

## AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

This Amendment to Administrative Services Agreement (this “**Amendment**”) dated as of **April 01, 2020** (the “**Amendment Effective Date**”) amends the Administrative Services Agreement (the “**Agreement**”) entered into as of **April 01, 2019**, as amended, by and between Meritain Health, Inc. (“**Meritain**”) and **City of Valdez** (“**Client**”) as follows:

### 1. SECTION 3: TERM; TERMINATION.

A. Subsection a. of Section 3. TERM; TERMINATION of the Agreement is hereby amended by the addition of the following new subsection i. as follows:

- i. Renewal Term. For the avoidance of doubt, the Renewal Term commencing as of **April 01, 2020** will continue through and including **March 31, 2021**, and thereafter this Agreement will continue to renew as set forth under Section 3.a.

### 2. FEE SCHEDULE.

A. The Administrative Fees set forth under Section 1 of the Fee Schedule are hereby deleted in their entirety and replaced with the following new Administrative Fees for the Renewal Term commencing as of **April 01, 2020** through **March 31, 2021**:

Administrative Services	Fee April 01, 2020 – March 31, 2021	Frequency of Occurrence
Medical Plan Administration	\$25.50	Per Employee Per Month
Dental Plan Administration	\$2.20	Per Employee Per Month
COBRA Administration (plus 2% of collected premium in addition to PEPM fee set forth)	\$1.40	Per Employee Per Month
Vision Plan Administration	\$0.80	Per Employee Per Month
Aetna Choice® POS II Network Access	15% of Savings with a \$30,000 per claim cap	Per Network Claim
PPN Network Access Fee† - The Alaska Preferred Provider Network	25% of Savings	Per Network Claim
Telemedicine♦♣	\$3.10	Per Employee Per Month
Employee Assistance Program (EAP)~	\$1.25	Per Employee Per Month
Healthy Merits	\$4.45	Per Employee Per Month
Biometrics Per Screening Fee	\$205.00	Per Screening
ATLAS Reporting Package	\$0.00	Waived
Summary of Benefits and Coverage (“SBC”) Production	\$250.00	Per Year
PPN Network Access Fee† - BridgeHealth	\$2.70 + 20% of Case Rates	Per Employee Per Month and Per Case
PBM Administration Fee	\$2.00	Per Employee Per Month

†**Selected PPN:** Aetna Choice® POS II, The Alaska Preferred Provider Network and BridgeHealth

||**Please note:** these fees do not include any incentives associated to the program offered by Client to its employees, including but not limited to gift cards, cash incentives, or employee premium reduction. Such charges or incentives are Client’s responsibility.

**Selected EAP Vendor:** Magellan

°This pricing for Telemedicine may increase anytime during the Term due to a price increase by the Telemedicine Vendor. If such fee increase occurs, Meritain will notify Client in writing of the pricing increase. If Client does not desire to accept such new proposed fees, Client shall have the ability to terminate the Telemedicine Services upon written notice to Meritain.

\*Further, this pricing for Telemedicine is not available in relation to Participants in a Qualified High Deductible Health Plan ("QHDHP").

B. Section 3 of the Fee Schedule is hereby deleted in its entirety and replaced with the following new Section 3 as follows:

**3. REMITTANCE SERVICES.**

Upon written request and if agreed to by Meritain, Meritain may collect certain fees and premiums from Client for remittance to a third party with whom Client has a direct relationship, e.g. a broker commission. In these instances, Meritain will pass-through all fees and will not collect or retain an administrative or service fee. Meritain has no relationship with any such third parties, and assumes no risk or liability with respect to such third parties' services or Client's payment of such fees. Those amounts known to Meritain as of the Effective Date are set forth below, and are subject to change predicated upon Client's agreement with such third-parties.

	<b>April 01, 2020 – March 31, 2021</b>	<b>Frequency of Occurrence</b>
Broker Fee(s)	\$4,862.46	Per Month
Case Management - MRC	\$155.00	Per Hour
Utilization Management - MRC	\$2.55	Per Employee Per Month

**3. DISCLOSURES EXHIBIT.**

The Agreement is hereby amended by the deletion of the Disclosures Exhibit in its entirety and is replaced with the following new Disclosures Exhibit attached hereto and incorporated herein.

**4. MISCELLANEOUS.**

Any capitalized term not defined in this Amendment shall have the meaning ascribed to it in the Agreement. Except as specifically amended by the terms of this Amendment, all surviving terms, provisions, and fees of the Agreement are hereby ratified and confirmed and the Agreement, as modified by this Amendment, remains in full force and effect.

In **Witness Whereof**, the parties have executed this Amendment on the dates set forth below.

**MERITAIN HEALTH, INC.**



Name: Stacey Meade

Title: Regional President

Date: February 26, 2020

**CITY OF VALDEZ**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

## DISCLOSURES EXHIBIT

### DISCLOSURE NOTICE REGARDING INSURANCE COMMISSIONS AND OTHER COMPENSATION

U.S. Department of Labor rules permit the receipt of insurance commissions and other compensation by service providers such as Meritain (and its affiliates) if proper disclosure is given and an appropriate independent Plan fiduciary acknowledges in writing receipt of the information and approves the transaction. The commissions and other compensation to be paid to Meritain are set forth in this Agreement. By signing this Agreement and renewal documents or amendments, Client certifies that it is an independent fiduciary of the Plan and that it acknowledges in writing receipt of the following information and approves the transactions (including the receipt of commissions and other compensation by Meritain and its affiliates) as described below.

#### 1. STATEMENT OF AFFILIATION.

Prodigy Health Group, Inc. is a diversified health care services holding company whose subsidiaries include American Health Holding, Inc., Scrip World, LLC, Precision Benefit Services, Inc., Meritain Health, Inc. and PERFORMAX, Inc. (referred to herein collectively as “**affiliates**” or individually as an “**affiliate**”). Each affiliate is free to recommend to a client, products and services offered by other companies, which may include another affiliate; however, no affiliate is required to recommend an affiliate and no affiliate is limited or restricted in recommending the products and/or services of any vendor. Affiliates may be entitled to reasonable compensation (including commissions and fees) from other companies, including affiliates, and such compensation is earned in the ordinary course of business in arms’ length transactions. In addition, certain inter-company agreements exist amongst the affiliates to provide for the exchange of certain goods and services and leases of real property at market-based rates of compensation.

#### 2. DESCRIPTION OF CHARGES, FEES, DISCOUNTS, PENALTIES AND ADJUSTMENTS APPLICABLE TO ANY CONTRACTS WITH MERITAIN.

Meritain may receive compensation from insurance carriers (“**Carriers**”) and managing general underwriters (“**MGUs**”) in the form of fixed or contingent commissions and administrative fees. In some instances, the broker is entitled to a portion of the fixed or contingent commissions and administrative fees paid to Meritain. In those instances, Meritain will remit those amounts to the broker.

The parties acknowledge and agree that stop loss insurance policies are issued for one year terms, and therefore, Meritain is unable to disclose future commissions as of execution of this Agreement. Meritain will disclose future commissions (if any) at such time the policy is renewed or reissued.

#### Fixed Sales Commissions on Gross Insurance Premiums Payable to Meritain Per Year (if applicable):

Carrier	Commission type	Commission %
Sun Life/Sun Life	Meritain Stop Loss Commission	0%

Carrier	Commission type	Commission %
Prudential Life Insurance	Meritain Life Insurance Commission	0%

#### Contingent Commissions

Contingent commissions may depend on a combination of factors such as growth, profitability, volume, retention and increased services that Meritain provides under agreements with certain Carriers and MGUs. There is no guarantee that Meritain will receive any contingent commissions. Also, in cases where Meritain agrees to provide administrative services that would otherwise be provided by a Carrier or MGU, some Carriers and MGUs pay administrative fees for these services. Below are descriptions of such commissions and fees that Meritain may receive: None.

## **Other Fees**

From time to time, Meritain may engage third party vendors to perform or provide services in connection with this Agreement. In some cases Meritain will pay the vendor as a subcontractor out of fees it has collected pursuant to this Agreement.

**Subrogation Recovery Fee:** When Meritain provides or arranges for subrogation services, Client agrees to pay Meritain a contingency fee of 25% of the gross savings resulting from such services.

**Non-Subrogation Recovery Services Fee:** When Meritain provides or arranges for non-subrogation recovery services, Client agrees to pay Meritain a contingency fee of up to 25% of the gross recovery, which shall include vendor fee, resulting from such services.

In the event Client selects IHS to provide blood and/or nicotine screening to Participants, Client agrees that Meritain shall be entitled to receive from IHS an administrative fee of \$25.00 per screening.

In the event Meritain engages an out-of-network discount program, claim auditor or bill review services, independent case reviewer, cost management vendor, bill negotiator, discount program or other contingency fee vendor to provide services on behalf of the Plan, Meritain shall be entitled to retain a contingency fee up to 28% of the net savings resulting from the engagement, and such contingency fee of the net savings does not include any additional third-party vendor fee that may be assessed for such services.

In cases where Meritain, itself or through an affiliate, provides direct negotiation services to reduce claim amounts to increase savings on behalf of the Plan, Meritain shall be entitled to retain a contingency fee up to 35% of the savings resulting from such services.

The disclosures set forth in this Disclosures Exhibit represent Meritain's best reasonable estimate of the total amount of all direct and indirect compensation Meritain may receive in connection with this Agreement. The actual amount may vary during the course of this Agreement based upon changes in the number of participants, utilization and other factors external to this Agreement. With respect to all direct and indirect compensation Meritain actually receives as a result of this Agreement, Meritain will disclose such amounts to Client annually, upon request, to the extent required to assist Client in filing its Form 5500.