CITY OF BROKEN ARROW

AGREEMENT FOR PLAN SUPERVISOR

This Agreement is entered into by and between CoreSource, Inc., a Delaware corporation (hereinafter referred to as "Plan Supervisor") and City of Broken Arrow, 220 South First Street, Broken Arrow, OK 74012 ("Plan Sponsor"), and shall be effective as of the first day of January, 2016 (the "Effective Date").

R E C I T A L S

WHEREAS, Plan Sponsor has adopted and implemented a health and welfare benefit plan as listed on Exhibit A ("Plan"), providing means by which eligible employees of Plan Sponsor and their eligible dependents are able to obtain benefits provided by the Plan and set forth in the Plan Document.

WHEREAS, Plan Supervisor, under the terms of this Agreement, shall assist Plan Sponsor in the implementation and administration of the Plan;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

SECTION 1
DEFINITIONS

1.01 **"Participant"** shall mean an individual enrolled as an employee, dependent or retiree (if applicable) for benefits under the Plan, or an individual continuing coverage under the Plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time ("COBRA").

1.02 "**Plan Document"** shall mean generally the written description of the benefits to be provided by the Plan, and the standards and rules governing the payment of benefits under the Plan.

SECTION 2
DUTIES AND RESPONSIBILITIES OF PLAN SUPERVISOR

2.01 Plan Supervisor shall assist Plan Sponsor in the installation of the Plan, including performance of the following duties:

A. Enter in and maintain the plan of benefits, all enrollment, and relevant information provided by Plan Sponsor in Plan Supervisor's computer system.
B. Perform any other duties related to the installation of the Plan as mutually agreed between the parties.

2.02 Standard Claims Service.

A. Except as otherwise specifically provided in this Agreement, Plan Supervisor shall perform the duties listed below:
   (1) Plan Supervisor shall administer claims for health and welfare benefits under the Plan in accordance with terms and conditions set forth in the Plan, this Agreement, and Plan Supervisor's payment practices and audit procedures, which are updated from time to time including, but not limited to:
      a. review and evaluate claims submitted, and provide an explanation of benefits (EOB) to Participants and providers, if applicable;
      b. prepare standard claims activity reports, check registers and fund reports;
      c. respond to telephone and mail inquiries from Participants and providers regarding benefits available or status of claims; and
      d. provide standard claims, accounting, and enrollment forms.

2.03 Plan Supervisor's duties are contingent on the receipt of necessary information, any communication and/or data from Plan Sponsor, Participants, providers, and any other source in a timely manner and in good order. "Timely manner" means a reasonable period of time for sorting, processing, entering and posting of data received.

2.04 Coordinate contracting with preferred provider organizations and other managed care organizations.

2.05 Prescription Drug Service.

A Provide the prescription drug vendor with a description of benefits as established in the Plan, and appropriate eligibility information that was furnished by Plan Sponsor.

B Timely request funding from Plan Sponsor for prescription drug claims and administrative expenses of the Plan.

C Coordinate receipt of electronic claim data with prescription drug benefit manager for reporting purposes.

2.06 Custom Duties.

A. Review Plan Sponsor's existing Plan Document, and provide a draft of a new Plan Document;

B. Prepare Participant identification cards, as applicable, which identify how to make inquiries on eligibility and coverage;

C. Send eligibility information electronically to other Plan vendors, as required, all in a format specified by Plan Supervisor.

2.07 Stop Loss Duties.

A. In the event Plan Sponsor purchases a stop-loss policy permitting "advanced funding" of reimbursement claims before (or simultaneously with) payment by the Plan of associated medical expenses, Plan Sponsor hereby acknowledges and agrees:

(1) Plan Supervisor did not recommend that Plan Sponsor purchase such a stop-loss policy;

(2) Plan Supervisor will not seek advance funding for any individual provider bill of less than [amount stated in stop loss contract.

(3) Plan Sponsor's funding obligations remain the same, notwithstanding the purchase of such a stop-loss policy;

(4) Plan Supervisor shall be relieved of all claim processing duties it has under this Agreement or under ERISA to the extent those duties cannot be properly carried out during the pendancy of an "advanced funding" stop-loss claim; and

(5) The indemnity provisions shall be modified to make Plan Sponsor strictly liable for any claims, damages, liabilities, costs, etc. that may arise because of the purchase of such a stop-loss policy, including but not limited to, (a) the responsibility to indemnify Plan Supervisor irrespective of any wrongful act or omission by Plan Supervisor in purchasing such a stop-loss policy, and (b) the exemption of Plan Supervisor from any duty to indemnify Plan Sponsor irrespective of any wrongful act or omission by Plan Supervisor, or the involvement of Plan Supervisor in purchasing such a stop-loss policy.

B. Notwithstanding the foregoing, for any benefit claim received by Plan Supervisor during the last fourteen (14) days of any stop-loss year, Plan Supervisor may, but shall in no event be under any obligation to, discharge its duties under this section in such manner as may be required to cause the applicable reimbursement to Plan Sponsor or the Plan to occur as part of the same stop-loss year.

C. Provide tracking and claim filing services to the stop-loss carrier of Plan Sponsor or the Plan, if applicable.

SECTION 3
DUTIES AND RESPONSIBILITIES OF PLAN SPONSOR

3.01 Preparation of Eligibility List and Plan Information. Plan Sponsor shall:

A. Prepare an initial complete and accurate set of enrollment records for all Participants, including but not limited to Social Security numbers, legal name, date of birth, and previous creditable coverage; such records must be delivered to Plan Supervisor thirty (30) days prior to the date Plan Supervisor shall begin to adjudicate claims for the Plan.

B. Plan Sponsor shall update these records in writing or by any other medium acceptable to Plan Supervisor, notifying Plan Supervisor of any and all changes in Participant status, including the addition of new Participants, termination of Participants, changes in dependent status or any other changes that may affect the eligibility of a Participant. If Plan Sponsor submits a termination to Plan Supervisor which is effective retroactively, Plan Supervisor will not be obligated to adjust claims, administrative fees, premiums, attempt recovery of overpayments, or vendor costs retroactively for more than three (3) months.

C. Deliver to Participants all Plan information and any other information required by the Department of Labor or any other federal or state governing agency.

D. Notify Plan Supervisor in writing of the final determination of Plan Sponsor or person designated by Plan Sponsor regarding any disputed or questionable claims and claims requiring interpretation of the Plan Document unless the Addendum for Claim Appeal Determination Services has been executed by the parties.

E. Funding of Claims and Expenses.

(1) Plan Sponsor shall be solely responsible for funding the payment of benefits and expenses under the Plan, upon request of Plan Supervisor. If such funding is delinquent for a period of seven (7) calendar days, Plan Sponsor is required to immediately notify all Participants of the delinquency of funding. Such notification shall be in writing and a copy forwarded to Plan Supervisor. If Plan Sponsor does not provide such notification or funding within fifteen (15) calendar days of the request for funds, Plan Supervisor has the right, but not a duty, to notify Participants and health care providers of the delinquency of funding. Plan Supervisor may also suspend the issuance of checks and explanation of benefit statements and suspend the processing of all claims. In addition, failure to fund the account in a timely manner may result in additional ramifications including, but not limited to, the loss of preferred provider prompt payment discounts.

(2) Plan Sponsor authorizes Plan Supervisor to make disbursements from the account for the payment of benefits and expenses incurred under the Plan.

F. Settlement of Claims. Plan Sponsor shall timely notify Plan Supervisor of any inquiries it receives, whether from individuals, entities, governmental entities or others, regarding the activities undertaken by Plan Supervisor and shall assist Plan Supervisor in any reasonable manner with regard to Plan Supervisor's obligations under this Agreement. In addition, Plan Sponsor shall fully cooperate with Plan Supervisor as and to the extent necessary for Plan Sponsor to effectively respond to an inquiry by any individual, governmental authority, or other entity regarding coordination of any Plan benefit with any benefit that may be available under Medicare.

G. Plan Documentation. Plan Sponsor shall provide Plan Supervisor with an executed copy of the Plan Document, Summary Plan Description, and Trust Instrument, if applicable.

H. Changes in Information. Plan Sponsor shall:

(1) Advise Plan Supervisor upon acquisition of any new or different contract relating to the Plan, or upon any change in Plan Sponsor's organization which might affect the legal status of the Plan; and

(2) Notify Plan Supervisor in writing of any change in the Plan benefits at least thirty (30) days prior to the effective date of such change. Any change requiring a re-adjudication of claims shall be performed by Plan Supervisor only for an additional fee mutually agreeable to the parties.

(3) Notify Participants within sixty (60) days prior to the effective date of a material reduction in benefits.

SECTION 4
BANKING ARRANGEMENTS

4.01 Funding of benefits shall be made by Plan Sponsor. If benefits will be funded by a physical benefit check: (i) the benefit check shall be signed by an authorized representative of Plan Supervisor, (ii) shall be drawn on a bank account or accounts established and maintained by Plan Sponsor for the purpose of funding payment of such claims and (iii) Plan Supervisor shall release such benefit checks upon a frequency mutually agreed upon by the parties. If benefits will be funded by ACH or other electronic means: (i) Plan Sponsor shall transfer the appropriate funds to a fiduciary account designated by Plan Supervisor in writing, (ii) such funds shall remain in such account and available for the payment of applicable benefits and (iii) Plan Supervisor shall release or cause the release of such funds (by ACH, paper draft or other appropriate means determined by Plan Supervisor) upon a frequency mutually agreed upon by the parties.

SECTION 5
RELATIONSHIP OF THE PARTIES

5.01 In performing services under this Agreement, Plan Supervisor performs all acts as an independent contractor and not as an officer, employee or agent of Plan Sponsor or Plan Administrator (if other than Plan Sponsor) or Plan. Nothing in this Agreement shall be construed to mean Plan Sponsor retains any control over the manner and means of how Plan Supervisor performs the services provided for herein, but only a right to review the results of the work performed.

5.02 Fiduciary. Plan Sponsor, or a person designated by Plan Sponsor (other than Plan Supervisor), is the Administrator and the Named Fiduciary of the Plan. As fiduciary, Plan Sponsor, or the person designated by Plan Sponsor (other than Plan Supervisor), maintains discretionary authority to review all denied claims for benefits under the Plan, including, but not limited to, the determination of covered services, interpretation of the terms of the Plan, and the determination of eligibility for and entitlement to Plan benefits in accordance with the terms of the Plan. Unless expressly provided in this Agreement (i.e., by the parties having signed the Addendum for Claim Appeal Determination Services), Plan Supervisor shall not have any discretionary authority or discretionary control respecting the management of the Plan itself or its assets, if any, and Plan Sponsor retains all final responsibility and ultimate authority for the operation of the Plan.

SECTION 6
TERM AND TERMINATION

6.01 Term. This Agreement and referenced Addenda shall be in effect for a period of one (1) year from the Effective Date (the "Initial Term") and shall renew automatically thereafter for the successive one (1) year periods of time (each such period, a "Renewal Term" and collectively with the Initial Term, the "Term"), unless otherwise terminated or renegotiated in accordance with this Agreement. If renegotiated, the Term mutually agreed to by the parties for that renewal will be reflected in Exhibit A to this Agreement. Addenda may be individually terminated without terminating the entire Agreement, by making clear by written notice that the termination is intended to be effective with respect to the applicable Addendum only.

6.02 Renewal. The provisions of this Agreement and monthly Administrative fees (not including any fee payable to a vendor) payable to Plan Supervisor hereunder, are subject to negotiation prior to the end of each Term. Either party desiring to renegotiate this Agreement shall notify the other party of its intent to renegotiate forty-five (45) days prior to expiration of the Term. In the absence of a written agreement signed by both parties indicating otherwise, this Agreement shall automatically be renewed upon the same terms and conditions.

6.03 Termination. This Agreement may be terminated effective as of the time specified below:

A. By Plan Supervisor, with or without cause, by giving written notice to Plan Sponsor at least sixty (60) days prior to the last day of the applicable Initial Term or Renewal Term, effective at the end of the applicable Initial Term or Renewal Term;
B. By Plan Supervisor at any time after Plan Sponsor fails to provide funds for the payment of benefits, effective as of the date specified in Plan Supervisor's termination notice;
C. By Plan Supervisor at any time after any Administrative fees, insurance premiums or other expenses are more than thirty (30) days past due, effective as of the date specified in Plan Supervisor's termination notice; or
D. By Plan Supervisor at any time after Plan Sponsor voluntarily or involuntarily files for bankruptcy, effective as of the date specified in Plan Supervisor's termination notice.
E. By Plan Sponsor providing at least sixty (60) days prior written notice if the Broken Arrow City Council has not appropriated funds for the next fiscal year starting July 1st. Notwithstanding anything to the contrary in this Section 6.03, E, the fees shown in Exhibit A have been approved by the Broken Arrow City Council for services performed from January 1, 2016 through December 31, 2016.

6.04 Continuing Obligations After Contract Termination. Notwithstanding the termination of this Agreement, the following rights and liabilities of the parties shall survive for the specified time period following termination:

A. Plan Sponsor's duty to pay Plan Supervisor until such amounts are paid in full.
B. Plan Sponsor's duty to fund claims incurred before termination until such claims are finally resolved.
C. Plan Sponsor's and Plan Supervisor's duties and liabilities regarding Claims Records below, if applicable.
D. Plan Sponsor's and Plan Supervisor's indemnification duties and liabilities with respect to events and benefit claims arising before termination of this Agreement until the appropriate statute of limitations has run.
E. Plan Sponsor's and Plan Supervisor's termination obligations under all applicable Addenda to this Agreement until the appropriate statute of limitations has run.

6.05 Claims Records. The Plan owns all claim files even though they may be in the possession of Plan Supervisor.

When this Agreement terminates, Plan Supervisor shall provide to Plan Sponsor, or its designee, an electronic claim file in Plan Supervisor's format. Records of the Plan shall be returned to the Plan Administrator or its designee upon termination of this Agreement, subject to the payment of all outstanding balances due. Plan Sponsor shall reimburse Plan Supervisor for the cost of retrieving Plan records from storage, if applicable, and shipping Plan records to the Plan Sponsor. The electronic or hard copy delivery of records shall be deemed in compliance with this Section. In the event Plan Sponsor appoints a successor to Plan Supervisor, Plan Supervisor shall cooperate as reasonably necessary in transferring files, records, reports, and the like, and Plan Supervisor shall be entitled to its then current fee for its services in connection therewith. Notwithstanding anything in this Agreement to the contrary, at the time the transfer of records occurs, Plan Supervisor shall be relieved of further responsibility for performing any of the services enumerated in this Agreement.

6.06 Outstanding Fees. Upon termination, Plan Sponsor agrees to remit to Plan Supervisor any outstanding balances due. Plan Supervisor shall have the right to retain all records as specified above until receipt of all outstanding monies due.

6.07 Run-Out. Plan Sponsor and Plan Supervisor may agree in writing ("Run-Out Agreement") to have Plan Supervisor adjudicate run-out claims which are incurred but not paid prior to the termination of this Agreement ("Run Out Claims") and the parties acknowledge and agree that, in the event the parties do not elect to enter into a Run-Out Agreement with respect to claims received after fifteen (15) days prior to the termination of this Agreement, Plan Supervisor shall have no responsibility with respect to Run-Out Claims. Should Plan Sponsor elect to have Plan Supervisor process Run-Out Claims upon termination, Plan Supervisor will do so for a fee of 125% of the administrative fee per month applicable at the time of the request, payable in advance of providing such services. All Administrative Fees and claim funding must be current in order for service to be requested by Plan Sponsor.

SECTION 7
LIMITATION OF LIABILITY / DAMAGES

7.01 Intentionally left blank.

7.02 Plan Supervisor does not assume liability for the adequacy of funding of the Plan, and Plan Supervisor is not, and shall not be deemed to be an insurer, underwriter or guarantor with respect to any benefits payable under the Plan**.**

7.03

Intentionally left blank.

7.04 If any payment is made to an ineligible person for an ineligible claim, or if it is determined that more or less than the correct amount has been paid under the Plan by Plan Supervisor, then Plan Supervisor shall attempt to recover such payment, or contract with a third party vendor to recover such payment or, when appropriate, adjust Participant's later claims. However, Plan Supervisor shall not be required to initiate court proceedings to effect any such adjustment. If Plan Supervisor is unsuccessful in making any adjustment, it shall notify Plan Sponsor so that Plan Sponsor may take such appropriate actions against the payee. Neither the Plan Sponsor nor Plan Supervisor or its affiliates, contractors, shareholders, directors, officers, employees or agents shall be liable for any consequential, special, incidental or indirect damages arising out of its performance under this Agreement. Plan Supervisor shall not be liable for non-recovery of such payments, unless such payments arose from, or otherwise were attributable to, Plan Supervisor's willful and intentional misconduct or criminal conduct.

7.05 Plan Supervisor will provide assistance to Plan Sponsor or the Plan with respect to any disputes regarding stop-loss coverage, but only if the stop-loss carrier is among the list of Plan Supervisor's preferred stop-loss carriers.

SECTION 8
ADMINISTRATIVE FEES

8.01 Fees.

A. Plan Sponsor shall pay Plan Supervisor the compensation for duties as set forth on Exhibit A. Such fees do not include vendor costs in conjunction with the operation of the Plan. These expenses include, but are not limited to, wire transfer fees, check printing fees, check charges, annual auditor fees, resupply of forms, and other printing expenses, identification cards, physician reviews, consulting/vendor fees, medical records fees, hospital audits, code review and unusual programming requirements. Plan Supervisor will charge Plan Sponsor or the Plan as these expenses are incurred. Payment shall be due upon receipt of an invoice by Plan Sponsor detailing such expenses. If enrollment drops by 10%, Plan Supervisor may adjust Administrative Fees on any due date by providing Plan Sponsor with thirty (30) days prior written notice.

B. Administrative fees shall be determined on a monthly basis, based on the number of Participants, for which computerized records are maintained by Plan Supervisor. Plan Sponsor must notify Plan Supervisor in writing within thirty (30) days of Plan Sponsor's receipt of each regular monthly invoice of any discrepancy; otherwise, Plan Supervisor's fee shall be reflected in the invoice provided.

C. Plan Supervisor shall send a monthly invoice to Plan Sponsor for the current month's Administrative fees, premiums and other expenses incurred on behalf of Plan Sponsor and Plan. Plan Sponsor is required to pay this invoice as presented. Any retroactive changes or adjustments will be made on the next month's bill (all corrections will be reflected on the next bill if received by the Eligibility Department at least seven (7) business days before the bill is generated). Payment will be due upon receipt of invoice or on the first (1^{st}) day of each month for which services are performed, whichever is later.

8.02 Delinquent Accounts. Accounts and invoices not paid by the later of the end of the month, or within thirty (30) days of billing, are considered delinquent and are subject to a service charge of 1.5% per month (service charge applies to Plan Supervisor fees only). It is further stipulated and understood that premium for stop loss coverage and/or premium for insured group benefits, if applicable, which is delinquent over thirty (30) days is in technical lapse with the insurance carrier, and Plan Supervisor shall be held harmless for any and all consequences arising from this delinquency.

SECTION 9
ADDITIONAL SERVICES

Additional Services, if any, are provided under this Agreement as set forth in Exhibit A for the additional service fees specified therein and as more fully described in the Addendum(s) to Agreement for Plan Supervisor which are attached to and made a part of this Agreement.

SECTION 10
GENERAL

10.01 Amendments. This Agreement may not be amended without the express written consent of both parties.

10.02 Assignment. Neither party may assign this Agreement, its rights, or obligations under this Agreement without the prior written consent of the other party; provided however, Plan Supervisor may assign its rights and obligations to any affiliated company of Plan Supervisor.

10.03 Compliance with Laws. Both parties shall comply with all applicable state and federal laws, regulations, rulings and judicial and administrative orders.

10.04 Consultation with Plan Sponsor. Plan Supervisor shall consult with and obtain prior approval from Plan Sponsor and/or legal counsel designated by Plan Sponsor when legal matters regarding the Plan arise. Plan Supervisor shall not be obligated to defend against any legal action or claim for benefits by virtue of this Agreement.

10.05 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single agreement.

10.06 Entire Agreement. The entire agreement between the parties concerning the subject matter hereof is incorporated into this document, the exhibit(s) with attached addenda; this Agreement supersedes all previous agreements whether oral or written between the parties concerning the subject matter hereof.

10.07 Governing Law. To the extent not preempted by ERISA, this Agreement shall be governed in accordance with the laws of the state of Oklahoma, without regard to conflict of law provisions.

10.08 Headings. The headings of this Agreement are solely for the convenience of the parties and do not effect the meaning or interpretation of any provision of this Agreement.

10.09 Maintenance of Records. All records, as applicable, of Plan Supervisor's internal claims review, determination of eligibility, authorization for adjudication, payment of claims and premiums, banking records, and any other financial records generated by Plan Supervisor under this Agreement shall be maintained during the Term of this Agreement.

10.10 Notice. Any notice required to be given hereunder between the parties shall be written, effective upon receipt and shall be served by (i) facsimile (confirmation receipt received), (ii) personal delivery, or (iii) sent by overnight courier delivery service, or certified mail, return receipt requested to the address cited in the signature block of this Agreement or to such other address as shall be specified by like notice by either party.

10.11 Other Service Providers. Plan Supervisor may seek the services of others in performing its duties and obligations under this Agreement.

10.12 Prior Claims Administrator. In the event Plan Supervisor replaced a prior claims administrator, no responsibility is accepted for the work performed by the prior claims administrator; nor does Plan Supervisor agree to reevaluate or readjust claims or to perform or continue work previously done by the prior claims administrator (including acting as a named fiduciary for any pending claims appeals) unless otherwise agreed upon by the parties for additional compensation.

10.13 Reliance on Instructions. Plan Supervisor may rely upon any written instructions or information relating to Plan Supervisor performance of services provided to Plan Supervisor by Plan Sponsor or Plan Sponsor's designated representatives, and reasonably believed by Plan Supervisor to be genuine and authorized by Plan Sponsor. Plan Supervisor shall incur no liability resulting from Plan Supervisor' reasonable reliance on such instructions or information provided that Plan Supervisor does not have immediate and uncontested knowledge that any such instruction or information, as the case may be, is incorrect, inaccurate or incomplete when given to Plan Supervisor.

10.14 Successor and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable against the parties hereto and their respective successors and permitted assignees.

10.15 Taxes. If at any time, the federal government or any state or any political subdivision or any instrumentality of either shall assess any tax or surcharge against the Plan, against Plan Supervisor with respect to services provided hereunder or to payments made by or for the Plan, or against any trust related to the Plan in any way and Plan Supervisor is required to pay such tax or surcharge, Plan Supervisor shall report payment of the tax or surcharge to Plan Sponsor and at the option of Plan Supervisor make a charge against Plan Sponsor for reimbursement of such payment or be reimbursed by Plan Sponsor upon fifteen (15) days' prior written notice. This section shall not apply to income or payroll taxes.

10.16 Government Regulations. If at any time there is a change in federal or state law or regulation which affects the administration of the Plan, Plan Supervisor shall report the change to Plan Sponsor and at the option of Plan Supervisor make a charge against Plan Sponsor for reimbursement of such administration costs including but not limited to postage.

10.17 Use of Name. Plan Sponsor and Plan Supervisor agree not to use the name, image, promotional material, stationary, letterhead or logotype of the other party or its parent, subsidiaries or affiliates except as expressly authorized in writing by such other party.

10.18 Waiver. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance. If any provision of this Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in this Agreement.

10.19 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.

10.20 Audit. Plan Sponsor shall have the right, upon providing thirty (30) days prior written notice to Plan Supervisor, to annually review, at its own expense, any records of Plan Supervisor relating to benefit payments and requests for benefit payments under the Plan and the issuing of checks for payment of benefits under the Plan. Any examination of such records shall be carried out in a manner and timeframe mutually agreeable to Plan Supervisor and Plan Sponsor. The examination will be based on a statistically valid sampling of benefit payments and requests for benefit payments under the Plan. The formula for such sampling shall be supplied in writing to Plan Supervisor prior to the start of any audit. The audit will take place during normal business hours at the location of Plan Supervisor.

10.21 Confidentiality. Each party acknowledges and agrees that all Confidential Information (defined below) it receives from the other party shall be held in strict confidence by the receiving party and its representatives and shall be used only to carry out the terms of this Agreement. Each party undertakes and agrees to use, and to cause each of its representatives to use all commercially reasonable means to safeguard the confidentiality of the other party's Confidential Information received and at least the same measures it uses to safeguard its own Confidential Information. Confidential Information means, as to any party, all information that is, or could reasonably be considered to be, proprietary or confidential information of that party including, without limitation, all documents, information, knowledge or data relating to that party's financial condition, financial information, customers, suppliers, product design, business plans, software programs, computer hardware, systems, sales strategies, pricing, contract terms, facilities, processes, and strategic plans regardless of the form, manner or medium by which the Confidential Information is recorded or disclosed. For sake of clarity, this Agreement is considered Confidential Information of Plan Supervisor. Notwithstanding any other provision of this Agreement it is expressly understood and agreed that neither party nor its representatives shall be liable for the disclosure of the other party's Confidential Information if such Confidential Information (a) is in the public domain at the time it is disclosed; or (b) was known to the receiving party on a non-confidential basis prior to the time of its initial receipt from the disclosing party; or (c) is disclosed with the disclosing party's prior written approval; or (d) is disclosed pursuant to the requirement of applicable law, court order, administrative agency or other governmental authority; or (e) was developed independently by the receiving party prior to disclosure by the disclosing party, as demonstrated by the receiving party's records.

10.22 Use of Information. Notwithstanding anything to the contrary in any other agreement between the parties, in addition to using information to carry out its duties under this Agreement, Plan Supervisor and its agents, employees and contractors may use, reproduce or adapt information obtained in connection with this Agreement, including claims under the Plan and eligibility information, in any manner it deems appropriate, except that Plan Supervisor and its agents, employees and contractors shall maintain the confidentiality of such information to the extent required by applicable law, may not use the information in any way prohibited by law, and agree to use only information that has been de-identified at both the Plan and Participant level. Any work, compilation, processes or inventions developed by Plan Supervisor, or its respective agents, employees or contractors as a result of any such use, reproduction or adaptation is deemed Confidential Information of Plan Supervisor under this Agreement and is the sole and exclusive property of Plan Supervisor.

IN WITNESS WHEREOF, Plan Supervisor and Plan Sponsor have caused this Agreement to be executed in duplicate by their respective officers duly authorized to do so:

PLAN SPONSOR	**CORESOURCE, INC.**
By: _____	By: _____
Name: _____	Name: Benjamin Frisch
Title: _____	Title: Regional President
Address: _____	Address: 6240 Sprint Parkway, Suite 400 Overland Park, KS 66251
_____	_____
Date: _____	Date: _____

EXHIBIT A

INSTALLATION, ADMINISTRATIVE AND ADDITIONAL SERVICE FEES
Term: effective from January 1, 2016 through December 31, 2016

CITY OF BROKEN ARROW

1. The following information is being provided to the undersigned pursuant to Prohibited Transaction Class Exemption 84-24 issued by the U.S. Department of Labor in order to exempt the proposed transactions between the Plan, Plan Sponsor and Plan Supervisor from any applicable prohibited transaction or provisions of ERISA. The following information is being provided to permit Plan Sponsor, as Plan Administrator to determine the compensation received by Plan Supervisor in the form of commissions, service fees and other similar payments is reasonable, that the services provided are necessary for the operation of the Plan and the provision of services by Plan Supervisor is in the best interest of the Plan.

2. The commission, installation, service fees, compensation arrangements and other similar payments to be provided under the Agreement are as set forth below. It is understood, however, that PPO Access Fees and other vendor fees, if applicable, are subject to the terms and conditions of the underlying agreement and may be subject to change at times other than the renewal date of this Agreement.

3. Pursuant to the Agreement for Plan Supervisor, Plan Sponsor shall remit to Plan Supervisor the following administrative fees and other costs:

Description of Service for the City of Broken Arrow Plan	
• Medical Administration Fee	$ 15.04 per employee per month
• Dental Administration Fee	$ 2.00 per employee per month

4. In addition to the basic administrative services listed above, Plan Sponsor has agreed that the following services are to be performed by Plan Supervisor pursuant to the terms and conditions set forth in the applicable Addendum, or other description of services:

☑ **Exhibit B, Claim Appeal Determination Addendum** — No Charge

☑ **Performance Guarantee Addendum** — Refer to Addendum

☑ **Health Care Management Addendum**

Description of Fee	
• Review (Includes Inpatient U/R, Large Case Mgt.)	$3.45 per employee per month

☑ **Additional Cost Containment Services**	**Total Fee**	**Fee to Vendor**
Description of Fee – % of savings		
Secondary Network Discounts (Multiplan)	30%	9%
• Subrogation (Trover Solutions)	25%	24%
• Negotiated Discounts (Other)	30%	11%
• Hospital Audit (HHC Group)		
o Line Item Bill Review	30%	20%
o Medical Record Review	30%	25%
o Claims Negotiation (if not eligible for audit)	30%	15%
• **Golden Triangle Dialysis Network**		
Golden Triangle Access Fee	30%	15%

Note: Any of the above vendors may be used to provide services.

☑ **Preferred Provider Arrangement (Plan Supervisor Contracts) – per participant per month**

Description of Fee	**Total Fee**	**Fee to Vendor**
• PCC	$3.50	$3.50

Network Providers are solely responsible for the provision of medical care to Participants and exclusively maintain the physician/hospital-patient relationship with Participants. Plan Supervisor is neither directly nor indirectly a provider of medical services, and Plan Supervisor does not certify or guarantee the care or quality of care rendered by any network provider.

☑ **Prescription Integration**

Description of Fee

- PBM Integration Fee — Included in Medical Administration Fee

☑ **OptumHealth Care Solutions Transplant Network Services**

Payment for OptumHealth Care Solutions Services. For OptumHealth Care Solutions' service, Plan Sponsor will pay OptumHealth Care Solutions the administrative fee set forth below within thirty (30) days of the date the invoice is received by Plan Sponsor. For Administrative fees not paid within this time period, OptumHealth Care Solutions reserves the right to assess a surcharge no greater than one (1) percent of the outstanding past due balance.

Approved Transplants

Type of Approved Transplant:	Administrative Fee
➢ Bone Marrow	
Autologous	
- Less than 11 days	$ 5,000.00
- 11 days or more (breast cancer)	$10,000.00
- 11 days or more (all other diagnoses)	$20,000.00
➢ Allogenic-related/unrelated	$20,000.00
➢ Heart, Lung, Heart/Lung	$10,000.00
➢ Kidney, Pancreas, Kidney/Pancreas	$ 3,500.00
➢ Liver	$20,000.00

Transplant Services without an Approved Transplant. OptumHealth Care Solutions will invoice Plan Sponsor an amount equal to thirty-five (35) percent of the difference between billed charges and contract charges incurred if member receives transplant services, including an evaluation for a transplant, but does not receive an approved transplant.

Plan Sponsor may be eligible for a reduction of administrative fees based upon Trustmark Insurance Company and designated affiliates (including Plan Supervisor) total book of business revenue applicable to OptumHealth Care Solutions.

☑ **Escheat Services**

Description of Fee

- Escheat services for non-ERISA self-funded clients — No Charge

☑ **Other Services and Expense Reimbursements**

Description of Fee

- Run-Out Claims Fee — 125% of current Medical Administration Fee per month, payable in advance each month
- Physician Reviews (medical/dental) — Actual Cost
- Medical Records Fees — Actual Cost
- Printing Costs — Actual Cost
- Identification Cards — $ .50 per card (new hires and replacements)
- Other Miscellaneous Expenses — Actual Cost
- Implementation/Set-Up Fee — $ 3,500.00
- SPD
  - Initial — $0.00 per document
  - Restatement — $150.00 per document

- SBC
  - Initial $0.00 per plan
  - Restatement $150.00 per plan

ACKNOWLEDGMENT AND APPROVAL

The undersigned Plan Sponsor hereby certifies that he/she (1) is authorized to sign on behalf of the Plan Administrator and the Plan, (2) acknowledges receipt of the foregoing explanation of services and fees and has read and understands it, and (3) approves the purchase of such insurance (if applicable) and the payment to Plan Supervisor of such sales commissions, service fees and other compensation arrangements as listed. The addenda attached hereto are hereby incorporated into the Agreement.

PLAN SPONSOR & PLAN ADMINISTRATOR	**CORESOURCE, INC.**
_____	_____
Signature	Signature
	Benjamin Frisch
_____	_____
Print Name	Print Name
Title: _____	Title: Regional President
Date: _____	Date: _____

ADDENDUM TO AGREEMENT FOR PLAN SUPERVISOR
CLAIM APPEAL DETERMINATION SERVICES

CITY OF BROKEN ARROW

The Effective Date of this Addendum is January 1, 2016.

The Plan Sponsor has indicated, pursuant to Exhibit A of the Agreement, that it wishes Plan Supervisor to provide claim appeal determination services with respect to the Plan except for third-party PBM, managed care, PPO determinations and HRA/HSA/flexible spending determinations. Plan Sponsor intends that Plan Supervisor not only make initial claim determinations, as set forth in the Agreement, but also intends Plan Supervisor be responsible for making determinations as to benefit claims appeals and for construing the terms of the Plan as provided for in the Agreement.

Notwithstanding anything herein to the contrary, this Addendum is not intended to require Plan Supervisor to serve as, or acknowledge the status of, a fiduciary with respect to any claim prior to a request for its appeal.

SECTION 1
DUTIES OF PLAN SUPERVISOR

1.01 The Plan Supervisor shall have the following duties:

A. Where any claim is denied in whole or in part:
   (1) Provide a notice to the claimant, including information sufficient to identify the claim and setting forth specific reasons for the adverse determination;
   (2) Reference specific provisions on which the denial is based;
   (3) Describe any additional information or material necessary to perfect the claim and an explanation of why such information or material is necessary;
   (4) Describe the Plan's claim appeal procedures and applicable time limits, including the claimant's right to file suit following an adverse determination on review;
   (5) Include a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of the documents, records and other information relevant to the claim denial;
   (6) Inform the claimant of any rule, guideline, protocol, etc. that was relied upon in making the adverse determination and how to obtain a copy;
   (7) Provide an explanation of the scientific or clinical judgment on which the denial was based if the claim was denied on the basis of medical necessity, experimental treatment or any similar reason involving clinical judgment;
   (8) Identify any medical experts consulted in review of and response to an appealed adverse determination;
   (9) For denied appeals of adverse determinations, include a statement that the claimant has the right to an independent, external review and provide a description of how to request such a review;
   (10) Provide a notice to claimant of the decision of whether the claim is eligible for independent external review, setting forth specific reasons for the decision; and
   (11) If the claim involves urgent care, provide an explanation of the expedited review process.

1.02 To ensure that the person or persons who review the denied claim shall have had no part in the initial determination, shall not be subordinate of the person or persons who made the initial determination, and will give no deference to the initial claim determination.

1.03 To consult a medical expert when reviewing claims that were denied on the basis of medical necessity, experimental treatment or other basis that might have involved the exercise of clinical judgment.

1.04 To provide claimants with reasonable access to, and copies of, all documents and other information relevant to their claim.

1.05 To timely notify claimants if additional time is needed to complete the review process.

1.06 To provide claimants with a decision as to the result of the requested review within the applicable time frame under the Department of Labor Claims Procedure Regulation.

1.07 To render a decision as to any review of a denied claim requested prior to termination of this Addendum and within the applicable time frame under the Department of Labor Claims Procedure Regulation, even if that date is after the termination date of the Addendum.

1.08 The Plan Supervisor shall comply with state appeal laws and regulations to the extent that such laws and regulations are more generous or deviate from those described above concerning claim appeal determinations.

SECTION 2
DUTIES OF PLAN SPONSOR

Plan Sponsor shall have the following duties**:**

2.01 To cooperate with Plan Supervisor in carrying out its duties, and to promptly provide Plan Supervisor with any and all information as Plan Supervisor may request as necessary for its review of a disputed adverse benefit determination.

2.02 To pay for engaging any medical or other expert required to be consulted by Plan Supervisor in reviewing claims denied on the basis of medical necessity, experimental treatment or any other basis involving clinical judgment.

2.03 To pay the cost of providing access to or copies of any documents or materials required to be provided to claimants without charge and the costs of other copying, postage or similar ancillary costs incurred by Plan Supervisor in carrying out its duties hereunder.

2.04 To pay for any benefits which, after a claim appeal, Plan Supervisor determines are properly payable under the Plan, regardless of whether the stop-loss carrier agrees to reimburse such claims.

2.05 To provide in the Plan document and SPD that Plan Supervisor shall have sufficient discretionary authority with respect to all undertakings related to or in connection with its claim appeal determination duties so as to require that any court adjudicating Plan Supervisor's claim appeal determination must do so under a deferential standard of judicial review.

2.06 To provide Plan Supervisor with any guidelines, administrative rules, protocols, etc. which it wishes Plan Supervisor to utilize in making claim appeal determinations and construing the Plan. Plan Supervisor may rely on these materials as it, in its sole discretion, sees fit.

2.07 Upon notification by Plan Supervisor, provide the funds required to satisfy the Plan's expense and benefit obligations. Funding is due upon receipt of the request.

2.08 If Plan Sponsor or any other person or entity is (or has been) a named insured under any insurance policy that provides coverage for liabilities in connection with claim appeals determination under the Plan, to include Plan Supervisor as an additional (or replacement) named insured under such insurance policy so that Plan Supervisor would be covered for any liabilities in connection with performance of its duties under this Addendum.

ADDENDUM TO AGREEMENT FOR PLAN SUPERVISOR
PERFORMANCE GUARANTEES

CITY OF BROKEN ARROW

The Effective Date of this Addendum is July 1, 2016.

In the event Plan Sponsor has requested Plan Supervisor to process run-in claims, these performance guarantees shall not be effective on Plan Sponsor's effective date with Plan Supervisor. The effective date of the performance guarantees will be determined based on the nature and volume of the run-in processing and shall be specified in separate run-in processing agreement.

The Agreement will be subject to the following performance guarantees.

SECTION 1
CLAIM FINANCIAL ACCURACY MEDICAL/DENTAL CLAIM ADMINISTRATION

1.01 Plan Supervisor guarantees the claim financial accuracy of 99%. Financial accuracy represents the percentage of claim dollars paid or denied correctly. This is a group specific measurement.

1.02 Financial accuracy is calculated by taking the total dollars audited minus total dollars mispaid divided by total dollars audited.

1.03 Plan Supervisor guarantees the claim financial accuracy requirement of 99% as described below:

A. Financial Accuracy	Refund Percentage
> = 99%	0%
> = 98.5% and < 99%	0.5%
> = 97.5% and < 98.5%	1%
less than 97.5%	2%

1.04 Refunds apply to medical/dental administrative fees only.

SECTION 2
CLAIM TURNAROUND TIME MEDICAL/DENTAL CLAIM ADMINISTRATION

2.01 Plan Supervisor will process on average 90% of claims within fourteen (14) calendar days of receipt (this is a group specific measurement) and 99% within thirty (30) calendar days. For the purpose of this requirement, the date of receipt shall be construed as the date Plan Supervisor received all information necessary to process the claim. For example, information or clarification may be requested from:

A. the claimant or employer,
B. parties involved in coordination of benefits,
C. physicians and consultants, and
D. other plan vendors, including PPO's, fraud negotiation vendors, negotiated savings vendors and similar organizations

2.02 The following schedule will apply to the results:

A. Claims Turnaround Time	Refund Percentage
< = 14 calendar days	0%
15 calendar days	.5%
16 calendar days	1.0%
17 calendar days	1.5%
18 or greater calendar days	2.0%

2.03 Refunds apply to medical/dental administrative fees only.

SECTION 3
AVERAGE SPEED OF ANSWER

3.01 Plan Supervisor will maintain an average of all member incoming calls (including IVR and based on claims location book of business) answered during normal business hours within 35 seconds. If this is not accomplished, Plan Supervisor will refund up to a maximum of 2% of the medical/dental administrative fees.

3.02 The following schedule will apply to the results:

A. Call Answer Time	Refund Percentage
< = 30 seconds	0%
< = 40 seconds and > 30 seconds	0.5%
< = 50 seconds and > 40 seconds	1%
Greater than 50 seconds	2%

SECTION 4
CALL ABANDONMENT RATE

4.01 The abandonment rate of all incoming calls (including IVR and based on claims location book of business) will not exceed 3%. If such rate is exceeded, Plan Supervisor will refund 1% of the medical/dental administration fee for the audit period.

SECTION 5
PROCEDURAL ACCURACY

5.01 Plan Supervisor guarantees procedural accuracy of 95%. Procedural accuracy reflects adherence to established internal administrative processing guidelines. A procedural error is not financial in nature, but rather may impact reporting, and result in data capture errors. It is expressed as a ratio of the number of points (the factor applied to designated data elements related to a claim) earned per claim for following these procedures to the number of points possible for the audit sample.

5.02 Plan Supervisor guarantees the claim procedural accuracy requirement of 95% as described below:

A. Procedural Accuracy	Refund Percentage
> = 95%	0%
> = 94.5% and < 95%	0.5%
> = 93.5% and < 94.5%	1%
less than 93.5%	2%

5.03 Refunds apply to medical/dental administrative fees only.

SECTION 6
AUDIT PERIOD

6.01 The application of performance guarantees shall be for a term of not less than an annual period.

SECTION 7
OTHER REQUIREMENTS

7.01 Notwithstanding any other provisions of this Addendum, no refund shall be payable for any measurement period in which Plan Sponsor's account was determined to be delinquent, or Plan Sponsor has failed to comply with the Claims Funding section of the Agreement, or for any measurement period immediately preceding the date of termination of the Agreement.

ADDENDUM TO AGREEMENT FOR PLAN SUPERVISOR
HEALTH CARE MANAGEMENT SERVICES

CITY OF BROKEN ARROW

The Effective Date of this Addendum is January 1, 2016.

The Plan Supervisor will provide Plan Sponsor and the Plan with Health Care Management services for the Participants described in the Agreement.

SECTION 1
PLAN SUPERVISOR DUTIES

1.01 Plan Supervisor shall have the following duties:

A. Evaluation of the medical necessity, appropriateness, and efficiency of the use of health care services, procedures, and facilities specified by the Plan. This process includes:
   (1) Pre-Certification or Prospective Review- Utilization management conducted prior to a patient's admission, stay, or other service or course of treatment.
   (2) Concurrent or Continued Stay Review- Utilization management conducted during a patient's hospital stay or course of treatment.
   (3) Retrospective Review- Utilization management conducted after services have been provided to the patient.
   (4) Discharge Planning- Assessment of a patient's needs in order to help arrange for necessary services and resources to affect an appropriate and timely discharge.
   (5) Reporting of Health Care Management's effect on the Plan.

B. Resources utilized in these processes include:
   (1) Clinical Review Criteria – The written medical decision rules, protocols, or guidelines used as an element in the evaluation of medical necessity and appropriateness of requested admissions, procedures, and services specified by the Plan.
   (2) Peer Clinical Review- Clinical review conducted by appropriate health professionals when a request for an admission, procedure, or services was not approved during initial claim review.

C. Peer Review of any determination not to certify an admission, extension of stay, or other health care service. The review is conducted by a peer reviewer who was not involved in any previous non-certification pertaining to the same episode of care. This process includes standard and expedited appeals.

D. Case management services that include assessment, planning, implementation, coordination, monitoring, and evaluation of options and services that meet an individual's health needs using communication and available resources that promote high quality, cost effective outcomes.

E. Quality Management Program that monitors and evaluates the quality and effectiveness of the utilization management policies, progress, and practices and provides management intervention as needed to support compliance with the standards established by the URAC.

F. If applicable, Special Delivery high risk pregnancy screening program.

ADDENDUM TO AGREEMENT FOR PLAN SUPERVISOR
ADDITIONAL COST CONTAINMENT SERVICES

CITY OF BROKEN ARROW

The Effective Date of this Addendum is January 1, 2016.

Plan Supervisor will provide administrative services as listed below to assist Plan Sponsor in the administration of the Plan. Plan Sponsor agrees to pay Plan Supervisor the percentage of Plan's savings indicated in Exhibit A.

SECTION 1
NEGOTIATED DISCOUNTS

1.01 Plan Supervisor may try to arrange for a specific provider or specific providers to accept discounted amounts below their standard charges as payment in full for the medical expenses incurred with that (those) provider(s) by or on behalf of Participants, either long term or with respect to a particular invoice or series of invoices. In order for Plan Supervisor to undertake negotiations for a discount: (a) the provider's bill must be greater than the minimum allowable amount established by Plan Supervisor, (b) the Plan must be the primary payor and (c) there must be no potential subrogation. If Plan Supervisor is able to negotiate a discount, the Plan shall pay the Provider pursuant to the negotiated rate. The "amount saved," is defined as the difference between those Provider charges which are eligible under the Plan and the actual payment.

SECTION 2
SUBROGATION SERVICES

2.01 Plan Sponsor is generally entitled to seek reimbursement on behalf of the Plan for medical, dental and/or disability claims it paid which arise due to illness or injury that was due to the action or inaction of another party.

2.02 Specific functions to be performed by Plan Supervisor will include the following:

A. Use its commercially reasonable efforts to identify claims in which Plan Sponsor, on behalf of the Plan, may have a subrogation interest. Plan Supervisor shall review submitted claims (any applicable claims prior to current calendar year) to determine if medical diagnoses indicate treatment may be due to an illness or injury as described above.
B. Request the Participant to provide all necessary information regarding the illness or injury as described above.
C. Evaluate information provided by a Participant and other sources to determine whether a subrogation interest exists.
D. Notify and receive Plan Sponsor's approval prior to entering into any settlement or finalizing any recovery representing less than seventy percent (70%) of the total lien amount.
E. Remit to Plan Sponsor, on behalf of the Plan, the funds recovered from third parties, less the amount payable to Plan Supervisor as compensation for its services, as set forth in Exhibit A.
F. As required, report to Plan Sponsor, on behalf of the Plan, the status of open subrogation claims.

2.03 The Plan Sponsor shall have the following duties:

A. Assist Plan Supervisor as reasonably necessary for Plan Supervisor to carry out its duties under this Addendum.
B. Notify Plan Supervisor of any inquiries or information it receives regarding the activities undertaken by Plan Supervisor under this Addendum.
C. Should Plan Sponsor, on behalf of the Plan, terminate its relationship with Plan Supervisor, Plan Supervisor shall retain the right to pursue recovery, on behalf of Plan, and collect its compensation as described herein on all recovery matters that it is working on at the time of the termination.

2.04 Plan Supervisor is entitled to withhold its fee at the time the net proceeds are forwarded to Plan Sponsor or the Plan.

2.05 Plan Sponsor has the right to recall from Plan Supervisor any case and request Plan Supervisor cease recovery efforts.

SECTION 3
HOSPITAL AUDIT

3.01 Specific functions to be performed by Plan Supervisor for Plan Sponsor, on behalf of the Plan, will include the following:

A. Identify inpatient hospital claims without a primary PPO or secondary network discount which meet any one of the following categories:

(1) Hospital ancillary charges (non-daily room and board rates) exceeding an average dollar amount of $2,000 per day.
(2) The ratio of ancillary charges to the total bill is greater than 60/40.
(3) The diagnosis vs. the length of stay does not appear appropriate.
(4) The total hospital charges exceed $50,000.
(5) Whenever a bill exceeds the reinsurer's minimum.

B. Evaluate hospital claims with a primary PPO or secondary network discount for potential referral in certain circumstances as defined by Plan Supervisor.

SECTION 4
MISCELLANEOUS

4.01 Plan Supervisor may assign or subcontract a portion of its duties under this Addendum to the Agreement to others.

ADDENDUM TO AGREEMENT FOR PLAN SUPERVISOR
BUSINESS ASSOCIATE AGREEMENT ("this Addendum" or "this BA Agreement")

CITY OF BROKEN ARROW

The Effective Date of this Addendum or this BA Agreement is January 1, 2016.

I. GENERAL TERMS AND CONDITIONS

A. As used in this Addendum the term "Covered Entity" shall mean Plan Sponsor and the term "Business Associate" shall mean CoreSource, Inc. All other capitalized terms used in this Addendum shall have the meanings set forth in the HIPAA Security Rule at 45 C.F.R. Part 160 and Part 164 (the "Security Rule") and the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164 (the "Privacy Rule" and, together with the Security Rule, the "HIPAA Security and Privacy Rules"), unless otherwise defined herein or in The Agreement for Plan Supervisor to which this Addendum is attached (the "Agreement").

B. All existing service agreements and amendments thereto between the Covered Entity, Employer or Plan Sponsor, on the one hand, and the Business Associate, on the other hand, pursuant to which the Business Associate will perform and/or delivery certain functions, activities and services to or on behalf of the Covered Entity (the "Services") are subject to this Addendum and are hereby amended by this Addendum. In the event of a conflict between the terms of any service agreement and this Addendum, the terms and conditions of this Addendum shall govern.

C. Where provisions of this Addendum are different from those mandated by the HIPAA Security and Privacy Rules but are nonetheless permitted by the HIPAA Security and Privacy Rules, the provisions of this Addendum shall control.

D. Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than the Business Associate and its successors or assigns any rights, remedies, obligations or liabilities whatsoever.

E. As used in this Addendum, the term "PHI" (as defined below) does not include summary health information or information that has been de-identified in accordance with the standards for de-identification provided for in the HIPAA Security and Privacy Rules.

II. OBLIGATIONS OF THE BUSINESS ASSOCIATE

A. Compliance with Law. The Business Associate acknowledges that it is required by law to comply with all applicable requirements of the HIPAA Security and Privacy Rules, and all additional security requirements of the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA), that are applicable to "business associates" (as defined in the HIPAA Security and Privacy Rules). The Business Associate further acknowledges that it is required by law to comply with the use and disclosure requirements of Section 162.504(e) of the HIPAA Security and Privacy Rules and that all other privacy requirements of Subtitle D of the HITECH Act that are applicable to "business associates" (as defined in the HIPAA Security and Privacy Rules).

B. Permissible Uses and Disclosures.

1. The Business Associate shall create, receive, maintain, transmit, use or disclose PHI only in a manner that is consistent with this Addendum and the HIPAA Security and Privacy Rules and only in connection with the provision and delivery of the Services to or on behalf of the Covered Entity pursuant to the terms and conditions of the Agreement. Accordingly, in providing the Services to or on behalf of the Covered Entity, the Business Associate, for example, may use and disclose PHI for

Treatment, Payment and Healthcare Operations consistent with the HIPAA Security and Privacy Rules, without obtaining prior authorization for such use or disclosure.

2. Except as otherwise limited in this Addendum, the Business Associate may disclose PHI to other "business associates" (as defined in the HIPAA Security and Privacy Rules) of the Covered Entity to perform duties specifically authorized under the Agreement.

3. As permitted by 45 C.F.R. § 164.504(e)(4), the Business Associate may also use or disclose PHI that it receives in its capacity as an Independent Contractor if:

   a. the use relates to (1) the proper management and administration of the Business Associate or the carrying out of the Business Associate's legal responsibilities or (2) data aggregation services relating to the health care operations of the Covered Entity; or

   b. the disclosure of PHI received in such capacity is made in connection with a function, responsibility or service identified in Section II.B.3.a(1) above, and (1) such disclosure is required by law or (2) the Business Associate obtains reasonable assurances from the person to whom such PHI is disclosed that it will be held confidentially and such person agrees to notify the Business Associate of any breaches of such confidentiality.

4. The Business Associate may disclose PHI to report violations of law to appropriate Federal or State authorities, consistent with 45 C.F.R. § 164.502.

5. In performing its obligations under this Addendum and the Agreement, the Business Associate shall use, disclose or request only the minimum amount of PHI necessary to accomplish the intended purpose of the use, disclosure or request.

C. Recipients of PHI.

1. The Business Associate shall obtain reasonable written assurances from any person or entity to whom it discloses PHI that such PHI will be held confidentially and used or further disclosed only as required and permitted under the HIPAA Security and Privacy Rules and other applicable laws. Prior to receiving PHI from the Business Associate, each person or entity receiving PHI from the Business Associate must agree to be governed by the same restrictions and conditions contained in this Addendum, including the Business Associate's limitations on uses and disclosures of PHI.

2. The Business Associate shall enter into an agreement with each of its subcontractors pursuant to 45 C.F.R. § 164.308(b)(1) and § 13401 of the HITECH Act that is appropriate and sufficient to require each such subcontractor to protect PHI to the same extent required by the Business Associate hereunder.

3. Any person or entity who receives PHI from the Business Associate must notify the Business Associate of any potential breaches of confidentiality of such PHI within three (3) days of such potential breach.

4. The Business Associate and its agents and subcontractors shall comply with applicable requirements of the Standards for Electronic Transactions (45 C.F.R. §§ 160 and 162).

D. Safeguards.

1. The Business Associate shall establish, implement and maintain administrative, physical and technical safeguards that (a) reasonably protect the confidentiality, integrity and availability of all PHI (whether in electronic or other format) that the Business Associate creates, receives, maintains or transmits on behalf of the Covered Entity as required by the HIPAA Security and Privacy Rules and (b) ensure that no PHI (whether in electronic or other format) created, received, maintained, transmitted, used or disclosed by the Business Associate in connection with the performance and

delivery of the Services is used or disclosed except as permitted by this Addendum, including safeguards that satisfy the requirements of the Security Rule with respect to electronic PHI.

2. The Business Associate shall ensure that each agent, including a subcontractor, to whom the Business Associate provides PHI agrees to implement reasonable and appropriate safeguards to protect such PHI.

E. Reporting Requirements.

1. The Business Associate shall report to the Covered Entity any potential use or disclosure of PHI that may be in violation of this Addendum and not permitted under the HIPAA Security and Privacy Rules within five (5) calendar days of becoming aware of such potential use or disclosure.

2. Pursuant to 45 C.F.R. § 164.410, in the event of a breach or potential breach by the Business Associate of unsecured PHI, as the terms "breach" and "unsecured PHI" are defined in 45 C.F.R. § 164.402, the Business Associate shall report such breach or potential breach to the Covered Entity within five (5) calendar days of becoming aware of such breach or potential breach. The Business Associate's report shall include all information available to the Business Associate and necessary to allow the Covered Entity to provide a notification of the breach consistent with 45 C.F.R. § 164.404.

3. The Business Associate shall report to the Covered Entity each potential "security incident," as defined in 45 C.F.R. § 164.304, within five (5) calendar days of becoming aware of such incident. For the avoidance of doubt and notwithstanding the foregoing, the parties acknowledge and agree that information systems are the frequent target of probes, scans, pings and other activities that may not indicate threats, whose sources may be difficult or impossible to identify and whose motives are unknown and that do not result in access or risk to any information system or PHI (each, an "**Access Attempt**"). Although Access Attempts generally do not result in any unauthorized access to or modification or disclosure of PHI, Access Attempts do constitute "security incidents," as defined in 45 C.F.R. § 164.304, and, accordingly, the Business Associate is required to report each Access Attempt to the Covered Entity. The Covered Entity agrees to accept this Addendum as the notification required under § 164.304 and not require the Business Associate to provide any additional notification so long as the Business Associate (a) ensures that all Access Attempts are recorded in the Business Associate's information technology records, (b) regularly reviews its information technology records to determine whether any Access Attempt resulted in unauthorized access to or modification or disclosure of PHI and (c) in the event that the Business Associate is unable to make the determination described in clause (b) following review of its information technology logs, takes all steps reasonably designed to determine whether an Access Attempt resulted in unauthorized access to or modification or disclosure of PHI.

4. The Business Associate shall report to the Covered Entity a request for access to PHI provided for in 45 C.F.R. § 164.524 within five (5) calendar days of receipt of such request. The Business Associate shall not respond to such request without written authorization of the Covered Entity.

5. The Business Associate shall report to the Covered Entity within five (5) calendar days of receipt of a request to amend PHI. The Business Associate shall not alter or amend PHI that it receives from the Covered Entity without specific written authorization of the Covered Entity, as provided for in 45 C.F.R. § 164.526.

6. If an individual submits to the Business Associate a request for restriction or a request for confidential communications as provided for in 45 C.F.R. § 164.522, then the Business Associate shall report such request to the Covered Entity within five (5) business days of receipt. The Business Associate shall not respond to such requests without written authorization of the Covered Entity.

F. Accounting of Disclosures. The Business Associate shall respond to the Covered Entity within five (5) calendar days of receipt of a request for information that would be appropriate for an accounting of disclosures of PHI as provided for in 45 C.F.R. § 164.528. The Business Associate shall not be required to maintain a record of disclosures of PHI (1) made for the purpose of Treatment, Payment or Healthcare

Operations, (2) made to an individual who is the subject of the PHI or (3) made pursuant to an authorization that is valid under HIPAA.

G. Other Obligations.

1. To the extent that the Business Associate performs any obligations of a Covered Entity under the Privacy Rule, the Business Associate shall comply with the requirements of the Privacy Rule applicable to such Covered Entity in performing such obligations; provided, that unless the Covered Entity has notified the Business Associate of obligations specifically applicable to such Covered Entity, the Business Associate shall determine the extent and scope of such obligations in its reasonable judgment.

2. The Business Associate shall make available to the Covered Entity, the Secretary of Health and Human Services or its agents, the Business Associate's internal practices, books and records relating to the use and disclosure of PHI as required in 45 C.F.R. § 164.504.

3. The Business Associate acknowledges and agrees that from time to time the Department of Health and Human Services may modify the standard transactions now identified in 45 C.F.R. §§ 162.1101–162.1802. The Business Associate and its agents and subcontractors agree to abide by any changes to such standard transactions that are applicable to the Services.

4. The Business Associate shall cooperate with the Covered Entity to comply with the HIPAA Security and Privacy Rules.

5. Of the actions that the Business Associate performs in its role as Independent Contractor of the Covered Entity, the Business Associate and its agents and subcontractors shall:

   a. be prepared to transmit and accept transactions electronically in the Standard Formats identified in 45 C.F.R. §§ 162.1101–162.1802;

   b. adapt implementation plans and standards pursuant to applicable Implementation Guides;

   c. implement contingencies for non-compliant transactions as necessary to facilitate timely acceptance and payment of claims, particularly in light of state claim payment laws; and

   d. to the extent practicable, communicate with those providers, agents or subcontractors who are submitting or receiving transactions electronically in order to facilitate compliant transactions.

III. OBLIGATIONS OF THE COVERED ENTITY

A. If the Covered Entity wishes to receive PHI, it shall provide the Business Associate with the name or identity/job title of the individual(s) authorized to represent the Covered Entity and who can receive and disclose PHI for purposes of treatment, payment and operations. The Covered Entity shall also notify the Business Associate of any changes made with respect to the individuals so identified.

B. The Covered Entity shall provide the Business Associate with the Notice of Privacy Practices produced in accordance with 45 C.F.R. § 164.520 and any changes thereto.

C. The Covered Entity shall provide the Business Associate with the plan amendment produced in accordance with 45 C.F.R § 164.504.

D. The Covered Entity shall obtain all consents or authorizations necessary for the Business Associate's access to or creation, maintenance, use or disclosure of PHI subject to this Addendum.

E. The Covered Entity shall notify the Business Associate of any restrictions applicable to the Business Associate's use or disclosure of PHI that the Covered Entity has accepted and that apply to any access to or use or disclosure of PHI subject to this Addendum.

F. The Covered Entity shall notify the Business Associate of any restriction on the use or disclosure of PHI that the Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522.

G. The Covered Entity shall not request that the Business Associate use or disclose PHI in a manner that would not be permissible under Subpart E of 45 C.F.R. Part 1764 if so disclosed by the Covered Entity.

H. The Covered Entity shall notify the Business Associate of any specific obligations of the Covered Entity applicable to any obligations of the Covered Entity that the Business Associate performs under this Addendum.

I. The Covered Entity shall be solely responsible for compliance with the Security Rule and the implementation of reasonable and appropriate safeguards with respect to PHI that is subject to this Addendum and that it provides to or receives from the Business Associate, prior to its receipt by the Business Associate, and upon and following its receipt by the Covered Entity from the Business Associate.

J. The Covered Entity shall be responsible for reporting security incidents, unauthorized uses and disclosures of PHI, and breaches to all other business associates.

K. The Covered Entity shall provide the Business Associate with any changes in, or revocation of, or authorization by Individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.

L. The Covered Entity shall notify the Business Associate of any restriction on the use or disclosure of PHI that the Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522.

IV. TERMINATION

A. Termination. This Addendum may be terminated in accordance with the termination rights set forth in the Agreement. In addition, this Addendum shall automatically terminate when all PHI previously provided by the Covered Entity to the Business Associate, or created or received by the Business Associate on behalf of the Covered Entity, is destroyed or returned to the Covered Entity.

B. Termination for Cause. Upon either Party's knowledge or reasonable belief that the other Party is in or has committed a breach or violation of any material obligation set forth in this Addendum that is required pursuant to 45 C.F.R. § 314(a)(2)(i) or 45 C.F.R. § 164.504(e)(2), the non-breaching party may:

1. if the non-breaching party reasonably believes that such breach is or was due to the breaching party's willful neglect (as defined in the HIPAA Security and Privacy Rules), terminate this Addendum with immediate effect by delivering written notice of such termination to the breaching party regardless of whether such breach is continuing at the time the non-breaching party delivers such notice;

2. if the non-breaching party reasonably believes that such breach was due to reasonable cause (as defined in the HIPAA Security and Privacy Rules) and such breach was not continuing at the time the non-breaching party became aware of such breach, require the breaching party to demonstrate that it has taken appropriate steps (including an independent assessment, at the breaching party's expense, of the breaching party's compliance with the obligation in question) that are, in the non-breaching party's sole discretion, reasonably designed to prevent a recurrence of such breach; or

3. if the non-breaching party reasonably believes that such breach is due to reasonable cause (as defined in the HIPAA Security and Privacy Rules) and such breach was continuing at the time the non-breaching party became aware of such breach, notify the breaching party of such breach and grant to the breaching party thirty (30) days following the breaching party's receipt of such notice in which to cure such breach; provided, that such thirty (30) day period shall be extended to the extent

reasonably necessary to permit the breaching party to cure such breach so long as the breaching party takes all steps reasonably designed to cure such breach during such initial thirty (30) day period; provided, further, that if such thirty (30) day period is extended, the non-breaching party may require the breaching party to engage an independent third party to conduct an independent assessment, at the breaching party's expense, of the breaching party's efforts if such breach has not been cured within a reasonable period of time after expiration of the initial thirty (30) day period.

C. Obligations of the Business Associate upon Termination. Upon termination of the Agreement or this Addendum, the Business Associate shall promptly return to the Covered Entity, or, if agreed to by the Covered Entity, destroy, all PHI previously created, maintained or received by the Business Associate on behalf of the Covered Entity that the Business Associate maintains in any form. The Business Associate shall retain no copies of such PHI.

D. Retention of PHI. The Business Associate may retain PHI to the extent reasonably necessary to permit the Business Associate to comply with applicable laws and so long as the Business Associate extends the protections of this Addendum to all such PHI and takes all actions necessary to limit further uses and disclosures of such PHI for so long as the Business Associate retains such PHI. If the Covered Entity and the Business Associate determine in good faith that termination of this Addendum and the return or destruction of all PHI previously provided by the Covered Entity or the Health Plan to the Business Associate would cause irreparable business interruption or harm to customers of the Covered Entity, or if termination of this Addendum is otherwise not feasible, then (1) the Covered Entity and the Business Associate shall take all commercially reasonable actions to mitigate the effects of such situation, (2) the Covered Entity or the Business Associate may report such situation to the Secretary of Health and Human Services and (3) the Business Associate shall extend the protections of this Addendum to all such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains such PHI. Upon termination of the condition that makes retention of PHI by the Business Associate necessary for the Business Associate's compliance with law or that makes return or destruction of PHI infeasible, the Business Associate shall return or destroy such PHI as instructed by the Covered Entity.

E. Survival. The obligations of the Business Associate under this Section IV shall survive the termination of this Addendum and the termination of the Agreement.