

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: _____

Meeting Type: Regular

Meeting Date: Sep 22, 2016

Action Requested By: Human Resources

Agenda Type: Resolution

Subject Matter:

Agreement between the City of Huntsville and Blue Cross and Blue Shield of Alabama for Administrative Services

Exact Wording for the Agenda:

Resolution authorizing the Mayor to execute the renewal agreement with Blue Cross and Blue Shield of Alabama for group health insurance administrative services.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

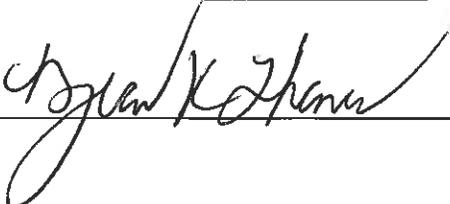
Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

This contract is needed to provide for the yearly renewal of health claims administration for employees, retirees and dependents.

Associated Cost: _____

Budgeted Item: _____

MAYOR RECOMMENDS OR CONCURS: _____

Department Head: 

Date: 9/13/16

ROUTING SLIP CONTRACTS AND AGREEMENTS

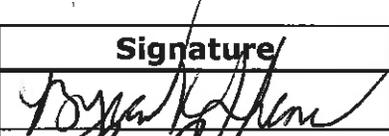
Originating Department: Human Resources Council Meeting Date: 9/22/2016
 Department Contact: Cindy Lehman Phone # 256-427-5244
 Contract or Agreement: Blue Cross and Blue Shield of Alabama Administrative Services Agreement
 Document Name: Administrative Services Agreement between Blue Cross and Blue Shield of Alabama a...
 City Obligation Amount:
 Total Project Budget:
 Uncommitted Account Balance:
 Account Number: 1005-00-00000-517010-00000000-

Procurement Agreements

<u>Select...</u>	<u>Select...</u>
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Grant-Funded Agreements

<u>Select...</u>	Grant Name: <input style="width: 70%;" type="text"/>
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Department	Signature	Date
1) Originating		9/13/16
2) Legal		9/14/16
3) Finance		9-15-16
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

RESOLUTION NO. 16-_____

WHEREAS Blue Cross and Blue Shield of Alabama currently administers the Bluecard PPO (PMD) option and the Alabama Personal Choice health insurance plans offered by the City of Huntsville; and

WHEREAS, the City of Huntsville desires to implement additional services and benefit changes, with the attached rates, effective January 1, 2017; and

WHEREAS, the City of Huntsville desires to continue its tobacco use policy requiring twelve (12) months of tobacco free certification to receive the non-tobacco rate; and

WHEREAS, the City of Huntsville desires to continue its Healthy Lifestyles Program for enrollment and participation in a Health Risk Assessment/Biometric Screening to receive the Wellness rate; and

WHEREAS, the City of Huntsville desires to renew and extend the Administrative Services Agreement with Blue Cross and Blue Shield of Alabama for the aforementioned health insurance plans for the period of October 1, 2016 through September 30, 2017; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into an Administrative Services Agreement between Blue Cross and Blue Shield of Alabama and City of Huntsville, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as an "Administrative Services Agreement between Blue Cross and Blue Shield of Alabama and City of Huntsville", consisting of eight (8) pages plus nineteen (19) pages consisting of related documents and the date of September 22, 2016, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 22nd day of September, 2016.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 22nd day of September, 2016.

Mayor of the City of
Huntsville, Alabama

2017 Benefit Rates

Div.	Active Employees - Bi-Weekly	Employee	Employee + Spouse	Employee + Child(ren)	Family
005	PPO Plan - Wellness	\$ 37.68	\$ 83.01	\$ 61.42	\$ 97.15
000	PPO Plan Regular	\$ 49.22	\$ 94.55	\$ 72.96	\$ 108.69
T05	PPO Plan Wellness Tobacco	\$ 56.14	\$ 101.47	\$ 79.88	\$ 115.61
T00	PPO Plan Regular Tobacco	\$ 67.68	\$ 113.01	\$ 91.42	\$ 127.15
005	PCN Plan - Wellness	\$ 39.56	\$ 86.95	\$ 64.42	\$ 101.86
000	PCN Plan Regular	\$ 51.10	\$ 98.49	\$ 75.96	\$ 113.40
T05	PCN Plan Wellness Tobacco	\$ 58.02	\$ 105.41	\$ 82.88	\$ 120.32
T00	PCN Plan Regular Tobacco	\$ 69.56	\$ 116.95	\$ 94.42	\$ 131.86
Div.	Retirees - Monthly	Retiree	Retiree + Spouse	Retiree + Child(ren)	Retiree Family
05M	PPO Plan - Wellness	\$ 321.72	\$ 648.30	\$ 478.83	\$ 760.92
00M	PPO Plan Regular	\$ 346.72	\$ 673.30	\$ 503.83	\$ 785.92
T5M	PPO Plan Wellness Tobacco	\$ 361.72	\$ 688.30	\$ 518.83	\$ 800.92
T0M	PPO Plan Regular Tobacco	\$ 386.72	\$ 713.30	\$ 543.83	\$ 825.92
05M	PCN Plan - Wellness	\$ 328.31	\$ 661.83	\$ 489.26	\$ 776.67
00M	PCN Plan Regular	\$ 353.31	\$ 686.83	\$ 514.26	\$ 801.67
T5M	PCN Plan Wellness Tobacco	\$ 368.31	\$ 701.83	\$ 529.26	\$ 816.67
T0M	PCN Plan Regular Tobacco	\$ 393.31	\$ 726.83	\$ 554.26	\$ 841.67

Div.	Active - COBRA - Monthly	Individual	Individual + Spouse	Individual + Child(ren)	Family
05S	PPO Plan - Wellness	\$ 555.11	\$ 1,223.02	\$ 904.89	\$ 1,431.32
00S	PPO Plan Regular	\$ 580.11	\$ 1,248.02	\$ 929.89	\$ 1,456.32
T5S	PPO Plan Wellness Tobacco	\$ 595.11	\$ 1,263.02	\$ 944.89	\$ 1,471.32
T0S	PPO Plan Regular Tobacco	\$ 620.11	\$ 1,288.02	\$ 969.89	\$ 1,496.32
05S	PCN Plan - Wellness	\$ 582.89	\$ 1,281.09	\$ 949.08	\$ 1,500.76
00S	PCN Plan Regular	\$ 607.89	\$ 1,306.09	\$ 974.08	\$ 1,525.76
T5S	PCN Plan Wellness Tobacco	\$ 622.89	\$ 1,321.09	\$ 989.08	\$ 1,540.76
T0S	PCN Plan Regular Tobacco	\$ 647.89	\$ 1,346.09	\$ 1,014.08	\$ 1,565.76



City of Huntsville 2017 Tobacco Use Certification Policy

Effective January 1, 2017, City of Huntsville group health plan subscribers who use tobacco products will be charged an additional \$40 per month in health insurance premiums.

If you and/or your spouse and/or dependent, if covered under the City's health insurance plan, smokes or uses tobacco products, you will pay a surcharge of \$40 per month for employee-only coverage, employee plus spouse, employee plus children or family coverage.

What is a Tobacco Product? Tobacco products are defined as: The product made or derived from tobacco that is intended for human consumption, including any component, part or accessory of a Tobacco Product. Tobacco Product includes but is not limited to cigarettes, cigars, pipes, water pipes (hookah), bidis, kreteks, electronic nicotine delivery systems (ENDS), electronic cigarettes, certain dissolvables, gels, smokeless tobacco, snuff, and chewing tobacco.

You will be charged the tobacco user surcharge, unless you certify no one covered under your City of Huntsville group health insurance uses tobacco products and no one has used tobacco products within the past twelve (12) months. However, you can qualify for the non-tobacco premium rate if you and/or your spouse and/or dependent satisfactorily complete the tobacco cessation program offered by the City's group health plan, the tobacco cessation program offered by the City's Health & Wellness Center administered by CareHere, or another tobacco cessation program as approved by the City's Insurance & Benefits office. Please note that if it is unreasonably difficult due to a medical condition for you and/or your spouse and/or dependent to qualify for the regular premium rate or if it is medically inadvisable for you and/or your spouse and/or dependent to attempt to achieve the standards to qualify for the regular premium rate under the group health plan, please contact the City's Insurance & Benefits office who will work with you to develop a reasonable alternative standard to qualify for the regular premium rate.

You are required to certify your tobacco use status and/or your covered spouse and/or dependent's tobacco use status every year. You are also required to resubmit a Tobacco Use Certification form if you and/or your covered spouse and/or dependent's tobacco use status changes during the year. All subscribers who enroll in the City's group health plan must certify their tobacco use status and/or their covered spouse and/or dependent's tobacco use status by completing the Tobacco Use Certification form.

Please Note: All subscribers must submit certification concerning their tobacco use to the City's Insurance & Benefits Office annually during the Open Enrollment period. Be sure to keep a copy of the completed Tobacco User Certification form for your records.

If you, your covered spouse and/or dependent desire to participate in an approved tobacco cessation program, you can contact the following:
City of Huntsville Health & Wellness Center (Tobacco Cessation Coach) at 1-877-866-6430
Blue Cross and Blue Shield of Alabama (Quit for Life Program) at 1-888-768-7848

It is your responsibility to contact an approved tobacco cessation program and sign up for tobacco cessation classes. For tobacco cessation programs, other than the tobacco cessation programs offered by Blue Cross and Blue Shield of Alabama or by the City's Health & Wellness Center administered by CareHere, you may incur a fee which is not covered by the City of Huntsville's group health plan.

2017 TOBACCO USE CERTIFICATION FORM

Name (please print)	ID #	Last 4 of SSN
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NON-TOBACCO USE CERTIFICATION

By checking this box, I certify that I am eligible for the regular premium rate.

I certify that myself and/or my spouse and/or eligible dependent(s), covered on my health insurance plan, are not currently using any tobacco products as defined in the Tobacco Use Certification Policy and have not used any tobacco products within the last twelve (12) months; or have completed a tobacco cessation program within the last twelve (12) months and no longer use tobacco products; or otherwise qualify based upon a reasonable alternative standard.

I certify that this information is true and correct to the best of my knowledge and that misrepresentation or falsification of information is grounds for disciplinary actions in accordance with Section 13 of the City of Huntsville's personnel policies and procedures.

I understand that if it is determined that I or my covered spouse or dependent(s) have used tobacco products within the last twelve (12) months, I will immediately be required to pay the tobacco user premium rate for the remainder of the current year and I will be charged the tobacco user premium rate retroactively to January 1st, or to the date my coverage became effective if after January 1st, or from the date I did not pay the surcharge.

I certify that if this information changes at any time during the upcoming year, while I have group health coverage through the City of Huntsville, I will notify the City's Insurance & Benefits office of such change within 30 days through completion and re-submission of this form.

I understand that if it is determined that I and/or my covered spouse and/or eligible dependent(s) start using tobacco products subsequent to the date of this certification and I do not notify the City's Insurance & Benefits office, I will immediately be required to pay the tobacco user premium rate for the remainder of the current year.

Subscriber's Signature: _____ Date: _____

TOBACCO USE CERTIFICATION

By checking this box, I certify that I am NOT eligible for the regular premium rate.

I certify that one or more persons covered under my group health insurance plan with the City of Huntsville uses tobacco products as defined in the Tobacco Use Certification Policy in some form, or that I choose not to disclose my status as it relates to tobacco use.

I understand that if myself and/or my covered spouse and/or dependent(s) who are tobacco users complete a tobacco cessation program offered by the group health plan, by the City's Health & Wellness Center administered by CareHere, another tobacco cessation program as approved by the City's Insurance & Benefits office, or complete an approved reasonable alternative standard, then I will be eligible for the regular premium rate for the remainder of the plan year.

Subscriber's Signature: _____ Date: _____

**Acknowledgement of Receipt of the
Notice Regarding Wellness Programs
of the City of Huntsville**

Please sign and date below once you have received the Notice Regarding Wellness Programs of the City of Huntsville and had an opportunity to read the notice.

Member Name:	Date of Birth:
Employee # (if applicable):	Last 4 digits of SSN:

Signature

Date

If you are not able to sign, a staff member will sign their name and date to indicate that you have been provided with this notice.

Staff Witness Signature (if applicable)

Date



CITY OF HUNTSVILLE, ALABAMA

NOTICE REGARDING WELLNESS PROGRAMS

The City of Huntsville offers a variety of voluntary wellness programs to all active employees, as well as, a Healthy Lifestyles Program which is a voluntary wellness program available to all employees, retirees, and COBRA participants covered on the City's Group Health Plan as the contract-holder. The programs are administered according to federal rules permitting employer-sponsored wellness programs that seek to improve employee health or prevent disease, including the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act of 2008, and the Health Insurance Portability and Accountability Act, as applicable, among others. The City offers other voluntary wellness programs available to all employees, which may include services through the City of Huntsville Health & Wellness Center, CareHere Health Coaches, a Diabetic Supply Program, and the City's Health Fair & Flu Shot Clinic.

Healthy Lifestyles Program

The City of Huntsville recognizes that individuals who practice healthy behaviors are the key to holding down rising health care costs. While we realize it is not the City's role to manage every aspect of your health, we do know that establishing healthy behaviors can make a difference for individuals. Therefore, those eligible participants taking steps to achieve a healthier lifestyle are rewarded. If you are eligible, but choose not to participate, you are not penalized. Instead, the City will reward those who work hard at their health with the Healthy Lifestyles Program. The Healthy Lifestyles Program provides an opportunity for members covered on the City's Group Health Plan to receive a discount on the plan rate of up to \$300 for the 2017 plan year.

Members who choose to participate in the Healthy Lifestyles Program will be asked to complete a voluntary health risk assessment or "HRA" that asks a series of questions about health-related activities and behaviors and whether certain medical conditions (e.g., cancer, diabetes, or heart disease) are known. Participants will also be asked to complete a biometric screening, which will include a blood test for Cholesterol, Diabetic Measures, Blood Chemistry, Liver Function Tests, Hormonal Assays, Nutrition Panel, and Vitals. You are not required to complete the HRA or to participate in the blood test or other medical examinations.

However, eligible members who choose to participate in the wellness program will receive a \$25 per month reduction in their City of Huntsville Group Health Plan rate. Upon completion of the HRA and biometric screening (HRA/BioS) the rate reduction will be applied at the first of the following month and will be effective for the remainder of the plan year. Although you are not required to complete the HRA or participate in the biometric screening, eligible members who do so will receive the incentive. The City of Huntsville wellness discount for the 2017 plan year is \$25 per month off the group health plan regular rate. Members can receive the wellness discount by completing the Healthy Lifestyles Program requirements and participating in the Health Risk Assessment and Biometric Screening (HRA/BioS).

The HRA/BioS can be completed at a City of Huntsville HRA event during November and December of 2016, by appointment at the City's Health & Wellness Center for the HRA/BioS, or with a City of Huntsville designated healthcare professional. The results of the HRA/BioS screening are strictly confidential.

If it is unreasonably difficult, due to a medical condition, for you to achieve the standard for reward under the

Healthy Lifestyles Program, or if it is medically inadvisable for you to attempt to achieve the standard for the reward under this program, you may be entitled to a reasonable accommodation or an alternative standard. You may request a reasonable accommodation or an alternative standard by contacting the City's Insurance & Benefits Manager at 256-427-5244 who will work with you to develop another way to qualify for this reward.

The reduced Wellness discount will be applied upon completion of the HRA/BioS, or alternate standard. To receive the Wellness discount beginning January 1, 2017, you must complete the HRA/BioS, or alternate standard, between November 1, 2016 and December 22, 2016. Enrollees who complete the HRA/BioS, or alternate standard, after December 22, 2016 will receive the Wellness discount effective the 1st of the month following confirmation of completion.

The information from your HRA and the results from your biometric screening will be used to provide you with information to help you understand your current health and potential risks, and may also be used to offer you services through the wellness program, such as an Exercise Coach, Registered Dietitian, or Diabetic Coaching and free supplies. You also are encouraged to share your results or concerns with your own doctor.

Protections from Disclosure of Medical Information

We are required by law to maintain the privacy and security of your personally identifiable health information. Although the wellness program and City of Huntsville may use aggregate information it collects to design a program based on identified health risks in the workplace, the Healthy Lifestyles Program will never disclose any of your personal information either publicly or to the employer, except as necessary to respond to a request from you for a reasonable accommodation needed to participate in the wellness program, or as expressly permitted by law. Medical information that personally identifies you that is provided in connection with the wellness program will not be provided to your supervisors or managers and may never be used to make decisions regarding your employment.

Your health information will not be sold, exchanged, transferred, or otherwise disclosed except to the extent permitted by law to carry out specific activities related to the wellness program, and you will not be asked or required to waive the confidentiality of your health information as a condition of participating in the wellness program or receiving an incentive. Anyone who receives your information for purposes of providing you services as part of the wellness program will abide by the same confidentiality requirements. The only individual(s) who will receive your personally identifiable health information is (are) CareHere medical providers, nurses and health coaches in order to provide you with services under the wellness program.

- In addition, all medical information obtained through the wellness program will be maintained separate from your personnel records, information stored electronically will be encrypted, and no information you provide as part of the wellness program will be used in making any employment decision. Appropriate precautions will be taken to avoid any data breach, and in the event a data breach occurs involving information you provide in connection with the wellness program, we will notify you immediately.

You may not be discriminated against in employment because of the medical information you provide as part of participating in the wellness program, nor may you be subjected to retaliation if you choose not to participate.

If you have questions or concerns regarding this notice, or about protections against discrimination and retaliation, please contact the City of Huntsville Human Resources Department at 256-427-5240.



Group Health Benefits Contract (51+ Employees)

**BlueCross BlueShield
of Alabama**

An Independent Licensee of the
Blue Cross and Blue Shield Association

Customized BCBSAL Plan

Group Name:	The City Of Huntsville	Financial:	Self Funded
Group Number:	29092,02576	Divisions:	All
Corporate Code:	290920001	Renewal:	Renewal
Effective Date:	1/1/2017		

PHYSICAL ADDRESS

Address 1:	308 Fountain Cir Sw	City:	Huntsville
Address 2:		State:	AL
County:	Madison	Zip:	35801-4240
County Code:			

BILLING ADDRESS

Address 1:	308 Fountain Cir Sw	City:	Huntsville
Address 2:	Po Box 308	State:	AL
County:		Zip:	35801-4240

GROUP CONTACTS

	Sal.	Name	Title	Telephone
Billing:	MS	Cynthia Lehman	Benefits And Safety Coor	(256) 427-5244
Benefits:	MS	Cynthia Lehman	Benefits And Safety Coor	(256) 427-5244
Decision:	MR	Byron Thomas	Director Of Hr	(256) 427-5240

BCBSAL REPRESENTATIVES

	Name	Telephone	Email
Account Executive:	James Watkins	256-726-9101	mwatkins@bcbsal.org
Secondary Account Executive:	Chris Sullivan	205-220-7493	csullivan@bcbsal.org
Account Manager:	Becky McCartha	205-220-7954	RMcCartha@bcbsal.org

County:
Group IRS ID Number: 636001296

District Office: Large Group
Legal Plan Year Begins On:

Other Benefit Changes

Update of Standard Exclusions

The Health Benefit Exclusions section of the plan(s) is hereby amended as follows:

- Revise the exclusion for substance abuse facilities.
- Add Residential Treatment Services Exclusion
- Remove Dependent Maternity Exclusion
- Remove the exclusion for services or supplies related to surgical sex transformations.

Rehabilitative and habilitative visit limits

Rehabilitative OT, PT and ST have unlimited visits

Habilitative OT, PT and ST have unlimited visits

Benefit Booklet

Employer elects to receive a summary of material modifications for two renewals instead of an updated benefit booklet. After two renewals, Employer receives an updated benefit booklet with all changes since the previous updated benefit booklet.

Special Instructions

Effective January 1, 2017:

1. The City of Huntsville will split the OOP (out of pocket maximum) for Medical and Pharmacy.

#02576:

Individual - \$2,500.00 Medical, \$1,500.00 Pharmacy

Family - \$5,000.00 Medical, \$3,000.00 Pharmacy

#29092:

Individual - \$3,000.00 Medical, \$2,000.00 Pharmacy

Family - \$6,000.00 Medical, \$4,000.00 Pharmacy

2. Administrative fees will remain unchanged at \$39.00 per contract per month.

3. Group will cover home sleep studies.

All other arrangements remain the same.

Riders and codes are for internal use only.

Customer Signature
Authorized Representative

Blue Cross and Blue Shield of Alabama
Representative

Title

Title

Date

Date

**Amendment
to the
Administrative Services Agreement
between
Blue Cross and Blue Shield of Alabama
and**

**The City of Huntsville
Group 29092; 02576
Effective Date of Amendment:
October 1, 2016**

**Original Effective Date of Agreement:
April 1, 1990**

**AMENDMENT
to the
ADMINISTRATIVE SERVICES AGREEMENT
between**

**BLUE CROSS AND BLUE SHIELD OF ALABAMA
450 Riverchase Parkway East
Birmingham, Alabama 35244-2858
(Claims Administrator)**

And

**THE CITY OF HUNTSVILLE
308 Fountain Circle Southwest
Huntsville, AL 35801-4240
(Employer)**

Claims Administrator and Employer hereby agree to amend the Administrative Services Agreement (Agreement) to delete the Blue Cross and/or Blue Shield Inter-Plan Program/ Out-of-Areas Services provisions in the Agreement and replace them with the following new provisions set forth in this amendment. All capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement.

I. Out of Area Services

Overview

Claims Administrator has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Arrangements." These Inter-Plan Arrangements operate under rules and procedures issued by the Blue Cross Blue Shield Association ("Association"). Whenever members access healthcare services outside the geographic area Claims Administrator serves, the claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below.

Typically, when accessing care outside the geographic area Claims Administrator serves, members obtain care from healthcare providers that have a contractual agreement ("participating providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, members may obtain care from healthcare providers in the Host Blue geographic area that do not have a contractual agreement ("nonparticipating providers") with the Host Blue. Claims Administrator remains responsible for fulfilling its contractual obligations to you. Claims Administrator's payment practices in both instances are described below.

This disclosure describes how claims are administered for Inter-Plan Arrangements and the fees that are charged in connection with Inter-Plan Arrangements.

A. BlueCard[®] Program

The BlueCard[®] Program is an Inter-Plan Arrangement. Under this Arrangement, when members access covered healthcare services outside the geographic area Claims Administrator serves, the Host Blue will be responsible for contracting and handling all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below.

1. Liability Calculation Method Per Claim – In General

Member Liability Calculation

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

Employer Liability Calculation

The calculation of Employer liability on claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to Claims Administrator by the Host Blue under the

contract between the Host Blue and the provider. Sometimes, this negotiated price may be greater for a given service or services than the billed charge in accordance with how the Host Blue has negotiated with its participating healthcare provider(s) for specific healthcare services. In cases where the negotiated price exceeds the billed charge, Employer may be liable for the excess amount even when the member's deductible has not been satisfied. This excess amount reflects an amount that may be necessary to secure (a) the provider's participation in the network and/or (b) the overall discount negotiated by the Host Blue. In such a case, the entire contracted price is paid to the provider, even when the contracted price is greater than the billed charge.

2. Claims Pricing

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

- (i) An actual price. An actual price is a negotiated rate of payment in effect at the time a claim is processed without any other increases or decreases; or
- (ii) An estimated price. An estimated price is a negotiated rate of payment in effect at the time a claim is processed, reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements and performance-related bonuses or incentives; or
- (iii) An average price. An average price is a percentage of billed covered charges in effect at the time a claim is processed representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

The Host Blue determines whether it will use an actual, estimated or average price. The use of estimated or average pricing may result in a difference (positive or negative) between the price Employer pays on a specific claim and the actual amount the Host Blue pays to the provider. However, the BlueCard Program requires that the amount paid by the member and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims.

Any positive or negative differences in estimated or average pricing are accounted for through variance accounts maintained by the Host Blue and are incorporated into future claim prices. As a result, the amounts charged to Employer will be adjusted in a following year, as necessary, to account for over- or underestimation of the past years' prices. The Host Blue will not receive compensation from how the estimated price or average price methods, described above, are calculated. Because all amounts paid are final, neither positive variance account amounts (funds available to be paid in the following year), nor negative variance amounts (the funds needed to be received in the following year), are due to or from Employer. If Employer terminates, you will not receive a refund or charge from the variance account.

Variance account balances are small amounts relative to the overall paid claims amounts and will be liquidated over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Variance account balances may earn interest at the federal funds or similar rate. Host Blues may retain interest earned on funds held in variance accounts.

3. BlueCard Program Fees and Compensation

Employer understands and agrees to reimburse Claims Administrator for certain fees and compensation which Claims Administrator is obligated under the BlueCard Program to pay to the Host Blues, to the Association and/or to vendors of BlueCard Program-related services.

The specific BlueCard Program fees and compensation that are charged to Employer are set forth in Exhibit X. BlueCard Program Fees and compensation may be revised from time to time as described in Section I.G below.

B. Negotiated Arrangements

With respect to one or more Host Plans, instead of using the BlueCard Program, Claims Administrator may process your member claims for covered healthcare services through Negotiated Arrangements.

In addition, if Claims Administrator and Employer have agreed that (a) Host Blue(s) shall make available (a) custom healthcare provider network(s) in connection with this agreement, then the terms and conditions set forth

in Claims Administrator's Negotiated Arrangement(s) for National Accounts with such Host Blue(s) shall apply. These include the provisions governing the processing and payment of claims when members access such network(s). In negotiating such arrangement(s), Claims Administrator is not acting on behalf of or as an agent for Employer, Employer's group health plan or Employer's members.

Member Liability Calculation

Member liability calculation will be based on the lower of either billed covered charges or negotiated price (refer to the description of negotiated price under Section A, BlueCard Program) that the Host Blue makes available to Claims Administrator and that allows Employer's members access to negotiated participation agreement networks of specified participating providers outside of Claims Administrator's service area.

Fees and Compensation

Employer understands and agrees to reimburse Claims Administrator for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as described in Section I.G below. In addition, the participation agreement with the Host Blue may provide that Claims Administrator must pay an administrative and/or a network access fee to the Host Blue, and Employer further agrees to reimburse Claims Administrator for any such applicable administrative and/or network access fees. The specific fees and compensation that are charged to Employer under Negotiated Arrangements are set forth in Exhibit X.

C. Return of Overpayments

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

D. Inter-Plan Programs: Federal/State Taxes/Surcharges/Fees

In some instances federal or state laws or regulations may impose a surcharge, tax or other fee that applies to self-funded accounts. If applicable, Claims Administrator will disclose any such surcharge, tax or other fee to Employer, which will be Employer's liability.

E. Nonparticipating Providers outside Claims Administrator's Service Area

Member Liability Calculation

In General

When covered healthcare services are provided outside of Claims Administrator's service area by nonparticipating providers, the amount(s) a member pays for such services will be based on either the Host Blue's nonparticipating healthcare provider local payment or the pricing arrangements required by applicable state law. In these situations, the member may be responsible for the difference between the amount that the nonparticipating provider bills and the payment Claims Administrator will make for the covered services as set forth in this paragraph. Payments for out-of-network emergency services will be governed by applicable federal and state law.

Exceptions

In some exception cases, Claims Administrator may pay claims from nonparticipating healthcare providers outside of Claims Administrator's service area based on the provider's billed charge. This may occur in situations where member did not have reasonable access to a participating provider, as determined by Claims Administrator or by applicable law. In other exception cases, Claims Administrator may pay such claims based on the payment Claims Administrator would make if Claims Administrator were paying a nonparticipating provider inside of Claims Administrator's service area. This may occur where the Host Blue's corresponding payment would be more than

Claims Administrator's in-service area nonparticipating provider payment. Claims Administrator may choose to negotiate a payment with such a provider on an exception basis.

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

Fees and Compensation

Employer understands and agrees to reimburse Claims Administrator for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer are set forth in Exhibit X. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in Section I.G below.

F. BlueCard Worldwide® Program

1. General Information

If members are outside the United States (hereinafter: "BlueCard service area"), they may be able to take advantage of the BlueCard Worldwide Program when accessing covered healthcare services. The BlueCard Worldwide Program is not served by a Host Blue.

Inpatient Services

In most cases, if members contact the BlueCard Worldwide Service Center for assistance, hospitals will not require members to pay for covered inpatient services, except for their deductibles, coinsurance, etc. In such cases, the hospital will submit member claims to the BlueCard Worldwide Service Center to initiate claims processing. However, if the member paid in full at the time of service, the member must submit a claim to obtain reimbursement for covered healthcare services.

Outpatient Services

Physicians, urgent care centers and other outpatient providers located outside the BlueCard service area will typically require members to pay in full at the time of service. Members must submit a claim to obtain reimbursement for covered healthcare services.

2. BlueCard Worldwide Program-Related Fees

Employer understands and agrees to reimburse Claims Administrator for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer under the BlueCard Worldwide Program are set forth in Exhibit X. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in Section I.G below.

G. Modifications or Changes to Inter-Plan Arrangement Fees or Compensation

Modifications or changes to Inter-Plan Arrangement fees are generally made effective Jan. 1 of the calendar year, but they may occur at any time during the year. In the case of any such modifications or changes, Claims Administrator shall provide Employer with at least thirty (30) days' advance written notice of any modification or change to such Inter-Plan Arrangement fees or compensation describing the change and the effective date thereof and Employer's right to terminate this Agreement without penalty by giving written notice of termination before the effective date of the change. If Employer fails to respond to the notice and does not terminate this agreement during the notice period, Employer will be deemed to have approved the proposed changes, and Claims Administrator will then allow such modifications to become part of this agreement.

All other terms and conditions of the Administrative Services Agreement between the Plan Administrator and Employer adopted and approved by the Huntsville City Council on September 24, 2015 pursuant to Resolution No. 15-723, remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this amendment as of the effective date of Employer's renewal date with the Claims Administrator.

BLUE CROSS AND BLUE SHIELD OF ALABAMA

By

Rebekah Elgin Council

Date 9/13/2016

Rebekah Elgin Council, Senior Vice President and Chief Marketing Officer

THE CITY OF HUNTSVILLE

By _____ Date _____

Its Mayor, Tommy Battle

Exhibit X
Administrative Services Agreement
Inter-Plan Arrangement Fees and Compensation

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

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

BlueCard Program Access Fees: A BlueCard Program Access Fee may be charged only if the Host Blue's arrangement with its healthcare provider prohibits billing members for amounts in excess of the negotiated payment. However, a healthcare provider may bill members for non-covered healthcare services and for cost sharing (for example, deductibles, copayments and/or coinsurance) related to a particular claim.

How the Blue Card Program Access Fee Affects Employer: Sometimes the Access Fee is a negative amount, which is known as an Access Fee Credit. Any Access Fee Credits will be credited to Claims Administrator and Claims Administrator will pass the entire Access Fee Credit on to Employer.

Instances may occur in which the claim payment is zero or Claims Administrator pays only a small amount because the amounts eligible for payment were applied to patient cost sharing (such as a deductible or coinsurance). In these instances, Claims Administrator will pay the Host Blue's Access Fee and pass it along directly to Employer as stated above even though Employer paid little or had no claim liability.

A General Administrative Fee encompasses fees Claims Administrator charges to Employer for administering Employer's benefit plan. They may include both local and Inter-Plan fees. For purposes of this agreement, they include the following BlueCard Program-related fees other than the BlueCard Program Access Fee: namely, Administrative Expense Allowance (AEA) Fee, Central Financial Agency Fee, ITS Transaction Fee, Toll-Free Number Fee, PPO Provider Directory Fee and BlueCard Worldwide Program Fees, if applicable.

Purchaser Name: **The City of Huntsville**

Purchaser Base Group Number(s): **290920001**

Effective Date: (Contract Year) of this Exhibit X: **October 01, 2016 through September 30, 2017**

Inter-Plan Arrangements Fees

BlueCard Program Fees

Access Fees: 2.59% in 2016 for 1,000–9,999 Blue PPO enrolled contracts of network savings, capped at \$2,000.00 per claim.

General Administrative Fee

Any Nonparticipating Provider Claims Processing Fees: \$0 per claim for out-of-network claims.
(Access Fees, Toll-free Number Fees and PPO Provider Directory Fees do not apply when members access nonparticipating providers).

Company Name	<u>City of Huntsville</u>
Group Number(s)	<u>29092 + 02576</u>

BUSINESS ASSOCIATE AGREEMENT

This Agreement is effective as of the Effective Date by and among Plan, Business Associate and Plan Sponsor. For purposes of this Agreement, all capitalized terms contained in this Agreement, not otherwise defined herein, shall have the meanings ascribed to them in Schedule A, attached hereto and made a part hereof.

RECITALS:

- A. Business Associate provides Administrative Services to Plan.
- B. Plan Sponsor sponsors Plan and provides Plan Administrative Services to Plan. In the performance of the Plan Administrative Services, Plan Sponsor requires access to PHI.
- C. HIPAA Rules and Plan require that Business Associate comply and Business Associate is willing to comply with the HIPAA Rules in connection with the performance of the Administrative Services, all upon the terms and conditions set forth herein.
- D. Plan also desires that Business Associate disclose and Business Associate is willing to disclose Summary Health Information, enrollment/disenrollment information and PHI to Plan Sponsor and Designated Plan Sponsor Employees upon the terms and conditions set forth herein.

NOW THEREFORE, for and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

- 1. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue for so long as Business Associate is providing the Administrative Services, unless earlier terminated pursuant to this Agreement.
- 2. **Permitted Uses and Disclosures of PHI on Behalf of Plan.** Plan and Business Associate hereby agree that Business Associate may, in the performance of the Administrative Services, use and disclose PHI to health care providers, other business associates of Plan, agents or subcontractors of Business Associate, and others, in any manner Plan would be permitted or required to use and disclose PHI under the HIPAA Rules if Plan were performing the Administrative Services including without limitation, for Treatment, Payment and Health Care Operations. Business Associate may de-identify PHI in accordance with § 164.514 of the HIPAA Rules, and such de-identified information is not subject to the terms of this Agreement.

Business Associate recognizes and agrees that when acting as a business associate hereunder, Business Associate is obligated by law to comply with the applicable provisions of the HIPAA Rules. To the extent that Business Associate is to carry out a responsibility of Plan or Plan Sponsor under part 164, subpart E of the HIPAA rules, Business Associate shall comply with the requirements of subpart E that apply to Plan or Plan Sponsor in the performance of such obligation.

3. Permitted Uses and Disclosures of PHI for Business Associate Operations.

Plan and Business Associate hereby agree that Business Associate may use PHI, if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate. Business Associate may disclose PHI for its proper management and administration or to carry out its legal responsibilities if the disclosure is required by law or if Business Associate obtains reasonable written assurances from the Person to whom PHI will be disclosed that: (a) PHI will be held confidentially and used or further disclosed only for the purpose for which it was disclosed to such Person or only as required by law; and (b) such Person will notify Business Associate of any instances of which it becomes aware in which the confidentiality of PHI was breached. Business Associate may also use and disclose PHI to provide Data Aggregation services relating to the Health Care Operations of Plan.

4. Disclosure of Summary Health Information and Enrollment Information to Plan Sponsor. Plan hereby authorizes and directs Business Associate to disclose Summary Health Information and information about an individual's enrollment in or disenrollment from Plan and Plan Sponsor as requested from time to time by Plan Sponsor. In disclosing Summary Health Information to Plan Sponsor hereunder, Plan hereby authorizes and directs Business Associate to, and Plan Sponsor hereby agrees, Business Associate may, rely solely upon the following representations, warranties and agreements of Plan and Plan Sponsor:

A. Plan Sponsor shall only request Summary Health Information for the purpose of (i) obtaining premium bids from health insurers for providing health insurance coverage under Plan; or (ii) modifying, amending, or terminating Plan.

B. Plan has included all necessary statements in its notice of privacy practices required by the HIPAA Rules to permit Plan and Business Associate to disclose Summary Health Information to Plan Sponsor.

5. Disclosure of PHI to Designated Plan Sponsor Employees. Plan hereby authorizes and directs Business Associate to disclose PHI to Designated Plan Sponsor Employees as requested from time to time by Designated Plan Sponsor Employees. If requested by Plan Sponsor, Plan also authorizes and directs Business Associate to give Plan Sponsor electronic access to PHI for use by Designated Plan Sponsor Employees. In disclosing PHI to Designated Plan Sponsor Employees hereunder, Plan hereby authorizes and directs Business Associate, to, and Plan Sponsor hereby agrees Business Associate may, rely solely upon the following representations, warranties and agreements of Plan and Plan Sponsor:

A. The Privacy Plan Amendment has been duly adopted by all necessary or appropriate action of Plan and Plan Sponsor and is, or will be, in full force and effect on the Effective Date. Plan has included all necessary statements in its notice of privacy practices required by the HIPAA Rules to permit Plan and Business Associate to disclose PHI to

Designated Plan Sponsor Employees. Plan Sponsor and Plan shall promptly notify Business Associate of any modification or amendment to the Privacy Plan Amendment. Plan Sponsor and Plan shall also promptly notify Business Associate of any additions to or deletions from the Designated Plan Sponsor Employees.

B. Plan Sponsor shall ensure that only Designated Plan Sponsor Employees shall use or have the opportunity to use, any electronic access to PHI provided to Plan Sponsor by Business Associate hereunder.

C. On and after the Effective Date, Plan and Designated Plan Sponsor Employees will comply in all respects with the HIPAA Rules and the Privacy Plan Amendment that are applicable to this Agreement.

D. Designated Plan Sponsor Employees shall request only PHI from Business Associate that is the minimum necessary as required by the HIPAA Rules to perform the Plan Administrative Services.

6. **Disclosures of PHI to Privacy Officer.** Plan hereby authorizes and directs Business Associate to disclose PHI to the Plan's Privacy Officer for purposes of implementing the HIPAA Rules and as may be requested by the Privacy Officer from time to time. In disclosing PHI to the Plan's Privacy Officer, Plan hereby authorizes and directs Business Associate to, and Plan Sponsor hereby agrees Business Associate may, rely solely upon the following representations, warranties and agreements of Plan and Plan Sponsor: All necessary actions under the HIPAA Rules have been performed to permit the Plan's Privacy Officer to have access to the PHI as described herein.

7. **Minimum Necessary.** Business Associate will, in its performance of the functions, activities, services, and operations specified above, make reasonable efforts to use, to disclose, and to request only the minimum amount of PHI reasonably necessary to accomplish the intended purpose of the use, disclosure, or request. Business Associate and Plan acknowledge that the phrase "minimum necessary" shall be interpreted in accordance with the HIPAA Rules. Plan shall notify Business Associate of:

(i) any limitation(s) in the notice of privacy practices of Plan under the HIPAA Rules, to the extent that such limitation may affect Business Associate's use or disclosure of PHI;

(ii) 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; and

(iii) any restriction on the use or disclosure of PHI that Plan has agreed to or is required to abide by under §164.522 of the HIPAA Rules, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

Furthermore, Plan agrees to notify Business Associate prior to Plan's agreement to any of the forgoing changes, limitations, revocations, or restrictions.

8. **Unauthorized Use or Disclosure.** Business Associate shall not use or further disclose PHI other than as permitted by this Agreement or as required by law.

9. **Privacy and Security Safeguards.** Business Associate will develop, implement, maintain and use appropriate safeguards to comply with the HIPAA Rules and prevent use or disclosure of PHI (including electronic PHI) other than as provided in this Agreement or as required by law.

10. **Sub-Contractors and Agents.** Business Associate will ensure that any of its subcontractors and agents (to whom Business Associate provides PHI in connection with the Administrative Services) agrees to the same restrictions and conditions that apply to Business Associate hereunder, through a written agreement in accordance with §164.502(e)(1)(ii) and §164.308(b)(2), if applicable, of the HIPAA Rules.

11. **Compliance with Standard Transactions.** If Business Associate conducts, in whole or in part, Standard Transactions for or on behalf of Plan, Business Associate will comply and will require any of its subcontractors or agents involved with the conduct of such Standard Transactions to comply with each applicable requirement of 45 CFR Part 162. Business Associate will not enter into or permit its subcontractors or agents to enter into any trading partner agreement in connection with the conduct of Standard Transactions for, or on behalf of, Plan that: (a) changes the definition, data condition, or use of a data element or segment in a Standard Transaction; (b) adds any data elements or segments to the maximum defined data set; (c) uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or (d) changes the meaning or intent of the Standard Transaction's implementation specification.

12. **Plan Access to PHI.** Upon receipt of a request from Plan, and in accordance with the written policies of Business Associate then in effect, Business Associate will promptly make available to Plan or, at Plan's direction, to the individual requesting PHI (or the individual's personal representative) for inspection and obtaining copies of any PHI (including electronic copies of PHI in a designated record set as necessary) about said individual that is in Business Associate's custody or control, so that Plan may meet its access obligations under §164.524 of the HIPAA Rules.

13. **Amendment of PHI.** Business Associate will, upon receipt of notice from Plan, and in accordance with the written policies of Business Associate then in effect, promptly amend or permit Plan access to amend any portion of PHI, so that Plan may meet its amendment obligations under §164.526 of the HIPAA Rules. If authorized by Plan, Business Associate will, upon receipt of a request from the individual requesting amendment to his PHI, promptly amend such PHI so that Plan may meet its amendment obligations under §164.526 of the HIPAA Rules.

14. **Disclosure Accounting.** Except for Excepted Disclosures, Business Associate will record the Disclosure Information for each disclosure of PHI that Business Associate makes to any Person. Business Associate need not record Disclosure Information or otherwise account for Excepted Disclosures. Upon receipt of a request from Plan and in accordance with the written policies of Business Associate then in effect, Business Associate will make available to Plan, or at Plan's direction, to the individual requesting the disclosure accounting, the Disclosure Information for the six (6) years preceding Plan's request for the Disclosure Information (except for disclosures occurring before the Effective Date), so that Plan may meet its disclosure accounting obligations under §164.528 of the HIPAA Rules.

15. **Inspection of Books and Records.** Business Associate will make its internal practices, books, and records relating to its use and disclosure of PHI under this Agreement available to the U.S. Department of Health and Human Services for the purposes of determining Plan's compliance with the HIPAA Rules.

16. **Reports to Plan.** Business Associate will report to Plan promptly any use or disclosure of PHI that violates this Agreement of which Business Associate becomes aware, including breaches of unsecured PHI as required by §164.410 of the HIPAA Rules, and any Security Incident of which it becomes aware. Business Associate will further provide to Plan, in writing, such details concerning the incident in question as Plan may reasonably request.

In addition, Business Associate will report, without unreasonable delay but in no case later than 60 days following discovery of the breach, to the Plan's Privacy Official, any breach of unsecured protected health information. Such report shall include the identification (if known) of each person whose unsecured protected health information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such breach, along with any other information required to be reported by Business Associate to Plan under the HIPAA Rules. Unless notified otherwise by Plan, Business Associate will, on behalf of Plan, provide all notifications of breaches of unsecured protected health information as required in accordance with Subpart D of 45 C.F.R. Part 164, to the extent that the breached unsecured protected health information was in the possession of Business Associate or a subcontractor or agent of Business Associate. The terms "breach" and "unsecured protected health information" shall have the meanings ascribed to them in the HIPAA Rules.

17. **Termination of Agreement for Cause.** In the event of a breach of a material term of this Agreement by Business Associate, Plan shall have the right to terminate this Agreement by providing to Business Associate written notice of termination setting forth the details of the incident that is the basis for such termination. Business Associate shall have the right to cure any such breach within thirty (30) days from its receipt of said notice of termination (the "Cure Period"). A failure by Business Associate to cure such breach within the Cure Period shall constitute a breach of this Agreement entitling Plan to terminate this Agreement at any time after the Cure Period by providing to Business Associate written notice thereof specifying the effective date of termination. Plan, Business Associate and Plan Sponsor hereby agree that, upon termination of this Agreement, the ASA shall terminate and Business Associate shall have no further obligation to perform the Administrative Services.

18. Obligations upon Termination.

A. Return or Destruction. Upon termination or expiration of this Agreement, Business Associate will, if feasible, return to Plan or destroy all PHI, in whatever form or medium (including any electronic medium under Business Associate's custody or control), including all copies of and any data or compilations derived from and allowing identification of any individual who is a subject of PHI. Business Associate will, in accordance with the written policies of Business Associate then in effect, complete such return or destruction as promptly as possible after the effective date of the termination or expiration of this Agreement. Business Associate will limit its further use or disclosure of PHI to those purposes that make return or destruction infeasible. If Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to the Plan notification of the conditions that make return or destruction infeasible. Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

B. Continuing Privacy and Other Obligations. Business Associate's obligation to protect the privacy of PHI hereunder will be continuous and survive termination or expiration of this Agreement. The obligations of the parties hereto under Sections 12, 13, 14, 18 and 19 of this Agreement shall survive the termination or expiration of this Agreement.

19. Indemnification.

A. Indemnification by Plan. Business Associate hereby agrees to the extent provided by Alabama law to indemnify, defend and hold harmless Business Associate (including, without limitation, its officers, directors, employees, agents, successors and assigns) from and against any and all claims, causes of action, liabilities, damages, costs, or expenses (including without limitation, attorneys' fees, court costs, costs of administrative or other proceedings, and costs of investigation) arising out of or related to (i) the reliance of Business Associate upon Plan's representations, warranties, agreements or directions to Business Associate pursuant to this Agreement, or (ii) a breach of any of the terms and provisions of this Agreement by Plan or any party acting by or through Plan (including, without limitation, Plan's agents, employees, representatives, contractors or subcontractors).

B. Indemnification by Plan Sponsor. Plan Sponsor hereby agrees to the extent provided by Alabama law to indemnify, defend and hold harmless Business Associate (including, without limitation, its officers, directors, employees, agents, successors and assigns) from and against any and all claims, causes of action, liabilities, damages, costs, or expenses (including without limitation, attorneys' fees, court costs, costs of administrative or other proceedings, and costs of investigation) arising out of or related to (i) the reliance of Business Associate upon Plan Sponsor's representations, warranties, agreements or directions to Business Associate pursuant to this Agreement, or (ii) a breach of any of the terms and provisions of this Agreement by Plan Sponsor or any party acting by or through Plan Sponsor (including, without limitation, Designated Plan Sponsor employees, Plan Sponsor's agents, other employees, representatives, contractors or subcontractors).

C. Indemnification by Business Associate. Business Associate hereby agrees to indemnify, defend and hold harmless Plan (including, without limitation, their elected

and appointed officials, employees, agents, successors and assigns) from and against any and all claims, causes of action, liabilities, damages, costs, or expenses (including without limitation, attorneys' fees, court costs, costs of administrative or other proceedings, and costs of investigation) arising out of or related to a breach of any of the terms and provisions of this Agreement by Business Associate or any party acting by or through Business Associate (including, without limitation, Business Associate's agents, employees, representatives, contractors or subcontractors).

20. **Modification and Amendment.** Except as expressly modified or amended herein, all other terms and conditions of the ASA shall remain in full force and effect. This Agreement shall not be modified or amended in any respect except by a written instrument executed by the parties; provided, that in the event the provisions of this Agreement shall conflict with the requirements of applicable law concerning the use, handling, disclosure and/or treatment of PHI (including, without limitation, the HIPAA Rules), as such laws may be modified, amended, or superceded from time to time, this Agreement shall be deemed amended as necessary to conform to such legal requirements at all times.

21. **No Third Party Beneficiaries.** This Agreement is entered into by and among Plan, Plan Sponsor and Business Associate for the exclusive benefit of each of the parties hereto. This Agreement shall not be construed to confer any rights or remedies upon any Person, except the parties hereto and their respective officers, directors, shareholders, employees, agents, successors and assigns.

22. **Conflicts.** The terms and conditions of this Agreement will override and control any conflicting terms and conditions in the ASA related to the privacy and security of PHI.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement, effective as of the Effective Date, in multiple originals on the date written below.

Plan:

City of Huntsville Group Health Plan(s)
(Insert Company Name)

By: *T. Battle*
Signature

Tommy Battle
Please print name

Title: Mayor, City of Huntsville
Please print

Date: 9/12/2013

Plan Sponsor:

City of Huntsville
(Insert Company Name)

By: *T. Battle*
Signature

Tommy Battle
Please print name

Title: Mayor, City of Huntsville
Please print

Date: 9/12/2013

Business Associate:

Blue Cross and Blue Shield of Alabama

By: *Tim Sexton*
Signature

Tim Sexton

Title: Chief Marketing Officer

Date: 9/11/13

**SCHEDULE A
TO
BUSINESS ASSOCIATE AGREEMENT**

For purposes of this Agreement, all capitalized terms contained in this Agreement shall have the following meanings:

“Administrative Services” shall mean the administrative services that Business Associate provides to or on behalf of Plan in connection with administering the benefits provided by Plan as claims administrator of Plan under the ASA.

“ASA” shall mean one or more administrative services agreements (including any implementation or Enrollment Agreement between Business Associate and Plan Sponsor) which may be entered into by and between Business Associate and Plan Sponsor, from time to time, pursuant to which Business Associate provides the Administrative Services, as the same may be modified, amended, renewed or superceded.

“Business Associate” shall mean Blue Cross and Blue Shield of Alabama.

“Data Aggregation” shall have the meaning set forth in §164.501 of the HIPAA Rules.

“Designated Plan Sponsor Employees” shall mean those persons designated in writing by Plan to Business Associate, on or before the Effective Date, as being included within the class of employees or other workforce members under the control of Plan Sponsor designated in the Privacy Plan Amendment that are authorized to use and disclose PHI in accordance with the Privacy Plan Amendment.

“Disclosure Information” shall mean the information described in §§164.528(b)(2)-(3) of the HIPAA Rules.

“Effective Date” shall mean the effective date of the ASA.

“Excepted Disclosures” shall mean disclosures of PHI by Business Associate set forth in §164.528(a)(1) of the HIPAA Rules.

“Health Care Operations” shall have the meaning set forth in §164.501 of the HIPAA Rules.

“HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

“Payment” shall have the meaning set forth in §164.501 of the HIPAA Rules.

“Person” shall include individuals, trusts, estates, corporations (both non-profit and other corporations), partnerships (both limited and general), joint ventures, limited liability companies,

unincorporated associations, and governmental agencies and organizations. Person shall not include Plan, Plan Sponsor or Business Associate.

“PHI” shall mean Protected Health Information that Business Associate receives from, or creates or receives for, or on behalf of Plan in connection with the performance of the Administrative Services.

“Plan” shall mean one or more group health plans sponsored by Plan Sponsor to which Business Associate provides the Administrative Services.

“Plan Administrative Services” shall mean the plan administrative services performed by Plan Sponsor pursuant to the plan documents of Plan, including the Privacy Plan Amendment.

“Plan Sponsor” shall mean the entity who sponsors the Plan and who has executed this Agreement (by its duly authorized representative) on the signature line designated for the Plan Sponsor on the execution page of this Agreement.

“Privacy Plan Amendment” shall mean that amendment to the plan documents of Plan that complies in all respects with the requirements set forth in §164.504(f)(2) of the HIPAA Rules and for which Plan has received a written certification as required by the HIPAA Rules, on or before the Effective Date.

“Protected Health Information” shall have the meaning set forth in §164.501 of the HIPAA Rules.

“Security Incident” shall have the meaning set forth in §164.304 of the HIPAA Rules. However, unless otherwise requested by Plan, Security Incident does not include “trivial incidents” that occur on a daily basis and do not represent a material threat to the confidentiality, integrity, or availability of PHI covered by this Agreement (such as scans or pings of Business Associate’s computers or computer networks).

“Summary Health Information” shall have the meaning set forth in §164.504(a) of the HIPAA Rules.

“Treatment” shall have the meaning set forth in §164.501 of the HIPAA Rules.