

**AMENDMENT to ADMINISTRATIVE SERVICES AGREEMENT  
and APPENDICES A, B and C  
to the ADMINISTRATIVE SERVICES AGREEMENT  
Between  
CITY OF MISSOULA and ALLEGIANCE BENEFIT PLAN MANAGEMENT, INC.**

Effective July 1, 2021, the Plan Sponsor, **CITY OF MISSOULA** and the TPA, **ALLEGIANCE BENEFIT PLAN MANAGEMENT, INC.**, hereby agree that the Administrative Services Agreement and Appendices A, B and C to the Administrative Services Agreement ("Agreement") between the parties for the period July 1, 2020 through June 30, 2022, are hereby amended and made a part of that Agreement as set out below:

**Administrative Services Agreement, Appendix A: Fee Schedule and Financial Arrangement, Appendix B: Subrogation and Reimbursement and Appendix C: COBRA Administrative Services Agreement:**

The Administrative Services Agreement between **CITY OF MISSOULA** and **ALLEGIANCE BENEFIT PLAN MANAGEMENT, INC.**, for the period from July 1, 2020 through June 30, 2022 is hereby amended to extend the termination date of the Agreement to December 31, 2022.

**Administrative Services Agreement: Article VI: Miscellaneous:**

**Plan Sponsor contact change:**

- 6.8 Any official notice to the Plan Sponsor will be mailed to the attention of: Mike Brady, City of Missoula, 435 Ryman St., Missoula, MT 59802

**Appendix C: COBRA Administrative Services Agreement: Section 9: General Provisions:**

**Plan Sponsor contact change:**

- 9.9 Notice to the Plan Sponsor shall be directed to: Mike Brady, City of Missoula, 435 Ryman St., Missoula, MT 59802; Phone: (406) 552-6128; Fax: (406) 327-2213; Email: [BradyM@ci.missoula.mt.us](mailto:BradyM@ci.missoula.mt.us).

**Administrative Services Agreement: Appendix A: Fee Schedule and Financial Arrangement:**

**I  
Fee Schedule**

The Plan Sponsor and the TPA hereby agree to the compensation schedules set forth below as being the sole compensation to the TPA for the performance of its obligations under this Agreement. Monthly fees are based upon Plan Participant enrollment as of the beginning of each month.

- A. Administration fee of \$19.00 per Plan Participant per month, which fee shall include services for production and maintenance of Plan Documents/Summary Plan Description, plan building, amendment production, plan document compliance, and HIPAA compliance, ERISA compliance (if applicable) and production and mailing via bulk mail to the Plan Sponsor of health plan identification cards, and all of the following services that are checked:
- ☒ Medical Claims
  - ☒ Dental Claims
  - ☒ Rx Coordination
  - ☒ PPO Management and Provider Network Coordination
  - ☒ COBRA services provided by Allegiance COBRA Services, Inc., pursuant to the COBRA Administrative Services Agreement attached hereto. (In addition to this fee, the TPA will also retain two (2) percent of all COBRA premiums as fees for COBRA services.)
  - ☒ pre-certification, continued stay review, concurrent utilization review, or coordination of large case management referrals.

X   PBM management fee for regular eligibility maintenance, file maintenance, ID card production, reporting customer service assistance and other services performed by the TPA in connection with the PBM agreement for and on behalf of the participating Plan. Any administrative fees charged by the Pharmacy Benefit Management (PBM) company that is utilized by the Plan pursuant to written agreement with the Plan, the PBM and the TPA, will be paid by Plan Sponsor

Distribution of plan materials will be delivered to the Plan Sponsor. An additional postage and handling fee will be paid to the TPA for mailing materials to individual Plan Participants.

B. A monthly fee for Healthcare Bluebook of \$1.50 per Plan Participant per month.

C. A monthly fee for Deerwalk of \$0.55 per Plan Participant per month.

D. Hourly fee of \$100.00 for Large Case Management.

E. Allegiance Care Management Medical Review fees:

Doctors: \$275.00/hour

Nurses: \$100.00/hour

F. Hourly fee of \$175.00 for Ad-Hoc Reporting (customized reports, changes to standard reports, correspondence, documents or other materials.

G. Hourly fee of \$125.00 for welfare plan consulting. Such services must be agreed to in advance by the Plan Sponsor.

H. Hourly fee of \$125.00 for stop-loss reimbursement services, audit assistance services and any other services provided by the TPA after termination of this Agreement and in the absence of a separate Run-Out Services Agreement.

I. Hourly fee of \$125.00 for special programming requests or research including production of any special claims history reports. Such services must be agreed to in advance by the Plan Sponsor.

J. Special Reports requested by the Plan Sponsor and produced by the TPA upon prior agreement as to report(s) and fee(s).

K. Final fee of \$500.00 for providing eligibility/enrollment files in electronic format acceptable to TPA without special programming to the Plan Sponsor (if requested in writing).

L. Final fee of \$1,500.00 for providing Claims history file in electronic format acceptable to TPA without special programming to the Plan Sponsor (if requested in writing).

M. Check customization, customized printed material, special statistical reports other than those enumerated in this contract, special medical underwriting, new taxes assessed against the Plan, or other services mutually agreed upon will be billed separately at the rate of \$125.00 per hour for such services. Such services must be agreed to in advance by the Plan Sponsor.

N. The TPA will furnish a master Summary Plan Description to the Plan Sponsor either electronically (PDF format), or in printed form, and Summary Plan Description booklets in TPA's format equal to a maximum of 125% of the Plan's enrollment on the commencement date of this Agreement.

The Plan Sponsor will pay 50% of the TPA's actual cost for printing the booklets described above. The cost of booklets in excess of the 125% described above ordered during the initial term of this Agreement will be paid by the Plan Sponsor based upon TPA's actual printing and handling costs therefore.

O. A fee of \$125.00 per hour for time expended producing and providing information to agents, consultants or brokers for whom the Plan Sponsor requests Plan information be provided, together with any postage, shipping and copying costs. Paper copies will be billed at fifteen (\$0.15) cents per copy and electronic copies shall be billed at \$500.00 per disk in DBC or ASCII format only.

P. PPO access fees for any Preferred Provider Organization claim negotiation company or cost containment vendor that assesses a per Plan Participant fee, a per Claim fee, or a percentage of claims savings fees not to exceed twenty-five (25%) percent of the actual savings amount between the charges billed by the Health Care Provider and the discounted amount agreed to between the PPO or Claims Negotiation Company and the Health Care Provider. The amount charged under this Agreement shall be equal to the amount charged by the PPO or Claims Negotiation Company. The TPA, its parents or its affiliates, may be paid a service fee by the PPO for claim repricing or other administrative services associated with the claims discount or negotiation. The Plan Sponsor will receive a report that outlines the total billed charges, the total discounts obtained, the net claims cost and the total claim savings to the Plan. Any additional fee in excess of this amount must be approved in advance by the Plan Sponsor. The TPA may be paid a fee not to exceed twenty-five (25%) percent of net savings payable to TPA, its parent or its affiliates, realized as a result of any negotiation or reduction in the amount of claims paid or any recovered funds obtained by TPA through employment of cost containment companies or outsourced claims editing service for unbundling and other erroneous or unacceptable medical billing practices. Specific fees at the inception of this contract for which a per Participant per month rate is charged are:

\$ 7.00 per Plan Participant per month for Cigna – through claims – for Covered Persons domiciled outside of Montana

Q. Premier Joint Replacement Provider Benefit management fee payable to TPA of \$100.00 per applicable joint replacement.

R. Any mandatory assessments charged by Network or Preferred Provider organizations based upon pay for performance criteria required of network providers, which assessments will be paid upon receipt of billing and supporting documentation from the Network or Preferred Provider organization.

S. Funds held in accounts by TPA, until paid out for benefits, may accrue interest. The interest accrued will be retained by TPA as reasonable compensation and fees for fees assessed on the accounts, for paper, printing and postage, record keeping and account reconciliation, bank service fees, trust tax return preparation; and SSAE-16 and related trust activities audit fees.

T. Pursuant to Section 2.7 of the Agreement, TPA has secured services of Cigna Health and Life Insurance Company (CHLIC) in order to assist TPA with TPA's performance of various services. CHLIC is not a party to the Agreement or this Amendment. CHLIC may directly or indirectly contract with pharmaceutical manufacturers, or other third parties, for payments, including rebates, service fees, and other remuneration, on CHLIC's own behalf and for its own benefit, as part of its global business efforts. CHLIC negotiates, contracts, and receives such payments not as part of CHLIC's compensation for any services it provides to the Employer or the Plan. Accordingly, CHLIC retains all right, title and interest to any and all such rebates, services fees, or other remuneration that CHLIC receives pursuant to its contracts with pharmaceutical manufacturers; neither Employer, its Members, nor the Plan retains any beneficial or property interest in any such contract remuneration, which shall be considered part of the general assets of CHLIC, and are not assets of any other party, including without limitation the Plan.

Beginning retroactively as of **January 1, 2020**, TPA will provide payments to Plan that shall be calculated based on the rebates from pharmaceutical manufacturers that CHLIC receives, pursuant to its contracts with pharmaceutical manufacturers, on or after **January 1, 2020**, for certain drugs billed through the medical benefits, with respect to the Plan. TPA will provide programming, filing, reporting, accounting, processing, and maintenance services in order to process and account for such payments with respect to the Plan's utilization. TPA shall remit payments to the Plan that are calculated based on 75% of rebates that CHLIC receives from pharmaceutical manufacturers, pursuant to CHLIC's contracts with the manufacturers, for certain drugs billed through medical benefits for the Plan. TPA will be compensated for the services identified in this amendment in an amount based on 25% of the aforementioned rebates that CHLIC receives. TPA shall remit the payments to Plan on a quarterly basis.

CHLIC retains all right, title and interest in its proprietary contracts, and to any and all such rebates or other remuneration received from pharmaceutical manufacturers or other third parties. CHLIC is not and shall not be deemed to be a party to this Agreement for any purpose.

Payments under this section are not guaranteed.

## II

### Funding and Fee Payment Terms

Allegiance Benefit Plan Management, Inc., will establish and maintain a zero balance Claims Payment Account for payment and reimbursement of Covered Services.

TPA will notify Plan Sponsor or its designee on a weekly basis of amount required to be deposited to the Claims Payment Account to pay claims after they have been processed for payment. Notification of the amount required to be deposited will take place as follows:

On Monday of each week (Tuesday, if Monday coincides with a recognized Federal holiday), an electronic notification will be provided to Plan Sponsor that the weekly report of claims processed for payment is available on TPA's secured website.

Within five (5) business days from the electronic notification, Plan Sponsor will authorize TPA to release checks for payment of claims from an account designated by Plan Sponsor.

TPA will generate a monthly bill for fees. Payment of monthly billing will be as follows:

On or about the 25<sup>th</sup> of each month, TPA will provide an electronic notification to Plan Sponsor that the monthly bill is available on TPA's secured website.

Plan Sponsor will remit payment by check for the monthly bill on or before the 10<sup>th</sup> day following the date the monthly billing notification is received.

### III Stop Loss Arrangement

The Plan Sponsor agrees to do the following:

Maintain Excess Loss Insurance as follows in at least the amounts stated in the Excess Loss policy in force on the effective date of this Agreement.

Excess loss insurance is placed through Intermountain Underwriters, Inc., a related corporation of the TPA. Intermountain Underwriters, Inc., will be paid a commission by the excess loss insurance company equal to the percentage disclosed in Intermountain Underwriters' proposal, but not greater than fifteen (15) percent. Unless carriers decline to quote, Intermountain Underwriters, Inc., will procure quotes from a minimum of three (3) A.M. Best-rated Insurance Companies, a qualified insurance company, which is specifically requested by the Plan Sponsor, or more than three (3) insurance companies if requested by the Plan Sponsor. Final selection of the underwriting excess loss insurance carrier will be made by the Plan Sponsor.

Plan Sponsor acknowledges that Administrative Fees, otherwise necessary and required for performance of services under this Agreement, have been offset by commissions payable by the stop loss, excess loss, life and/or disability insurance company issuing policies in conjunction with services provided under this Agreement by the TPA to a company affiliated with the TPA. Intermountain Underwriters, Inc., may pay a portion of the commission paid by the Excess Loss or Life Insurance Company to an agent or broker of the Plan Sponsor pursuant to agreement and disclosure under PTE 84-24. If the Plan Sponsor later assigns insurance commissions otherwise payable to Intermountain Underwriters, Inc., in conjunction with this stop loss, excess loss, life or disability insurance procured or negotiated by Intermountain Underwriters, Inc., as of the effective date of this Agreement, to any subsequent agent, producer, broker or consultant, the Plan Sponsor will agree to increase the administrative fees payable under Section 1.(A) of this Appendix by an amount equal to the amount of any commission assigned to any subsequent individual or organization or otherwise diminished by authorization of the Plan Sponsor.

Excess loss insurance will be purchased with Employer contributions or funds and NOT with Employee contributions or Plan Assets.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on their behalf by their duly authorized representatives' signatures, effective as of the date first written above.

**CITY OF MISSOULA**  
435 Ryman St.  
Missoula, MT 59802

**ALLEGIANCE BENEFIT PLAN MANAGEMENT, INC.**  
2806 S. Garfield St.  
Missoula, MT 59801

By: Mike Brady Risk Manager/Plan admin  
(Name/Title)

By: Ronald K. Dewsnap  
President and General Manager

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

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

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