

Employer Advocates, LLC

July 9, 2015

Mr. Russell Gale
Acting City Manager
Ms. Jannette McCormick
Acting Human Resources Director
City of Broken Arrow
220 South First Street
Broken Arrow, Oklahoma 74012

Re: Consulting Services

Dear Russell and Jannette:

We are pleased to confirm that Employer Advocates, LLC (“Employer Advocates”) has been appointed to provide City of Broken Arrow (the “Employer”) with the employee health, welfare and human resources consulting services described below (the “Consulting Services”). Hereinafter Employer Advocates will be referred to as the Consultant (“Consultant”). This letter is intended to memorialize our mutual understanding and supersedes all prior agreements and understandings, whether oral or written, between the parties regarding the Consulting Services.

1. Independent Contractor; Subcontractors. The parties agree that Consultant and any of its appointed sub-contractors (Sub-Contractors) are independent contractors of the Employer and will not be deemed an employee of the Employer for any purpose whatsoever. Consultant agrees to continually perform due diligence and management oversight with regard to the selection of any Sub-Contractor or vendor of Consultants on behalf of Employer.

2. Term and Termination. The term of services hereunder (the “Consulting Period”) will commence as of August 1, 2015 (the “Effective Date”) and remain in full force and effect for a one-year period (the “Initial Term”). The Consulting Period will be extended for an additional year on each anniversary of the Effective Date not to exceed two additional one year periods by agreement of the parties. Notwithstanding the foregoing, the Consulting Period may be earlier terminated (i) by either party upon at least thirty (30) days’ prior written notice, (ii) upon termination, non-renewal or cancellation of all or substantially all Insurance Contracts without procurement through Consultants within thirty (30) days of the effective date of such termination, non-renewal or cancellation, of replacement coverages from another insurance company, or (iii) upon any change in the status of Consultants as the sole agent(s) of record with respect to the Insurance Contract(s).

3. Services. The Consulting Services will include the following:

Provide benefits management consulting services to the Employer to assist with the administration of the following employee welfare benefit program(s) (together, the "Program"):

- a) Deep-dive analytics of electronic data, assessment of claims trend, and underlying causes
- b) Risk stratification and overall risk assessment and strategic cost management recommendations
- c) Review of managed care performance and recommendations
- d) Internal underwriting review of current and ongoing renewals
- e) Funding analysis and annual rate development checks and balances
- f) Direct contracting recommendations
- g) Healthcare Reform Audit of the current plan to include grandfathered rate analysis, pay or play analysis and employer-shared responsibility analysis
- h) Provider performance analysis and recommendations
- i) Pharmacy Benefit Manager RFP, contract negotiation and recommendations
- j) Third Party Administrator RFP, contract negotiation and recommendations
- k) Ongoing active health plan management
- l) Ongoing proactive compliance management
- m) Employee education sessions (Open Enrollment and Market Exchange Updates)
- n) Management education session
- o) Ancillary benefit lines assessments, negotiations and recommendations (ie: group life, disability, etc.)
- p) Development of a strategic benefits and HR plan
- q) Other matters as may be agreed to by the Employer and Employer Advocates from time to time.

4. Compensation and Business Expenses. Subject to any changes as may be mutually agreed by the parties, Consultant shall receive, as compensation for its services hereunder, the following:

- a) \$10.75 per employee per month to be calculated and assessed monthly based on the average monthly enrollment in the health plan. Fee will be administered by the third party administrator in the form of a fixed expense to the plan.
- b) Employer Advocates offers a performance guarantee that puts 10% of the fee at risk at the end of each year based on the results of client satisfaction feedback provided by the Employer.

5. Limitations to Consulting Services. Notwithstanding any provision in this letter to the contrary, the Employer agrees and acknowledges that (i) the Consulting Services are not intended in any way to impose on Consultants or any of their affiliates a fiduciary status under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or any other applicable law; and (ii) this letter

agreement does not provide Consultants, and the Employer will not cause or permit Consultants to assume, without prior written consent of Consultants, any (A) discretionary authority or discretionary control respecting management of any “employee benefit plan” within the meaning of Section 3(3) of ERISA (an “ERISA Plan”), (B) authority or control respecting management or disposition of the assets of any ERISA Plan, or (C) discretionary authority or discretionary responsibility in the administration of any ERISA Plan. In the performance of the Consulting Services, Consultants may rely upon, and will have no obligation to independently verify the accuracy, completeness, or authenticity of, any written instructions or information provided to Consultants by the Employer or its designated representatives and reasonably believed by Consultants to be genuine and authorized by the Employer.

6. Confidentiality and Privacy. Consultant recognizes that certain confidential information may be furnished by the Employer to Consultant in connection with the performance of Consulting Services (“Confidential Information”). Consultant agrees to disclose Confidential Information only to those who, in Consultant’s reasonable determination, have a need to know such information. Confidential Information does not include information that (i) is in the possession of Consultant prior to its receipt of such information from the Employer, (ii) is or becomes publicly available other than as a result of a breach of this letter agreement by Consultant, or (iii) is or can be independently acquired or developed by Consultant without violating any of its obligations hereunder. Notwithstanding the foregoing, disclosure by Consultant of any Confidential Information pursuant to the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, judicial or administrative agency or by a legislative body or committee will not constitute a violation of the foregoing confidentiality obligation.

The Employer agrees that Consultant is the sole owner of the following material and that the Employer will not use or disclose such material at any time following termination of the Consulting Period except to the extent (i) specific written consent to such use or disclosure is obtained from Consultant or (ii) required pursuant to the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, judicial or administrative agency or by a legislative body or committee:

- (a) Proprietary computer tools or programs;
- (b) Proprietary procedures and methods of administration; and
- (c) Underwriting and client files and/or reports developed by Consultant.

Notwithstanding the foregoing provisions of this Paragraph 5, Consultant and the Employer will each comply with any prohibitions, restrictions, limitations, conditions, or other requirements to the extent they apply to it directly or indirectly pursuant to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and its implementing regulation concerning privacy of individually identifiable health information as set forth in 45 CFR Parts 160-164, as amended from time to time.

7. Notices. Any notices, requests and other communications pursuant to this letter agreement must be in writing and will be deemed to have been duly given, if delivered in person or by courier, telegraphed, or by facsimile transmission (provided that the sender received electronic

confirmation of receipt by recipient) or sent by express, registered or certified mail, postage prepaid, addressed as follows:

If to the Employer: City of Broken Arrow
 220 South First Street
 Broken Arrow, OK 74012
 Attention: Human Resources Director

If to Employer Advocates: Employer Advocates, LLC
 100 Park Ave, Suite 700
 Oklahoma City, OK 73102
 Attention: Teah Corley, CEO

Either party may, by written notice to the other, change the address to which notices to such party are to be delivered or mailed.

8. *Disputes.* Any claim, controversy, or dispute arising out of or relating to this agreement shall be heard in the District Court of Tulsa County, Oklahoma. Each party shall be responsible for its own attorney fees.

9. *Miscellaneous*

(a) Survival and Succession. Obligations pursuant to Paragraphs 3 through 6 and the requirements of Paragraphs 8 and 9 hereof will survive the termination of this letter agreement. This letter agreement, in its entirety, is to inure to the benefit of and be binding on the successors and assigns of the Employer and Consultants.

(c) Severability; Waiver of Nonperformance. The various provisions and sub provisions hereof are severable and if any provision or part thereof is held to be unenforceable by any court of competent jurisdiction, then such enforceability will not affect the validity or enforceability of the remaining provisions or parts thereof. No waiver of any default in performance on the part of Consultants or like waiver by the Employer, or any breach or a series of breaches of any of the terms, covenants or conditions hereof can constitute a waiver of a subsequent breach or a waiver of said terms, covenants or conditions.

(f) Counterparts. This letter agreement may be executed in one or more counterparts, each of which is to be deemed to be an original but all of which together are to constitute one and the same instrument.

If the foregoing is in accordance with your understanding, kindly confirm your acceptance and agreement by signing and returning a copy of this letter, which will thereupon constitute an agreement between the Employer and Consultants.

Very truly yours,

Teah R. Corley
Chief Executive Officer
Employer Advocates, LLC

Agreed to and accepted
as of the date of this letter:

City of Broken Arrow

By: _____
Mr. Russell Gale

Its: Acting City Manager