

**AMENDED AND RESTATED ADMINISTRATIVE SERVICES AGREEMENT**

This Administrative Services Agreement ("Agreement") between UMR, Inc. ("UMR") and City of Farmers Branch ("Customer") is effective January 1, 2025 ("Effective Date"). This Agreement covers the services UMR is providing to Customer, either directly or in conjunction with one of UMR's affiliates, for use with Customer's Self-Funded employee benefit plan.

UMR identifies this arrangement as Contract No.: 76-415109

By signing below, each party agrees to the terms of this Agreement.

City of Farmers Branch  
13000 William Dodson Parkway  
Farmers Branch, Texas 75234

UMR, Inc.  
400 E. Business Way, Suite 100  
Cincinnati, OH 45241

By \_\_\_\_\_  
Authorized Signature

By \_\_\_\_\_  
Authorized Signature

**Print Name** \_\_\_\_\_

**Print Name** \_\_\_\_\_

**Print Title** \_\_\_\_\_

**Print Title** \_\_\_\_\_

**Date** \_\_\_\_\_

**Date** \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Stacy Henderson, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Whitt Wyatt, City Attorney

## Section 1 – Definitions

When these terms are capitalized in the Agreement, they have the meanings set forth below. The words may be singular or plural.

**Bank Account:** Bank Account maintained for the payment of Plan benefits, expenses, fees, and other Customer financial obligations.

**Confidential Information:** Information disclosed or made available by a Party in connection with this Agreement, including without limitation the following, regardless of form or the manner in which it is furnished: (a) pricing, discounts, reimbursement terms, payment methodologies and payment processes, compensation arrangements and any similar commercial information, and (b) data, information, statistics, trade secrets and any information about business, costs, operations, techniques, know-how or intellectual property. Any material that is derived from or developed from Confidential Information will be deemed Confidential Information for purposes of this Agreement, regardless of the person creating, disclosing, or making available such material. Any Confidential Information included in preparations, proposals, scope documents, discussions, findings, summaries, reports, and conclusions remain Confidential Information.

Confidential Information does not include: (a) information that is or becomes generally available to the public other than as a result of a disclosure by a receiving Party in violation of this Agreement or other agreement between the Parties, (b) information either obtained from a third party or already in a receiving Party's possession before receipt from the other Party, if the receiving Party can demonstrate such information was lawfully obtained and not subject to another obligation of confidentiality, and (c) information independently developed without reference to Confidential Information, if the receiving Party can demonstrate such independence through contemporaneous written records.

**Employee:** A current or former employee of Customer or its affiliated employer.

**IRC:** The United States Internal Revenue Code of 1986, as amended from time to time.

**IRS:** The United States Internal Revenue Service.

**Medical Benefit Drug Rebate:** Any discount, price concession, or other direct or indirect remuneration UMR receives from a drug manufacturer under a rebate agreement that is contingent upon and related directly to Participant use of a prescription drug under the Plan's medical benefit during the Term. Medical Benefit Drug Rebate does not include any discount, price concession, administration fees, or other direct or indirect remuneration UMR receives from a drug manufacturer for direct purchase of a prescription drug.

**Medicare Part D Retiree Drug Subsidy Program (“RDS”):** The program as set forth in Section 1860D-22 of Title XVIII of the Social Security Act, as amended by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (“MMA”), Subpart R of the MMA Final Regulation, or any successor regulation promulgated by the Centers for Medicare and Medicaid Services (“CMS”), and any guidance issued by CMS, and any mandated updates of required information.

**Network:** The group of Network Providers UMR makes available to the Plan who have entered into or are governed by contractual arrangements under which they agree to provide health care services to Participants and accept negotiated fees for these services.

**Network Provider:** The physician, medical professional, or facility which participates in a Network.

A provider is only a Network Provider if they are participating in a Network at the time services are rendered to the Plan Participant.

**Overpayments:** Payments that exceed the amount payable under the Plan. This term does not include overpayments caused by untimely or inaccurate eligibility information.

**Participant:** Employee or dependent who is covered by the Plan.

**Plan:** The plan to which this Agreement applies, but only with respect to those provisions of the plan relating to the Self-Funded health benefits UMR is administering, as described in the Summary Plan Description.

**Plan Administrator:** The current or succeeding person, committee, partnership, or other entity designated the Plan Administrator who is generally responsible for the Plan's operation.

**Self-Fund or Self-Funded:** Means that Customer, on behalf of the Plan, has the sole responsibility to pay, and provide funds, to pay for all Plan benefits.

**Summary Plan Description or SPD:** The document(s) Customer provides to Plan Participants describing the terms and conditions of coverage offered under the Plan.

**Systems:** Means the systems UMR owns or makes available to Customer to facilitate the transfer of information in connection with this Agreement.

**Tax or Taxes:** A charge imposed, assessed, or levied by any federal, state, local, or other governmental entity.

**Term or Term of the Agreement:** The period of twelve (12) months commencing on the Effective Date, (the "Initial Term") and automatically continuing for one additional 12-month period (the "Additional Renewal Term") until the Agreement is terminated.

## **Section 2 – Customer Responsibilities**

**Section 2.1 Responsibility for the Plan.** UMR is not the Plan Administrator of the Plan. Any references in this Agreement to UMR "administering the Plan" are descriptive only and do not confer upon UMR anything beyond certain agreed upon claim administration duties. Except to the extent this Agreement specifically requires UMR to have the fiduciary responsibility for a Plan administrative function, Customer accepts total responsibility for the Plan for purposes of this Agreement, including its benefit design, the legal sufficiency and distribution of SPDs, and compliance with any laws that apply to Customer or the Plan, whether or not Customer or someone Customer designates is the Plan Administrator. The Customer represents and warrants that the Plan has the authority to pay fees due under this Agreement from Plan assets.

**Section 2.2 Plan Consistent with the Agreement.** Customer represents that Plan documents, including the Summary Plan Description as described in Exhibit A – Statement of Work, are consistent with this Agreement. Nevertheless, before distributing any communications describing Plan benefits or provisions to Participants or third parties, Customer will provide UMR with such communications which refer to UMR or UMR's services. Customer will amend them if UMR reasonably determines that references to UMR are not accurate, or any Plan provision is not consistent with this Agreement or the services that UMR is providing.

**Section 2.3 Plan Changes.** Customer must provide UMR with notice of any changes to the Plan and/or Summary Plan Description within a reasonable period of time prior to the effective date of the change to allow UMR to determine if such change will alter the services UMR provides under this Agreement. Customer's requested changes must be mutually agreed to in writing prior to implementation of such change.

UMR will notify Customer if (i) the change increases UMR's cost of providing services under this Agreement, or (ii) UMR is reasonably unable to implement or administer the change. If the parties cannot agree to a new fee within (30) thirty days of the notice of the new fee, or if UMR notifies Customer under Section 2.3(ii) that UMR is unable to reasonably implement or administer the change, then (a) UMR shall have no obligation to implement or administer the change, and (b) Customer may terminate this Agreement upon (60) sixty days written notice.

**Section 2.4 Affiliated Employers.** Customer represents that together Customer and any of its affiliates covered under the Plan make up a single "controlled group" as defined by the IRC. Customer agrees to provide UMR with a list of Customer affiliates covered under the Plan upon request.

**Section 2.5 Information Customer Provides to UMR.** Customer will tell UMR which of Customer's Employees, their dependents, any other persons, or any combination of these, are Participants. This information must be accurate and provided to UMR in a timely manner. Customer will notify UMR of any change to this information as soon as reasonably possible.

UMR will be entitled to rely on the most current information in UMR's possession regarding eligibility of Participants in paying Plan benefits and providing other services under this Agreement. UMR will not be required to process or reprocess claims, but if UMR agrees to do so, additional fees may apply.

Customer agrees to provide UMR, in a timely manner with all information that UMR reasonably requires to provide services under this Agreement. UMR shall be entitled to rely upon any written or oral communication from Customer, its designated employees, agents, or authorized representatives.

**Section 2.6 Notices to Participants.** Customer will give Participants the information and documents they need to obtain benefits under the Plan within a reasonable period of time before coverage begins. In the event this Agreement is discontinued, Customer will notify all Participants that the services UMR is providing under this Agreement are discontinued.

**Section 2.7 Escheat.** Customer is solely responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports.

### **Section 3 – Fees**

**Section 3.1 Fees.** Customer will pay fees to UMR as compensation for the services provided by UMR. In addition to the fees specified in Exhibit B – Fees, Customer must also pay UMR any additional fee that is authorized by a provision elsewhere in this Agreement or is otherwise agreed to by the parties.

**Section 3.2 Changes in Fees.** (a) UMR can change the fees on each Renewal Term. UMR will provide Customer with thirty (30) days prior written notice of the revised fees for the subsequent Renewal Terms. Any such fee change will become effective on the later of the first day of the new Renewal Term or thirty (30) days after UMR provides Customer with written notice of the new fees.

UMR will provide Customer with a new Exhibit B – Fees that will replace the existing Exhibit B – Fees for the new Renewal Term.

- (a) UMR may also change the fees, if any one or more of the following occur:
- (1) any time there are changes made to this Agreement or the Plan, which affect the fees;
  - (2) when there are changes in laws or regulations which affect or are related to the services UMR is providing, or will be required to provide, under this Agreement, including the Taxes and fees noted in Section 5, Taxes And Assessments;
  - (3) if the number of Employees covered by the Plan or any Plan option changes by fifteen percent (15%); or
  - (4) if the average contract size, defined as the total number of enrolled Participants divided by the total number of enrolled Employees, varies by fifteen percent (15%) or more from the assumed average contract size.
- Any new fee required by such change will be effective as of the date the changes occur, even if that date is retroactive.
- (b) If Customer does not agree to any change in fees, Customer may terminate this Agreement upon thirty (30) days written notice after Customer receives written notice of the new fees. Customer must still pay any amounts due for the periods during which the Agreement is in effect.

**Section 3.3 Due Dates, Payments, and Penalties.** Customer agrees to pay fees to UMR based on the monthly invoice UMR provides. UMR reserves the right to provide Customer with an estimated invoice for the first month of services. The due date for payment of the invoiced amounts is 30 days after receipt of the invoice. (“Due Date”). Such invoices are provided on an eligibility-based format, and therefore payment must be made as billed (no adjustments are allowed to the invoice). Adjustments to monthly billing statements for retroactive enrollment or eligibility changes will be performed based on information provided by Customer. Requests for fee adjustment must be made in a timely manner but no more than three (3) months following the date of the change.

**Late Payment.** If amounts owed are not paid as required when due, Customer will be provided with a notice of default and fifteen (15) days to cure. If Customer does not cure, UMR may terminate this Agreement as provided for in this Agreement. If any portion of the fee is disputed, Customer shall pay UMR the undisputed portion as provided in this Section 3 and shall provide written details to UMR prior to the date payment is due, explaining Customer’s good faith basis for disputing such fee. Customer may withhold the disputed portion during pendency of such dispute, during which time both parties agree to use commercially reasonable efforts to resolve the dispute.

## **Section 4 – Records, Information, Audits**

**Section 4.1 Records.** UMR shall keep records relating to the services it provides under this Agreement for as long as UMR is required to do so by law.

**Section 4.2 Use of Confidential Information.** Neither Party may disclose the other's Confidential Information to any person or entity other than to the receiving Party's employees and Business

Associates needing access to such information to administer the Plan, to perform under this Agreement, or as otherwise permitted under this Agreement.

Notwithstanding the foregoing, (i) UMR may disclose Customer Confidential Information to its affiliates and subcontractors as needed for those entities to provide services under this Agreement, (ii) Customer will not be prohibited from providing provider-specific cost or quality of care information or data, through a consumer engagement tool or any other means, to referring providers, the Plan Sponsor, Participants, or individuals eligible to become Participants of the Plan, to the extent required by applicable law and regulation, (iii) Customer may only use UMR's Confidential Information for Plan administration purposes and (iv) before UMR's Confidential Information can be disclosed, UMR may require a mutually agreed upon confidentiality agreement consistent with applicable law and regulation.

Neither party may sell, license, or grant any other rights to the other Party's Confidential Information.

If a Party is requested or required to disclose Confidential Information by subpoena, legal process or applicable law, including public records acts, such Party shall (to the extent permitted by law), provide the other Party with immediate written notice of that request or requirement. Such Party shall reasonably cooperate in any efforts by the other Party to seek an appropriate protective order or other remedy or otherwise challenge or narrow the scope of that disclosure request or requirement. If a protective order or other remedy is not obtained, such Party shall furnish only that portion of the Confidential Information that is legally required.

If Customer requests that UMR provide information about the Plan that is in UMR's possession after the Agreement terminates and any applicable run out period has expired, then UMR may, in its discretion, provide such information subject to a fee.

**Section 4.3 Audits.** Once each calendar year during the term of the Agreement or any applicable runout period, a mutually agreeable entity, on Customer's behalf, may conduct a medical claims audit for purposes of determining if UMR is administering its claims transactional services in accordance with Plan provisions. Prior to the commencement of this audit, a signed, mutually agreeable confidentiality agreement with UMR is required.

Customer must notify UMR in writing of its intent to audit. The place, time, type, and duration of all audits must be reasonable and agreed to by UMR. All audits will be limited to information relating to the calendar year in which the audit is conducted, and the immediately preceding calendar year (up to an 18 month look back).

The audit scope and methodology for a medical claim audit will be consistent with generally acceptable auditing standards, including a statistically valid random sample (not to exceed 300 transactions, less any transactions for targeted audits as approved by UMR ("Scope")). UMR will not support any audits a) where the audit firm is paid on a contingency basis, or b) that do not use a statistically valid random selection methodology (other than as provided for in this section); this includes electronic and data mining audits that are used for purposes of recovery discovery. As part of the medical claims audit, UMR will also support a small, targeted audit of either member appeals, member calls, or clinical transactions (not to exceed 25 transactions).

Customer will pay any expenses that it incurs in connection with the audit. Customer will be charged a reasonable per claim charge and a per day charge for any on-site audit visit that is not completed within 5 business days or for approved sample sizes exceeding the Scope specified above. Customer will also pay any extraordinary expenses UMR incurs due to a Customer request related to the audit,

such fees to be reviewed and approved by the Customer in advance.

Customer will provide UMR with copies of any audit reports within 30 days after Customer receives the audit report(s) from the auditor.

**Section 4.4 Service Auditor Reports.** UMR may make its Type II service auditor report (“Report”) available to UMR’s self-funded customers each year for Customer’s review in connection with Plan administrative purposes only.

The Report will be issued under the guidance of Statement on Standards for Attestation Engagements #18 (SSAE18). Should new guidelines covering service auditor reports be issued, UMR may make the equivalent of, or any successor to, the SSAE18 Type II Report available to UMR’s self-funded customers. The Report is UMR’s Confidential Information and shall not be shared with any third parties without UMR’s prior written approval, except that Customer can share the Report with: (i) Customer’s independent public accounting firm; and/or (ii) Customer’s consultants, on the condition that such consultants are not in any way a competitor of UMR’s and that Customer informs its consultants that the Report was not prepared for their use. To the extent that Customer does provide the Report to its independent public accounting firm or a consultant as permitted in this Section, Customer shall require that they retain the Report as confidential and that they not disclose such Report to any other persons or entities.

**Section 4.5 PHI.** The parties' obligations with respect to the use and disclosure of PHI are outlined in the Business Associate Agreement Addendum attached to this Agreement.

## **Section 5 – Taxes And Assessments**

**Section 5.1 Payment of Taxes and Expenses.** In the event that any Taxes are assessed against UMR as a claim administrator in connection with UMR’s services under this Agreement, including all topics identified in Section 5.3 Customer will reimburse UMR through the Bank Account for the Customer’s proportionate share of such Taxes (but not Taxes on UMR’s net income or ad valorem taxes on property owned by UMR). UMR has the authority and discretion to reasonably determine whether any such Tax should be paid or disputed. Customer will also reimburse UMR for a proportionate share of any cost or expense reasonably incurred by UMR in disputing such Tax, including costs and reasonable attorneys' fees and any interest, fines, or penalties relating to such Tax, unless caused by UMR’s unreasonable delay or unreasonable determination to dispute such Tax.

**Section 5.2 Tax Reporting.** In the event that the reimbursement of any benefits to Participants in connection with this Agreement is subject to Plan or employer-based tax reporting requirements, Customer agrees to comply with these requirements.

**Section 5.3 State and Federal Surcharges, Fees and Assessments.** The Plan is responsible for state or Federal surcharges, assessments, or similar Taxes imposed by governmental entities or agencies on the Plan or UMR, including but not limited to those imposed pursuant to The Patient Protection and Affordable Care Act of 2010 (“PPACA”), as amended from time to time. This includes the funding, remittance, and determination of the amount due for PPACA required Taxes and fees.

## Section 6 – Indemnification

**Section 6.1 Indemnification of UMR.** Customer shall indemnify UMR for any and all claims, losses, liabilities, penalties, fines, costs, damages, judgments and expenses UMR incurs, including reasonable attorneys' fees and costs, to the extent arising out of one or more of the following: (i) Customer's breach of this Agreement including unauthorized disclosure of Confidential Information; (ii) Customer's design and operation of the Plan ; and (iii) a breach by a third party of any agreements UMR enters into with third parties on Customer's request.

**Section 6.2 Indemnification of Customer.** UMR shall indemnify Customer for any and all claims, losses, liabilities, penalties, fines, costs, damages, judgments and expenses Customer incurs, including reasonable attorneys' fees and costs, to the extent arising out of one or both of the following: (i) UMR's breach of this Agreement, including unauthorized disclosure of Confidential Information; (ii) a breach by a third party of any agreements UMR enters into with third parties to perform services under this Agreement; and claims arising from UMR's gross negligence or willful misconduct.

Customer remains responsible for payment of all benefits and UMR does not indemnify Customer or the Plan for any claims, losses, liabilities, penalties, fines, costs, damages, judgments, or expenses that constitute payment of Plan benefits.

**Section 6.3 Insurance.** During the term of this Agreement, UMR agrees to maintain at its own expense insurance for the following coverage and amounts. UMR will also ensure that its subcontractors maintain insurance coverages substantially consistent with what is set forth below in accordance with healthcare industry standards:

- (a) Commercial general liability insurance with a limit of not less than One Million Dollars (\$1,000,000) and such insurance shall (i) be written on a per occurrence basis, and (ii) be endorsed to cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury.
- (b) Professional liability insurance, including privacy liability, which shall describe as professional services covered thereunder all Services provided by UMR to Customer under this Agreement and which shall provide coverage in an aggregate amount not less than Five Million Dollars (\$5,000,000).
- (c) Workers' compensation insurance for employees of UMR at the applicable statutory limit and including employers' liability in an amount of not less than Five Hundred Thousand Dollars (\$500,000).
- (d) Property insurance covering "All Risk" of loss or damage to UMR's real and personal property including equipment, situated in, on or about the locations where Services will be provided in an amount sufficient to cover the full cost to repair or replace the property with like kind or quality and without coinsurance penalty.
- (e) Automobile liability insurance (including coverage for all owned, non-owned, hired and leased vehicles of UMR) with bodily injury and property damage limits of not less than One Million Dollars (\$1,000,000).
- (f) Cyber Liability covering losses and/or claims, actual or alleged, with a limit not less than \$5,000,000 per occurrence resulting from (a) technology for errors & omissions, (b)

multimedia liability, (c) security and privacy breaches, (d) regulatory action, (e) network interruption and event management (f) cyber extortion and reputation impacts. If policy is placed on claims made basis form, policy shall be maintained for a period of not less than two years after the expiration of this Agreement.

- (g) Commercial crime insurance in an amount of not less than Five Million Dollars (\$5,000,000).
- (h) "Excess" or "Umbrella" liability insurance in an amount not less than Five Million Dollars (\$5,000,000) to cover claims in excess of the coverage limits for commercial general liability, employers' liability and automobile liability as required herein.

**Additional Insured.** Customer shall be named as an additional insured under the commercial general liability, automobile liability, and excess and/or umbrella liability insurance policies.

**Subrogation Waiver.** UMR shall endorse the commercial general liability, excess and/or umbrella liability, and automobile liability insurance policies to waive its subrogation rights against Customer.

**Certificates of Insurance.** UMR shall provide Customer with Certificates of Insurance evidencing compliance with the terms of this Section upon request.

**Insurance Rating.** All policies of insurance shall be underwritten through insurance companies at all times licensed to do business in the various states where the Services are provided with an A.M. Best rating of A-.

**Cancellation.** UMR shall endeavor to provide Customer at least thirty (30) days prior written notice of any cancellation or termination in coverage prior to policy expiration.

### **Section 7 – Dispute Resolution.**

In the event of any dispute, claim, or controversy of any kind or nature between the parties arising out of this Agreement or the Services ("Dispute"), a party may provide written notification of the Dispute to the other party. After such notice, a representative from each party shall meet in person or telephonically and make a good faith effort to resolve the Dispute. If the Dispute is not resolved within thirty (30) days after the parties first meet to discuss it, and either party wishes to pursue the Dispute further, the controversy or claim shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any party unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The parties shall endeavor to resolve their claims by mediation. UMR and Customer shall share the costs of mediation equally. The mediation shall be held in Dallas County, Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

Nothing in this Section 7 will be interpreted to limit, waive or nullify any other rights under this Agreement.

### **Section 8 – Termination**

**Section 8.1 Services End.** UMR's services under this Agreement stop on the date this Agreement terminates, regardless of the date that claims are incurred. However, UMR may agree to continue

providing certain services beyond the termination date, as provided in Exhibit A – Statement of Work.

**Section 8.2 Termination Events.** This Agreement will terminate under the following circumstances:

- (1) The Plan terminates;
- (2) Both parties agree in writing to terminate the Agreement;
- (3) After the Initial Term, either party gives the other party at least sixty (60) days prior written notice;
- (4) UMR gives Customer notice of termination because Customer did not pay the fees or other amounts Customer owed UMR when due under the terms of this Agreement,
- (5) UMR gives Customer notice of termination if Customer fails to provide the required funds for payment of benefits under the terms of this Agreement;
- (6) Either party is in material breach of this Agreement, other than by non-payment or late payment of fees owed by Customer or the funding of Plan benefits, and does not correct the breach within thirty (30) days after being notified in writing by the other party;
- (7) Either party may terminate this Agreement in the event of a filing by or against the other party of a petition for relief under the Federal Bankruptcy Code; the appointment of a receiver for any part of a party's property and such appointment is not terminated within ninety (90) business days after such appointment is initially made; any general assignment for the benefit of creditors; or insolvency;
- (8) Customer's governing body does not appropriate funds to make any payment for a fiscal year after the fiscal year in which the Agreement becomes effective;
- (9) Any state or other jurisdiction prohibits a party from administering the Plan under the terms of this Agreement or imposes a penalty on the Plan or UMR and such penalty is based on the administrative services specified in this Agreement. In this situation, the party may immediately discontinue the Agreement's application in such state or jurisdiction. Notice must be given to the other party when reasonably practical. The Agreement will continue to apply in all other states or jurisdictions; or
- (10) Any state or other jurisdiction prohibits a party from administering the Plan under the terms of this Agreement or imposes a penalty on the Plan or UMR and such penalty is based on the administrative services specified in this Agreement. In this situation, the party may immediately discontinue the Agreement's application in such state or jurisdiction. Notice must be given to the other party when reasonably practical. The Agreement will continue to apply in all other states or jurisdictions; or
- (11) As otherwise specified in this Agreement.

## **Section 9 – Miscellaneous**

**Section 9.1 Subcontractors.** UMR can use its affiliates or subcontractors to perform UMR's services under this Agreement. UMR will be responsible for those services to the same extent that UMR would have been had it performed those services without the use of an affiliate or subcontractor.

**Section 9.2 Assignment.** Except as provided in this paragraph, neither party can assign this Agreement or any rights or obligations under this Agreement to anyone without the other party's written consent. That consent will not be unreasonably withheld. Nevertheless, UMR can assign this Agreement, including its rights and obligations to UMR's affiliates, to an entity controlling, controlled by, or under common control with UMR, or a purchaser of all or substantially all of UMR's assets, subject to notice to Customer of the assignment.

**Section 9.3 Governing Law.** This Agreement is governed by the applicable laws of the State of Texas. This provision shall survive the termination of this Agreement.

**Section 9.4 Entire Agreement.** This Agreement, with its exhibits, constitutes the entire agreement between the parties governing the subject matter of this Agreement. This Agreement replaces any prior written or oral communications or agreements between the parties relating to the subject matter of this Agreement. The headings and titles within this Agreement are for convenience only and are not part of the Agreement.

**Section 9.5 Amendment.** Except as may otherwise be specified in this Agreement, the Agreement may be amended only by both parties agreeing to the amendment in writing, executed by a duly authorized person of each party.

**Section 9.6 Waiver/Estoppel.** Nothing in this Agreement is considered to be waived by any party, unless the party claiming the waiver receives the waiver in writing. No breach of the Agreement is considered to be waived unless the non-breaching party waives it in writing. A waiver of one provision does not constitute a waiver of any other. A failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any option which is provided in this Agreement, will in no way be construed to be a waiver of such provision of this Agreement.

**Section 9.7 Notices.** Any notices, demands, or other communications required under this Agreement will be in writing and may be provided via electronic means or by United States Postal Service by certified or registered mail, return receipt requested, postage prepaid, or delivered by a service that provides written receipt of delivery.

**Section 9.8 Use of Name.** The parties agree not to use each other's name, logo, service marks, trademarks, or other identifying information without the written permission of the other, except that Customer grants UMR permission to use Customer's name, logo, service marks, trademarks or other identifying information to the extent necessary for UMR to carry out its obligations under this Agreement (e.g. on SPDs and ID cards).

**Section 9.9 Compliance with Laws and Regulations.** The parties agree to comply with all applicable federal, state and other laws and regulations with respect to this Agreement.

**Section 9.10 No Third-Party Beneficiaries.** Nothing in this Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

**Section 9.11 Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision. However, it is intended that a court of competent jurisdiction construe any invalid or unenforceable provision of this Agreement by limiting or reducing it so as to be valid or enforceable to the extent compatible with applicable law.

**Section 9.12 Boycott Prohibitions.** UMR verifies that it does not Boycott Israel and agrees that during the term of this Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended. UMR verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended. UMR verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. UMR represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on the Comptroller's internet website.

**Section 9.13 Acceptance.** Following the Effective Date and after Customer has provided three (3) months' worth of funds for the processing of claims and/or the payment of administrative fees, this Agreement is deemed executed by the parties.

## EXHIBIT A – STATEMENT OF WORK

The following are the administrative services UMR has agreed to provide to Customer. Customer may request that UMR provide services in addition to those set forth in this Agreement. If UMR agrees to provide them, those services will be governed by the terms of this Agreement and any amendments to this Agreement. Customer will pay an additional fee, determined by UMR, for these additional services. The services described in this Exhibit will be made available to Customer's eligible Participants consistent with the Summary Plan Description under which the Participant is covered.

### Section A1 Network

**Network Access, Management and Administration.** UMR will provide access to Networks and Network Providers, as well as related administrative services including physician (and other health care professional) relations, clinical profiling, contracting and credentialing, and network analysis and system development. The make-up of the Network can change at any time. Notice will be given in advance or as soon as reasonably possible.

UMR generally does not employ Network Providers and they are not UMR's agents or partners, although certain Network Providers are affiliated with UMR. Otherwise, Network Providers participate in Networks only as independent contractors. Network Providers and the Participants are solely responsible for any health care services rendered to Participants. UMR is not responsible for the medical outcomes or the quality or competence of any provider or facility rendering services, including Network Pharmacies and services provided through UMR's affiliates' networks, or the payment for services rendered by the provider or facility.

**Out of Network Programs.** UMR offers out of network programs that strive to increase savings to Customer by accessing discounts or negotiating reductions on out of network claims. UMR offers a mix of out of network programs that offer varying degrees of discounts, consumer advocacy, and cost controls. Customers elected out of network programs are identified in Exhibit B – Fees. Programs are subject to change or termination at UMR's discretion.

**Value Based Contracting Program.** UMR's contracts with some Network Providers may include withholds, incentives, and/or additional payments, that may be earned, conditioned on meeting standards relating to utilization, quality of care, efficiency measures, compliance with UMR's other policies or initiatives, or other clinical integration or practice transformation standards. Customer shall fund these payments due the Network Providers as soon as UMR makes the determination the Network Provider is entitled to receive the payment under the Network Provider's contract, either upfront or after the standard has been met. For upfront funding, if UMR makes the determination that the Network Provider failed to meet a standard, UMR will return to Customer the applicable amount. UMR shall provide Customer reports describing the amount of payments made on behalf of Customer's Plan.

Only the initial claims-based reimbursement to Network Providers will be subject to the Participant's copayment, coinsurance, or deductible requirements. Customer will pay the Network Provider the full amount earned or attributable to its Participants, without a reduction for copayments or deductibles and agree that there will be no impact from these payments on the calculation of the Participant's satisfaction of their annual deductible amount.

## Section A2 Prevention and Recovery Services

UMR will provide prevention and recovery services for Overpayments and other Plan recovery and savings opportunities as described herein.

**Overpayments.** UMR will attempt to recover Overpayments by employing appropriate outreach to Participants and/or providers to request reimbursement.

**Payment Integrity Services.** UMR provides services to help prevent, identify, and resolve irregular claims (“Payment Integrity Services”). UMR’s Payment Integrity Services help guard against potential errors, fraud, waste, and abuse by reviewing claims on a pre- or post-adjudicated basis.

UMR’s Payment Integrity Services processes will be based upon UMR’s proprietary and confidential procedures, modes of analysis, and investigations. UMR will use these procedures and standards in delivering Payment Integrity Services to Customer and to UMR’s other customers. Services include all work to identify recovery and savings opportunities, research, data analysis, investigation, and initiation of all Recovery Processes set forth below. UMR does not guarantee or warranty any particular level of prevention, detection, or recovery.

UMR makes available to Customer an array of standard and optional Payment Integrity Services, as identified in Exhibit B - Fees.

**Recovery Process – Non-Class Action Recoveries.** Customer delegates to UMR the discretion and authority to develop and use standards and procedures for any recovery opportunity, including but not limited to, whether or not to seek recovery, what steps to take if UMR decides to seek recovery, whether to initiate litigation or arbitration, the scope of such litigation or arbitration, which legal theories to pursue in such litigation or arbitration, and all decisions relating to such litigation or arbitration, including but not limited to, whether to compromise or settle any litigation or arbitration, and the circumstances under which a claim may be compromised or settled for less than the full amount of the potential recovery. In all instances where UMR pursues recovery through litigation or arbitration, Customer, on behalf of itself and on behalf of its Plan(s), will be deemed to have granted UMR an assignment of all ownership, title and legal rights and interests in and to any and all claims that are the subject matter of the litigation or arbitration.

Customer acknowledges that use of UMR’s standards and procedures may not result in full or partial recovery for any particular claim or for any particular customer. UMR will not pursue any recovery if it is not permitted by any applicable law, or if recovery would be impractical, as determined in UMR’s discretion. While UMR may initiate litigation or arbitration to facilitate a recovery, UMR has no obligation to do so. If UMR initiates litigation or arbitration, Customer will cooperate with UMR in the litigation or arbitration.

If this Agreement terminates, in whole or in part, UMR can continue recovery activities for any claims paid when the Agreement was in effect pursuant to the terms of this Section A2.

**Recovery Process – Class Action Recoveries.** Where a class action purports to affect Customer’s (or the Plan(s) it sponsors or administers) right to and interest in any Overpayment, UMR has the right to determine whether to seek recovery of the Overpayment on the Customer’s (or the Plan(s) it sponsors or administers) behalf through litigation, arbitration, or settlement. If UMR elects to seek recovery of such an Overpayment that is at issue in a class action, UMR will provide written notice to Customer of its intention. If Customer does not want UMR to seek recovery of the Overpayment, Customer shall notify UMR in writing within thirty (30) days of receiving notice from UMR. If Customer does not so

notify UMR, Customer, on behalf of itself and on behalf of the Plan(s) it sponsors and administers, assigns to UMR all ownership, title and legal rights and interests in and to any and all Overpayments that are the subject matter of the class action. In such cases, Customer will cooperate with UMR in any resulting litigation or arbitration that UMR may file to pursue the Overpayments.

If Customer provides UMR with written notice that it does not want UMR to seek recovery of an Overpayment related to a class action (whether putative or certified) then, pursuant to its standard procedures, UMR will provide Customer with related Overpayment claims information, at Customer's request. Customer is then solely responsible for determining whether it (or the Plan(s) it sponsors or administers) will participate in the class action (whether putative or certified), participate in any class action settlement, pursue recovery of the relevant Overpayment outside of the class action, or take any other action with respect to any cause of action the Customer (or the Plan(s) it sponsors or administers) might have.

If this Agreement terminates, in whole or in part, UMR can continue recovery activities for any claims paid when the Agreement was in effect pursuant to the terms of this Section A2.

**Offsetting Process.** Overpayment recoveries may occur by offsetting the Overpayment against future payments to the provider made by UMR. In effectuating Overpayment recoveries through offset, UMR will follow its established Overpayment recovery rules which include, among other things, prioritizing Overpayment credits based on: (1) the age of the Overpayment for electronic payments and (2) the funding type and the age of the Overpayment for check payments. UMR may recover the Overpayment by offsetting, in whole or in part, against future benefits that are payable under the Plan in connection with services provided to any Participants. Reallocations pursuant to this process do not impact the decision as to whether or not a benefit is payable under the Plan.

In UMR's application of Overpayment recovery through offset, timing differences may arise in the processing of claims payments, disbursement of provider checks, and the recovery of Overpayments. As a result, the Plan may in some instances receive the benefit of an Overpayment recovery before UMR actually receives the funds from the provider. Conversely, UMR may receive the funds before the Plan receives the credit for the Overpayment. It is hereby understood that the Parties may retain any interest that accrues as a result of these timing differences. Details associated with Overpayment recoveries made on behalf of the Plan through offset will be identified in the monthly reconciliation report provided to the Customer's Plan.

**Recovery Fees.** Customer will be charged a fee for the Payment Integrity Services described in this Section A2. That fee is set forth in Exhibit B-Fees. No fees will be charged (a) if the Overpayment is solely the result of UMR's acts, or (b) for recoveries obtained through a class action where UMR does not file an opt-out case on behalf of Customer. UMR will not be responsible for reimbursement of any unrecovered Overpayment nor attorneys' fees and costs related to litigation or arbitration associated with recoveries except to the extent an arbitrator, arbitration panel, or court of competent jurisdiction determines that the Overpayment was due to UMR's gross negligence or willful misconduct. Under no circumstances will UMR be responsible for reimbursement of unrecovered Overpayments resulting from a third party's fraud.

### Section A3 Providing Funds for Benefits

**Responsibility.** The Plan is Self-Funded. Customer is solely responsible for providing funds for payment for all Plan benefits payable to Participants, Network Providers, or non-Network Providers. UMR has no liability or responsibility to provide these funds.

**Control of Plan Assets.** In the event that the Plan is found to have Plan assets, the Customer shall have absolute authority with respect to such Plan assets, and UMR shall neither have nor be deemed to exercise any discretion, control or authority with respect to the disposition of Plan assets.

**Bank Account.** UMR, on Customer's behalf, will open and maintain a Bank Account at a bank under UMR's sole control (the "Bank") to provide UMR the means to access Customer's funds for the purpose of payment of Plan benefits, Plan expenses (such as state surcharges or assessments), or other Customer financial obligations and, when authorized by Customer, fees. The Bank Account is set up in a manner so that banking fees are offset for Customer in lieu of earning interest. The Bank Account will be a part of the network of accounts that have been established at the Bank for UMR's self-funded customers. The funds in the Bank Account are Customer's and will not be comingled with any other customer funds.

**Services.** UMR shall be responsible for the performance of Bank Account reconciliation. UMR agrees to send search letters to payees of uncashed checks in accordance with UMR's established procedures. Uncashed checks will be returned to the Plan as soon as reasonably possible after search efforts have ceased. In no event shall UMR become a holder of unclaimed property, as defined in any applicable unclaimed property law.

**Security Deposit.** Customer agrees to a security deposit in an amount determined by UMR. UMR reserves the right to require adjustments of the security deposit based on actual average disbursement activity. The security deposit is to cover periodic fluctuations in claim activity and must remain in the account as long as UMR continues to issue payments against the account. UMR agrees to return the balance of the security deposit to Customer as soon as reasonably possible after the Bank Account is closed.

**Payment Authorization.** Authorization to release payments drawn on Customer's Bank Account will be provided by UMR once Customer's funding obligations have been met. UMR offers various frequencies for the printing and release of checks and electronic payments. If a month end clear option is applied, that means any payments held in queue at the end of the month will be released on the last working day of the month. UMR will provide weekly reports regarding cash disbursements to Customer.

**Timing.** Customer shall make weekly reimbursements of the account via ACH credit or wire transfer within three (3) business days of being notified

**Account Balance.** In the event Customer's Bank Account balance falls below fifty percent (50%) of the security deposit amount, UMR reserves the right to either initiate an ACH for disbursements not funded or UMR will contact Customer and request Customer wire transfer needed funds to Bank Account. In the event the Bank Account balance falls below twenty five percent (25%) of the security deposit, UMR reserves the right to suspend payment of claims under Customer's Plan(s). Payment of such claims will be restored when UMR has been reimbursed for all outstanding disbursements and the security deposit has been restored. In the event the disbursement activity creates a deficit in the account, UMR will immediately notify Customer. A same day wire deposit to Customer's Bank Account must be made to fund all unpaid claims and to restore the security deposit amount. Customer agrees to pay

overdraft charges, when applicable, related to the maintenance of the Bank Account. UMR will maintain the Bank Account for a period of one hundred eighty (180) days after the last check is cut or one hundred eighty (180) days after the date of the oldest outstanding check. Customer is responsible for paying UMR the monthly banking maintenance fee as set forth in Exhibit B - Fees for as long as the account remains open.

#### **Section A4 Medical Benefit Drug Rebate Payments**

**Allocation and Payment of Medical Benefit Drug Rebates.** UMR or a subcontractor may negotiate with drug manufacturers regarding the payment of Medical Benefit Drug Rebates on applicable prescription drug products dispensed to Participants under the Plan's medical benefit. If a subcontractor is involved in negotiating with drug manufacturers regarding the payment of Medical Benefit Drug Rebates, it may retain a portion of the gross amounts received from drug manufacturers in connection with such products. Customer will receive compensation under this program as set forth in Exhibit B-Fees. UMR will retain interest earned during the Medical Benefit Drug Rebate processing timeframe.

Customer will only receive Customer's Medical Benefit Drug Rebates to the extent that Medical Benefit Drug Rebates are received by UMR. For example, if a government action or a major change in pharmaceutical industry practices prevents UMR from receiving Medical Benefit Drug Rebates, the amount Customer receives may be reduced or eliminated.

Customer agrees that during the term of this Agreement, neither Customer nor the Plan will negotiate or arrange or contract in any way for Medical Benefit Drug Rebates on or the purchase of prescription drug products from any manufacturer under the Plan's medical benefit. If Customer or the Plan does, UMR may, without limiting UMR's right to other remedies, immediately terminate Customer's and Plan's entitlement to Medical Benefit Drug Rebates, including forfeiture of any Medical Benefit Drug Rebates earned but not paid.

#### **Section A5 Claims Determinations and Appeals**

**Claim Procedures.** Customer appoints UMR a named fiduciary under the Plan with respect to (i) performing initial benefit determinations and payment, (ii) performing the fair and impartial review of first level internal appeals, and (iii) performing the fair and impartial review of second level internal appeals (if applicable). As such, Customer delegates to UMR the discretionary authority to (i) construe and interpret the terms of the Plan, (ii) to determine the validity of charges submitted to UMR under the Plan, and (iii) make final, binding determinations concerning the availability of Plan benefits under the Plan's internal appeal process, all in compliance with applicable law and regulation. In the event that Customer has not finalized the Summary Plan Description before UMR receives an appeal from a Participant, then UMR will follow the claims installation documents that Customer approved, or if needed, UMR will contact Customer for applicable information. Participants who receive an adverse benefit determination can file an appeal with UMR within the timelines established in Customer's SPD. It is understood that UMR will provide one or two appeal levels for claims that it has processed, as mutually agreed to in writing by the parties. UMR agrees to send an appealed claim to an independent reviewer if required by Department of Labor or Department of Health and Human Services. In addition, and if applicable to Customer's Plan, UMR agrees to send a voluntary appeal to an independent review organization in compliance with health care reform regulations. Customer understands that the cost of such mandated independent reviews will be the responsibility of Customer, unless otherwise stated in

Exhibit B – Fees. It is understood that UMR is not responsible for handling appeals on claim-related decisions that were originally made by another vendor of Customer's. Customer acknowledges and agrees that certain services provided by UMR and as described in the Summary Plan Description will comply with federal laws and regulations, as provided for under ERISA.

**Catastrophic Events:** During such time as a government agency declares a state of emergency or otherwise invokes emergency procedures with respect to Participants who may be affected by severe weather or other catastrophic events (a "Catastrophic Event Timeframe"), Customer directs UMR to implement certain changes in its claim procedures for affected Participants, including, for example: (a) exemption from the application of prior authorization requirements and/or penalties; (b) waiver of out-of-network restrictions (e.g., out-of-network providers paid at the Network Provider level) , (c) extension of time frames for timely claims filing and/or appeals, (d) early replacement of lost or damaged durable medical equipment, and (e) other protocols reasonably required to provide Participants with access to health plan and pharmacy benefits as applicable. Such protocols are applicable to Participants whose place of residency falls within impacted areas of the Catastrophic Event, and for dates of service that fall within the Catastrophic Event Timeframe.

### **Section A6 System Access**

**Access.** UMR grants Customer the nonexclusive, nontransferable right to access and use the functionalities contained within the Systems, under the terms specified in this Agreement. Customer agrees that all rights, title, and interest in the Systems and all rights in patents, copyrights, trademarks, and trade secrets encompassed in the Systems will remain UMR's. To obtain access to the Systems, Customer will obtain, and be responsible for maintaining, at no expense to UMR, the hardware, software, and Internet browser requirements UMR provides to Customer, including any amendments thereto. Customer will be responsible for obtaining an Internet Service Provider or other access to the Internet. Customer will not (i) access Systems or use, copy, reproduce, modify, or excerpt any Systems documentation provided by UMR in order to access or utilize Systems, for purposes other than as expressly permitted under this Agreement or (ii) share, transfer or lease Customer's right to access and use Systems, to any other person or entity which is not a party to this Agreement. Customer may designate any third party, with prior approval from UMR, to access Systems on Customer's behalf, provided the third party agrees to these terms and conditions of Systems access and Customer assumes joint responsibility for such access.

**Security Procedures.** Customer will use commercially reasonable physical and software-based measures to protect the passwords and user IDs provided by UMR for access to and use of any web site provided in connection with the services. Customer shall use commercially reasonable anti-virus software, intrusion detection and prevention system, secure file transfer and connectivity protocols to protect any email and confidential communications provided to UMR, and maintain appropriate logs and monitoring of system activity, Customer shall notify UMR within a reasonable timeframe of any (a) unauthorized access or damage, including damage caused by computer viruses resulting from direct access connection, and (b) misuse and/or unauthorized disclosure of passwords and user IDs provided by UMR which impact the System.

**Termination.** UMR reserves the right to terminate Customer's System access (i) on the date Customer fails to accept the hardware, software and browser requirements provided by UMR, including any amendments thereto or (ii) immediately on the date UMR reasonably determines that Customer has (i) breached, or allowed a breach of, any applicable provision of this Section or (ii) materially breached or allowed a material breach of, any other applicable provision of this Agreement. Customer's System

Access will also terminate upon termination of this Agreement, except that if run-out is provided in accordance with Exhibit A - Statement of Work, Customer may continue to access applicable functionalities within the Systems during the run-out period. Upon any of the termination events described in this Agreement, Customer agrees to cease all use of Systems, and UMR will deactivate Customer's identification numbers, passwords, and access to the System.

### Schedule of Services

#### A. CLAIMS ADMINISTRATION SERVICES

Service	Comments
Claims for Plan benefits must be submitted in a form that is satisfactory to UMR in order for UMR to determine whether a benefit is payable under the Plan's provisions. Customer delegates to UMR the discretion and authority to use UMR's claim procedures and standards for Plan benefit claim determination.	
<b>Implementation of Customer's benefit plans and payment of claims.</b>	UMR will process only those claims which are incurred on or after the Effective Date of this Agreement.
<b>Standard claims processing including:</b> <ul style="list-style-type: none"> <li>• Re-pricing and payment of claims.</li> <li>• Auto and manual adjudication using proprietary software.</li> <li>• Provide an Explanation of Benefits (EOB) notice to Participants and Remittance Advice (RA) statement to providers as required</li> <li>• Prepare and mail 1099's to providers and other vendors, using UMR's name and tax identification number.</li> </ul>	In the event that Customer asks UMR to load data from the prior TPA regarding Participants' benefit accumulators, UMR will have no obligation to verify the accuracy of such data.
<b>Standard coordination of benefits</b> for all claims	UMR pays claims for Medicare-eligible persons as either primary or secondary, based on the Medicare Secondary Payor Rules.
<b>Claims Run-Out Services.</b> UMR will process all claims received up to the date of termination of this Agreement. Any unprocessed claims will be denied, unless Customer requests claims run-out services (unprocessed claims incurred prior to the termination date) at a mutually agreed upon fee prior to the termination of this Agreement. In the event that UMR receives claims after the run-out period expires, then UMR will deny the claim.	If the Agreement terminates because Customer fails to pay UMR fees due, fails to provide the funding for the payment of benefits, or UMR terminates for any other material breach, run-out will not apply.  <b>Suspension of Run-out Processing</b> If Customer does not pay the run-out fees it owes UMR when due as set forth above, UMR will notify Customer. If Customer does not make the required payment UMR may stop issuing checks and non-draft payments and suspend its run-out claims processing under this Agreement, such suspension to apply to all

Service	Comments
	<p>claims regardless of dates of service and shall remain in effect until such date when Customer makes the required payment.</p> <p><b>Termination of Run-out Processing</b> Run-out claims processing will terminate if Customer fails to provide the required funds for payment of benefits under the terms of this Agreement. Such termination shall apply to all claims regardless of dates of service.</p>
<p><b>Plan Benefits Litigation Support</b></p> <ul style="list-style-type: none"> <li>• If a demand is asserted, or litigation or administrative proceedings are begun by a Participant or health care provider against UMR to recover Plan benefits related to services under this Agreement (“Plan Benefits Litigation”), UMR will select and retain defense counsel to represent its interest.</li> <li>• If Plan Benefits Litigation is begun against Customer and/or the Plan, Customer will select and retain counsel to represent its interest.</li> <li>• If Plan Benefits Litigation is begun against the Plan and UMR jointly and provided no conflict of interest arises between the parties, the parties may agree to joint defense counsel. If the parties do not agree to joint defense counsel, then each party will select and retain separate defense counsel to represent their own interests.</li> <li>• <b>Litigation Fees and Costs.</b> All reasonable legal fees and costs UMR incurs will be paid by Customer if UMR gives Customer reasonable advance notice of UMR’s intent to charge Customer for such fees and costs, and UMR consults with Customer in a manner consistent with UMR’s fiduciary obligations on UMR’s litigation strategy.</li> <li>• Both parties will cooperate fully with each other in the defense of Plan Benefits Litigation.</li> </ul>	<p>In all events, Customer is responsible for the full amount of any Plan benefits paid as a result of Plan Benefits Litigation.</p>

Service	Comments
<b>Foreign service procedures</b>	Participants who receive services in a country other than the United States must pay the claim and then submit the claim to UMR for reimbursement. UMR will reimburse the Participant for any covered amount in U.S. currency. The reimbursed amount will be based on the U.S. equivalency rate that is in effect on the date the Participant paid the claim, or on the date of service if paid date is not known.
<b>State Surcharges.</b> If during the term of the Agreement UMR receives a surcharge invoice from a state for the Plan or claims paid under the Plan, UMR agrees to submit applicable payments to the state on behalf of Customer. The amount due to the state will be withdrawn from Customer's claims bank account.	This service does not apply to New York Surcharges.
<b>New York Surcharge Services:</b> Upon acceptance from the New York Public Goods Pool, UMR agrees to compile and forward to the State of New York, an electronic report that shows the liability that Customer has for covered lives, patient services and total amount due from Customer. The report is compiled on a monthly or annual basis in accordance with the requirements of the State of New York for Customer. UMR agrees to file the report and send the applicable payments to the State of New York via a draw from Customer's bank account.	It is understood that Customer is solely responsible for completing necessary New York Surcharge election forms and responding to inquiries regarding the election.  In the event that a claim is adjusted after the New York Surcharge fee has been paid and the adjustment affects how much the provider actually receives, UMR will make an adjustment on a future report to the State.

## B. MEMBER SERVICES

Service	Comments
<b>Toll-free access to a customer care unit</b>	
<b>Employee access to a member website</b> enabling Participants to: <ul style="list-style-type: none"> <li>• Check claim status.</li> <li>• Check eligibility information.</li> <li>• Search for providers and online health information.</li> </ul>	
<b>Identification Cards.</b> UMR will provide standard ID cards (including replacement cards) for each employee who is covered under Customer's Plan.	Customer may, at its option, order customized ID cards at an additional cost.

### C. CUSTOMER REPORTING SERVICES

Service	Comments
UMR will provide Customer with the following standard reports through encrypted online access.	
<b>Banking.</b> Online access to the check register, searchable for disbursement information at the transaction level.	
<b>Monthly Online Reports (Plan Performance).</b> Online access to monthly reports containing Plan performance details. Customer can also use online data to develop ad-hoc queries such as census information, claim activity and large claim detail.	
<b>Eligibility and Benefits Inquiry.</b> Online eligibility inquiry provides Customer with access to Participant eligibility information. Online benefit inquiry provides specific benefit information for each Participant.	
<b>Claims Inquiry.</b> Customers can review the status of participant claims online. Customer is responsible for ensuring that its employees comply with HIPAA privacy regulations.	
<b>Annual Report.</b> Provides the information that Customer can use to complete the 5500 form or 990 form.	
<b>Customization, non-standard or ad hoc reports</b>	Fees are determined on a report-specific basis
UMR reserves the right, from time to time, to change the content, format and/or type of UMR's reports.	

### D. OTHER SERVICES

Service	Comments
<b>Summary Plan Description (SPD) Assistance.</b> UMR will prepare a customized draft of an SPD for the Plan, one additional draft, in response to Customer's comments and a final draft SPD.	If the SPD is not finalized sufficiently in advance of the Effective Date of UMR's services, UMR will utilize benefits and exclusions that UMR has created based on its understanding of Customer's Plan design and which Customer has reviewed and approved. UMR will administer claims and otherwise provide UMR's services in accordance with information and it will govern and remain in full force and effect until a final SPD is provided to UMR.
<b>SPD Exception Processing.</b> In the event Customer wants UMR to make an exception	UMR shall not be liable to any degree when following directions from Customer, its

Service	Comments
<p>to Customer's Summary Plan Description (SPD), Customer must notify UMR in writing of such exception using a form designated by UMR. Customer is fully and solely responsible for any compliance or stop loss issues that may occur as a result of making an exception to its SPD.</p>	<p>employees or agents, and Customer agrees to indemnify UMR and hold it harmless from and against any and all claims arising from Customer's decision to make an exception to the SPD.</p>
<p><b>Summary of Benefits and Coverage (SBC) Services.</b> UMR agrees to provide the following (SBC) services:</p> <ul style="list-style-type: none"> <li>• Draft one standard full SBC per benefit Plan design if UMR is the only vendor administering benefits for Customer; or</li> <li>• Draft one standard partial SBC per benefit Plan design if UMR administers the medical Plan but Customer utilizes external vendors for other benefits.</li> <li>• Provide one SBC update per year if needed.</li> <li>• Post the final approved SBC to UMR's web portal for Customer.</li> </ul>	<p>Customer is responsible for providing UMR with written details about the Plan and benefit changes in an agreed upon period of time prior to the date Customer needs the final SBC from UMR.</p> <p>Customer is responsible for completing sections of the SBC related to Customer and external vendors, if any, and returning applicable details to UMR within an agreed upon timeframe.</p> <p>Customer is responsible for complying with SBC regulations, including but not limited to distribution of SBCs to Participants. In the event that Customer requests UMR to provide other non-standard SBC services, UMR will charge a reasonable fee for agreed upon services.</p>
<p><b>Stop Loss Reporting.</b> UMR will use commercially reasonable efforts to assist Customer as necessary in compiling information, tracking and filing paid specific stop loss insurance claims with the Customer's chosen stop loss insurance carrier, on behalf of Customer.</p> <p>If Customer has aggregate stop loss coverage, UMR agrees to notify the stop loss carrier of any potential claims that exceed the stop loss policy's attachment point.</p>	<p>Customer is responsible for providing UMR with a copy of the stop loss policy by the effective date of this Agreement or as soon thereafter as reasonably possible, if UMR did not place Customer's stop loss coverage with the carrier. Customer acknowledges that the election of any stop loss insurance carrier is at the discretion of Customer, and the applicable policy must be specifically accepted by Customer.</p> <p>UMR will provide reasonable assistance in appealing denials or limitations as appropriate. In the event, however, that Customer's chosen stop loss insurance carrier adjudicates a given stop loss claim as denied or partially denied, or if reimbursement pursuant to the applicable stop loss policy is otherwise limited in any way, Customer acknowledges that the UMR</p>

Service	Comments
	<p>has no responsibility for any determination made by the stop loss carrier, including but not limited to determinations regarding eligibility for coverage under the Customer Plan or determinations of medical necessity.</p> <p>Customer and its third party stop loss carrier may be required to execute UMR's standard nondisclosure and indemnification agreement prior to UMR providing any stop loss information.</p>
<p><b>Transition to new Third-Party Administrator (TPA).</b> UMR will cooperate with Customers' transition to a new TPA upon termination of this Agreement and will provide cancellation reports to Customer upon request.</p>	
<p><b>Medicare Secondary Payer Reporting.</b> UMR shall provide to applicable parties the applicable reports in a time and manner as required according to the Medicare Secondary Payer Mandatory Reporting Provisions ("Reporting Requirements") in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007. UMR shall not be responsible for any noncompliance penalties in connection with the Reporting Requirements that are related to Customer's failure to provide the required data.</p>	<p>Customer agrees to provide to UMR in a timely manner and in an agreed upon format any and all data that UMR requires to comply with the Reporting Requirements.</p>
<p><b>Telemedicine Services.</b> Standard telemedicine services include Participant access to a telemedicine provider network, telephonic and web-based video medical consultations or other online provider access, as allowed by state law. Other related Services are available for an additional Fee.</p>	<p>UMR does not provide medical advice, nor is it responsible for the advice provided through the telemedicine services. In no event shall UMR be found responsible or liable in any way or to any extent for any losses, claims or damages, including but not limited to consequential, special, punitive, incidental, or direct or indirect damages resulting from the services provided by a telemedicine provider and its employees, subcontractors and agents.</p> <p>These Services do not apply to the Surest product.</p>

Service	Comments
<p><b>Transplant Solutions (TS) Services</b></p> <ul style="list-style-type: none"> <li>• Transplant Network via Centers of Excellence (COE)</li> <li>• Ventricular Assist Devices (VAD)</li> <li>• Transplant Access Program (TAP) Network</li> </ul>	<p>The fees for Transplant Solutions (TS) Services are specified in Exhibit B – Fees.</p>
<ul style="list-style-type: none"> <li>• Extra-Contractual Services - contracting on a case-by case basis for transplant care outside of the COE or TAP Networks for a standard negotiating fee.</li> <li>• Cellular Therapy Services</li> <li>• Specialized Physician Review</li> </ul>	<p>.</p>

## EXHIBIT B – FEES

These are the Fees Customer agrees to pay to UMR in exchange for the Services. The following financial terms are effective for the period from January 1, 2025 through December 31, 2025, unless otherwise specified.

UMR may also be referred to as TPA in this Exhibit.

Final Claims Fiduciary: UMR

Service Code	Service	Fee
<b>Medical Fees</b>		
	Per Employee Per Month (“PEPM”)	
0001	Medical Fee 1/1/2025 – 12/31/2025 1/1/2026 – 12/31/2026	\$54.17 PEPM \$55.54. PEPM
<b>Credits</b>		
0767	Wellness credit	\$10,000.00 annual credit through 12/31/2026
9871	Annual credit 1/1/2025 – 12/31/2025 1/1/2026 – 12/31/2026	\$15,000.00 annual credit \$20,000.00 annual credit
<b>Account Services</b>		
0200	ID card production and issuance mailed to Employee’s home	Included in Medical Fee through 12/31/2026
0921	SPD booklet preparation	Included in Medical Fee through 12/31/2026
0922	SPD booklet printing	Cost plus postage
0923	SPD amendment	Included in Medical Fee through 12/31/2026
0924	SPD restatement	Included in Medical Fee through 12/31/2026
0926	Electronic Summary of Benefits and Coverage (“SBC”) creation with data UMR has on file for the Plan, initial SBC plus one amendment per year.	No Charge
0927	Two or more Summary of Benefits and Coverage (“SBC”) amendments requested by Customer per year	\$500.00 per SBC per benefit Plan
0928	Inclusion of outside vendor data in Summary of Benefits and Coverage (“SBC”) document, in UMR’s standard format	\$1,000.00 per SBC per benefit Plan
0929	Print and ship Summary of Benefits and Coverage (“SBC”) to Employee at open enrollment	Cost plus postage
0930	Translation of Summary of Benefits and Coverage (“SBC”) into non-English	Cost of translation

Service Code	Service	Fee
1002	External pharmacy benefit manager interface Fee	Included in Medical Fee through 12/31/2026
<b>Online Customer Reporting Services</b>		
0417	Custom ad-hoc reports	2 hours per year included in Medical Fee, then \$100 per hour through 12/31/2026
1203	New York Surcharge, filing and administration	Included in Medical Fee through 12/31/2026
<b>Banking Services</b>		
0307	Custodial banking maintenance	\$250.00 per month

Service Code	Service	Fee
<b>Claim Services</b>		
2239	<p>Cost Reduction &amp; Savings Enhanced Program</p> <ul style="list-style-type: none"> <li>• Offers reimbursement methodologies for emergent and non-emergent out of network claims which calculates allowed amounts based on what a healthcare provider generally accepts for the same or similar service.</li> <li>• Includes an advocacy component where Participants can access resources and obtain assistance in explaining reimbursement methodologies.</li> </ul>	<p>20% of the Savings Obtained as a result of the program, to be paid through a withdrawal from the Bank Account. Savings Obtained means the amount billed by a health care provider minus the final amount paid to the health care provider pursuant to the out-of-network program selected by the Plan which includes amounts payable by the Participant.</p> <p>The savings used to calculate the Fee per individual claim for the program shall not exceed \$50,000. Accordingly, the Fee per individual claim will not exceed 20% of \$50,000.</p>
<b>Payment Integrity Services</b>		
	<p>Fraud, Waste, and Abuse Management</p> <ul style="list-style-type: none"> <li>• Detection and recovery of wasteful, abusive, and/or fraudulent claims.</li> <li>• Search claims for patterns which indicate possible waste or error by identifying specific claims for additional review.</li> <li>• Evaluate claims to identify inappropriate levels of care, coding and/or resource utilization.</li> <li>• Management can include pre-adjudicated claims and post-adjudicated claims.</li> </ul>	Included in Medical Fee
	<p>Litigation and Arbitration Fees for Recoveries</p> <ul style="list-style-type: none"> <li>• Litigation, arbitration, or other judicial process to recover any Overpayments and other Plan recovery opportunities.</li> </ul>	<p>Outside attorneys' fees and costs or administrative process fees will be deducted from the gross recovery prior to the assessment of</p>

Service Code	Service	Fee
	<ul style="list-style-type: none"> <li>• Outside attorneys' fees and costs or administrative process fees directly incurred with litigation, arbitration, or other judicial process.</li> <li>• Pre-adjudicated claims or post-adjudication claims.</li> </ul>	any applicable UMR Fees (as indicated in this Exhibit).
0105	<p>Third Party Liability (Subrogation)</p> <ul style="list-style-type: none"> <li>• Services to recover Plan Benefits, which should be paid by a third party.</li> <li>• Does not include benefits paid in connection with coordination of benefits, Medicare, or other Overpayments.</li> <li>• Pre-adjudicated claims and post adjudicated claims.</li> <li>• Customer will not engage any entity except UMR to provide such services without prior UMR approval.</li> </ul>	30% of the applicable savings amount
0148	<p>Advanced Claim Review</p> <ul style="list-style-type: none"> <li>• Review of select targeted claims for inappropriate billing and/or coding errors.</li> <li>• Utilize a variety of methods, including specialized algorithms, AI, and detection analytics.</li> <li>• Performed by specialized expertise including same-specialty board certified physicians, registered nurses, and certified coders.</li> </ul>	30% of the gross recovery or prevented amount through 12/31/2026
	<p>Payment Integrity Service Fees related to pre-adjudicated or prevented amount savings are calculated using logic that accounts for claim level detail and past claims payment experiences, and other relevant inputs including, but not limited to, historical amounts billed and allowed for similar providers, services, and specialties.</p>	

Service Code	Service	Fee
<b>CARE Services</b>		
0701	Complex condition CARE, including complex treatment plans, catastrophic events, trauma, transplant, oncology, neonatal/ pediatric behavioral health and substance use disorder (BH/SUD) and discharge support specific to BH/SUD. Services also includes access to the UMR CARE app.	Included in Medical Fee through 12/31/2026
0702	Utilization management, the review of medical services for medical necessity and appropriateness of care prior to services being provided including certification/ notification for hospital inpatient/outpatient services, durable medical equipment, home health care, specialty injectables, behavioral health and other services, concurrent review, pre-determinations, discharge planning, readmission risk assessment retrospective review, complex condition CARE referrals and independent medical reviews needed for these services when appropriate.	Included in Medical Fee through 12/31/2026
0745	Maternity CARE, Pre-pregnancy support, pregnancy risk assessment, support person education, prenatal education and health assessment program.	\$0.68 PEPM through 12/31/2026
<b>Transplant Centers of Excellence (COEs)</b>		
1401	Transplant Network via Centers of Excellence (COE)	
	Bone Marrow/Stem Cell	
	• Autologous less than 11 days	\$6,000 per transplant
	• Autologous 11 or more days	\$23,000 per transplant
	• Allogeneic – related/unrelated	\$23,000 per transplant
	• Non-myeloablative BMT - mini	\$6,000 per transplant
	Tandem BMT	
	• Auto/Auto	\$12,000 per transplant
	• Auto/Allo (related/unrelated)	\$23,000 per transplant
	• Allo/Allo (related/unrelated)	\$23,000 per transplant
	Solid Organ	
	• Kidney	\$4,500 per transplant
	• Pancreas	\$9,000 per transplant
	• Kidney/Pancreas	\$9,000 per transplant
	• Islet Cell-Auto Pancreas	\$9,000 per transplant
	• Heart	\$12,000 per transplant
	• Lung	\$12,000 per transplant
	• Heart Lung	\$12,000 per transplant
	• Double Lung	\$23,000 per transplant
	• Intestinal, intestinal/liver, intestinal/small bowel	\$23,000 per transplant
• Liver	\$23,000 per transplant	
• Multi-Organ	\$23,000 per transplant	

Service Code	Service	Fee
	*Except for those multi-organ transplants already listed on the fee schedule such as kidney/pancreas	
	Ventricular Assist Devices (“VAD”)	
	<ul style="list-style-type: none"> <li>VAD only – bridge to transplant (excludes heart Transplant)</li> </ul>	10% of savings, calculated as the difference between billed charges and amounts paid pursuant to the applicable Network, not to exceed the Fee for the corresponding transplant set forth above, capped at \$12,000 per case
	<ul style="list-style-type: none"> <li>VAD only – destination therapy (VAD implant and post-implant services for 1 year)</li> </ul>	10% of savings, calculated as the difference between billed charges and amounts paid pursuant to the applicable Network, not to exceed the Fee for the corresponding transplant set forth above, capped at \$12,000 per case
	<ul style="list-style-type: none"> <li>VAD only – destination therapy (post-implant services only)</li> </ul>	10% of savings, calculated as the difference between billed charges and amounts paid pursuant to the applicable Network, not to exceed the Fee for the corresponding transplant set forth above, capped at \$12,000 per case per year
	<p>If an additional transplant is performed to replace the initial transplant, an additional Fee equal to 50% of the original Fee shall be charged.</p> <p>If a Participant receives transplant care, but no transplant is performed (“Early Term”), the administrative Fee will be 35% of the difference between charges per the applicable Network and the Network Provider’s usual charges for the same services, not to exceed the Fee for the corresponding transplant set forth in the table above.</p> <p>A transplant case referred to as Early Term includes (1) cases in which a Participant is not accepted into a Network Provider’s transplant program, (2) cases in which the</p>	

Service Code	Service	Fee
	Participant dies prior to transplant or VAD implant, or (3) cases in which Participant's coverage ends prior to transplant or VAD implant.	
	Transplant Access Program (TAP) Network	Fee is 15% of savings, calculated as the difference between billed charges and amounts paid pursuant to the applicable Network, not to exceed the Fee for the corresponding transplant set forth above.
	Extra-Contractual Services	Fee is 15% of savings, calculated as the difference between charges per the applicable extra-contractual agreement and the Network Provider's usual charges for the same services, not to exceed the Fee for the corresponding transplant under the table above.
	Cellular Therapy Services	Fee is 15% of savings, calculated as the difference between charges per the applicable extra-contractual agreement and the provider's usual charges for the same services, not to exceed \$20,000. Early Term applies
	Ex Vivo Gene Therapy Services	Fee is 15% of savings, calculated as the difference between charges per the applicable extra-contractual agreement and the provider's usual charges for the same services, not to exceed \$20,000. Early Term

Service Code	Service	Fee
	Specialized Physician Review	<p>applies.</p> <p>Fee for solid organ transplants, bone marrow/stem cell transplants and other procedures and disease states:</p> <p><u>Comprehensive review</u>  \$1,295 for a single reviewer  \$1,995 for three reviewers</p> <p><u>Basic review</u>  \$495 for a single reviewer  \$1,295 for three reviewers</p> <p><u>Expedited review</u>  \$200 for each reviewer</p>

Service Code	Service	Fee
<b>Network Services</b>		
1406	Network access Fees <ul style="list-style-type: none"> <li>UnitedHealthcare Choice Plus</li> </ul>	Included in Medical Fee through 12/31/2026
<b>Stop Loss Services</b>		
0136	Preferred Stop Loss Vendor Interface. Services include daily monitoring of received/processed claims and care management transactions, premium billing and collection, and plan document changes/updates to the carrier's vendors when stop loss coverage has been placed by UMR.	Included in Medical Fee through 12/31/2026
0171	Non-Preferred Stop Loss Vendor Interface. Customer acknowledges that the election of any stop loss insurance carrier is at the discretion of Customer, and the applicable policy must be specifically accepted by Customer. Customer may have elected to utilize the services of stop loss insurance carrier that has neither been placed nor specifically endorsed by UMR.	Waived through 12/31/2026
<b>Other Additional Services</b>		
0418	Certificates of Creditable/Non-creditable Coverage (Medicare Part D)	\$1.35 per certificate, subject to a \$100 minimum
0804	<p>Service Fee to remit to outside vendors</p> <p>Pursuant to Customer's request, UMR shall on Customer's behalf, administer a payment (either through a withdrawal from the Bank Account or invoiced as a Fee) to a vendor ("Vendor Payment"). UMR shall collect the Vendor Payment from Customer and provide Vendor with all Vendor Payments collected.</p> <p>In the event that there is a dispute between Customer and vendor over the Vendor Payment, Customer and vendor shall resolve such dispute and shall hold UMR harmless in such disputes. In the event of any change in the Vendor Payment, Customer shall immediately notify UMR of such change.</p> <p>Remit payment to external vendors, as invoiced</p>	No charge for External PBM (ProAct), Specialty Rx (CanaRx) and Sharx – Data Analytics Solutions (Innovu)
2274	Medical Benefit Drug Rebate Compensation	80% to Customer, the balance is retained by

Service Code	Service	Fee
		UMR as compensation for the services.
<b>Telemedicine Medical Services</b>		
9933	Teladoc Services (general medicine)	Included in Medical Fee through 12/31/2026

## Credits

### Annual Credit

The TPA is offering Administrative Credit(s), amounts and policy periods of which are listed below, to be applied to the group's administrative fee billing until the credit amount is exhausted. The credit will be applied starting with the initial billing.

<u>Policy Period</u>	<u>Credit</u>
1/1/2025 - 12/31/2025	\$15,000
1/1/2026 - 12/31/2026	\$20,000

**Conditions:**

- Requires a three year agreement. Early termination is subject to the early termination penalty outlined below.
- Assumes an enrolled subscriber count within 15% of the quoted subscriber count of 368.
- Assumes an effective date of 1/1/2025.

**Early termination penalty\*:**

*Termination prior to 12/31/2025 = 100% of credit for 1/1/2025*

*Termination prior to 12/31/2026 = 100% of credit for 1/1/2026; 67% of credit for 1/1/2025*

\* - penalty amount will not exceed actual amount credited as of the cancellation date.

**Wellness Credit**

The TPA is offering annual Wellness Credits of \$10,000 for the policy period 1/1/2025 - 12/31/2026, for implementing wellness initiatives. This credit can be used toward UMR Population Management programs and other resources used to improve the health and well-being of your plan members.

**Conditions:**

- Requires a three year agreement. Early termination is subject to the early termination penalty outlined below.
- Assumes an enrolled subscriber count within 15% of the quoted subscriber count of 368.
- Any unused credit dollars at the end of each annual term are forfeited by the group.
- Assumes an effective date of 1/1/2025.
- Reimbursement or payment will not be made directly to any person or vendor.
- Approved wellness credit expenses are credited to the ASO fees on the monthly bill.

**Early termination penalty\*:**

*Termination prior to 12/31/2025 = 100% of credit for 1/1/2025*

*Termination prior to 12/31/2026 = 100% of credit for 1/1/2026; 67% of credit for 1/1/2025*

\* - penalty amount will not exceed actual amount credited as of the cancellation date.

**Wellness Program Guidelines**

The TPA recommends the following building blocks for establishing a successful wellness program that is specific to your organization's unique needs and overall goals:

- Visible senior-level support for wellness programming
- Programming tied directly to improving health or wellness within your member population
- Wellness initiatives supported by a communication program
- Environment supportive of healthy behaviors
- Collaboration to incorporate initiative into a three-year strategic plan to maximize the effectiveness of the program

**Eligible Services for a Wellness Credit**

The following items are eligible services covered by a wellness credit:

- UMR Wellness CARE - Clinical Health Risk Assessments (CHRA's) and CARE coaching
- Biometric screenings

- Real Appeal
- UMR Ongoing Condition CARE
- UMR Maternity CARE
- Other UMR CARE programs such as Emerging CARE or Complex Condition CARE and Bluetooth devices
- GenerationYOU
- Incentives provided to encourage participation in UMR wellness programs, for example gift cards for CHRA, biometric and/or Wellness CARE or Ongoing Condition CARE coaching completion
- Biometric screenings using UMR's preferred vendor or an external vendor
- Flu shots
- Onsite health fair services - osteoporosis screening, skin cancer screening, nutritional consulting/education, mobile mammography or cardiovascular screening
- Onsite health clinic preventive services
- Wellness related consultative services from physicians, licensed therapists, registered dieticians and other health care professionals
- Dedicated onsite health and wellness coordinator service (program management)
- Health and wellness onsite educational classes from an external vendor or speaker (i.e. stress management, ergonomics, nutrition, cooking demo, etc.)
- Onsite behavioral change classes: Weight Watchers, smoking cessation, anger management
- Virtual behavioral health and/or lifestyle subscription classes
- Smoking cessation programs and therapy (i.e. nicotine replacement therapy)
- Onsite exercise: Walking, pedometer program, stair climbing, water aerobics, swimming, cycling, aerobics, personal training, stretching, gym memberships or onsite gym services, acupuncture, alternative/holistic services
- Exercise equipment: Gym equipment – onsite and offsite
- Relaxation: Massage chairs, massage therapy, yoga
- Fees related to the TPA's online activity tracking and reward administration. Examples include:
  - Tracking completion of wellness activities, status of rewards, points earned and health outcomes if applicable
- Other: Various incentives related to health and wellness that are provided to encourage participation in wellness programs
  - Example: Entry fees to a wellness event (race), attire/gear for a wellness event, rental of equipment for wellness activity.
- The TPA fees for generating out of company data extracts that are explicitly used to support wellness programs
- Printing expenses/materials for a health and wellness event: Costs directly related to the promotion of the eligible wellness program or service (printing expenses or required materials for event)

Note: Contribution based incentives such as contributions to HSA and HRA are not covered under this program.

The TPA account management will consult with the customer to develop a plan to use wellness credits. Expenses not listed above are subject to prior approval by the TPA.

UMR may receive direct or indirect compensation from third parties in the course of administering Customer's Plan(s), such as commissions paid to UMR for the placement of stop loss policies or being

the third party administrator of record. All third party compensation received is taken into account by UMR when it prices the administrative Fees that it charges Customer for services under this Agreement to the extent reasonably possible, it being understood that certain compensation relates to UMR's total book of business rather than to any single customer.

A UMR affiliate provides payment services to the healthcare industry and offers medical providers with various payment methods and options, including electronic payments, virtual cards and checks. Some options are available to medical providers for a fee and may result in the receipt of transaction fees or other compensation (e.g., 1% to 3% of the total transaction amount, or at the election of the provider a per transaction fee of up to \$10) by a UMR affiliate.

## **EXHIBIT C – BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (“BAA”) is incorporated into and made part of the Administrative Services Agreement (“Agreement”) between UMR, Inc. (“UMR”) on behalf of itself and its affiliates (“Business Associate”) and City of Farmers Branch (“Covered Entity”) and is effective on January 1, 2025.

The parties hereby agree as follows:

### **1. DEFINITIONS**

- 1.1 Unless otherwise specified in this BAA, all capitalized terms used in this BAA not otherwise defined have the meanings established for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations as amended from time to time (collectively, “HIPAA”).
- 1.2 “Privacy Rule” means the federal privacy regulations, as amended from time to time, issued pursuant to HIPAA and codified at 45 C.F.R. Parts 160 and 164 (Subparts A & E).
- 1.3 “PHI” means Protected Health Information, as defined in 45 C.F.R. 160.103, and is limited to the Protected Health Information received from, or received or created on behalf of, Covered Entity by Business Associate pursuant to the performance of the Services.
- 1.4 “Security Rule” means the federal security regulations, as amended from time to time, issued pursuant to HIPAA and codified at 45 C.F.R. Parts 160 and 164 (Subparts A & C).
- 1.5 “Services” means, to the extent and only to the extent they involve the receipt, creation, maintenance, transmission, use or disclosure of PHI, the services provided by Business Associate to Covered Entity as set forth in the Agreement, including those set forth in this BAA in Section 4, as amended by written agreement of the parties from time to time.

### **2. RESPONSIBILITIES OF BUSINESS ASSOCIATE**

With regard to its use and/or disclosure of Protected Health Information (PHI), Business Associate agrees to:

- 2.1 not use and/or disclose PHI except as necessary to provide the Services, as permitted or required by this BAA and/or the Agreement, and in compliance with each applicable requirement of 45 C.F.R. 164.504(e), or as otherwise Required by Law, except that to the extent Business Associate is to carry out Covered Entity’s obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of those obligations.
- 2.2 implement and use appropriate administrative, physical and technical safeguards and comply with applicable Security Rule requirements with respect to Electronic Protected Health Information, to prevent use or disclosure of PHI other than as provided for by this BAA and/or the Agreement.
- 2.3 without unreasonable delay, report to Covered Entity (i) any use or disclosure of PHI not provided for by this BAA and/or the Agreement, of which it becomes aware in accordance with 45 C.F.R. 164.504(e)(2)(ii)(C); and/or (ii) any Security Incident of which Business Associate becomes aware in accordance with 45 C.F.R. 164.314(a)(2)(i)(C).

- 2.4 with respect to any use or disclosure of Unsecured PHI not permitted by the Privacy Rule that is caused solely by Business Associate's failure to comply with one or more of its obligations under this BAA, Covered Entity hereby delegates to Business Associate the responsibility for determining when any such incident is a Breach. In the event of a Breach, Business Associate shall (i) provide Covered Entity with written notification, and (ii) provide all legally required notifications to Individuals, HHS and/or the media, on behalf of Covered Entity, in accordance with 45 C.F.R. 164 (Subpart D) Business Associate shall pay for the reasonable and actual costs associated with those notifications.
- 2.5 in accordance with 45 C.F.R. 164.502(e)(1)(ii) and 45 C.F.R. 164.308(b)(2), ensure that any subcontractors of Business Associate that create, receive, maintain, or transmit PHI on behalf of Business Associate agree, in writing, to the same restrictions and conditions on the use and/or disclosure, of PHI that apply to Business Associate with respect to that PHI.
- 2.6 make available its internal practices, books and records relating to the use and disclosure of PHI to the Secretary for purposes of determining Covered Entity's compliance with the Privacy Rule.
- 2.7 after receiving a written request from Covered Entity or an Individual, make available an accounting of disclosures of PHI about the Individual, in accordance with 45 C.F.R. 164.528.
- 2.8 after receiving a written request from Covered Entity or an Individual, provide access to PHI in a Designated Record Set about an Individual, in accordance with the requirements of 45 C.F.R. 164.524.
- 2.9 after receiving a written request from Covered Entity or an Individual, make PHI in a Designated Record Set about an Individual available for amendment and incorporate any amendments to the PHI, all in accordance with 45 C.F.R. 164.526.
- 2.10 comply with the applicable requirements of 42 CFR Part 2 to the extent Covered Entity, a Part 2 program or another lawful holder provides Part 2 Records to Business Associate in accordance with 42 CFR § 2.32 or Subpart D.

### **3. RESPONSIBILITIES OF COVERED ENTITY**

In addition to any other obligations set forth in the Agreement, including in this BAA, Covered Entity:

- 3.1 shall provide to Business Associate only the minimum PHI necessary to accomplish the Services.
- 3.2 shall notify Business Associate of any limitations in the notice of privacy practices of Covered Entity under 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- 3.3 shall notify Business Associate of any changes in, or revocation of, the permission by an Individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- 3.4 shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 C.F.R. 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

- 3.5 In the event Covered Entity takes action as described in this Section, Business Associate shall decide which restrictions or limitations it will administer. In addition, if those limitations or revisions materially increase Business Associate's cost of providing Services under the Agreement, including this BAA, Covered Entity shall reimburse Business Associate for such increase in cost.

#### **4. PERMITTED USES AND DISCLOSURES OF PHI**

Unless otherwise limited in this BAA, in addition to any other uses and/or disclosures, permitted or required by this BAA or the Agreement, Business Associate may:

- 4.1 make any and all uses and disclosures of PHI necessary to provide the Services to Covered Entity.
- 4.2 use and disclose PHI, if necessary, for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, on the condition that the disclosures are Required by Law or any third party to which Business Associate discloses PHI for those purposes provides written assurances in advance that (i) the information will be held confidentially and used or further disclosed only for the purpose for which it was disclosed to the third party or as Required by Law, and (ii) the third party promptly will notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached.
- 4.3 de-identify PHI received or created by Business Associate under this BAA in accordance with the Privacy Rule, which de-identified information does not constitute PHI, is not subject to this BAA and may be used and disclosed on Business Associate's own behalf.
- 4.4 provide Data Aggregation services relating to the Health Care Operations of the Covered Entity in accordance with the Privacy Rule.
- 4.5 use and disclose PHI and data as permitted in 45 C.F.R 164.512 in accordance with the Privacy Rule.
- 4.6 use PHI to create, use and disclose a Limited Data Set in accordance with the Privacy Rule.

#### **5. TERMINATION**

- 5.1 Termination. If Covered Entity knows of a pattern of activity or practice of the Business Associate that constitutes a material breach or violation of this BAA, then the Covered Entity shall provide written notice of the breach or violation to the Business Associate that specifies the nature of the breach or violation. The Business Associate must cure the breach or end the violation on or before thirty (30) days after receipt of the written notice. In the absence of a cure reasonably satisfactory to the Covered Entity within the specified timeframe, or in the event the breach is reasonably incapable of cure, then the Covered Entity may terminate the Agreement and/or this BAA.
- 5.2 Effect of Termination or Expiration. After the expiration or termination for any reason of the Agreement and/or this BAA, Business Associate shall return or destroy all PHI received from or created or received by Business Associate on behalf of the Covered Entity, if feasible to do so, including such PHI in possession of Business Associate's subcontractors. In the event that Business Associate determines that return or destruction of the PHI is not feasible, Business Associate may retain the PHI and shall extend any and all protections,

limitations, and restrictions contained in this BAA to Business Associate's use and/or disclosure of any PHI retained after the expiration or termination of the Agreement and/or this BAA, and shall limit any further uses or disclosures solely to the purposes that make return or destruction of the PHI infeasible.

- 5.3 Cooperation. Each party shall cooperate in good faith in all respects with the other party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation, complaint, action, or other inquiry.

## **6. MISCELLANEOUS**

- 6.1 Construction of Terms. The terms of this BAA to the extent they are unclear shall be construed to allow for compliance by Covered Entity and Business Associate with HIPAA.
- 6.2 Survival. Sections 5.2, 5.3, 6.1, 6.2, and 6.3 shall survive the expiration or termination for any reason of the Agreement and/or of this BAA.
- 6.3 No Third-Party Beneficiaries. Nothing in this BAA shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.