement program for Members with a chronic condition. The program involves services that span across the Member's health needs. Behavioral coaching principles and evidence based medicine guidelines are utilized to optimize self-management skills and foster sustained health improvements.</p> <p>The program targets a chronic population at high risk for near term and future high cost medical expenses. Members are identified as having a chronic condition through a variety of sources which may include: claims data, referrals, and self-identification. A variety of resources is provided to those with a chronic condition, including access to online tools, personalized support, and targeted materials.</p> <p>The program includes the following components for those with a chronic condition:</p> <ul style="list-style-type: none"> <li>• Chronic condition-specific coaching</li> <li>• Pre- and post-discharge calls</li> <li>• Lifestyle management coaching: stress, weight management and tobacco cessation</li> <li>• Treatment decision support and coaching</li> </ul> <p>In order to continuously assess the effectiveness of the program and/or test new ideas to further engage Members around their health, a small sample of Members may be placed in a comparison group which for a defined period of time receives alternative services or is suppressed from receiving proactive outreach, such as engagement letters and/or calls. This could affect a few Members targeted for outreach during this limited time period.</p>	<p><b>For OAP Products:        Included in Medical        Access Fee</b></p>
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<p>One Guide</p>	<p>The One Guide advocacy solution utilizes a multimodal approach to support Member and help them successfully navigate the health care system. Member are serviced by personal guides that include frontline service staff, as well as clinicians and non-clinician support staff from our medical, behavioral and pharmacy programs.</p> <p>In addition to connecting with personal guides via telephone, Member can also interact with personal guides via the click-to-chat feature on myCigna.com (web and app), enabling Member to engage with CHLIC and One Guide in the way in which they prefer. One Guide helps simplify and strengthen the connection between Member, their benefit plan, and their overall health and well-being. Through personalized and relevant messaging, One Guide proactively engages Member with clear ways to save money, stay healthy, and improve health outcomes that lead to a healthy lifestyle.</p> <p>One Guide offers:</p> <ul style="list-style-type: none"> <li>• education on health plan features, account balances and ways to maximize benefits and earn available incentives</li> <li>• guidance in finding the right doctor, lab, convenience care or pharmacy</li> <li>• immediate connection to health coaches and other resources</li> </ul> <p>The goal of One Guide is to help Members take care of what matters most- staying healthy, saving money, and improving health.</p>	<p><b>For OAP Products: Included in Medical Access Fee</b></p>
<p>Tiered Benefits</p>	<p>Tiered Benefits is a tiered benefit plan design option made available in certain geographies to groups sponsoring group health benefit plans. Participants with the tiered benefit design are afforded a lower copay or coinsurance level for covered services provided by Tier 1 physicians than if they select an in-network, non- Tier 1 physicians. Tier 1 designated providers may include primary care providers and certain specialists that have the “Cigna Care Designation” and/or are designated as “Tier 1 Provider”. Those primary care providers and specialists get “Cigna Care Designation” status by meeting or exceeding specific quality and cost efficiency criteria.</p>	<p><b>For OAP Products: Included at No Additional Cost</b></p>

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<b>Health Improvement Fund</b>		
Health Improvement Fund	<p>For clinical/wellness/behavioral programs offered by CHLIC that are purchased, CHLIC will establish a Health Improvement Fund in the amount of \$50,000.00. This fund will be used to defray the cost of CHLIC designated and arranged health and wellness improvement programs (e.g. biometric screenings, flu shots) for Employees of Employer and to reward participation in these programs.</p> <p>The Health Improvement Fund is a one-time credit to be used from November 1, 2021-October 31, 2022. Unused funds cannot be rolled over and CHLIC must pre-approve use of the Health Improvement Fund.</p> <p>The Health Improvement Fund shall be extinguished upon termination of the Agreement and any fund amount not used prior to termination of the Agreement shall only be available to Employer for the purpose of funding the cost of those reimbursable services provided prior to such termination.</p>	

## **Exhibit A - Plan Booklet**

A "Plan Booklet" that describes the Plan Benefits and Members' rights and responsibilities under the Plan will be provided by Employer to CHLIC for its use in administering the Plan including denials and appeals of denials of claims for Plan Benefits. If Employer has not provided CHLIC with a copy of its finalized Plan Booklet by the time the Agreement is effective, CHLIC will administer the Plan in accordance with the Plan Benefits described in the Plan Booklet draft provided by CHLIC to Employer and Section 2 of the Agreement. CHLIC will continue to administer the Plan in this manner until CHLIC receives the finalized Plan Booklet and follows CHLIC's preparation and review process. After that time CHLIC will administer the Plan in accordance with Plan Benefits described in the finalized Plan Booklet and Section 2 of the Agreement.



**Exhibit B – Services**

<b>BANKING AND ADMINISTRATION</b>		
<b>Products excluding Health Savings Account</b>		
	Furnishing CHLIC’s standard Bank Account activity data reports to Employer as and when agreed upon. CHLIC’s administration of the Plan does not include performing obligations, if any, under state escheat or unclaimed property laws. It is Employer’s responsibility to determine the extent to which these laws may apply to the Plan and to comply with such laws.	<b>All Products</b>
	<p>If Employer has elected, pursuant to section 63 of the New York Health Care Reform Act of 1996 (section 2807-t of the Public Health Law) ("the Act"), to pay the assessment on covered lives set forth in section 63 and has consented to the conditions set forth in section 63, CHLIC shall file such forms and pay such surcharge and assessment on covered lives on behalf of Employer through the Bank Account to the extent set forth in section 63. Such obligation shall end immediately upon Employer's failure to provide any information required by CHLIC to fulfill this obligation, the failure to comply with any requirement imposed upon Employer pursuant to the Act or the failure of Employer to sufficiently fund the Bank Account.</p> <p>In addition, where permitted and agreed to by CHLIC, CHLIC will file applicable forms and pay on behalf of Employer and/or the Plan any assessment, surcharge, tax or other similar charge which is required to be made by Employer and/or the Plan based on covered lives and/or paid claims or otherwise in accordance with and as required by other applicable state and/or federal laws and regulations and the Bank Account will be charged for any such payments made by CHLIC. CHLIC’s obligation to pay on behalf of Employer shall end immediately upon Employer’s failure to sufficiently fund the Bank Account.</p>	<b>All Medical Products</b>
<b>CLAIM ADMINISTRATION</b>		
<b>Products excluding Health Savings Account</b>		
	Calculate benefits, check and/or electronic payments disbursed from the Bank Account. Bank Account payments will appear in Employer’s standard Bank Account activity data reports.	<b>All Products</b>
	CHLIC’s generic claim forms are made available to Employer for individuals eligible to enroll in the Plan.	<b>All Products</b>
	CHLIC’s Special Investigations Unit will investigate, pend, recommend denial of claims in whole or in part, and/or reprocess claims, as appropriate.	<b>All Products</b>

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	Discuss claims, when appropriate, with providers of health services.	<b>All Products</b>
	Perform, based on CHLIC’s book of business internal audits of plan benefit payments on a random sample basis.	<b>All Products</b>
	Claim control procedures reported annually in Statement on Standards for Attestation Engagements (SSAE) No. 18 Report (or any applicable successor thereto).	<b>All Products</b>
	Respond to Insurance Department complaints.	<b>All Products</b>
	Designated toll-free telephone line for Member and Provider calls to CHLIC Service Centers.	<b>All Products</b>
	Member Explanation of Benefit (“ <b>EOB</b> ”) statements including, when applicable, notice of denied claims, denial reason(s) and appeal rights.	<b>All Products (excluding Pharmacy)</b>
	Verify enrollment and eligibility using Member information submitted by Employer and/or its authorized agent.	<b>All Products</b>
<b>Medical Only</b>		
	CHLIC’s generic enrollment form is made available to Employer for individuals eligible to enroll in the Plan.	<b>All Medical Products</b>
	CHLIC’s standard ID card with toll-free telephone number are prepared and mailed directly to Members.	<b>All Medical Products</b>
	Administration of subrogation/conditional Claim Payment (terms described in Exhibit E).	<b>All Medical Products</b>
<b>PLAN BOOKLET</b>		
<b>Products excluding Health Savings Account</b>		
	Prepare and make accessible Member benefit booklet drafts to Employer.	<b>All Products</b>
<b>UNDERWRITING SERVICES</b>		
	5500 Schedule C reporting.	<b>All Products</b>
	5500 Schedule A or Annual Reconciliation Disclosure reporting (when applicable)	<b>All Products</b>
	CHLIC’s standard Underwriting services: a) benefit design analysis b) projected cost analysis.	<b>All Products</b>
<b>HIPAA INDIVIDUAL RIGHTS</b>		
<b>Products excluding Health Savings Account</b>		
	Handling of requests from Members for access to, amendment and accounting of protected health information, and requests for restrictions and alternative communications as required under federal HIPAA law and regulations, as set out in this Agreement and its Exhibits.	<b>All Products</b>

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<b>COST CONTAINMENT</b>		
	Maximum reimbursable charge determinations of non-Participating Provider charges for covered services.	<b>All Medical Products (with out-of-network benefits)</b>
	CHLIC's standard cost containment controls: Application of non-duplication and coordination of benefits rules and coordination with Medicare.	<b>All Medical Products</b>
	Delivery of information, as necessary, regarding standard application of non-duplication or coordination of benefits.	<b>All Medical Products</b>
	Review of medical bills in accordance with CHLIC's then current Medical Bill Review program.	<b>All Medical Products</b>
	Network Savings Program, a national vendor network that provides discounted rates when a Member accesses care through a Network Savings Program contracted provider.	<b>All Medical Products</b>
	Annual reporting of CHLIC's standard cost containment results upon Employer's request.	<b>All Medical Products</b>
<b>CUSTOMER REPORTING</b>		
	Summary reports of medical cost and utilization experience (where applicable), upon completion of internal report generation, are available through Cigna's web site, CignaforEmployers.com.	<b>All Medical Products</b>
	Claim Reporting: CHLIC will provide standard banking and financial report information based upon paid claim data. CHLIC will not provide information on incurred-but-not reported claims, projected claims, pre-certifications of coverage, case management information or information on a Member's prognosis or course of treatment.	<b>All Medical Products</b>
	Stop Loss Reporting is an optional service provided at an additional fee to Employers who have stop loss through another entity other than CHLIC. CHLIC will provide its standard reporting only after the stop loss carrier and Employer have executed CHLIC's standard Hold Harmless/Confidentiality Agreement.	<b>All Medical Products</b>
<b>MEMBER EXTERNAL REVIEW PROGRAM</b>		
	CHLIC contracts with a minimum of three (3) independent review organizations that meet the Patient Protection and Affordable Care Act (PPACA) external review requirements. Members may appeal eligible claims requiring medical judgment to an external independent review organization which is selected by CHLIC on a random basis. If Employer has chosen not to participate in this program, the Employer may be responsible for making other arrangements to meet the Patient Protection and Affordable Care Act (PPACA) external review requirements.	<b>All Medical Products</b>

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<b>MEDICAL MANAGEMENT SERVICES</b>		
	CHLIC provides integrated medical management that includes (depending upon the terms of the Plan) the following core services.	
	Pre-Admission Certification and Continued Stay Review (PAC/CSR) services to certify coverage of acute and sub-acute inpatient admissions/stays or provides guidance to appropriate alternative settings. Administered in accordance with CHLIC's then applicable medical management and claims administration policies, practices and procedures.	<b>All Medical Products</b>
	Case Management, a service designed to provide assistance to a Member who is at risk of developing medical complexities or for whom a health incident has precipitated a need for rehabilitation or additional health care support.	<b>All Medical Products</b>
	Assist providers with resources and tools to enable them to develop long term treatment plans in the management of chronic or catastrophic cases.	<b>All Medical Products</b>
	The Cigna HealthCare Healthy Babies Program is an educational program which provides Participants with prenatal care education and resources to help them better manage their pregnancy. Other benefits of this program include the Health Information Line, high risk maternity and pregnancy information on myCigna.com.	<b>All Medical Products</b>
	HealthCare Cost and Quality tools available on myCigna.com and myCigna mobile app.	<b>All Medical Products</b>
	A panel of physicians and other clinicians to assess the safety and effectiveness of new and emerging medical technologies. The panel meets monthly to review and update coverage policies.	<b>All Medical Products</b>
	Health Information Line is a service that provides twenty-four (24) hour toll free access to nurses who provide convenient and confidential services. Health Information Line nurses can help guide Members in finding the right care, make informed decisions about symptom-based health issues the Member is experiencing when they call the Health Information Line and recommend appropriate settings for care. Health Information Line nurses can help inform and educate Members about a wide variety of health and medical information, including access to a library of English and Spanish podcasts.	<b>All Medical Products</b>
	Cigna LifeSOURCE Transplant Network® contracts with more than one hundred sixty-five (165) independent transplant facilities which includes over seven hundred fifty (750) transplant programs and provides access to solid organ and bone marrow/stem cell transplantation while improving cost containment and reducing financial risk.	<b>All Medical Products</b>
	A health education program that delivers mailings to Members with certain conditions.	<b>All Medical Products</b>

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	Behavioral health services are provided/arranged by a CHLIC affiliate (details available upon request), including utilization review and case management for both inpatient and outpatient, in-network behavioral health services.	<b>OAP Products: (All Members)</b>
	Implement a quality oversight process that includes monitoring of utilization management performance measurements and a continuous quality improvement process when warranted.	<b>All Medical Products</b>
	Transition of care services to allow Members with defined conditions to continue treatment with non-Participating Providers after enrollment for continued uninterrupted care for a limited time.	<b>All Medical Products Except Comprehensive and Indemnity</b>
	Focused utilization management of outpatient procedures and identification of appropriate alternatives. Administered in accordance with CHLIC's then applicable medical management and claims administration policies, practices and procedures.	<b>All Medical Products with Care Management Preferred</b>
<b>NETWORK MANAGEMENT SERVICES</b>		
	<b>CHLIC, and/or its affiliates or contracted vendors shall:</b>	
	Provide or arrange access to the applicable network of Participating Providers to furnish health care services/products to Members at negotiated rates and methods of reimbursement (e.g. fee-for service, fixed per person per period, per diem charges, incentive bonuses, case rates, withholds etc.). The amount and type of negotiated reimbursement may vary depending upon the type of plan. For example, a hospital may accept less for patients enrolled in certain types of plans than others. In addition, CHLIC may contract with Participating Providers and other parties (for example Independent Practice Associations) for performance-based incentive payments to promote quality of care, patient safety and cost efficiency.	<b>All Medical Products</b>
	Credential and re-credential Participating Providers in accordance with CHLIC's credentialing requirements and ensure that third-party network vendors credential/re-credential Participating Providers in accordance with CHLIC's requirements;	<b>All Medical Products</b>
	Monitor Participating Provider compliance with protocols and procedures for quality, Member satisfaction, and grievance resolution;	<b>All Medical Products</b>
	Facilitate the identification of Participating Providers by Members; and	<b>All Medical Products</b>
	Designated toll-free telephone line for Member and Provider calls to CHLIC Service Centers.	<b>All Medical Products</b>
	Access to online and/or on demand medical and health-related consultations via secure telecommunications technologies, telephones and internet are permitted and may include MDLive, a CHLIC affiliate (see details on myCigna.com).	<b>All Medical Products</b>

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<b>CIGNA STAFF MODEL HEALTHPLAN SERVICES</b>	
<p>The Cigna HealthCare of Arizona, Inc. staff model (“<b>Cigna Medical Group</b>” or “<b>CMG</b>”) is a multispecialty participating provider group located in metropolitan Phoenix, Arizona. CMG's integrated care delivery model and population health management team work together to facilitate the way in which patients and doctors communicate and interact in order to increase patient satisfaction and improve health outcomes.</p> <p>Plan Participants may at some time receive treatment from a CMG facility or provider even if they do not reside in Arizona (as when traveling). Plan Participants utilizing Cigna participating provider networks in Arizona may access certain specialty and/or ancillary services (such as imaging and urgent care services) through the CMG system.</p> <p>For covered services provided to Participants, CMG is paid at the rates in effect at the time of service (as may be revised from time to time). Representative rates for routinely performed services are attached to the Schedule of Financial Charges herein. A complete copy of the rates is available on request under a mutually agreed nondisclosure agreement (“<b>NDA</b>”).</p> <p>If the Plan requires or allows Participants to select a primary care provider (“<b>PCP</b>”), Phoenix area Participants who do not select a PCP during open enrollment may be assigned to or otherwise encouraged to consider a CMG PCP. CMG has established collaborative referral relationships with specialty and ancillary providers in Cigna's participating provider networks, which includes affiliated entities.</p> <p>CMG may also receive applicable performance-based incentive payments for its participation in programs designed to improve quality, patient safety and affordability. The incentive payments that CMG may receive will be determined using the same performance measures and reward formula as used in determining the incentive payments made to similarly situated non-Cigna affiliated provider entities. The amount of the incentive payments made to CMG and attributable to the plan will be provided upon request.</p>	<p><b>All Medical Products</b></p>

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**CIGNA HEALTHCARE OF ARIZONA - CIGNA MEDICAL GROUP (CMG)  
REPRESENTATIVE RATES FOR ROUTINELY PERFORMED MEDICAL SERVICES**

**EFFECTIVE JANUARY 1, 2020  
(Applicable to Open Access Plus Products)**

<b>Department</b>	<b>CPT Code*</b>	<b>Description</b>	<b>Rate</b>
All Departments	99213	OFFICE VISIT,EST EXP PROB FOC	\$73.81
Adult Medicine	99396	WELL EXAM, EST, 40-64 YEARS	\$126.72
Pediatrics	99392	WELL EXAM, EST, 1-4 YEARS	\$106.46
Ophthalmology	66984	REMOVE CATARACT, INSERT LENS- Professional Fee only, at a facility	\$641.43
Podiatry	11721	DEBRIDEMENT NAIL SIX OR MORE	\$45.51
Radiology	71046	CHEST X-RAY, PA & LAT	\$31.28
Radiology	77067 & 77063	SCREENING MAMMOGRAPHY DIGITAL	\$189.64
General Surgery	47562	LAPAROSCOPY;CHOLECYSTECTOMY- Professional Fee only, at a facility	\$666.13
Optometry	92014	EYE EXAM & TREATMENT	\$126.12
ASC (Ambulatory surgical center) / Endoscopy Suite	Group 2		\$469.00
ASC Endoscopy Suite	Group 8		\$1,104.00

*\* Medicare does not assign (or may not yet have assigned) relative value units (RVUs) for certain service codes. Codes not valued by Medicare are referred to as "gap codes." For example, Medicare does not assign values for wellness service codes (99381-99397). CMG refers to The Essential RBRVS (Annual) guide to obtain relative values for such gap codes for billing purposes. Typically, Cigna pays CMG for gap codes not valued by Medicare either at the discounted fee schedule referenced above or, for new codes not yet valued by Medicare, at the same rate it pays its other participating providers.*

The Urgent Care case rate excluding radiology and laboratory services is \$135.

## **Exhibit C – Audit Agreement (Sample)**

- A. WHEREAS, Cigna Health and Life Insurance Company ("CHLIC") desires to cooperate with requests by \_\_\_\_\_ ("Employer") to permit an audit for the purposes set forth below and subject to Section 6 of the Administrative Services Only Agreement between CHLIC and Employer;
- B. WHEREAS, \_\_\_\_\_ ("Auditor") has been retained by Employer for the purpose of performing an audit ("Audit") of claims administered by CHLIC; and
- C. WHEREAS, the Auditor and the Employer recognize CHLIC's legitimate interests in maintaining the confidentiality of its information, protecting its business reputation, avoiding unnecessary disruption of its claim and customer service administration, and protecting itself from legal liability;

NOW THEREFORE, IN CONSIDERATION of the premises and the mutual promises contained herein, CHLIC, the Employer and the Auditor hereby agree as follows:

1. **Audit Specifications**

The Auditor will specify to CHLIC in writing at least forty-five (45) days prior to the commencement of the Audit the following "Audit Specifications":

- a. the name, title and professional qualifications of individual Auditors;
- b. the Audit objectives;
- c. the scope of the Audit (time period, lines of coverage and number of claims/calls);
- d. the process by which the sample will be selected for audit;
- e. the records/information required by the Auditor for purposes of the Audit; and
- f. the length of time contemplated as necessary to complete the Audit.

2. **Review of Specifications**

CHLIC will have the right to review the Audit Specifications and to require any changes in, or conditions on, the Audit Specifications which are necessary to protect CHLIC's legal and business interests identified in paragraph C above.

3. **Access to Information**

CHLIC will make the records/information called for in the Audit Specifications available to the Auditor at a mutually acceptable time and place.

4. **Audit Report**

The Auditor will provide CHLIC with a true copy of the Audit's findings, as well as the Audit Report, if any, that is submitted to the Employer. Such copies will be provided to CHLIC at the same time that the Audit findings and the Audit Report are submitted to the Employer.



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5. Comment on Audit Report

CHLIC reserves the right to provide the Auditor and the Employer with its comments on the findings and, if applicable, the Audit Report.

6. Confidentiality

The Auditor understands that CHLIC is permitting the Auditor to review the records/information solely for purposes of the Audit. Accordingly, the Auditor will ensure that all information pertaining to individual claimants will be kept confidential in accordance with all applicable laws and/or regulations. Without limiting the generality of the foregoing, the Auditor specifically agrees to adhere to the following conditions:

- a. The Auditor shall not make photocopies or remove any of the records/information without the express written consent of CHLIC; and
- b. The Auditor agrees that its Audit Report or any other summary prepared in connection with the Audit shall contain no individually identifiable information.

7. Restricted Use of the Audit Information

With respect to persons other than the Employer, the Auditor will hold and treat information obtained from CHLIC during the Audit with the same degree and standard of confidentiality owed by the Auditor to its clients in accordance with all applicable legal and professional standards. The Auditor shall not, without the express written consent of CHLIC executed by an officer of CHLIC, disclose in any manner whatsoever, the results, conclusions, reports or information of whatever nature which it acquires or prepares in connection with the Audit to any party other than the Employer except as required by applicable law. The Employer and Auditor agree to indemnify and to hold harmless CHLIC for any and all claims, costs, expenses and damages which may result from any breaches of the Auditor's obligations under paragraphs 6 and 7 of this Agreement or from CHLIC's provision of information to the Auditor. The Employer authorizes CHLIC to provide to the designated Auditor the necessary information to perform the audit in a manner consistent with all Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Privacy Standards and in compliance with the signed Business Associate Agreement ("BAA").

8. Termination

CHLIC may terminate this Agreement with prior written notice. The obligations set forth in Sections 4 through 7 shall survive termination of this Agreement.

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**Cigna Health and Life Insurance Company**

By: TO BE SIGNED AT TIME OF AUDIT

Duly Authorized

Print Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Employer:** \_\_\_\_\_

By: TO BE SIGNED AT TIME OF AUDIT

Duly Authorized

Print Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Auditor:** \_\_\_\_\_

By: TO BE SIGNED AT TIME OF AUDIT

Duly Authorized

Print Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

## Exhibit D - Privacy Addendum

("Business Associate Agreement")

### I. GENERAL PROVISIONS

**Section 1. Effect.** As of the Effective Date, the terms and provisions of this Addendum are incorporated in and shall supersede any conflicting or inconsistent terms and provisions of (as applicable) the Administrative Services Only Agreement and/or Flexible Spending Account or Reimbursement Accounts Administrative Services Agreement to which this Addendum is attached, including all exhibits or other attachments to, and all documents incorporated by reference in, any such applicable agreements (individually and collectively any such applicable agreements are referred to as the "Agreement"). This Addendum sets out terms and provisions relating to the use and disclosure of Protected Health Information ("PHI") without written authorization from the Individual. To the extent there is a conflict between the Agreement and this Addendum, this Addendum shall control.

**Section 2. Amendment to Comply with Law.** CHLIC, on behalf of itself and its affiliates and subsidiaries that perform services under the Agreement (collectively referred to as "CHLIC"), Employer (also referred to as "Plan Sponsor"), and the group health plan that is the subject of the Agreement (also referred to as the "Plan") agree to amend this Addendum to the extent necessary to allow either the Plan or CHLIC to comply with applicable laws and regulations including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160 to 164) ("HIPAA Privacy and Security Rules").

**Section 3. Relationship of Parties.** The parties intend that CHLIC is an independent contractor and not an agent of the Plan or the Plan Sponsor.

### II. PERMITTED USES AND DISCLOSURES BY CHLIC

**Section 1. Uses and Disclosures Generally.** Except as otherwise provided in this Addendum, CHLIC may use or disclose PHI to perform functions, activities or services for, or on behalf of, the Plan as specified in the Agreement, provided that such use or disclosure would not violate the HIPAA Privacy & Security Rules if done by the Plan. CHLIC shall not further use or disclose PHI other than as permitted or required by this Addendum, or as required by law.

**Section 2. To Carry Out Plan Obligations.** To the extent CHLIC is to carry out one or more of the Plan's obligations under Subpart E of 45 C.F.R. Part 164, CHLIC agrees to comply with the requirements of Subpart E that apply to the Plan in the performance of such obligations.

**Section 3. Management and Administration.**

- (A) CHLIC may use PHI for the proper management and administration of CHLIC or to carry out the legal responsibilities of CHLIC.
- (B) CHLIC may disclose PHI for the proper management and administration of CHLIC, provided that disclosures are: (a) required by law; or (b) CHLIC obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it is disclosed to the person, and the person notifies CHLIC of any instances of which it is aware in which the confidentiality of the information has been breached.

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(C) CHLIC may use or disclose PHI to provide Data Aggregation services relating to the Health Care Operations of the Plan, or to de-identify PHI. Once information is de-identified, this Addendum shall not apply.

**Section 4. Required or Permitted By Law.** CHLIC may use or disclose PHI as required by law or permitted by 45 C.F.R. §164.512.

**III. OTHER OBLIGATIONS AND ACTIVITIES OF CHLIC**

**Section 1. Receiving Remuneration in Exchange for PHI Prohibited.** CHLIC shall not directly or indirectly receive remuneration in exchange for any PHI of an Individual, unless an authorization is obtained from the Individual, in accordance with 45 C.F.R. §164.508, that specifies whether PHI can be exchanged for remuneration by the entity receiving PHI of that individual, unless otherwise permitted under the HIPAA Privacy Rule.

**Section 2. Limited Data Set or Minimum Necessary Standard and Determination.** CHLIC shall, to the extent practicable, limit its use, disclosure or request of Individuals' PHI to the minimum necessary amount of Individuals' PHI to accomplish the intended purpose of such use, disclosure or request and to perform its obligations under the underlying Agreement and this Addendum. CHLIC shall determine what constitutes the minimum necessary to accomplish the intended purpose of such disclosure.

**Section 3. Security Standards.** CHLIC shall use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to Electronic PHI to prevent use or disclosure of PHI other than as provided for by the Agreement.

**Section 4. Protection of Electronic PHI.** With respect to Electronic PHI, CHLIC shall:

- (A) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that CHLIC creates, receives, maintains or transmits on behalf of the Plan as required by the Security Standards;
- (B) Ensure that any agent or subcontractor to whom CHLIC provides Electronic PHI agrees to implement reasonable and appropriate safeguards to protect such information; and,

**Section 5. Reporting of Violations.** CHLIC shall report to the Plan any use or disclosure of PHI not provided for by this Addendum of which it becomes aware, including a Breach or Security Incident. CHLIC agrees to mitigate, to the extent practicable, any harmful effect from a use or disclosure of PHI in violation of this Addendum of which it is aware. The parties agree that such reports are not required for trivial and routine incidents such as port scans attempts to log-in with an invalid password or user name, denial of service attacks that do not result in a server being taken off-line, malware and pings or other similar types of events.

**Section 6. Breach Notification.** CHLIC will notify the Plan of a Breach (including privacy related incidents that might, upon further investigation, be deemed to be a Breach) without unreasonable delay and, in any event, within thirty (30) business days after CHLIC's discovery of same. This notification will include, to the extent known:

- i. the names of the individuals whose PHI was involved in the Breach;

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- ii. the circumstances surrounding the Breach;
- iii. the date of the Breach and the date of its discovery;
- iv. the information Breached;
- v. any steps the impacted individuals should take to protect themselves;
- vi. the steps CHLIC is taking to investigate the Breach, mitigate losses, and protect against future Breaches; and,
- vii. a contact person who can provide additional information about the Breach.

For purposes of discovery and reporting of Breaches, CHLIC is not the agent of the Plan or the Employer (as “agent” is defined under common law). CHLIC will investigate Breaches, assess their impact under applicable state and federal law, and make a recommendation to the Plan as to whether notification is required pursuant to 45 C.F.R. §§164.404–408 and/or applicable state breach notification laws. With the Plan’s prior approval, CHLIC will issue notices to such individuals, state and federal agencies – including the Department of Health and Human Services, and/or the media – as the Plan is required to notify pursuant to, and in accordance with the requirements of applicable law (including 45 C.F.R. §§164.404–408). In the event of a Breach affecting multiple CHLIC clients where CHLIC believes notification to affected individuals is required in accordance with applicable law, CHLIC reserves the right to issue notifications to the affected individuals without Plan approval.

CHLIC will pay the costs of issuing notices required by law and other remediation and mitigation which, in CHLIC’s discretion, are appropriate and necessary to address the Breach. CHLIC will not be required to issue notifications that are not mandated by applicable law. CHLIC shall provide the Plan with information necessary for the Plan to fulfill its obligation to report Breaches affecting fewer than 500 Individuals to the Secretary as required by 45 C.F.R. §164.408(c).

**Section 7. Disclosures to and Agreements with Third Parties.** CHLIC agrees to ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of CHLIC agree to the same restrictions, conditions and requirements that apply to CHLIC with respect to such information.

**Section 8. Access to PHI.** CHLIC shall provide an Individual with access to such Individual's PHI contained in a Designated Record Set in response to such Individual's request in the time and manner required in 45 C.F.R. §164.524.

**Section 9. Availability of PHI for Amendment.** CHLIC shall respond to a request by an Individual for amendment to such Individual’s PHI contained in a Designated Record Set in the time and manner required in 45 C.F.R. §164.526.

**Section 10. Right to Confidential Communications and to Request Restriction of Disclosures of PHI.** CHLIC shall respond to a request by an Individual for confidential communications or to restrict the uses and disclosures of PHI contained in such Individual’s Designated Record Set in the time and manner required by 45 C.F.R. §164.522. CHLIC shall not be obligated to agree to, or implement, any restriction, if such restriction would hinder Health Care Operations or the provision of the functions, activities or services, unless such restriction would otherwise be required by 45 C.F.R. § 164.522(a).

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**Section 11. Accounting of PHI Disclosures.** CHLIC shall provide an accounting of disclosures of PHI to an Individual who requests such accounting in the time and manner required in 45 C.F.R. §164.528.

**Section 12. Availability of Books and Records.** CHLIC hereby agrees to make its internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by CHLIC on behalf of the Plan, available to the Secretary for purposes of determining the Plan's compliance with the Privacy Rule.

**Section 13. Standard Transactions.** CHLIC certifies that it conducts any applicable transactions that are subject to the HIPAA standard transaction rules (45 C.F.R. Parts 160-164) as required under such rules.

**IV. TERMINATION OF AGREEMENT WITH CHLIC**

**Section 1. Termination Upon Breach of Provisions Applicable to PHI.** Any other provision of the Agreement notwithstanding, the Agreement may be terminated by the Plan upon prior written notice to CHLIC in the event that CHLIC materially breaches any obligation of this Addendum and fails to cure the breach within such reasonable time as the Plan may provide for in such notice.

If CHLIC knows of a pattern of activity or practice of the Plan that constitutes a material breach or violation of the Plan's duties and obligations under this Addendum, CHLIC shall provide a reasonable period of time, as agreed upon by the parties, for the Plan to cure the material breach or violation. Provided, however, that, if the Plan does not cure the material breach or violation within such agreed upon time period, CHLIC may terminate the Agreement at the end of such period.

**Section 2. Use and Disclosure of PHI upon Termination.** The parties hereto agree that it is not feasible for CHLIC to return or destroy PHI at termination of the Agreement; therefore, the protections of this Addendum for PHI shall survive termination of the Agreement, and CHLIC shall limit any further uses and disclosures of such PHI to the purpose or purposes which make the return or destruction of such PHI infeasible.

**V. OBLIGATIONS OF THE PLAN AND PLAN SPONSOR**

**Section 1. Disclosures Generally.** Except as otherwise provided for in this Addendum, the Plan will not request that CHLIC use or disclose PHI in any manner that would not be permissible under HIPAA.

**Section 2. Disclosures to the Plan or Third Parties.** To the extent the Plan requests that CHLIC disclose PHI either to the Plan or to a third party business associate acting for the Plan, the Plan represents and warrants that:

- (A) It only will request PHI for the purposes of Treatment, Payment, or Health Care Operations, or another permitted purpose under the HIPAA Privacy Rule;
- (B) The information requested is the minimum necessary to achieve the purpose of the disclosure;  
and

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- (C) If the PHI is to be disclosed to a third party, the Plan has a business associate agreement in place with the third party.

**Section 3. Disclosure to Plan Sponsor.** To the extent the Plan requests that CHLIC disclose PHI to the Plan Sponsor, the Plan and Plan Sponsor each represent and warrant that:

- (A) The information only will be used for one of the following purposes:
- i. Plan Administration functions, as defined by the HIPAA Privacy Rule, and that the Plan Sponsor has executed the required plan amendment and certification allowing the disclosure, as set out in the HIPAA Privacy Rule;
  - ii. Enrollment functions, provided the information to be disclosed is limited to enrollment and disenrollment information; or
  - iii. To amend, modify, or terminate the Plan, or to obtain premium bids to provide health insurance coverage under the Plan, provided the information to be disclosed is limited to Summary Health Information, as defined in the HIPAA Privacy Rule; and
- (B) The information requested is the minimum necessary to achieve the purpose of the disclosure.

**VI. DEFINITIONS FOR USE IN THIS ADDENDUM**

**Definitions.** Certain capitalized terms used in this Addendum shall have the meanings ascribed to them by HIPAA including their respective implementing regulations and guidance. If the meaning of any term defined herein is changed by regulatory or legislative amendment, then this Addendum will be modified automatically to correspond to the amended definition. All capitalized terms used herein that are not otherwise defined have the meanings described in HIPAA. A reference in this Addendum to a section in the HIPAA Privacy Rule, or HIPAA Security Rule means the section then in effect, as amended.

**"Breach"** means the unauthorized acquisition, access, use or disclosure of Unsecured Protected Health Information which compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information. A Breach does not include any unintentional acquisition, access or use of PHI by an employee or individual acting under the authority of CHLIC if such acquisition, access or use was made in good faith and within the course and scope of the employment or other professional relationship of such employee or individual with CHLIC; any inadvertent disclosure from an individual who is otherwise authorized to access PHI at a facility operated by CHLIC to another similarly situated individual at the same facility; and such information is not further acquired, accessed, used or disclosed without authorization by any person.

**"Business Associate"** means CHLIC.

**"Covered Entity"** means the Plan.

**"Designated Record Set"** shall have the same meaning as the term "designated record set" as set forth in the Privacy Rule, limited to the enrollment, payment, claims adjudication and case or medical management record systems maintained by CHLIC for the Plan, or used, in whole or in part, by CHLIC or the Plan to make decisions about Individuals.

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**"Effective Date"** shall mean the earliest date by which CHLIC and the Plan must enter into a business associate agreement under 45 C.F.R. Part 164.

**"Electronic Protected Health Information"** shall mean PHI that is transmitted by, or maintained in, electronic media as that term is defined in 45 C.F.R. §160.103.

**"Limited Data Set"** shall have the same meaning as the term "limited data set" as set forth in 45 C.F.R. §164.514(e)(2).

**"Protected Health Information"** or **"PHI"** shall have the same meaning as set forth at 45 C.F.R. §160.103.

**"Secretary"** shall mean the Secretary of the United States Department of Health and Human Services.

**"Security Incident"** shall have the same meaning as the term "security incident" as set forth in 45 C.F.R. §164.304.

**"Unsecured Protected Health Information"** shall mean PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in the guidance issued under Section 13402(h)(2) of the American Recovery and Reinvestment Act of 2009.



## **Exhibit E – Conditional Claim/Subrogation Recovery Services**

### **I. Plans Without CHLIC Stop Loss Coverage**

If Employer has not purchased individual or aggregate stop loss coverage from CHLIC or an affiliated Cigna company with respect to its self-funded employee welfare benefit plan:

A. All conditional claim payment and/or subrogation recoveries under the Plan will be handled by the entity checked below;

Employer

An independent recovery vendor whose name and address follow:

Name:

Address:

CHLIC and its subcontractor(s)

B. If Employer has designated CHLIC and its subcontractors to act as its recovery agent in paragraph I.A. above, then:

i. Employer hereby confers upon CHLIC and its subcontractors' discretionary authority to reduce recovery amounts by as much as fifty percent (50%) of the total amount of benefits paid on Employer's behalf, and to enter into binding settlement agreements for such amounts.

ii. In the event a settlement offer represents a reduction greater than the percentage identified above, CHLIC and its subcontractors should seek settlement advice from:

Name:

Title:

Address:

Telephone:

iii. All amounts reimbursed to the Bank Account shall be refunded at the gross amount. CHLIC's and its subcontractors' subrogation administration fee on cases where CHLIC and its subcontractors' have retained counsel and in cases where no counsel has been retained by CHLIC and its subcontractors are both reflected in the Schedule of Financial Charges.

C. Except where agreed to by CHLIC and Employer, CHLIC and its subcontractors shall have no duty or obligation to represent Employer in any litigation or court proceeding involving any matter which is the subject of this Agreement, but shall make available to Employer and/or Employer's counsel such information relevant to such action or proceeding as CHLIC and its subcontractors may have as a result of its handling of any matter under this Agreement.

D. In the event Employer purchases individual or aggregate stop loss coverage from CHLIC or an affiliate with respect to its self-funded employee welfare benefit plan at any time during the life of this Agreement, the provisions of paragraph II., below, shall control.

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**II. Plans with CHLIC Stop Loss Coverage**

If Employer has purchased individual or aggregate stop loss coverage from CHLIC or an affiliate with respect to its self-funded employee welfare benefit plan:

- A. CHLIC and its subcontractors shall have the right and responsibility to manage all conditional claim payment and/or subrogation recoveries under the Plan. CHLIC and its subcontractors shall reimburse to the Plan the recovery minus relevant individual and aggregate stop loss payments made by CHLIC.
- B. All amounts reimbursed to the Bank Account shall be refunded at the gross amount. CHLIC's and its subcontractors' subrogation administration fee on cases where CHLIC and its subcontractors' have retained counsel and in cases where no counsel has been retained by CHLIC and its subcontractors, are both reflected in the Schedule of Financial Charges.
- C. CHLIC and its subcontractors shall have no duty or obligation to represent Employer in any litigation or court proceeding involving any matter which is the subject of this Agreement but shall make available to Employer and/or Employer's counsel such information relevant to such action or proceeding as CHLIC and its subcontractors may have as a result of its handling of any matter under this Agreement. Notwithstanding the foregoing, CHLIC and its subcontractors reserve to itself the right to retain counsel to represent CHLIC's own interests in any subrogation and/or conditional claim recovery action under the Plan.