

**City of Carson City  
Agenda Report**

**Date Submitted:** 5-28-13

**Agenda Date Requested:** 6-6-13

**Time Requested:** 10 minutes

**To:** Board of Supervisors

**From:** Melanie Bruketta, HR Director

**Subject Title: (For Possible Action)** Action to approve the employee health and dental insurance plan with St. Mary's and the employee vision plan with VSP.  
(Melanie Bruketta)

**Staff Summary:** This action is to approve the benefit plans for health, dental and vision for active city employees and retirees.

The health plan will have the following rate increases: HMO- 2.6%, POS- 2.6% and PPO- 0%. The plan designs are changing. The dental plan will have a 10% decrease without changes in the plan design.

The vision plan will have the following rate decrease: 6.1%

**Type of Action Requested:** (check one)

Resolution

Ordinance

Formal Action/Motion

Other (specify)

**Does this Action Require a Business Impact Statement:**  Yes  No

**Recommended Board Action:** I move to approve the employee health and dental insurance plan with St. Mary's and the employee vision plan with VSP.

**Explanation for Recommended Board Action:** This action is to approve the benefit plans for health, dental, life and vision for active city employees and retirees.

The health plan will have the following rate increases: HMO- 2.6%, POS- 2.6% and PPO- 0%. The plan designs are changing. The dental plan will have a 10% decrease without changes in the plan design.

The vision plan will have the following rate decrease: 6.1%

The changes in insurance have been approved by the Insurance Committee.

**Applicable Statue, Code, Policy, Rule or Regulation:** N/A

**Fiscal Impact:** \$5,530,704

**Explanation of Impact:** Total estimated premiums: \$7,282,650. Estimated amounts received from employees and retirees: \$1,751,946. Net cost to the City for the insurance: \$5,530,704 for FY 2014

**Funding Source:** Group Medical Insurance Fund

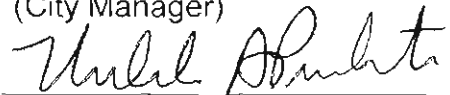
**Alternatives:** N/A

**Supporting Material:** St. Mary's health and dental contracts; VSP contract

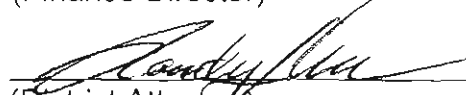
**Prepared By:** Melanie Bruketta, HR Director *MB*

**Reviewed By:**   
\_\_\_\_\_  
(City Manager)

Date: 5/28/13

  
\_\_\_\_\_  
(Finance Director)

Date: 5/28/13

  
\_\_\_\_\_  
(District Attorney)

Date: 5/28/13

**Board Action Taken:**

Motion(s): _____	1) _____	Aye/Nays
	2) _____	_____
		_____
		_____
		_____

\_\_\_\_\_  
(Vote Recorded By)

# SAINT MARY'S HEALTHFIRST GROUP CONTRACT

## City of Carson City

This Group Contract is executed by and between Saint Mary's HealthFirst (hereinafter referred to as "HealthFirst"), and City of Carson City (hereinafter referred to as "Group").

**WHEREAS**, HealthFirst is a health maintenance organization, organized and operating pursuant to Chapter 695C of the Nevada Revised Statutes, and;

**WHEREAS**, Group wishes to provide eligible employees with the opportunity to enroll in and receive health care services through a health maintenance organization;

**NOW THEREFORE**, the parties hereto have set their hand and mutually agree as follows:

### I. Definitions

- A. **Anniversary** means the date, every twelve (12) months upon which the coverage under Evidence of Coverage (hereinafter referred to as "EOC") renews for another twelve (12) month period.
- B. **Health Benefit Plan** means the HealthFirst EOC and any and all Attachments and Riders selected by the Group, which is offered to eligible employees.
- C. **Grace Period** means the time after the date that the premium is due during which the premium can be paid without penalty to keep the policy in force.
- D. **Group** means an employer or other party who has executed a Group Contract with HealthFirst, through which health benefits are made available to eligible employees and the employer has agreed to collect and pay premiums.
- E. **Group Contract** (hereinafter referred to as "Contract") means this document between the Group and HealthFirst and any attachments hereto, through which the health benefit plan for eligible employees and dependents is elected.
- F. **Initial Group Open Enrollment Period** means the enrollment period established by the Group and HealthFirst prior to the effective date during which eligible persons may enroll in the health plan. The initial enrollment period will be a period of no less than fifteen (15) days in which all eligible persons must enroll or waive their right to coverage. Subsequent Open Enrollment Periods will be held every twelve (12) months from the initial effective date of the Group's coverage.
- G. **Premium** means the periodic payment, usually monthly, made to HealthFirst by the Group on behalf of eligible enrolled employees, which entitles those employees and dependents to the health benefit plan detailed in Section III of this contract.

## II. Introduction

This Group Contract, any amendments, attachments, including the Evidence of Coverage (“EOC”) document(s) and any applicable Riders, the application of the employer, the enrollment forms of individual employees and amendments to any of them incorporated by reference herein, shall constitute the entire agreement between Saint Mary’s HealthFirst and City of Carson City.

The Employer or any individual Member is not authorized to make any promises or representations or warranties concerning HealthFirst’s services, facilities or supplies provided under the Contract. Any statements by an Employer or the Employer’s representative concerning the services provided by HealthFirst or under the EOC shall not be binding on HealthFirst. As such, no such statement shall be used in support of a benefit claim under this Contract unless it is approved in writing by HealthFirst. Pursuant to this Contract, HealthFirst shall provide covered services and supplies to Members in accord with the EOC document(s).

No agent or employee of HealthFirst is authorized to change the form or content of this Contract. Any changes to this Contract can be made only through an endorsement authorized and signed by an officer of HealthFirst.

## III. Products

List each product available from the plan and the appropriate EOC

Benefit Plan 1500 HMO 1540  
1500 POS 1030/2040

Riders Rx \$15/40/60D  
City of Carson PPO Dental Plan

## IV. Term of Contract

This Contract becomes effective on July 1, 2013 at 12:00 a.m. Pacific Time and will remain in effect for a term of twelve (12) consecutive months, until June 30, 2014 (the “Termination Date”) unless terminated as set forth in the Termination of Contract section. Except as expressly provided in any EOC document(s) incorporated in this Contract, all rights to benefits under this Contract end at 11:59 p.m. on the Termination Date.

## V. Termination of Contract

The employer may terminate this Contract by providing HealthFirst with a written notice of its intent to terminate this contract at least sixty (60) days in advance of the proposed termination date. HealthFirst may terminate or not renew this Contract for good cause as set forth below.

HealthFirst will provide the Group with an acknowledgment in the Form of a Written Notice of Contract Termination (“Notice”). Promptly upon receipt of the Notice, Group will mail via First Class U.S. Mail to each Member a legible copy of the notice. Group agrees to provide HealthFirst with written proof of that mailing and of the date thereof. If the terms of this Contract are altered by consent of both parties, no resulting reduction in coverage will adversely affect a member who is confined to a hospital at the time of such change.

#### **Termination on Notice**

Group may terminate this Contract:

1. for any reason, effective the day before any anniversary of July 1st (the “Anniversary Date”) by giving at least sixty (60) days prior written notice to HealthFirst;
2. upon written notice within sixty (60) days of notice of an increase in the Total Monthly Premium;

and remitting all amounts payable relating to this Contract, including Premiums, for the period prior to the termination effective date.

Good Cause for termination or not renewing by HealthFirst shall include:

1. **Non Payment**

Failure of Group to pay the premium for this Contract when due or within the thirty (30) day grace period. If a Premium is not paid by the end of the grace period, HealthFirst may terminate the contract of insurance retroactively to the end of the day preceding the grace period. Cancellation will not be effective until at least ten (10) days after HealthFirst has delivered or mailed written notice to the group.

2. **Material Breach of EOC requirements**

For any material breach of the terms detailed in the EOC, upon sixty (60) days notice to Group.

3. **Fraud, Noncompliance or intentionally furnishing incorrect or incomplete information**

HealthFirst may terminate this Contract upon fifteen (15) days prior written notice to Group if:

- A. Group fails to comply with its material obligations under this Contract (including but not limited to its obligations under the “Eligibility and Enrollment” section of this Contract), or
- B. Knowing failure by the employer to abide by and enforce the conditions of enrollment of Members as set forth in the “Eligibility and Enrollment” provisions of the EOC and the Employer Application, or
- C. Has performed an act that constitutes fraud or misrepresents or intentionally furnishes incorrect or incomplete material information (including but not limited to the employees covered under the plan or other information regarding eligibility for coverage under the plan).

4. **Failure to meet Participation and Contribution requirements**

Failure of the employer to maintain minimum subscription charge contribution requirements or minimum participatory requirements or as stated in the group requirements set forth in the Master Application (see Section VII, item L of this contract).

Group will allow HealthFirst to review and audit payroll and other pertinent records for the verification of eligibility of employees as stated in contributions or group requirements. HealthFirst will make written and verbal request to Group and conduct all such reviews during regular business hours.

Group agrees to pay at least 50% for employees and 0% for an employee's dependents.

5. **Discontinuance of a product or all products within a market**

HealthFirst may terminate a particular product or all products offered in a small or large group market, if it discontinues offering insurance in the geographic area of the state where the employer is located. HealthFirst may also discontinue the issuance and renewal of coverage to a small employer if the Nevada Insurance Commissioner finds that the continuation of coverage would not be in the best interest of the policyholders or certificate holders or would impair the ability of the carrier to meet its contractual obligations. If the Commissioner makes such a finding, the Commissioner shall assist the affected small employers in finding replacement coverage. HealthFirst may also discontinue products offered to small employers if the Nevada Insurance Commissioner finds that the form of the product offered by HealthFirst is obsolete and is being replaced with comparable coverage. HealthFirst will notify the Commissioner and the Chief Regulatory Officer for insurance in each state in which it is licensed of its decision to discontinue the issuance or renewal of a product at least sixty (60) days before HealthFirst notifies the affected small employers. HealthFirst will notify affected employers at least one hundred eighty (180) days before the date on which it will discontinue offering the product and it will offer each affected small employer the option to purchase any other health benefit plan currently offered by it to small employers in Nevada. In exercising its option to discontinue the product and in offering the option to purchase other coverage, HealthFirst will act uniformly without regard to the claims experience of the affected small employers or any health status-related factor relating to any participant or beneficiary covered by the discontinued product or any new beneficiary who may become eligible for such coverage. HealthFirst will comply with the requirements of NRS 689C.310-.320 and NRS 689B.560 if it decides to discontinue providing insurance in a geographic area or discontinue products to the small employer market.

6. **A Material change in the nature of the Employer's Business, i.e.,**

- Dropping under 2 employees
- Sale of business
- Change in contribution level
- Other significant changes in the composition or status of the employer's business.

## **VI. Amendment of Contract**

This Contract may be amended by mutual agreement of the Group and HealthFirst. All amendments shall be in writing and shall be attached to and become a part of the entire Contract.

Upon sixty (60) days prior written notice to Group, HealthFirst may amend this Contract effective as of the next Anniversary Date. If HealthFirst has not received all necessary government approval of its Premium rates by the date it gives notice under this section, HealthFirst will notify Group of the Premium rates for which it has sought government approval. HealthFirst may then amend this Contract with respect to Premium rates by giving notice to the Group after receiving all necessary government approval, in which case the Premium rates go into effect as of the next Anniversary Date.

In addition to amendments effective as of an Anniversary Date, HealthFirst may, subject to government approval, amend this Contract at any time by giving notice to Group, in order to (a) comply with applicable law, or (b) expand HealthFirst's service area.

All amendments are deemed accepted by the Group unless the Group gives HealthFirst written notice of non-acceptance at least fifteen (15) days before the effective date of the amendment and remits all amounts payable related to this Contract, including Premiums, for the period prior to the amendment effective date. If the Group rejects the amendment, this Contract will automatically terminate as of the day before the effective date of the amendment.

## **VII. Eligibility and Enrollment of Members**

A. Eligible Employees include:

1. those who reside or who are employed within the service area;
2. a bona fide employee of the Group entitled to participate in the health care benefit program arranged by the Group or entitled to coverage under a Trust Agreement or employer contract;
3. those who satisfy any probationary or waiting period requirements established by the Group and who enroll within 31 days of their eligibility date.

B. Special Enrollments

Employees who decline coverage for themselves or their dependents, for any reason, and later decide that they want coverage will not be eligible until the next open enrollment period unless, the employee has (1) creditable health coverage within the meaning of 26 USC § 9801 and (2) has lost coverage as a result of:

1. termination of employment or eligibility;
2. involuntary termination of the creditable coverage;
3. death of a spouse, or divorce.

Employees who request special enrollment must do so no later than thirty (30) days after the loss of the other creditable coverage. Special enrollment is effective on the first day of the calendar month beginning after the date the completed enrollment request is received by HealthFirst.

C. Dependents include:

1. employee's lawful spouse;

2. For Qualified Plans, be a Member's child who is not yet 26; or

For Grandfathered Plans, be a Member's child who is not yet 26 and who is not otherwise covered by other employer provided health plan coverage;

3. Unmarried children over the age of 25, who are chiefly dependent upon the employee for support due to mental illness, developmental disability, mental retardation or physical handicap.

4. The term child includes natural children, step-children, and children for whom You have been appointed by the court as permanent legal guardian, or children who have been legally adopted or are awaiting finalization of adoption by You.

D. All eligible employees must permanently reside or perform employment duties within the HealthFirst Service Area.

The service area includes the following communities:

HMO

All communities of Washoe County

The greater Carson City area

The Churchill County area

The Eureka County area

The Elko County area

The Lander County area

The Mineral County area

The Pershing County area

The White Pine County area

The Lyon County communities of: Dayton, Fernley, Silver City, and Silver Springs

The Douglas County communities of: Gardnerville, Genoa, and Minden, Stateline

The Storey County community of Virginia City and Virginia City Highlands

E. All eligible employees must satisfy any probationary or waiting period requirements established by the Group:

first of month following ninety (90) days of employment

Rehires: no waiting period for any employee laid off and rehired within a year



- F. Group agrees to contribute the same dollar amount toward each class of contract as that which is contributed to the cost of any other Group sponsored health care option. In no event will the Group contribution be less than 50% of the Single (employee only) premium for the benefit plan.
- G. Any employee or dependent who becomes eligible after the Initial Enrollment Period, or between Group Enrollment Periods, must enroll within thirty-one (31) days of the qualifying event, or may not enroll until the next Group Enrollment Period is held.
- H. Group will be credited with Premium payments, made for a non-eligible enrollee, only after HealthFirst is notified in writing and only if the enrollee has not received covered services during the period in question. In no event will HealthFirst credit premium overpayment for a non-eligible enrollee for a period of more than sixty (60) days. In the event that Group overpays Premiums on behalf of a non-eligible enrollee for a period of more than sixty (60) days, overpayments beyond the first sixty (60) days will not be reimbursed or credited by HealthFirst and will be the sole responsibility and burden of the Group.
- I. Group will provide for the distribution of pertinent HealthFirst health benefit plan information to eligible employees. The HealthFirst staff will be given the opportunity to answer employee questions and to provide additional information during the Initial Enrollment and all subsequent Group Enrollment Periods.
- J. Group will allow HealthFirst to review and audit payroll and other pertinent records for the verification of eligibility of employees. HealthFirst will make written request to Group and conduct all such interviews during regular business hours.
- K. Age Banded Rates are rates determined by the age and sex of the eligible employee or eligible spouse. Members move to the rate corresponding to the appropriate age band on the month following their birthday, and not on renewal.
- L. **For a group with 6 or more** eligible employees, seventy-five percent (75%) of all eligible employees must enroll in the group health plan or demonstrate other creditable coverage. Those eligible employees waiving with creditable coverage will not be a factor in determining the group participation. **For groups with 2-5** eligible employees, one hundred percent (100%) of eligible employees must enroll or show creditable coverage.

## VIII. Termination of Coverage

### Termination due to Nonpayment

Only a Member, and his or her enrolled dependents, for whom HealthFirst has received the appropriate payment listed in the Premiums section are entitled to coverage under this Contract. If Group fails to make any past-due payment for a Member within the thirty (30) day grace period, HealthFirst may terminate the Member in accord with the "Termination of Coverage" section of the EOC. In addition, Group is liable for all unpaid Premiums for the Member through the termination date.

The Group may be required to continue coverage for an employee or dependent who has lost eligibility within the Group. The specific option for continuation will be determined by the individual employee or dependent qualifying event as detailed in the EOC. The employee and their dependents will be terminated off of the group plan on the last day of the month after termination of employment.

### **Consolidated Omnibus Budget Reconciliation Act (COBRA) Continuation Coverage**

HealthFirst recognizes that many employers must comply with the continuation of group coverage requirements of federal laws and regulations, which collectively are commonly referred to as Consolidated Omnibus Budget Reconciliation Act (COBRA) (hereinafter referred to as "COBRA"). HealthFirst acknowledges that employers who are so affected cannot discharge their legal obligations without HealthFirst's informed and willing participation in providing the continuation coverage.

HealthFirst is therefore committed to the following:

- A. Maintaining awareness of continuation coverage requirements of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 (ERISA), the Public Health Service Act, and regulations, which are issued by the Secretaries of these agencies.
- B. Providing continuation coverage to Members upon the request of an employer when such requests are consistent with the employer's obligations under the law.
- C. Sharing knowledge regarding COBRA with employers as they experience problems but HealthFirst will not give legal advice on these matters.

Members who are hospitalized on the date coverage under this Contract ends, may be eligible for continuation of coverage. See "Conversion Privilege and Transfer" and "Extension of Benefits" in the EOC.

Termination of this Contract, other than for Nonpayment of Premiums (see "Termination due to Nonpayment") or Fraud, shall become effective upon sixty (60) days written notice to the employer.

If this Contract terminates under its own terms, or is otherwise terminated by either HealthFirst or employer, the employer shall promptly mail or hand deliver to each Member covered hereunder, a notice of cancellation of this Contract. The employer shall, upon request by HealthFirst, provide HealthFirst a copy of the notification, a written statement that the notice of cancellation was mailed or hand delivered to each Member, and the date of mailing or hand delivery.

## IX. Premium Payment

A. Group agrees to remit to HealthFirst the Total Monthly Premium on behalf of each eligible employee who has enrolled in the health benefit plan, in accordance with the Class of Contract and Total Monthly Premium listed herein. Where applicable, any contribution required by the employee will be collected through payroll deduction or other such program by the Group. Only Members for which the HealthFirst has received the appropriate payment are entitled to services and supplies.

1500 HMO 1540						Total Monthly
<u>Tier</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Premium</u>	
Employee	\$372.61	\$90.62	\$51.38	\$0.00	\$514.61	\$514.61
Employee & Spouse	\$763.97	\$185.75	\$72.26	\$0.00	\$1,021.98	\$1,021.98
Employee & Child(ren)	\$714.94	\$173.88	\$91.38	\$0.00	\$980.20	\$980.20
Employee & Family	\$1,167.62	\$283.96	\$112.26	\$0.00	\$1,563.84	\$1,563.84

HC033						Total Monthly
<u>Tier: Retiree</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Premium</u>	
Single without Medicare	\$372.61	\$90.62	\$51.38	\$0.00	\$514.61	\$514.61
Single with Medicare	\$248.56	\$90.62	\$51.38	\$0.00	\$390.56	\$390.56
Retiree & Spouse w/o Medicare	\$763.96	\$185.76	\$72.26	\$0.00	\$1,021.98	\$1,021.98
Retiree & Spouse both w/ Medicare	\$534.40	\$185.76	\$72.26	\$0.00	\$792.42	\$792.42
Retiree & Spouse one w/ Medicare	\$666.93	\$185.76	\$72.26	\$0.00	\$924.95	\$924.95
Retiree & Child(ren) w/o Medicare	\$714.46	\$173.89	\$91.38	\$0.00	\$979.73	\$979.73
Retiree & Child(ren) w/ Medicare	\$707.17	\$173.89	\$91.38	\$0.00	\$972.44	\$972.44
Retiree & Family w/o Medicare	\$1,170.86	\$283.98	\$112.26	\$0.00	\$1,567.10	\$1,567.10
Retiree & Family two with Medicare	\$591.02	\$283.98	\$112.26	\$0.00	\$987.26	\$987.26
Retiree & Family one with Medicare	\$735.40	\$283.98	\$112.26	\$0.00	\$1,131.64	\$1,131.64

1500 POS 1030/2040						Total Monthly
<u>Tier</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Premium</u>	
Employee	\$429.06	\$90.62	\$51.38	\$0.00	\$571.06	\$571.06
Employee & Spouse	\$879.68	\$185.75	\$72.26	\$0.00	\$1,137.69	\$1,137.69
Employee & Child(ren)	\$823.27	\$173.88	\$91.38	\$0.00	\$1,088.53	\$1,088.53
Employee & Family	\$1,344.53	\$283.96	\$112.26	\$0.00	\$1,740.75	\$1,740.75

HC033						Total Monthly
<u>Tier: Retiree</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Premium</u>	
Single without Medicare	\$429.06	\$90.62	\$51.38	\$0.00	\$571.06	\$571.06
Single with Medicare	\$286.09	\$90.62	\$51.38	\$0.00	\$428.09	\$428.09
Retiree & Spouse w/o Medicare	\$879.68	\$185.76	\$72.26	\$0.00	\$1,137.70	\$1,137.70
Retiree & Spouse both w/ Medicare	\$615.03	\$185.76	\$72.26	\$0.00	\$873.05	\$873.05
Retiree & Spouse one w/ Medicare	\$767.89	\$185.76	\$72.26	\$0.00	\$1,025.91	\$1,025.91
Retiree & Child(ren) w/o Medicare	\$822.78	\$173.89	\$91.38	\$0.00	\$1,088.05	\$1,088.05
Retiree & Child(ren) w/ Medicare	\$813.90	\$173.89	\$91.38	\$0.00	\$1,079.17	\$1,079.17
Retiree & Family w/o Medicare	\$1,347.77	\$283.98	\$112.26	\$0.00	\$1,744.01	\$1,744.01
Retiree & Family two with Medicare	\$679.84	\$283.98	\$112.26	\$0.00	\$1,076.08	\$1,076.08
Retiree & Family one with Medicare	\$846.61	\$283.98	\$112.26	\$0.00	\$1,242.85	\$1,242.85

Total Monthly Premium rates are effective from July 1, 2013 to June 30, 2014.

- B. The Total Monthly Premium is billed to Group in advance of the month for which coverage is provided. Premium payments are due the first day of the month for the month in which coverage is provided. HealthFirst shall calculate the charges from current records as to the number of Members enrolled. Dues are payable for new Members for the entire month regardless of the effective date of enrollment or termination.
- C. Premium adjustments required as a result of terminations or new hires will be applied by HealthFirst to the Premium Billing subsequent to the receipt of the required HealthFirst forms and notifications procedures. Retroactive payment adjustments will be made in subsequent billing statements for any additions or terminations of Members not reflected in HealthFirst's records at the time of calculation of Premium charges.

In order for a credit of Premium charges to be applied for terminated members, HealthFirst must receive notification as soon as possible following the date of the Member's ineligibility, but in no event later than sixty (60) days following such date. HealthFirst will credit a maximum of sixty (60) days of Premium charges to the employer for ineligible Members.

It is the sole responsibility of the Group to review the Total Monthly Premium each month, ensure it accurately reflects any and all Member terminations, and bring any discrepancies to the attention of HealthFirst within sixty (60) days of the Member's ineligibility.

Only Members for whom payment is received by HealthFirst shall be eligible for services and benefits hereunder and only for the period covered by such payment. If any Member covered hereunder is terminated by HealthFirst, prepaid Premiums received on account of the terminated Member or Members applicable to periods after the effective date of the termination will be credited back to the employer on the next following billing statement, and neither HealthFirst nor any physician group has any further liability or responsibility under this Contract to such terminated Member.

In the foregoing instances where a Member is being retroactively terminated by the group, the effective date of retroactive termination cannot be prior to any date on which services or supplies were provided to the Member under this Contract. In such instances the date of termination will be the first day of the calendar month following the month in which services or supplies were provided, and any applicable credit of premium charges will be calculated from that date.

If the employer seeks to retroactively add Members, enrollment forms must be received by HealthFirst as soon as possible following the Member's eligibility date, but in no event later than sixty (60) days following such date. HealthFirst will charge the employer retroactive premiums according to the Member's effective date, which will be calculated using rules established by HealthFirst for determining effective dates of retroactive

adjustments, but in no event will the effective date be more than sixty (60) days prior to when HealthFirst receives the enrollment forms.

- D. Group shall submit to HealthFirst all enrollment, termination and/or change of status forms within thirty one (31) days of event, but in no case shall credits to remittances be for a premium period (month) of more than sixty (60) days from the date of the event.
- E. In situations that include, but are not limited to those found in Section V, item 6, HealthFirst reserves the right to change the Total Monthly Premium for the health benefits plan and/or Riders upon sixty (60) days written notice, provided such changes are in accordance with the provisions set forth in the Evidence of Coverage.

## **X. General Provisions**

- A. **Acceptance of Contract**  
Group acknowledges acceptance of this Contract by signing the signature page of this Contract and returning it to HealthFirst. If Group does not return the signature page to HealthFirst, Group will be deemed as having accepted this Contract if Group pays any amount pursuant to the "Premiums" section.
- B. **Charter not part of Contract**  
None of the terms or provisions of HealthFirst's charter, constitution or bylaws shall form a part of this Contract or be used in the defense of any suit hereunder, unless the same is set forth in full in this Contract.
- C. **Interpretation of Contract**  
The laws of the State of Nevada shall be applied to interpretation of this Contract. Where applicable, the interpretation of this Contract shall be guided by the direct-service, group practice nature of HealthFirst's operations as opposed to a fee-for-service indemnity basis.
- D. **Services not covered**  
Services, treatments and procedures to reverse voluntary elective sterilizations.
- E. **Adoption of Policies**  
HealthFirst may adopt reasonable policies, procedures, rules and interpretations to promote the orderly and efficient administration of this Group Contract and the Evidence of Coverage.
- F. **Group Agent or Broker**  
HealthFirst recognizes that Group may work with an Agent/Broker of Record who arranges a variety of insurance programs for the Group. HealthFirst will work cooperatively with the Group's Agent/Broker of Record. The Agent/Broker of Record must hold the appropriate State of Nevada health insurance license, and cooperate with HealthFirst. The Group agrees to notify HealthFirst in writing of any changes in its Agent/Broker of Record. Current Agent/Broker of Record is: **None**.
- G. **Attorney Fees and Costs**

If HealthFirst or Group institute(s) legal action against the other to collect any sums owed under this Contract, the party that substantially prevails will be reimbursed for its reasonable litigation expenses, including attorneys' fees, by the other party.

H. **Contract Providers**

HealthFirst will give Group written notice within a reasonable time of any termination or breach of contract by, or inability to perform, of any health care provider that contracts with HealthFirst if Group may be materially and adversely affected thereby.

I. **Delegation of Claims review authority**

HealthFirst is a named fiduciary to review claims under this Contract. Group delegates to HealthFirst the discretion to construe and interpret the terms of the EOC and other disclosure statements as well to determine whether a Member is eligible for benefits. In making these determinations, HealthFirst has authority to review claims in accordance with the procedures contained in the EOC and herein, and to construe this Contract to determine whether the Member is entitled to benefits.

J. **Member Information**

Group will inform enrollees of eligibility requirements for Members and when coverage becomes effective and terminates.

If HealthFirst gives Group any information that is material to Members, Group will disseminate that information to Members by the next regular communication to them, but in no event later than thirty (30) days after Group receives the information. For purposes of this paragraph, "material" means information that a reasonable person would consider important in determining action to be taken.

K. **No Waiver**

HealthFirst's failure to enforce any provision of this Contract will not constitute a waiver of that or any other provision, or impair HealthFirst's right thereafter to require Group's strict performance of any provision.

L. **Notices**

Notices from HealthFirst to Group or from Group to HealthFirst must be mailed to the address indicated on the signature page of this Contract except that HealthFirst and Group may change its notice address by giving written notice to the other. Notices are deemed given when deposited in a U.S. Postal Service receptacle for the collection of U.S. mail.

M. **Right to Examine Records**

Upon reasonable notice, HealthFirst may examine Group's records with respect to eligibility and payments under this Contract.

N. **Successors and Assignees**

Benefits and obligations of this Contract are binding on the successors and permitted assignees of HealthFirst and Group.

O. **Non-discrimination**

HealthFirst and the employer hereby agree that no person who is otherwise eligible for coverage under this Contract shall be refused enrollment nor shall their coverage be cancelled solely because of race, color, national origin, ancestry, religion, sex, marital status, age, health status, or physical or mental handicap.

**P. Notice of Certain Events**

HealthFirst will give the employer written notice, within a reasonable time, of any termination or breach of Contract, or inability to perform services, by a Physician Group or contracting provider, if the employer may be materially and adversely affected thereby.

**Q. Record Keeping**

The employer is responsible for keeping records relating to this Contract. HealthFirst has the right to inspect and audit these records.

**R. Relationship of Parties**

Neither HealthFirst nor any of its employees are employees or agents of Hospitals or the Physician Groups.

**S. Association**

Group understands that its rating has been determined based upon its affiliation with an Association. If Group becomes disassociated with the Association for any reason, this Contract will be void. Should the Group wish to continue coverage with HealthFirst, the Group will be subject to underwriting as a Non-Association Group.

## Signature Page

When notice is required under this Contract, it shall be sent prepaid, first class US mail to:

HealthFirst:

Sales and Marketing Department  
Saint Mary's HealthFirst  
1510 Meadow Wood Lane  
Reno, Nevada 89502

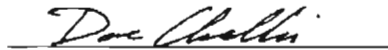
Group:

Robert L. Crowell  
City of Carson City  
201 North Carson Street, No. 4  
Carson City, Nevada 89701

### Mediation before Litigation

Group and Saint Mary's HealthFirst agree to first mediate prior to resort to the courts, the disputes described below pursuant to the procedures set forth herein. Group understands that each Member/Enrollee's participation in mediation before litigation is completely voluntary, and that by agreeing to mediate disputes relating to the EOC, the Health Plan or health care services provided by Saint Mary's HealthFirst, the Member/Enrollee has not foregone their right to resolve any such dispute in a court of law or equity. Group agrees that any claim Group may assert for alleged violation of any duty to a Member arising out of this Contract, including any claim for medical or hospital malpractice, for premises liability, or relating to the coverage for, or delivery of, services or items pursuant to this Contract, irrespective of legal theory, shall be resolved by first submitting the dispute to mediation which shall be conducted by JAMS/Endispute (916) 921-5300. In the event the dispute is not resolved through mediation, the dispute shall be resolved in a court of law or equity.

For Saint Mary's HealthFirst:



Name: Dave Challis

Title: Vice President and CFO

For Group: City of Carson City



Name: Robert L. Crowell

Title: Mayor

Date \_\_\_\_\_

This is one (1) of two (2) originals



## Signature Page

When notice is required under this Contract, it shall be sent prepaid, first class US mail to:

HealthFirst:

Sales and Marketing Department  
Saint Mary's HealthFirst  
1510 Meadow Wood Lane  
Reno, Nevada 89502

Group:

Robert L. Crowell  
City of Carson City  
201 North Carson Street, No. 4  
Carson City, Nevada 89701

### Mediation before Litigation

Group and Saint Mary's HealthFirst agree to first mediate prior to resort to the courts, the disputes described below pursuant to the procedures set forth herein. Group understands that each Member/Enrollee's participation in mediation before litigation is completely voluntary, and that by agreeing to mediate disputes relating to the EOC, the Health Plan or health care services provided by Saint Mary's HealthFirst, the Member/Enrollee has not foregone their right to resolve any such dispute in a court of law or equity. Group agrees that any claim Group may assert for alleged violation of any duty to a Member arising out of this Contract, including any claim for medical or hospital malpractice, for premises liability, or relating to the coverage for, or delivery of, services or items pursuant to this Contract, irrespective of legal theory, shall be resolved by first submitting the dispute to mediation which shall be conducted by JAMS/Endispute (916) 921-5300. In the event the dispute is not resolved through mediation, the dispute shall be resolved in a court of law or equity.

For Saint Mary's HealthFirst:



Name: Dave Challis

Title: Vice President and CFO

For Group: City of Carson City



Name: Robert L. Crowell

Title: Mayor

Date \_\_\_\_\_

This is two (2) of two (2) originals

**Saint Mary's HealthFirst**

**ADDENDUM TO THE GROUP CONTRACT OF:**

City of Carson City

This Addendum to the Group Contract is executed by and between Saint Mary's HealthFirst and City of Carson City.

Section **III. Products** is amended to add:

List each product available from the plan and the appropriate EOC

Riders        Domestic Partner Rider

Section **VII. Eligibility and Enrollment**, part C is amended to read as such:

B. Dependents include:

1. employee's lawful spouse; or certified domestic partner:

This amendment is effective from:

July 1, 2012

For: Saint Mary's HealthFirst

Dave Challis

Name: Dave Challis

Title: Vice President and CFO

For: City of Carson City

Robert L. Crowell

Name: Robert L. Crowell

Title: Mayor

Date 6.7.12

This is two (2) of two (2) originals

**Saint Mary's HealthFirst**  
**ADDENDUM TO THE GROUP CONTRACT OF:**  
**City of Carson City**

This Amendment to the Group Contract is executed by and between Saint Mary's HealthFirst and City of Carson City.

**Section VII. Eligibility and Enrollment of Members, Part E** reads as:

All eligible employees must satisfy any probationary or waiting period requirements established by the Group:

First of month following ninety (90) days of employment

**Section VII. Eligibility and Enrollment of Members, Part E** amended to read as follows:

All eligible employees must satisfy any probationary or waiting period requirements established by the Group:

First of month following ninety (90) days of employment

Rehires: no waiting period for any employee laid off and rehired within a year.

This amendment will become effective April 1, 2012.

For: Saint Mary's HealthFirst

  
\_\_\_\_\_

Name: Dave Challis

Title: Vice President and CFO

For: City of Carson City

  
\_\_\_\_\_

Name: Robert L. Crowell

Title: Mayor

Date: 6.7.12

This is one (1) of two (2) originals

**Saint Mary's HealthFirst**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's HealthFirst and City of Carson City.

Section **VII. Eligibility and Enrollment of Members** is amended to include the following:

L. A Retiree Benefit Program is permissible under the parameters of the following criteria:

Retiree Group Health coverage is provided in accordance with the group Retirement Policy.

The Total Monthly Premium rates for Retirees, shown in Section **IX. Premium Payment** are effective from:

July 1, 2013

For: Saint Mary's HealthFirst

For: City of Carson City

  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Name: Dave Challis

Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

Date \_\_\_\_\_

This is one (1) of two (2) originals

**Saint Mary's HealthFirst**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's HealthFirst and City of Carson City.

Section **VII. Eligibility and Enrollment of Members** is amended to include the following:

L. A Retiree Benefit Program is permissible under the parameters of the following criteria:

Retiree Group Health coverage is provided in accordance with the group Retirement Policy.

The Total Monthly Premium rates for Retirees, shown in Section **IX. Premium Payment** are effective from:

These Total Monthly Premium rates are effective from:

July 1, 2013

For: Saint Mary's HealthFirst

For: City of Carson City

*Dave Challis*

\_\_\_\_\_

Name: Dave Challis

Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

Date \_\_\_\_\_

This is two (2) of two (2) originals

**Saint Mary's HealthFirst**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's HealthFirst and City of Carson City.

Section **III. Products** is amended to read as such:

List each product available from the plan and the appropriate EOC

Benefit Plan 1500 HMO 1540 and 1500 POS 1030/2040

Riders Rx \$15/40/60D

Section **IX. Premium Payment**, part A is amended to read as such:

- A. Group agrees to remit to HealthFirst the Total Monthly Premium on behalf of each eligible employee who has enrolled in the health benefit plan, in accordance with the Class of Contract and Total Monthly Premium listed herein. Where applicable, any contribution required by the employee will be collected through payroll deduction or other such program by the Group. Only Members for which the HealthFirst has received the appropriate payment are entitled to services and supplies.

<b>1500 HMO 1540</b>					<b>Total Monthly</b>
<u>Tier</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Premium</u>
Employee	\$364.99	\$89.57	\$0.00	\$0.00	\$454.56
Employee & Spouse	\$748.25	\$183.60	\$0.00	\$0.00	\$931.85
Employee & Child(ren)	\$700.42	\$171.87	\$0.00	\$0.00	\$872.29
Employee & Family	\$1,143.90	\$280.68	\$0.00	\$0.00	\$1,424.58

<u>Tier: Retiree</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<b>Total Monthly</b> <u>Premium</u>
Single without Medicare	\$364.99	\$89.57	\$0.00	\$0.00	\$454.56
Single with Medicare	\$243.22	\$89.57	\$0.00	\$0.00	\$332.79
Retiree & Spouse w/o Medicare	\$748.24	\$183.61	\$0.00	\$0.00	\$931.85
Retiree & Spouse both w/ Medicare	\$522.37	\$183.61	\$0.00	\$0.00	\$705.98
Retiree & Spouse one w/ Medicare	\$653.19	\$183.61	\$0.00	\$0.00	\$836.80
Retiree & Child(ren) w/o Medicare	\$700.42	\$171.88	\$0.00	\$0.00	\$872.30
Retiree & Child(ren) w/ Medicare	\$690.18	\$171.88	\$0.00	\$0.00	\$862.06
Retiree & Family w/o Medicare	\$1,143.89	\$280.70	\$0.00	\$0.00	\$1,424.59
Retiree & Family two with Medicare	\$576.93	\$280.70	\$0.00	\$0.00	\$857.63
Retiree & Family one with Medicare	\$721.03	\$280.70	\$0.00	\$0.00	\$1,001.73

1500 POS 1030/2040

<u>Tier</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Total Monthly Premium</u>
Employee	\$421.45	\$89.57	\$0.00	\$0.00	\$511.02
Employee & Spouse	\$863.96	\$183.60	\$0.00	\$0.00	\$1,047.56
Employee & Child(ren)	\$808.76	\$171.87	\$0.00	\$0.00	\$980.63
Employee & Family	\$1,320.81	\$280.68	\$0.00	\$0.00	\$1,601.49

<u>Tier: Retiree</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Total Monthly Premium</u>
Single without Medicare	\$421.45	\$89.57	\$0.00	\$0.00	\$511.02
Single with Medicare	\$280.76	\$89.57	\$0.00	\$0.00	\$370.33
Retiree & Spouse w/o Medicare	\$863.96	\$183.61	\$0.00	\$0.00	\$1,047.57
Retiree & Spouse both w/ Medicare	\$603.00	\$183.61	\$0.00	\$0.00	\$786.61
Retiree & Spouse one w/ Medicare	\$754.15	\$183.61	\$0.00	\$0.00	\$937.76
Retiree & Child(ren) w/o Medicare	\$808.75	\$171.88	\$0.00	\$0.00	\$980.63
Retiree & Child(ren) w/ Medicare	\$796.92	\$171.88	\$0.00	\$0.00	\$968.80
Retiree & Family w/o Medicare	\$1,320.81	\$280.70	\$0.00	\$0.00	\$1,601.51
Retiree & Family two with Medicare	\$665.75	\$280.70	\$0.00	\$0.00	\$946.45
Retiree & Family one with Medicare	\$832.25	\$280.70	\$0.00	\$0.00	\$1,112.95

These Total Monthly Premium rates are effective from:

July 1, 2013 - June 30, 2014

For: Saint Mary's HealthFirst

For: City of Carson City

*Dave Challis*

Name: Dave Challis

Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

Date \_\_\_\_\_

This is two (2) of two (2) originals

**Saint Mary's HealthFirst**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's HealthFirst and City of Carson City.

Section **III. Products** is amended to read as such:

List each product available from the plan and the appropriate EOC

Benefit Plan 1500 HMO 1540 and 1500 POS 1030/2040

Riders Rx \$15/40/60D

Section **IX. Premium Payment**, part A is amended to read as such:

- A. Group agrees to remit to HealthFirst the Total Monthly Premium on behalf of each eligible employee who has enrolled in the health benefit plan, in accordance with the Class of Contract and Total Monthly Premium listed herein. Where applicable, any contribution required by the employee will be collected through payroll deduction or other such program by the Group. Only Members for which the HealthFirst has received the appropriate payment are entitled to services and supplies.

<b>1500 HMO 1540</b>						<b>Total Monthly</b>
	<u>Tier</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Premium</u>
Employee		\$364.99	\$89.57	\$0.00	\$0.00	\$454.56
Employee & Spouse		\$748.25	\$183.60	\$0.00	\$0.00	\$931.85
Employee & Child(ren)		\$700.42	\$171.87	\$0.00	\$0.00	\$872.29
Employee & Family		\$1,143.90	\$280.68	\$0.00	\$0.00	\$1,424.58

						<b>Total Monthly</b>
	<u>Tier: Retiree</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Premium</u>
Single without Medicare		\$364.99	\$89.57	\$0.00	\$0.00	\$454.56
Single with Medicare		\$243.22	\$89.57	\$0.00	\$0.00	\$332.79
Retiree & Spouse w/o Medicare		\$748.24	\$183.61	\$0.00	\$0.00	\$931.85
Retiree & Spouse both w/ Medicare		\$522.37	\$183.61	\$0.00	\$0.00	\$705.98
Retiree & Spouse one w/ Medicare		\$653.19	\$183.61	\$0.00	\$0.00	\$836.80
Retiree & Child(ren) w/o Medicare		\$700.42	\$171.88	\$0.00	\$0.00	\$872.30
Retiree & Child(ren) w/ Medicare		\$690.18	\$171.88	\$0.00	\$0.00	\$862.06
Retiree & Family w/o Medicare		\$1,143.89	\$280.70	\$0.00	\$0.00	\$1,424.59
Retiree & Family two with Medicare		\$576.93	\$280.70	\$0.00	\$0.00	\$857.63
Retiree & Family one with Medicare		\$721.03	\$280.70	\$0.00	\$0.00	\$1,001.73



**1500 POS 1030/2040**

<u>Tier</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Total Monthly Premium</u>
Employee	\$421.45	\$89.57	\$0.00	\$0.00	\$511.02
Employee & Spouse	\$863.96	\$183.60	\$0.00	\$0.00	\$1,047.56
Employee & Child(ren)	\$808.76	\$171.87	\$0.00	\$0.00	\$980.63
Employee & Family	\$1,320.81	\$280.68	\$0.00	\$0.00	\$1,601.49

<u>Tier: Retiree</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Total Monthly Premium</u>
Single without Medicare	\$421.45	\$89.57	\$0.00	\$0.00	\$511.02
Single with Medicare	\$280.76	\$89.57	\$0.00	\$0.00	\$370.33
Retiree & Spouse w/o Medicare	\$863.96	\$183.61	\$0.00	\$0.00	\$1,047.57
Retiree & Spouse both w/ Medicare	\$603.00	\$183.61	\$0.00	\$0.00	\$786.61
Retiree & Spouse one w/ Medicare	\$754.15	\$183.61	\$0.00	\$0.00	\$937.76
Retiree & Child(ren) w/o Medicare	\$808.75	\$171.88	\$0.00	\$0.00	\$980.63
Retiree & Child(ren) w/ Medicare	\$796.92	\$171.88	\$0.00	\$0.00	\$968.80
Retiree & Family w/o Medicare	\$1,320.81	\$280.70	\$0.00	\$0.00	\$1,601.51
Retiree & Family two with Medicare	\$665.75	\$280.70	\$0.00	\$0.00	\$946.45
Retiree & Family one with Medicare	\$832.25	\$280.70	\$0.00	\$0.00	\$1,112.95

These Total Monthly Premium rates are effective from:

July 1, 2013 - June 30, 2014

For: Saint Mary's HealthFirst

For: City of Carson City



Name: Dave Challis

Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

Date \_\_\_\_\_

This is one (1) of two (2) originals

# Saint Mary's Preferred Health Insurance Company, Inc.

## City of Carson City

This Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. (hereinafter referred to as "SMPHIC"), and City of Carson City (hereinafter referred to as "Group").

**WHEREAS**, SMPHIC is organized and operating pursuant to the Nevada Revised Statutes, and;

**WHEREAS**, Group wishes to provide eligible employees with the opportunity to enroll in and receive health care services;

**NOW THEREFORE**, the parties hereto have set their hand and mutually agree as follows:

### I. Definitions

- A. **Anniversary** means the date, every twelve (12) months upon which the coverage under Certificate of Coverage (hereinafter referred to as "COC") renews for another twelve (12) month period.
- B. **Health Benefit Plan** means the SMPHIC COC and any and all Attachments and Riders selected by the Group which is offered to eligible employees.
- C. **Grace Period** means the time after the date that a premium is due during which the premium can be paid without penalty to keep the policy in force.
- D. **Group** means an employer or other party who has executed a Group Contract with SMPHIC, through which health benefits are made available to eligible employees and the employer has agreed to collect and pay premiums.
- E. **Group Contract** (hereinafter referred to as "Contract") means this document between the Group and SMPHIC and any attachments hereto, through which the health benefit plan for eligible employees and dependents is elected.
- F. **Initial Group Open Enrollment Period** means the enrollment period established by the Group and SMPHIC prior to the effective date during which eligible persons may enroll in the health plan. The initial enrollment period will be a period of no less than fifteen (15) days in which all eligible persons must enroll or waive their right to coverage. Subsequent Open Enrollment Periods will be held every twelve (12) months from the initial effective date of the Group's coverage.
- G. **Premium** means the periodic payment, usually monthly, made to SMPHIC by the Group on behalf of eligible enrolled employees, which entitles those employees and dependents to the health benefit plan detailed in Section III of this contract.

## II. Introduction

This Group Contract, any amendments, attachments, including the COC document(s) and any applicable Riders, the application of the employer, the enrollment forms of individual employees and amendments to any of them incorporated by reference herein, shall constitute the entire agreement between Saint Mary's Preferred Health Insurance Company, Inc. and City of Carson City.

The Employer or any individual Member is not authorized to make any promises or representations or warranties concerning SMPHIC's services, facilities or supplies provided under the Contract. Any statements by an employer or the employer's representative concerning the services provided by SMPHIC or under the COC shall not be binding on SMPHIC. As such, no such statement shall be used in support of a benefit claim under this Contract unless it is approved in writing by SMPHIC. Pursuant to this Contract, SMPHIC shall provide covered services and supplies to Members in accord with the COC document(s).

No agent or employee of SMPHIC is authorized to change the form or content of this Contract. Any changes to this Contract can be made only through an endorsement authorized and signed by an officer of SMPHIC.

## III. Products

List each product available from the plan and the appropriate COC

Benefit Plan HC033

Riders Rx \$15/40/60D  
City of Carson PPO Dental Plan

## IV. Term of Contract

This Contract becomes effective on July 1, 2013 at 12:00 a.m. Pacific Time and will remain in effect for a term of twelve (12) consecutive months, until June 30, 2014 (the "Termination Date") unless terminated as set forth in the Termination of Contract section. Except as expressly provided in any COC document(s) incorporated in this Contract, all rights to benefits under this Contract end at 11:59 p.m. on the Termination Date.

## V. Termination of Contract

The employer may terminate this Contract by providing SMPHIC with a written notice of its intent to terminate this contract at least thirty (30) days in advance of the proposed termination date. SMPHIC may terminate or not renew this Contract for good cause as set forth below.

SMPHIC will provide the Group with an acknowledgment in the Form of a Written Notice of Contract Termination (“Notice”). Promptly upon receipt of the Notice, Group will mail via First Class U.S. Mail to each Member a legible copy of the notice. Group agrees to provide SMPHIC with written proof of that mailing and of the date thereof. If the terms of this Contract are altered by consent of both parties, no resulting reduction in coverage will adversely affect a Member who is confined to a hospital at the time of such change.

**Termination on notice**

Group may terminate this Contract:

1. for any reason, effective the day before any anniversary of July 1st (the “Anniversary Date”) by giving at least thirty (30) days prior written notice to SMPHIC;
2. upon written notice within thirty (30) days of notice of an increase in the Total Monthly Premium;

and remitting all amounts payable relating to this Contract, including Premiums, for the period prior to the termination effective date.

Good Cause for termination or not renewing by SMPHIC shall include:

1. **Non Payment**  
Failure of Group to pay the premium for this Contract when due or within the thirty (30) day grace period. If a premium is not paid by the end of the grace period, SMPHIC may terminate the contract of insurance retroactively to the end of the day preceding the grace period. Cancellation will not be effective until at least ten (10) days after SMPHIC has delivered or mailed written notice to the group.
2. **Material Breach of COC requirements**  
For any material breach of terms detailed in the COC upon sixty (60) days notice to Group.
3. **Fraud, Noncompliance or intentionally furnishing incorrect or incomplete information**  
SMPHIC may terminate this Contract upon fifteen (15) days prior written notice to Group if:
  - A. Group fails to comply with its material obligations under this Contract (including but not limited to its obligations under the “Eligibility and Enrollment” section of this Contract), or
  - B. Knowing failure by the employer to abide by and enforce the conditions of enrollment of Members as set forth in the “Eligibility and Enrollment” provisions of the COC and the Employer Application, or
  - C. Has performed an act that constitutes fraud or misrepresents or intentionally furnishes incorrect or incomplete material information (including but not limited to the employees covered under the plan or other information regarding eligibility for coverage under the plan).

4. **Failure to Meet Participation and Contribution Requirements**

Failure of the employer to maintain minimum subscription charge contribution requirements or minimum participatory requirements or as stated in the group requirements as set forth in the Master Application (see Section VII, item K of this contract).

Group will allow SMPHIC to review and audit payroll and other pertinent records for the verification of eligibility of employees. SMPHIC will make written and verbal request to Group and conduct all such reviews during regular business hours.

Group agrees to pay at least 50% for employees and 0% for employee and dependents.

5. **Discontinuance of a Product or all Products Within a Market**

SMPHIC may terminate a particular product or all products offered in a small or large group market, if it discontinues offering insurance in the geographic area of the state where the employer is located. SMPHIC may also discontinue the issuance and renewal of coverage to a small employer if the Nevada Insurance Commissioner finds that the continuation of the coverage would not be in the best interests of the policyholders or certificate holders or would impair the ability of the carrier to meet its contractual obligations. If the Commissioner makes such a finding, the Commissioner shall assist the affected small employers in finding replacement coverage. SMPHIC may also discontinue products offered to small employers if the Nevada Insurance Commissioners finds that the form of the product offered by SMPHIC is obsolete and is being replaced with comparable coverage. SMPHIC will notify the Commissioner and the Chief Regulatory Officer for insurance in each state in which it is licensed of its decision to discontinue the issuance or renewal of a product at least sixty (60) days before SMPHIC notifies the affected small employers. SMPHIC will notify affected employers at least one hundred eighty (180) days before the date on which it will discontinue offering the product and it will offer each affected small employer the option to purchase any other health benefit plan currently offered by it to small employers in Nevada. In exercising its option to discontinue the product and in offering the option to purchase other coverage, SMPHIC will act uniformly without regard to the claims experience of the affected small employers or any health status-related factor relating to any participant or beneficiary covered by the discontinued product or any new beneficiary who may become eligible for such coverage. SMPHIC will comply with the requirements of NRS 689C.310-.320 and NRS 689B.560 if it decides to discontinue providing insurance in a geographic area or discontinue products to the small employer market.

6. **A material change in the nature of the employer's business, i.e.,**

- Dropping under 2 employees
- Sale of business
- Change in contribution level
- Other significant changes in the composition or status of the employer's business.

## VI. Amendment of Contract

This Contract may be amended by mutual agreement of the Group and SMPHIC. All amendments shall be in writing and shall be attached to and become a part of the entire Contract.

Upon sixty (60) days prior written notice to Group, SMPHIC may amend this Contract effective as of the next Anniversary Date. If SMPHIC has not received all necessary government approval of its Premium rates by the date it gives notice under this section, SMPHIC will notify Group of the Premium rates for which it has sought government approval. SMPHIC may then amend this Contract with respect to Premium rates by giving notice to the Group after receiving all necessary government approval, in which case the Premium rates go into effect as of the next Anniversary Date.

In addition to amendments effective as of an Anniversary Date, SMPHIC may, subject to government approval, amend this Contract at any time by giving notice to Group, in order to (a) comply with applicable law.

All amendments are deemed accepted by the Group unless the Group gives SMPHIC written notice of non-acceptance at least fifteen (15) days before the effective date of the amendment and remits all amounts payable related to this Contract, including Premiums, for the period prior to the amendment effective date. If the Group rejects the amendment, this Contract will automatically terminate as of the day before the effective date of the amendment.

## VII. Eligibility and Enrollment of Members

A. Eligible Employees include:

1. a bona fide employee of the Group entitled to participate in the health care benefit program arranged by the Group or entitled to coverage under a Trust Agreement or employer contract;
2. those who satisfy any probationary or waiting period requirements established by the Group and who enroll within thirty-one (31) days of their eligibility date.

B. Special Enrollments

Employees who decline coverage for themselves or their dependents, for any reason, and later decide that they want coverage will not be eligible until the next open enrollment period unless, the employee has (1) creditable health coverage within the meaning of 26 USC § 9801 and (2) has lost coverage as a result of:

1. termination of employment or eligibility;
2. involuntary termination of the creditable coverage;
3. death of a spouse, or divorce.

Employees who request special enrollment must do so no later than thirty (30) days after the loss of the other creditable coverage. Special enrollment is effective on the first day of the calendar month beginning after the date the completed enrollment request is received by SMPHIC.

C. Dependents include:

1. employee's lawful spouse;

2. For Qualified Plans, be a Member's child who is not yet 26; or

For Grandfathered Plans, be a Member's child who is not yet 26 and who is not otherwise covered by other employer provided health plan coverage;

3. Unmarried children over the age of 25, who are chiefly dependent upon the employee for support due to mental illness, developmental disability, mental retardation or physical handicap.

4. The term child includes natural children, step-children, and children for whom You have been appointed by the court as permanent legal guardian, or children who have been legally adopted or are awaiting finalization of adoption by You.

D. All eligible employees must satisfy any probationary or waiting period requirements established by the Group:

first of month following ninety (90) days of employment

Rehires: no waiting period for any employee laid off and rehired within a year

E. Group agrees to contribute the same dollar amount toward each class of contract as that which is contributed to the cost of any other Group sponsored health care option. In no event will the Group contribution be less than 50% of the single (employee only) Premium for the benefit plan.

F. Any employee or dependent who becomes eligible after the Initial Enrollment Period, or between Group Enrollment Periods, must enroll within thirty-one (31) days of the qualifying event, or may not enroll until the next Group Enrollment Period is held.

G. Group will be credited with Premium payments, made for a non-eligible enrollee, only after SMPHIC is notified in writing and only if the enrollee has not received Covered Services during the period in question. In no event will SMPHIC credit premium overpayment for a non-eligible enrollee for a period of more than sixty (60) days. In the event that Group overpays premiums on behalf of a non-eligible enrollee for a period of more than sixty (60) days, overpayments beyond the first sixty (60) days will not be reimbursed or credited by SMPHIC and will be the sole responsibility and burden of the Group.

- H. Group will provide for the distribution of pertinent SMPHIC health benefit plan information to eligible employees. The SMPHIC staff will be given the opportunity to answer employee questions and to provide additional information during the Initial Enrollment and all subsequent Group Enrollment Periods.
- I. Group will allow SMPHIC to review and audit payroll and other pertinent records for the verification of eligibility of employees. SMPHIC will make written request to Group and conduct all such interviews during regular business hours.
- J. Age Banded Rates are rates determined by the age and sex of the eligible employee or eligible spouse. Members move to the rate corresponding to the appropriate age band on the month following their birthday, and not on renewal.
- K. **For a group with 6 or more** eligible employees, seventy-five percent (75%) of all eligible employees must enroll in the group health plan or demonstrate other creditable coverage. Those eligible employees waiving with creditable coverage will not be a factor in determining the group participation. **For groups with 2-5** eligible employees, one hundred percent (100%) of eligible employees must enroll or show creditable coverage.

## VIII. Termination of Coverage

### **Termination due to Nonpayment**

Only a Member, and his or her enrolled dependents, for whom SMPHIC has received the appropriate payment listed in the Premiums section are entitled to coverage under this Contract. If Group fails to make any past-due payment for a Member within thirty (30) day grace period, SMPHIC may terminate the Member in accord with the "Termination of Coverage" section of the COC. In addition, Group is liable for all unpaid Premiums for the Member through the termination date.

The Group may be required to continue coverage for an employee or dependent who has lost eligibility within the Group. The specific option for continuation will be determined by the individual employee or dependent qualifying event as detailed in the COC. The Employee and their dependents will be terminated off of the group plan on the last day of the month after termination of employment.

### **Consolidated Omnibus Budget Reconciliation Act (COBRA) Continuation Coverage**

SMPHIC recognizes that many employers must comply with the continuation of group coverage requirements of federal laws and regulations, which collectively are commonly referred to as Consolidated Omnibus Budget Reconciliation Act (COBRA) (hereinafter referred to as "COBRA"). SMPHIC acknowledges that employers who are so affected cannot discharge their legal obligations without SMPHIC's informed and willing participation in providing the continuation coverage. SMPHIC is therefore committed to the following:



- A. Maintaining awareness of continuation coverage requirements of the Internal Revenue Code, the Employee Retirement Income Security Act of 1974 (ERISA), the Public Health Service Act and regulations, which are issued by the Secretaries of these agencies.
- B. Providing continuation coverage to Members upon the request of an employer when such requests are consistent with the employer's obligations under the law.
- C. Sharing knowledge regarding COBRA with employers as they experience problems but SMPHIC will not give legal advice on these matters.

Members who are hospitalized on the date coverage under this Contract ends, may be eligible for continuation of coverage. See "Conversion Privilege and Transfer" and "Extension of Benefits" in the COC.

Termination of this Contract, other than Nonpayment of Premiums (see "Termination due to Nonpayment") or Fraud, shall become effective upon sixty (60) days written notice to the employer.

If this Contract terminates under its own terms, or is otherwise terminated by either SMPHIC or employer, the employer shall promptly mail or hand deliver to each Member covered hereunder, a notice of cancellation of this Contract. The employer shall, upon request by SMPHIC, provide SMPHIC a copy of the notification, a written statement that the notice of cancellation was mailed or hand delivered to each Member, and the date of mailing or hand delivery.

## IX. Premium Payment

- A. Group agrees to remit to SMPHIC the Total Monthly Premium on behalf of each eligible employee who has enrolled in the health benefit plan, in accordance with the Class of Contract and Total Monthly Premium listed herein. Where applicable, any contribution required by the employee will be collected through payroll deduction or other such program by the Group. Only Members for which the SMPHIC has received the appropriate payment are entitled to services and supplies.

HC033						Total Monthly
<u>Tier: Retiree</u>	<u>Medical</u>	<u>Rx</u>	<u>Dental</u>	<u>Vision</u>	<u>Premium</u>	
Single without Medicare	\$564.69	\$90.62	\$51.38	\$0.00	\$706.69	
Single with Medicare	\$376.26	\$90.62	\$51.38	\$0.00	\$518.26	
Retiree & Spouse w/o Medicare	\$1,157.72	\$185.76	\$72.26	\$0.00	\$1,415.74	
Retiree & Spouse both w/ Medicare	\$808.75	\$185.76	\$72.26	\$0.00	\$1,066.77	
Retiree & Spouse one w/ Medicare	\$1,010.44	\$185.76	\$72.26	\$0.00	\$1,268.46	
Retiree & Child(ren) w/o Medicare	\$1,083.06	\$173.89	\$91.38	\$0.00	\$1,348.33	
Retiree & Child(ren) w/ Medicare	\$1,070.35	\$173.89	\$91.38	\$0.00	\$1,335.62	
Retiree & Family w/o Medicare	\$1,772.83	\$283.98	\$112.26	\$0.00	\$2,169.07	
Retiree & Family two with Medicare	\$893.24	\$283.98	\$112.26	\$0.00	\$1,289.48	
Retiree & Family one with Medicare	\$1,113.81	\$283.98	\$112.26	\$0.00	\$1,510.05	

Total Monthly Premium rates are effective from July 1, 2013 to June 30, 2014.

- B. The Total Monthly Premium is billed to Group in advance of the month for which coverage is provided. Premium payments are due the first day of the month for the month in which coverage is provided. The charges shall be calculated by SMPHIC from current records as to the number of Members enrolled. Dues are payable for new Members for the entire month regardless of the effective date of enrollment or termination.
- C. Premium adjustments required as a result of terminations or new hires will be applied by SMPHIC to the Premium Billing subsequent to the receipt of the required SMPHIC forms and notifications procedures. Retroactive payment adjustments will be made in subsequent billing statements for any additions or terminations of Members not reflected in SMPHIC's records at the time of calculation of Premium charges.

In order for a credit of Premium charges to be applied for terminated Members, SMPHIC must receive notification as soon as possible following the date of the Member's ineligibility, but in no event later than sixty (60) days following such date. SMPHIC will credit a maximum of sixty (60) days of Premium charges to the employer for ineligible Members.

It is the sole responsibility of the Group to review the Total Monthly Premium each month, ensure it accurately reflects any and all Member terminations, and bring any discrepancies to the attention of HealthFirst within sixty (60) days of the Member's ineligibility.

Only members for whom payment is received by SMPHIC shall be eligible for services and benefits hereunder and only for the period covered by such payment. If any Member covered hereunder is terminated by SMPHIC, prepaid Premiums received on account of the terminated Member or Members applicable to periods after the Effective Date of the termination will be credited back to the employer on the next following billing statement, and neither SMPHIC nor any physician group has any further liability or responsibility under this Contract to such terminated Member.

In the foregoing instances where a Member is being retroactively terminated by the group, the effective date of retroactive termination cannot be prior to any date on which services or supplies were provided to the Member under this Contract. In such instances the date of termination will be the first day of the calendar month following the month in which services or supplies were provided, and any applicable credit of premium charges will be calculated from that date.

If the employer seeks to retroactively add Members, enrollment forms must be received by SMPHIC as soon as possible following the Member's eligibility date, but in no event later than sixty (60) days following such date. SMPHIC will charge the employer retroactive premiums according to the Member's effective date, which will be calculated using rules established by SMPHIC for determining effective dates of retroactive adjustments, but in no event will the effective date be more than sixty (60) days prior to when SMPHIC receives the enrollment forms.

- D. Group shall submit to SMPHIC all enrollment, termination and/or change of status forms within thirty one (31) days of event, but in no case shall credits to remittances be for a premium period (month) of more than sixty (60) days from the date of the event.
- E. In situations that include, but are not limited to those found in Section V, item 6, SMPHIC reserves the right to change the Total Monthly Premium for the health benefits plan and/or Riders upon sixty (60) days written notice, provided such changes are in accordance with the provisions set forth in the COC.

## **X. General Provisions**

### **A. Acceptance of Contract**

Group acknowledges acceptance of this Contract by signing the signature page of this Contract and returning it to SMPHIC. If Group does not return the signature page to SMPHIC, Group will be deemed as having accepted this Contract if Group pays any amount pursuant to the "Premiums" section.

### **B. Charter not part of Contract**

None of the terms or provisions of SMPHIC's charter, constitution or bylaws shall form a part of this Contract or be used in the defense of any suit hereunder, unless the same is set forth in full in this Contract.

- C. **Interpretation of Contract**  
The laws of the State of Nevada shall be applied to interpretation of this Contract. Where applicable, the interpretation of this Contract shall be guided by the direct-service, group practice nature of SMPHIC's operations as opposed to a fee-for-service indemnity basis.
- D. **Services Not Covered**  
Services, treatments and procedures to reverse voluntary elective sterilizations.
- E. **Adoption of Policies**  
SMPHIC may adopt reasonable policies, procedures, rules and interpretations to promote the orderly and efficient administration of this Group Contract and the Certificate of Coverage.
- F. **Group Agent or Broker**  
SMPHIC recognizes that Group may work with an Agent/Broker of Record who arranges a variety of insurance programs for the Group. SMPHIC will work cooperatively with the Group's Agent/Broker of Record. The Agent/Broker of Record must hold the appropriate State of Nevada health insurance license, and be appointed with SMPHIC. The Group agrees to notify SMPHIC in writing of any changes in its Agent/Broker of Record. Current Agent/Broker of Record is: None.
- G. **Attorney Fees and Costs**  
If SMPHIC or Group institute(s) legal action against the other to collect any sums owed under this Contract, the party that substantially prevails will be reimbursed for its reasonable litigation expenses, including attorneys' fees, by the other party.
- H. **Contract Providers**  
SMPHIC will give Group written notice within a reasonable time of any termination or breach of contract by, or inability to perform, of any health care provider that contracts with SMPHIC if Group may be materially and adversely affected thereby.
- I. **Delegation of claims review authority**  
SMPHIC is a named fiduciary to review claims under this Contract. Group delegates to SMPHIC the discretion to construe and interpret the terms of the COC and other disclosure statements as well to determine whether a Member is eligible for benefits. In making these determinations, SMPHIC has authority to review claims in accordance with the procedures contained in the COC and herein, and to construe this Contract to determine whether the Member is entitled to benefits.
- J. **Member Information**  
Group will inform enrollees of eligibility requirements for Members and when coverage becomes effective and terminates. If SMPHIC gives Group any information that is material to Members, Group will disseminate that information to Members by the next regular communication to them, but in no event later than thirty (30) days after Group receives the information. For purposes of this paragraph, "material" means information that a reasonable person would consider important in determining action to be taken.

- K. **No Waiver**  
SMPHIC's failure to enforce any provision of this Contract will not constitute a waiver of that or any other provision, or impair SMPHIC's right thereafter to require Group's strict performance of any provision.
- L. **Notices**  
Notices from SMPHIC to Group or from Group to SMPHIC must be mailed to the address indicated on the signature page of this Contract except that SMPHIC and Group may change its notice address by giving written notice to the other. Notices are deemed given when deposited in a U.S. Postal Service receptacle for the collection of U.S. mail.
- M. **Right to Examine Records**  
Upon reasonable notice, SMPHIC may examine Group's records with respect to eligibility and payments under this Contract.
- N. **Successors and Assignees**  
Benefits and obligations of this Contract are binding on the successors and permitted assignees of SMPHIC and Group.
- O. **Non-discrimination**  
SMPHIC and the employer hereby agree that no person who is otherwise eligible for coverage under this Contract shall be refused enrollment nor shall their coverage be cancelled solely because of race, color, national origin, ancestry, religion, sex, marital status, age, health status, or physical or mental handicap.
- P. **Notice of Certain Events**  
SMPHIC will give the employer written notice, within a reasonable time, of any termination or breach of Contract, or inability to perform services, by a Physician Group or contracting provider, if the employer may be materially and adversely affected thereby.
- Q. **Record Keeping**  
The employer is responsible for keeping records relating to this Contract. SMPHIC has the right to inspect and audit these records.
- R. **Relationship of Parties**  
Neither SMPHIC nor any of its employees are employees or agents of Hospitals or the Physician Groups.
- S. **Association**  
Group understands that its rating has been determined based upon its affiliation with an Association. If Group becomes disassociated with the Association for any reason, this Contract will be void. Should the Group wish to continue coverage with SMPHIC, the Group will be subject to underwriting as a Non-Association Group.

## Signature Page

When notice is required under this Contract, it shall be sent prepaid, first class US mail to:

SMPHIC:

Sales and Marketing Department  
Saint Mary's Preferred Health  
Insurance Company, Inc.  
1510 Meadow Wood Lane  
Reno, Nevada 89502

Group:


Robert L. Crowell  
City of Carson City  
  
201 North Carson Street, No. 4  
Carson City, Nevada 89701

### Mediation Before Litigation

Group and SMPHIC agree to first mediate prior to resort to the courts, the disputes described below pursuant to the procedures set forth herein. Group understands that each Member/enrollee's participation in mediation before litigation is completely voluntary, and that by agreeing to mediate disputes relating to the Certificate of Coverage, the Health Plan or health care services provided by SMPHIC, the Member/enrollee has not foregone their right to resolve any such dispute in a court of law or equity. Group agrees that any claim Group may assert for alleged violation of any duty to a Member arising out of this Contract, including any claim for medical or hospital malpractice, for premises liability, or relating to the coverage for, or delivery of, services or items pursuant to this Contract, irrespective of legal theory, shall be resolved by first submitting the dispute to mediation which shall be conducted by JAMS/Endispute (916) 921-5300. In the event the dispute is not resolved through mediation, the dispute shall be resolved in a court of law or equity.

For: Saint Mary's Preferred Health  
Insurance Company, Inc.

For Group: City of Carson City

  
\_\_\_\_\_

Name: Dave Challis

\_\_\_\_\_

Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

Date \_\_\_\_\_

This is one (1) of two (2) originals

# Signature Page

When notice is required under this Contract, it shall be sent prepaid, first class US mail to:

SMPHIC:

Sales and Marketing Department  
Saint Mary's Preferred Health  
Insurance Company, Inc.  
1510 Meadow Wood Lane  
Reno, Nevada 89502

Group:

Robert L. Crowell  
City of Carson City  
  
201 North Carson Street, No. 4  
Carson City, Nevada 89701

## Mediation Before Litigation

Group and SMPHIC agree to first mediate prior to resort to the courts, the disputes described below pursuant to the procedures set forth herein. Group understands that each Member/enrollee's participation in mediation before litigation is completely voluntary, and that by agreeing to mediate disputes relating to the Certificate of Coverage, the Health Plan or health care services provided by SMPHIC, the Member/enrollee has not foregone their right to resolve any such dispute in a court of law or equity. Group agrees that any claim Group may assert for alleged violation of any duty to a Member arising out of this Contract, including any claim for medical or hospital malpractice, for premises liability, or relating to the coverage for, or delivery of, services or items pursuant to this Contract, irrespective of legal theory, shall be resolved by first submitting the dispute to mediation which shall be conducted by JAMS/Endispute (916) 921-5300. In the event the dispute is not resolved through mediation, the dispute shall be resolved in a court of law or equity.

For: Saint Mary's Preferred Health  
Insurance Company, Inc.

For Group: City of Carson City



Name: Dave Challis

Title: Vice President and CFO



Name: Robert L. Crowell

Title: Mayor

Date \_\_\_\_\_

This is two (2) of two (2) originals

Saint Mary's Preferred Health Insurance Company, Inc.

ADDENDUM TO THE GROUP CONTRACT OF:

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. and **City of Carson City**.

Section III. **Products** is amended to add:

List each product available from the plan and the appropriate COC

Riders        Domestic Partner Rider

Section VII. **Eligibility and Enrollment**, part C is amended to read as such:

C. Dependents include:

1. employee's lawful spouse; or certified domestic partner:

This amendment is effective from:

July 1, 2012

For: Saint Mary's Preferred Health Insurance  
Company, Inc.

For: **City of Carson City**

*Dave Challis*

\_\_\_\_\_

Name: Dave Challis

Name: **Robert L. Crowell**

Title: Vice President and CFO

Title: **Mayor**

Date \_\_\_\_\_

This is one (1) of two (2) originals



**Saint Mary's Preferred Health Insurance Company, Inc.**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. and City of Carson City.

Section **III. Products** is amended to add:

List each product available from the plan and the appropriate COC

Riders        Domestic Partner Rider

Section **VII. Eligibility and Enrollment**, part C is amended to read as such:

C. Dependents include:

1. employee's lawful spouse; or certified domestic partner:

This amendment is effective from:

July 1, 2012

For: Saint Mary's Preferred Health Insurance  
Company, Inc.

For: **City of Carson City**

*Dave Challis*

\_\_\_\_\_

Name: Dave Challis

Name: **Robert L. Crowell**

Title: Vice President and CFO

Title: **Mayor**

Date \_\_\_\_\_

This is two (2) of two (2) originals

**Saint Mary's Preferred Health Insurance Company, Inc.**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Amendment to the Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. and **City of Carson City**.

**Section VII. Eligibility and Enrollment of Members**, Part E reads as:

All eligible employees must satisfy any probationary or waiting period requirements established by the Group:

**First of month following ninety (90) days of employment**

**Section VII. Eligibility and Enrollment of Members**, Part E amended to read as follows:

All eligible employees must satisfy any probationary or waiting period requirements established by the Group:

**First of month following ninety (90) days of employment**

**Rehires: no waiting period for any employee laid off and rehired within a year.**

This amendment will become effective **April 1, 2012**.

For: Saint Mary's Preferred Health Insurance  
Company, Inc.

For: **City of Carson City**

  
\_\_\_\_\_

\_\_\_\_\_

Name: Dave Challis

Name: **Robert L. Crowell**

Title: Vice President and CFO

Title: **Mayor**

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

This is two (2) of two (2) originals

**Saint Mary's Preferred Health Insurance Company, Inc.**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Amendment to the Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. and **City of Carson City**.

Section VII. Eligibility and Enrollment of Members, Part E reads as:

All eligible employees must satisfy any probationary or waiting period requirements established by the Group:

**First of month following ninety (90) days of employment**

Section VII. Eligibility and Enrollment of Members, Part E amended to read as follows:

All eligible employees must satisfy any probationary or waiting period requirements established by the Group:

**First of month following ninety (90) days of employment**

**Rehires: no waiting period for any employee laid off and rehired within a year.**

This amendment will become effective **April 1, 2012**.

For: Saint Mary's Preferred Health Insurance  
Company, Inc.

For: City of Carson City

  
\_\_\_\_\_

\_\_\_\_\_

Name: Dave Challis

Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

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

This is one (1) of two (2) originals

**Saint Mary's Preferred Health Insurance Company, Inc.**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. and City of Carson City.

Section **VII. Eligibility and Enrollment of Members** is amended to include the following:

L. A Retiree Benefit Program is permissible under the parameters of the following criteria:

Retiree Group Health coverage is provided in accordance with the group Retirement Policy.

The Total Monthly Premium rates for Retirees, shown in Section **IX. Premium Payment** are effective from:

July 1, 2013

For: Saint Mary's Preferred Health Insurance  
Company, Inc.

For: City of Carson City

  
\_\_\_\_\_

\_\_\_\_\_

Name: Dave Challis

Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

Date \_\_\_\_\_

This is two (2) of two (2) originals

**Saint Mary's Preferred Health Insurance Company, Inc.**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. and City of Carson City.

Section **VII. Eligibility and Enrollment of Members** is amended to include the following:

L. A Retiree Benefit Program is permissible under the parameters of the following criteria:


Retiree Group Health coverage is provided in accordance with the group Retirement Policy.

The Total Monthly Premium rates for Retirees, shown in Section **IX. Premium Payment** are effective from:

July 1, 2013

For: Saint Mary's Preferred Health Insurance  
Company, Inc.

For: City of Carson City

  
\_\_\_\_\_

\_\_\_\_\_

Name: Dave Challis

Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

Date \_\_\_\_\_

This is one (1) of two (2) originals

**Saint Mary's Preferred Health Insurance Company, Inc.**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. and **City of Carson City**.

Section **III. Products** is amended to read as such:

List each product available from the plan and the appropriate COC

Benefit Plan **HC033**

Riders **Rx \$15/40/60D**

Section **IX. Premium Payment**, part A is amended to read as such:

- A. Group agrees to remit to Preferred Health Insurance Company, Inc. the Total Monthly Premium on behalf of each eligible employee who has enrolled in the health benefit plan, in accordance with the Class of Contract and Total Monthly Premium listed herein. Where applicable, any contribution required by the employee will be collected through payroll deduction or other such program by the Group. Only Members for which the Preferred Health Insurance Company, Inc. has received the appropriate payment are entitled to services and supplies.

<b>HC033</b>						<b>Total Monthly</b>
	<u><b>Tier: Retiree</b></u>	<u><b>Medical</b></u>	<u><b>Rx</b></u>	<u><b>Dental</b></u>	<u><b>Vision</b></u>	<u><b>Premium</b></u>
Single without Medicare		\$557.07	\$89.57	\$0.00	\$0.00	\$646.64
Single with Medicare		\$370.92	\$89.57	\$0.00	\$0.00	\$460.49
Retiree & Spouse w/o Medicare		\$1,142.00	\$183.61	\$0.00	\$0.00	\$1,325.61
Retiree & Spouse both w/ Medicare		\$796.72	\$183.61	\$0.00	\$0.00	\$980.33
Retiree & Spouse one w/ Medicare		\$996.70	\$183.61	\$0.00	\$0.00	\$1,180.31
Retiree & Child(ren) w/o Medicare		\$1,069.02	\$171.88	\$0.00	\$0.00	\$1,240.90
Retiree & Child(ren) w/ Medicare		\$1,053.37	\$171.88	\$0.00	\$0.00	\$1,225.25
Retiree & Family w/o Medicare		\$1,745.86	\$280.70	\$0.00	\$0.00	\$2,026.56
Retiree & Family two with Medicare		\$879.15	\$280.70	\$0.00	\$0.00	\$1,159.85
Retiree & Family one with Medicare		\$1,099.44	\$280.70	\$0.00	\$0.00	\$1,380.14

These Total Monthly Premium rates are effective from:

**July 1, 2013 - June 30, 2014**

For: Saint Mary's Preferred Health Insurance  
Company, Inc.

For: **City of Carson City**

  
\_\_\_\_\_

\_\_\_\_\_

Name: Dave Challis

Name: **Robert L. Crowell**

Title: Vice President and CFO

Title: **Mayor**

Date \_\_\_\_\_

This is one (1) of two (2) originals

**Saint Mary's Preferred Health Insurance Company, Inc.**

**ADDENDUM TO THE GROUP CONTRACT OF:**

**City of Carson City**

This Addendum to the Group Contract is executed by and between Saint Mary's Preferred Health Insurance Company, Inc. and City of Carson City.

Section **III. Products** is amended to read as such:

List each product available from the plan and the appropriate COC

Benefit Plan HC033

Riders Rx \$15/40/60D

Section **IX. Premium Payment**, part A is amended to read as such:

- A. Group agrees to remit to Preferred Health Insurance Company, Inc. the Total Monthly Premium on behalf of each eligible employee who has enrolled in the health benefit plan, in accordance with the Class of Contract and Total Monthly Premium listed herein. Where applicable, any contribution required by the employee will be collected through payroll deduction or other such program by the Group. Only Members for which the Preferred Health Insurance Company, Inc. has received the appropriate payment are entitled to services and supplies.

<b>HC033</b>						<b>Total Monthly</b>
	<u><b>Tier: Retiree</b></u>	<u><b>Medical</b></u>	<u><b>Rx</b></u>	<u><b>Dental</b></u>	<u><b>Vision</b></u>	<u><b>Premium</b></u>
Single without Medicare		\$557.07	\$89.57	\$0.00	\$0.00	\$646.64
Single with Medicare		\$370.92	\$89.57	\$0.00	\$0.00	\$460.49
Retiree & Spouse w/o Medicare		\$1,142.00	\$183.61	\$0.00	\$0.00	\$1,325.61
Retiree & Spouse both w/ Medicare		\$796.72	\$183.61	\$0.00	\$0.00	\$980.33
Retiree & Spouse one w/ Medicare		\$996.70	\$183.61	\$0.00	\$0.00	\$1,180.31
Retiree & Child(ren) w/o Medicare		\$1,069.02	\$171.88	\$0.00	\$0.00	\$1,240.90
Retiree & Child(ren) w/ Medicare		\$1,053.37	\$171.88	\$0.00	\$0.00	\$1,225.25
Retiree & Family w/o Medicare		\$1,745.86	\$280.70	\$0.00	\$0.00	\$2,026.56
Retiree & Family two with Medicare		\$879.15	\$280.70	\$0.00	\$0.00	\$1,159.85
Retiree & Family one with Medicare		\$1,099.44	\$280.70	\$0.00	\$0.00	\$1,380.14

These Total Monthly Premium rates are effective from:

**July 1, 2013 - June 30, 2014**



Contract #

For: Saint Mary's Preferred Health Insurance  
Company, Inc.

For: **City of Carson City**

  
\_\_\_\_\_

\_\_\_\_\_

Name: Dave Challis

Name: **Robert L. Crowell**

Title: Vice President and CFO

Title: **Mayor**

Date \_\_\_\_\_

This is two (2) of two (2) originals

**AMENDMENT NUMBER TWO TO  
GROUP CONTRACT**

Whereas, Saint Mary's Preferred Health Insurance Company, Inc. ("Health Plan") and City of Carson City ("Group") have entered into a Group Contract effective on **July 1, 2011**.

Whereas, Health Plan and Group desire to make the premium billing and payment process more efficient and user friendly by permitting the use of Self-Billing;

Whereas, in accordance with Article VI, and pursuant to a mutual agreement between the undersigned parties to the Group Contract, the Group Contract is hereby amended as follows to permit Group to make its premium payments:

Article IX titled "Premium Payment" is supplemented with the following Section IX(F), titled "Self-Billing Reports" which provides as follows:

1. **Self-Billing Reports** – As of August 1, 2011, Group hereby agrees to submit premium payments to Health Plan, in accordance with the provisions stated below.
  
2. **Self-Billing Report Format Requirements** – The Self-Billing Report Format shall provide the following information:
  - (a) Each Member's identification number assigned by the Health Plan; newly enrolled members may be initially posted without their I.D. number until it is assigned.
  - (b) Each Member's last name/first name
  - (c) Group's Group identification number (not the Plan number) and
  - (d) The dollar amount of premium being remitted for each identified Member.

3. **Multiple Group Identification Numbers** – If there are multiple Group identification numbers used by Group, Group shall separate the information described in Item 3 by unique Group identification numbers.

4. **Changes to Self-Billing Reporting Format** – Saint Mary's may in its sole discretion, change the Reporting format requirements, described in Item 3 above, by providing Group with 60-days' advance written notice.

5. **Attestation** – Each month Group will submit their Self-Billing Report and it shall be acknowledged by Health Plan and Group as a declaration and attestation by Group that all employees listed on the Self-Billing Report have been properly enrolled for the month being reported. Any prospective change in the amount of an Eligible Employee's premium, due to a change in status, requires Group to timely file an appropriate change form with Health Plan.

6. **Premium Adjustments** – Group agrees that any premium adjustments required as the result of the termination of employment of employees or the hiring of new employees not previously shown on a Self-Billing Report shall be made by Group within the time frame described in the Group Contract.

7. **When Employee Coverage Ends** – Group agrees that an Eligible Employee's coverage shall end as of the last day of the month immediately preceding the Self-Billing Report which no longer shows the Eligible Employee as an Eligible Employee for coverage, unless a Termination Date is indicated during a reporting month on a Self-Billing report submitted by Group.

8. **Employees Not Listed Are Not Covered** – Group agrees that any Eligible Employee not listed on the Self-Billing Report certifies to Health Plan that the Employee is no longer eligible for coverage. No other formal notice terminating an Eligible Employee's coverage is required.

9. **Due Date For Self-Billing Report** – Group’s Self-Billing Report shall be due (that is communicated to Health Plan) on the first day of each calendar month for which coverage is provided. In no event shall the Self-Billing Report be provided to Health Plan later than the 10th day of a calendar month. Premium Payments are due as of the first day of each calendar month for which coverage is provided.

10. **Timely Payment of Premiums** – Group agrees to remit to Health Plan on the due date the total monthly premium owed on behalf of each Eligible Employee who is shown as an enrolled member of the Group Contract, in accordance with the terms of the Group Contract.

11. **Unilateral Right To Terminate This Addendum** – Group agrees that Health Plan has the unilateral right to terminate this Addendum to the Group Contract upon delivery of written notice of termination to Group.

12. **Supporting Documents** – Group agrees that upon the request of Health Plan, supporting documentation shall be provided to buttress its Eligible Employee representations.

13. **Record Retention** – Group agrees to retain written records supporting the information contained in the Self-Billing Reports for two calendar years after the date of the submission of each monthly Self-Billing Report.

14. **Rejection of Self-Billing Reports** – Group understands that Health Plan may reject an entire Self-Billing Report at any time for failing to comply with any of the requirements set forth above. Group agrees that a rejected Self-Billing Report will be corrected and resubmitted to Health Plan no later than five (5) business days after it receives notice that a Self-Billing Report has been rejected.

15. **Voluntary Agreement** – Group agrees that its participation in the Self-Billing Report program is completely voluntary and that it will continue to comply with all of the other terms of the Group Contract.

**Agreed and Accepted**

For Saint Mary's Preferred Health Insurance Company, Inc.

For Group: City of Carson City

  
Name: Dave Challis

  
Name: Robert L. Crowell

Title: Vice President and CFO

Title: Mayor

Date: 7/8/11

Date: 6-28-11

**Amendment No. 1  
Saint Mary's Preferred Health Insurance Company, Inc. Group Contract  
City of Carson City**

In accordance with Article VI of the Contract executed by and between Saint Mary's Preferred Health Insurance Company, Inc. (hereinafter referred to as "SMPHIC") and City of Carson City ("Group"), on July 1, 2011, the parties mutually agree to amend the Contract as follows:

**1. Term of Contract.**

Section IV of the Group Contract is amended to state:

This Contract becomes effective on July 1, 2011 at 12:00 a.m. Pacific Time and will remain in effect for a term of (seventy-two) 72 consecutive calendar months, until June 30, 2017 (the "Termination Date") unless earlier terminated pursuant to the Termination of Contract section (below). Except as expressly provided otherwise in any COC document(s) incorporated into this Contract by reference, all rights to benefits under this Contract expire and will have no further force or effect as of 11:59 p.m. as of the Termination Date.

**2. Termination of Contract**

Section V of the Group Contract is hereby amended to state:

The Group and SMPHIC have agreed to a six (6) year contract with annual pricing adjustments as specified below. SMPHIC and/or Group may only terminate this Contract for good cause on or before June 30, 2017 at 11:59 p.m. (the "Termination Date") as set forth below:

In the event the Contract is terminated for Good Cause (described below), SMPHIC will provide the Group with an acknowledgment in the Form of a Written Notice of Contract Termination ("Notice"). Promptly upon receipt of the Notice, Group will mail via First Class U.S. Mail to each Member a legible copy of the notice. Group agrees to provide SMPHIC with written proof of that mailing and of the date thereof. If the terms of this Contract are altered by consent of both parties, the parties agree no resulting reduction in coverage or benefits will adversely affect a member who is confined to a hospital at the time of such change.

Good Cause for Contract termination by Group shall mean:

**1. Significant change in the SMPHIC provider network**

Should SMPHIC experience a decrease of thirty percent (30%) or more in the number of physicians available in the SMPHIC network in the Carson City, Minden, Gardnerville and Dayton areas combined, the Group may terminate this Contract upon sixty (60) days prior written notice to SMPHIC.

**2. Fraud, Noncompliance or intentionally furnishing incorrect or incomplete information**

Group may terminate this Contract upon fifteen (15) days prior written notice to SMPHIC if:

- A. SMPHIC knowing fails to provide services as specified in the provisions of the COC, or
- B. SMPHIC has performed an act that constitutes fraud or knowingly furnishes Group with materially false information.

**Good Cause** for termination by SMPHIC shall include:

**1. Non Payment**

Failure of Group to pay the premium for this Contract when due or within the thirty (30) day grace period. If a Premium is not paid by the end of the grace period, SMPHIC may terminate the contract of insurance retroactively to the end of the day preceding the grace period. Cancellation will not be effective until at least ten (10) days after SMPHIC has delivered or mailed written notice to the group.

**2. Material Breach of COC requirements**

For any material breach of the terms detailed in the COC, upon sixty (60) days notice to Group.

**3. Fraud, Noncompliance or intentionally furnishing incorrect or incomplete information**

SMPHIC may terminate this Contract upon fifteen (15) days prior written notice to Group if:

- A. Group fails to comply with its material obligations under this Contract (including but not limited to its obligations under the "Eligibility and Enrollment" section of this Contract), or
- B. Knowing failure by the employer to abide by and enforce the conditions of enrollment of Members as set forth in the "Eligibility and Enrollment" provisions of the COC and the Employer Application, or
- C. Has performed an act that constitutes fraud or misrepresents or intentionally furnishes incorrect or incomplete material information (including but not limited to the employees covered under the plan or other information regarding eligibility for coverage under the plan).

4. **Failure to meet Participation and Contribution requirements**  
Failure of the employer to maintain minimum subscription charge contribution requirements or minimum participatory requirements or as stated in the group requirements set forth in the Master Application (see Section VII, item K of this contract).

Group will allow SMPHIC to review and audit payroll and other pertinent records for the verification of eligibility of employees as stated in contributions or group requirements. SMPHIC will make written and verbal request to Group and conduct all such reviews during regular business hours.

Group agrees to pay SMPHIC a minimum of 50% of the insurance premium for all Group employees.

5. **Discontinuance of a product or all products within a market**  
SMPHIC may terminate a particular product or all products offered in a small or large group market, if it discontinues offering insurance in the geographic area of the state where the employer is located. SMPHIC may also discontinue the issuance and renewal of coverage to a small employer if the Nevada Insurance Commissioner finds that the continuation of coverage would not be in the best interest of the policyholders or certificate holders or would impair the ability of the carrier to meet its contractual obligations. If the Commissioner makes such a finding, the Commissioner shall assist the affected small employers in finding replacement coverage. SMPHIC may also discontinue products offered to small employers if the Nevada Insurance Commissioner finds that the form of the product offered by SMPHIC is obsolete and is being replaced with comparable coverage. SMPHIC will notify the Commissioner and the Chief Regulatory Officer for insurance in each state in which it is licensed of its decision to discontinue the issuance or renewal of a product at least sixty (60) days before SMPHIC notifies the affected small employers. SMPHIC will notify affected employers at least one hundred eighty (180) days before the date on which it will discontinue offering the product and it will offer each affected small employer the option to purchase any other health benefit plan currently offered by it to small employers in Nevada. In exercising its option to discontinue the product and in offering the option to purchase other coverage, SMPHIC will act uniformly without regard to the claims experience of the affected small employers or any health status-related factor relating to any participant or beneficiary covered by the discontinued product or any new beneficiary who may become eligible for such coverage. SMPHIC will comply with the requirements of NRS 689C.310-.320 and NRS 689B.560 if it decides to discontinue providing insurance in a geographic area or discontinue products to the small employer market.



**6. A Material change in the nature of the Employer's Business Affecting Underwriting**

- An annual change of thirty percent (30%) or more in the number of eligible employees which would materially change underwriting for the Group.
- Other significant changes in the composition or status of the employer's business.

**3. Pricing.**

The pricing for the July 1, 2011 to June 30, 2012 period will be as specified in the Group Contract. After the initial year of the contract, the pricing for the five subsequent years of the contract period will be determined as follows:

**Year 1:** The July 1, 2012 rate adjustment will be capped according to the table below based on the 12-month Combined Medical and Rx Loss Ratio as calculated as a part of Saint Mary's Health Plan's normal underwriting process. The Combined Medical Loss Ratio will be calculated on an incurred basis in January 2012 with claims experience from December 1, 2010 through November 30, 2011. The Combined Medical Loss Ratio will include Saint Mary's standard completion factors to estimate completed claims for the 12-month period and the standard capitation charges.

<u>Loss Ratio</u>	<u>Maximum Increase</u>
< 74.99%	2.00%
75.00% - 79.99%	4.00%
80.00% - 84.99%	6.00%
85.00% - 89.99%	9.00%
90.00% - 94.99%	12.00%
> 95.00%	(See Note 1)

**Year 2:** The July 1, 2013 rate adjustment will be capped according to the table below based on the 12-month Combined Medical and Rx Loss Ratio as calculated as a part of Saint Mary's Health Plan's normal underwriting process. The Combined Medical Loss Ratio will be calculated on an incurred basis in January 2013 with claims experience from December 1, 2011 through November 30, 2012. The Combined Medical Loss Ratio will include Saint Mary's standard completion factors to estimate completed claims for the 12-month period and the standard capitation charges.

<u>Loss Ratio</u>	<u>Maximum Increase</u>
< 74.99%	2.00%
75.00% - 79.99%	4.00%
80.00% - 84.99%	6.00%
85.00% - 89.99%	9.00%
90.00% - 94.99%	12.00%
> 95.00%	(See Note 1)

**Year 3:** The July 1, 2014 rate adjustment will be capped according to the table below based on the 12-month Combined Medical and Rx Loss Ratio as calculated as a part of Saint Mary's Health Plan's normal underwriting process. The Combined Medical Loss Ratio will be calculated on an incurred basis in January 2014 with claims experience from December 1, 2012 through November 30, 2013. The Combined Medical Loss Ratio will include Saint Mary's standard completion factors to estimate completed claims for the 12-month period and the standard capitation charges.

<u>Loss Ratio</u>	<u>Maximum Increase</u>
< 74.99%	2.00%
75.00% - 79.99%	4.00%
80.00% - 84.99%	6.00%
85.00% - 89.99%	9.00%
90.00% - 94.99%	12.00%
> 95.00%	(See Note 1)

**Year 4:** The July 1, 2015 rate adjustment will be capped according to the table below based on the 12-month Combined Medical and Rx Loss Ratio as calculated as a part of Saint Mary's Health Plan's normal underwriting process. The Combined Medical Loss Ratio will be calculated on an incurred basis in January 2015 with claims experience from December 1, 2013 through November 30, 2014. The Combined Medical Loss Ratio will include Saint Mary's standard completion factors to estimate completed claims for the 12-month period and the standard capitation charges.

<u>Loss Ratio</u>	<u>Maximum Increase</u>
< 74.99%	2.00%
75.00% - 79.99%	4.00%
80.00% - 84.99%	6.00%
85.00% - 89.99%	9.00%
90.00% - 94.99%	12.00%
> 95.00%	(See Note 1)

**Year 5:** The July 1, 2016 rate adjustment will be capped according to the table below based on the 12-month Combined Medical and Rx Loss Ratio as calculated as a part of Saint Mary's Health Plan's normal underwriting process. The Combined Medical Loss Ratio will be calculated on an incurred basis in January 2016 with claims experience from December 1, 2014 through November 30, 2015. The Combined Medical Loss Ratio will include Saint Mary's standard completion factors to estimate completed claims for the 12-month period and the standard capitation charges.

<u>Loss Ratio</u>	<u>Maximum Increase</u>
< 74.99%	2.00%
75.00% - 79.99%	4.00%
80.00% - 84.99%	6.00%
85.00% - 89.99%	9.00%
90.00% - 94.99%	12.00%
> 95.00%	(See Note 1)

**Note 1:** For any Loss Ratio greater than 95%, the parties will negotiate in good faith to determine a mutually agreeable increase. If a mutually agreeable increase cannot be reached, then the parties may terminate the agreement. If Saint Mary's Health Plan unilaterally agrees to an increase of 12.0% or less when the Loss Ratio is greater than 95%, then this five year arrangement remains intact.

4. **Confidentiality.**

As part of the consideration for SMPHIC to enter into this Agreement, Group agrees that it shall not use, or divulge to anyone, SMPHIC's trade secrets. A trade secret means information, including, but not limited to, programs, methods, techniques and processes, that has independent economic value from not being generally known to either the public or to other persons who can obtain economic value from its disclosure or use. Example of SMPHIC's trade secrets include, but are not limited to, actual and potential membership lists, fee schedules, billing rates, compiled information concerning its beneficiaries, key provider agreements, and administrative manuals. This paragraph does not apply to information that is already in the public domain or that has been made available to the public by SMPHIC.

For Saint Mary's Preferred Health Insurance Company, Inc.: For Group: City of Carson City

  
Name: Dave Challis

Title: Vice President and CFO

Date: 7/6/11

  
Name: Robert L. Crowell

Title: Mayor

Date: 6-28-11

**SAINT MARY'S HEALTH PLANS**  
**Rate Comparison for**  
**CARSON CITY - PPACA Fees Annualized**

<b>Contract Type</b>	<b>Enrollment</b>	<b>1500 HMO 1540 Rx \$15/40/60 FPP #4</b>	<b>PCORI Fee</b>	<b>Reinsurance Fee</b>	<b>Health Insurance Tax</b>	<b>Additional Premium Tax</b>	<b>Combined With PPACA Fees Annualized</b>
<b>Actives</b>							
Employee	185	\$454.56	\$0.19	\$2.93	\$5.39	\$0.16	\$463.23
Employee plus Spouse	59	\$931.85	\$0.39	\$6.06	\$11.11	\$0.32	\$949.72
Employee plus Child(ren)	67	\$872.29	\$0.36	\$5.60	\$10.27	\$0.30	\$888.82
Employee plus Family	109	\$1,424.58	\$0.59	\$9.14	\$16.80	\$0.48	\$1,451.58
<b>Total Active</b>	<b>420</b>	<b>\$352,796</b>					<b>\$359,505</b>
<b>Retirees</b>							
Single without Medicare	21	\$454.56	\$0.19	\$2.93	\$5.39	\$0.16	\$463.23
Single with Medicare	20	\$332.79	\$0.13	\$2.06	\$4.08	\$0.12	\$339.18
Retiree & Spouse without Medicare	5	\$931.85	\$0.39	\$6.06	\$11.11	\$0.32	\$949.72
Retiree & Spouse, both with Medicare	0	\$705.98	\$0.30	\$4.64	\$8.99	\$0.26	\$720.16
Retiree & Spouse, one with Medicare	2	\$836.80	\$0.34	\$5.30	\$9.96	\$0.29	\$852.69
Retiree & Child(ren) without Medicare	1	\$872.30	\$0.35	\$5.41	\$10.00	\$0.29	\$888.35
Retiree & Child(ren) with Medicare	0	\$862.06	\$0.42	\$6.54	\$11.71	\$0.33	\$881.06
Retiree & Family without Medicare	2	\$1,424.59	\$0.66	\$10.38	\$18.68	\$0.53	\$1,454.84
Retiree & Family, two with Medicare	0	\$857.63	\$0.35	\$5.44	\$11.28	\$0.31	\$875.00
Retiree & Family, one with Medicare	1	\$1,001.73	\$0.35	\$5.56	\$11.42	\$0.32	\$1,019.38
<b>Total Retiree</b>	<b>52</b>	<b>\$27,258</b>					<b>\$27,783</b>
<b>Total Monthly Amounts</b>	<b>472</b>	<b>\$380,054</b>					<b>\$387,288</b>
<b>Annual PMPM Increase</b>		<b>\$4,560,643</b>					<b>\$4,647,454</b>
		\$377.79					
		0.3%					

**SAINT MARY'S HEALTH PLANS**  
**Rate Comparison for**  
**CARSON CITY - PPACA Fees Annualized**

Contract Type	1500 POS 1030/2040		PCORI Fee	Reinsurance Fee	Health Insurance Tax	Additional Premium Tax	With PPACA Fees Annualized
	Enrollment	Rx \$15/40/60 FPP #4					
<i>Actives</i>							
Employee	42	\$511.01	\$0.19	\$2.93	\$5.39	\$0.16	\$519.68
Employee plus Spouse	21	\$1,047.56	\$0.39	\$6.06	\$11.11	\$0.32	\$1,065.43
Employee plus Child(ren)	20	\$980.62	\$0.36	\$5.60	\$10.27	\$0.30	\$997.15
Employee plus Family	29	\$1,601.49	\$0.59	\$9.14	\$16.80	\$0.48	\$1,628.49
<b>Total Active</b>	<b>112</b>	<b>\$109,517</b>					<b>\$111,370</b>
<i>Retirees</i>							
Single without Medicare	15	\$511.01	\$0.19	\$2.93	\$5.39	\$0.16	\$519.68
Single with Medicare	30	\$370.32	\$0.13	\$2.06	\$4.08	\$0.12	\$376.71
Retiree & Spouse without Medicare	5	\$1,047.57	\$0.39	\$6.06	\$11.11	\$0.32	\$1,065.44
Retiree & Spouse, both with Medicare	6	\$788.81	\$0.30	\$4.64	\$8.99	\$0.28	\$800.79
Retiree & Spouse, one with Medicare	1	\$937.76	\$0.34	\$5.30	\$9.96	\$0.29	\$953.65
Retiree & Child(ren) without Medicare	0	\$980.63	\$0.35	\$5.41	\$10.00	\$0.29	\$996.67
Retiree & Child(ren) with Medicare	0	\$968.80	\$0.42	\$6.54	\$11.71	\$0.33	\$987.79
Retiree & Family without Medicare	0	\$1,601.50	\$0.66	\$10.38	\$18.68	\$0.53	\$1,631.75
Retiree & Family, two with Medicare	0	\$946.45	\$0.35	\$5.44	\$11.28	\$0.31	\$963.82
Retiree & Family, one with Medicare	0	\$1,112.94	\$0.35	\$5.56	\$11.42	\$0.32	\$1,130.59
<b>Total Retiree</b>	<b>57</b>	<b>\$29,670</b>					<b>\$30,182</b>
<b>Total Monthly Amounts</b>	<b>169</b>	<b>\$139,187</b>					<b>\$141,552</b> <b>\$1,698,626</b>
<b>Annual</b>		<b>\$1,670,244</b>					
<b>PMPM</b>		<b>\$429.59</b>					
<b>Increase</b>		<b>9.3%</b>					

**SAINT MARY'S HEALTH PLANS**  
**Rate Comparison for**  
**CARSON CITY - PPACA Fees Annualized**

Contract Type		HC033 Rx \$15/40/60 FPP #4	PCORI Fee	Reinsurance Fee	Health Insurance Tax	Additional Premium Tax	With PPACA Fees Annualized
<b>Retirees</b>							
Single without Medicare	4	\$648.64	\$0.19	\$2.93	\$5.39	\$0.16	\$655.31
Single with Medicare	1	\$460.49	\$0.13	\$2.06	\$4.08	\$0.12	\$466.88
Retiree & Spouse without Medicare	1	\$1,325.61	\$0.39	\$6.06	\$11.11	\$0.32	\$1,343.48
Retiree & Spouse, both with Medicare	0	\$980.33	\$0.30	\$4.64	\$8.99	\$0.26	\$994.51
Retiree & Spouse, one with Medicare	0	\$1,180.31	\$0.34	\$5.30	\$9.96	\$0.29	\$1,196.20
Retiree & Child(ren) without Medicare	0	\$1,240.90	\$0.35	\$5.41	\$10.00	\$0.29	\$1,256.95
Retiree & Child(ren) with Medicare	0	\$1,225.25	\$0.42	\$8.54	\$11.71	\$0.33	\$1,244.24
Retiree & Family without Medicare	1	\$2,026.56	\$0.66	\$10.38	\$18.68	\$0.53	\$2,056.81
Retiree & Family, two with Medicare	0	\$1,159.85	\$0.35	\$5.44	\$11.28	\$0.31	\$1,177.22
Retiree & Family, one with Medicare	0	\$1,380.14	\$0.35	\$5.56	\$11.42	\$0.32	\$1,397.79
<b>Total Retiree</b>	<b>7</b>	<b>\$6,399</b>					<b>\$6,488</b>
<b>Total Monthly Amounts</b>	<b>7</b>	<b>\$6,399</b>					<b>\$6,488</b>
<b>Annual</b>		<b>\$76,791</b>					
<b>PMPM</b>		<b>\$533.27</b>					
<b>Increase</b>		<b>10.8%</b>					
<b>With PPACA Fees Annualized</b>							
<b>Total Monthly Premium</b>		<b>\$525,640</b>					<b>\$535,328</b>
<b>Total Annual Premium</b>		<b>\$6,307,678</b>					<b>\$6,423,941</b>
<b>Total Per Member Per Month (PMPM)</b>		<b>\$391.68</b>					<b>\$398.90</b>
<b>Total Increase</b>		<b>2.6%</b>					<b>4.5%</b>

**Saint Mary's Health Plan's**

**City of Carson PPO Dental Plan**

**Proposed Rates**

**Effective July 1, 2013**

	<u>Current Carrier's Current Dental Plan Rates</u>	<u>SMHP's Proposed PPO Dental Plan Rates</u>
Employee/Retiree (single)	\$ 57.08	\$ 51.38
Employee/Retiree + Spouse	\$ 80.28	\$ 72.26
Employee/Retiree + Child(ren)	\$101.52	\$ 91.38
Employee/Retiree + Family	\$124.72	\$112.26
<b><u>Total Monthly Amounts</u></b>		<b><u>Total Monthly Amounts</u></b>
232 @ \$ 57.08 = \$ 13,242.56		232 @ \$ 51.38 = \$ 11,920.16
81 @ \$ 80.28 = \$ 6,502.68		81 @ \$ 72.26 = \$ 5,853.06
87 @ \$101.52 = \$ 8,832.24		87 @ \$ 91.38 = \$ 7,950.06
139 @ \$124.72 = \$ <u>17,336.08</u>		139 @ \$112.26 = \$ <u>15,604.14</u>
<b>Monthly Total \$ 45,913.56</b>		<b>Monthly Total \$ 41,327.42</b>
<b>Annual \$550,962.72</b>		<b>Annual \$495,929.04</b>

**-10% of current premium**



## SMHP's City of Carson PPO Dental Plan

<b>INFORMATION</b>	<b>PPO Network</b>	<b>Non-PPO</b>
<b>Calendar-year deductible</b>	\$50/Individual 3 times per Fam Max	
<b>Annual Maximum</b>		\$2,000 *
<b>DIAGNOSTIC AND PREVENTIVE SERVICES</b> (Diagnostic and preventive services not subject to deductible)	<b>100%</b>	<b>100%</b>
<ul style="list-style-type: none"> <li>• Oral Examinations (once every 6 months)</li> <li>• Prophylaxis (once every 6 months)</li> <li>• Sealants (for children ages 6 to 18)</li> <li>• Fluoride Treatments (for children to age 18 – twice in a calendar year)</li> <li>• X-rays (Intraoral – complete series; Bitewing – single film)</li> <li>• Space Maintainers (once per lifetime for missing posterior primary (baby) teeth up to age fourteen (14); includes one (1) adjustment within six (6) months of placement.)</li> </ul>		
<b>BASIC RESTORATIVE PROCEDURES (subject to deductible)</b>	<b>80%</b>	<b>80%</b>
<ul style="list-style-type: none"> <li>• Amalgam Restorations (once every five years unless unserviceable)</li> <li>• Periodontics (treatment of gum disease; non-surgical – once every two years; surgical – once every three years)</li> <li>• Endodontics (root canal treatment – permanent teeth; pulpotomy – primary (baby) teeth)</li> <li>• Basic Oral Surgery (extraction of Teeth-erupted tooth or exposed root)</li> <li>• Complex Oral Surgery (surgical removal of erupted tooth, impacted tooth and tooth roots)</li> <li>• Anesthesia (in conjunction with complex oral surgery)</li> <li>• Emergency Palliative Treatment (treatment for the relief of pain)</li> </ul>		
<b>MAJOR RESTORATIVE PROCEDURES (subject to deductible)</b>	<b>55%</b>	<b>55%</b>
<ul style="list-style-type: none"> <li>• Fixed Prosthodontics (crowns, inlays and onlays)</li> <li>• Removable Prosthodontics (complete and partial dentures, bridgework)</li> <li>• Prosthodontic Repair and Replacement (denture relines and rebases, bridgework; a five (5) year waiting period applies to all major services including lost, misplaced or stolen bridges or dentures, and replacement restorations)</li> <li>• Implants (Implants must be performed in conjunction with a covered prosthesis. Benefits for implants are only available when no alternative form of therapy exists to treat the dental condition, and only if approved by independent dental consultants.)</li> </ul>		
<b>ORTHODONTIA (not subject to deductible)</b>		

Adult & Child; Plan pays 50 percent of the covered orthodontia services up to: \$1,500 lifetime orthodontia maximum. \*

Non-participating dentists can bill you for charges above the amount covered by your SMHP's Dental plan. To ensure you do not receive additional charges, visit a participating PPO Network dentist.

\* Annual & Lifetime Benefit maximums include benefits for the PPO Network and Non-Network combined.

This summary of benefits is for illustrative purposes. Please consult the policy for a full explanation of benefits, limitations and exclusions.

## SMHP's City of Carson PPO Dental Plan

<b>INFORMATION</b>	<b>PPO Network</b>	<b>Non-PPO</b>
<b>Calendar-year deductible</b>	\$50/Individual 3 times per Fam Max	
<b>Annual Maximum</b>		\$2,000 *
<b>DIAGNOSTIC AND PREVENTIVE SERVICES</b> (Diagnostic and preventive services not subject to deductible)	100%	100%
<ul style="list-style-type: none"> <li>• Oral Examinations (once every 6 months)</li> <li>• Prophylaxis (once every 6 months)</li> <li>• Sealants (for children ages 6 to 18)</li> <li>• Fluoride Treatments (for children to age 18 – twice in a calendar year)</li> <li>• X-rays (Intraoral – complete series; Bitewing – single film)</li> <li>• Space Maintainers (once per lifetime for missing posterior primary (baby) teeth up to age fourteen (14); includes one (1) adjustment within six (6) months of placement.)</li> </ul>		
<b>BASIC RESTORATIVE PROCEDURES (subject to deductible)</b>	80%	80%
<ul style="list-style-type: none"> <li>• Amalgam Restorations (once every five years unless unserviceable)</li> <li>• Periodontics (treatment of gum disease; non-surgical – once every two years; surgical – once every three years)</li> <li>• Endodontics (root canal treatment – permanent teeth; pulpotomy – primary (baby) teeth)</li> <li>• Basic Oral Surgery (extraction of Teeth-erupted tooth or exposed root)</li> <li>• Complex Oral Surgery (surgical removal of erupted tooth, impacted tooth and tooth roots)</li> <li>• Anesthesia (in conjunction with complex oral surgery)</li> <li>• Emergency Palliative Treatment (treatment for the relief of pain)</li> </ul>		
<b>MAJOR RESTORATIVE PROCEDURES (subject to deductible)</b>	55%	55%
<ul style="list-style-type: none"> <li>• Fixed Prosthodontics (crowns, inlays and onlays)</li> <li>• Removable Prosthodontics (complete and partial dentures, bridgework)</li> <li>• Prosthodontic Repair and Replacement (denture relines and rebases, bridgework; a five (5) year waiting period applies to all major services including lost, misplaced or stolen bridges or dentures, and replacement restorations)</li> <li>• Implants (Implants must be performed in conjunction with a covered prosthesis. Benefits for implants are only available when no alternative form of therapy exists to treat the dental condition, and only if approved by independent dental consultants.)</li> </ul>		

### ORTHODONTIA (not subject to deductible)

Adult & Child; Plan pays 50 percent of the covered orthodontia services up to: \$1,500 lifetime orthodontia maximum. \*

Non-participating dentists can bill you for charges above the amount covered by your SMHP's Dental plan. To ensure you do not receive additional charges, visit a participating PPO Network dentist.

\* Annual & Lifetime Benefit maximums include benefits for the PPO Network and Non-Network combined.

This summary of benefits is for illustrative purposes. Please consult the policy for a full explanation of benefits, limitations and exclusions.

CITY OF CARSON CITY

Group # 12072742

Renewal Effective: July 1, 2013 for a 24-month term (includes ACA fees)



	Current Signature Plan	7/1/013 Signature Renewal	7/1/013 Choice Option
Plan B Service Frequencies Exam every 12 months Lenses every 12 months Frame every 24 months	\$25 Exam Copay \$25 Materials Copay	\$25 Exam Copay \$25 Materials Copay	\$25 Exam Copay \$25 Materials Copay <b>(Exam, Lenses and Frames every 12 months)</b>
<b>VSP Provider</b>			
Examination	Covered after copay	Covered after copay	Covered after copay
Lenses:			
Single Vision	Covered after copay	Covered after copay	Covered after copay
Bifocal	Covered after copay	Covered after copay	Covered after copay
Trifocal	Covered after copay	Covered after copay	Covered after copay
Lenticular	Covered after copay	Covered after copay	Covered after copay
Frames	\$140.00	\$140.00	\$140.00
Elective Contact Lenses*	\$140.00 allowance for fitting, evaluation and contacts	\$140.00 allowance for contacts. <b>Max \$60 copay for fitting and evaluation</b>	\$140.00 allowance for contacts. <b>Max \$60 copay for fitting and evaluation</b>
Necessary Contact Lenses*	Covered after copay	Covered after copay	Covered after copay
	Diabetic EyeCare Program \$20 copay	<b>Diabetic EyeCare Plus Program</b> \$20 copay	<b>Diabetic EyeCare Plus Program</b> \$20 copay
<b>Non-VSP Provider</b>			
Examination	\$50.00	\$50.00	<b>\$45.00</b>
Lenses:			
Single Vision	\$50.00	\$50.00	<b>\$30.00</b>
Bifocal	\$75.00	\$75.00	<b>\$50.00</b>
Trifocal	\$100.00	\$100.00	<b>\$85.00</b>
Lenticular	\$125.00	\$125.00	<b>\$100.00</b>
Frame	\$70.00	\$70.00	\$70.00
Elective Contact Lenses*	\$105.00	\$105.00	\$105.00
Necessary Contact Lenses*	\$210.00	\$210.00	\$210.00
<b>RATES (Check One)</b>	<b>Current Rates</b>	<b>Renewal Rates <input checked="" type="checkbox"/></b>	<b>Renewal Rates <input type="checkbox"/></b>
Ee Only	\$6.61	\$6.36	\$6.20
Ee + Spouse	\$8.59	\$8.26	\$8.05
Ee+ Child/ren	\$10.26	\$9.87	\$9.61
Ee + Family	\$16.39	\$15.76	\$15.36
<p>To renew your contract with VSP and ensure continuous service, please have the appropriate representative review this information, select the desired renewal action, sign and return this Renewal Agreement to the address or fax number below. VSP produces your Plan Policy upon receipt of your confirmation of renewal. Your new Plan Policy may contain some provisions that are changed from those in your current Policy, so you should review the new Policy carefully upon receipt. Please file this Agreement with your VSP contract as it serves as your notice of renewal.</p>			
<p>Megan Livesey Account Executive, VSP 3333 Quality Drive Rancho Cordova, CA 95670 916.851.4017 Phone / 916.463.3933 Fax</p>		<p>By: _____ Title: _____ Date: _____</p>	

\*Contact lenses are in lieu of spectacle lenses and frame.

CITY OF CARSON CITY  
 Group # 12072742  
 Renewal Effective: July 1, 2013 for a 24-month term



SIGNATURE PLAN	Current Plan	Renewal Option 1	Renewal Option 2	Renewal Option 3	Renewal Option 4
	<b>Signature Plan</b>	<b>Signature Plan</b>	<b>Choice Plan</b>	<b>Choice Plan</b>	<b>Choice Plan</b>
Service Frequencies	Exam every 12 months Lenses every 12 months Frame every 24 months	Exam every 12 months Lenses every 12 months Frame every 24 months	Exam every 12 months Lenses every 12 months Frame every 24 months	Exam every 12 months Lenses every 12 months <b>Frame every 12 months</b>	Exam every 12 months Lenses every 12 months <b>Frame every 12 months</b>
Copayments	\$25 Exam Copay \$25 Materials Copay	\$25 Exam Copay \$25 Materials Copay	\$25 Exam Copay \$25 Materials Copay	\$25 Exam Copay \$25 Materials Copay	\$25 Exam Copay \$25 Materials Copay
<b>VSP Provider</b>					
Examination	Covered after copay	Covered after copay	Covered after copay	Covered after copay	Covered after copay
Lenses:					
Single Vision	Covered after copay	Covered after copay	Covered after copay	Covered after copay	Covered after copay
Bifocal	Covered after copay	Covered after copay	Covered after copay	Covered after copay	Covered after copay
Trifocal	Covered after copay	Covered after copay	Covered after copay	Covered after copay	Covered after copay
Lenticular	Covered after copay	Covered after copay	Covered after copay	Covered after copay	Covered after copay
Frames	\$140.00	\$140.00	<b>\$150.00</b>	\$140.00	<b>\$150.00</b>
Elective Contact Lenses*	\$140.00 allowance for fitting, evaluation and contacts.	\$140.00 allowance for contacts. <b>Max \$80 copay for fitting and evaluation</b>	<b>\$150.00 allowance for contacts. Max \$80 copay for fitting and evaluation</b>	\$140.00 allowance for contacts. <b>Max \$60 copay for fitting and evaluation</b>	<b>\$150.00 allowance for contacts. Max \$80 copay for fitting and evaluation</b>
Necessary Contact Lenses*	Covered after copay	Covered after copay	Covered after copay	Covered after copay	Covered after copay
Diabetic EyeCare	Diabetic EyeCare Program \$20 copay	<b>Diabetic EyeCare Plus Program</b> \$20 copay	<b>Diabetic EyeCare Plus Program</b> \$20 copay	<b>Diabetic EyeCare Plus Program</b> \$20 copay	<b>Diabetic EyeCare Plus Program</b> \$20 copay
<b>Non-VSP Provider</b>					
Examination	\$50.00	\$50.00	<b>\$45.00</b>	<b>\$45.00</b>	<b>\$45.00</b>
Lenses:					
Single Vision	\$50.00	\$50.00	<b>\$30.00</b>	<b>\$30.00</b>	<b>\$30.00</b>
Bifocal	\$75.00	\$75.00	<b>\$50.00</b>	<b>\$50.00</b>	<b>\$50.00</b>
Trifocal	\$100.00	\$100.00	<b>\$65.00</b>	<b>\$65.00</b>	<b>\$65.00</b>
Lenticular	\$125.00	\$125.00	<b>\$100.00</b>	<b>\$100.00</b>	<b>\$100.00</b>
Frame	\$70.00	\$70.00	<b>\$70.00</b>	<b>\$70.00</b>	<b>\$70.00</b>
Elective Contact Lenses*	\$105.00	\$105.00	<b>\$105.00</b>	<b>\$105.00</b>	<b>\$105.00</b>
Necessary Contact Lenses*	\$210.00	\$210.00	<b>\$210.00</b>	<b>\$210.00</b>	<b>\$210.00</b>
<b>RATES</b>					
	<b>Current Rates</b>				
Ee Only	\$6.61	\$6.23	\$4.94	\$6.08	\$6.61
Ee + Spouse	\$8.59	\$8.09	\$6.42	\$7.89	\$8.59
Ee+ Child/ren	\$10.26	\$9.67	\$7.66	\$9.42	\$10.26
Ee + Family	\$16.39	\$15.44	\$12.24	\$15.06	\$16.39

\*Contact lenses are in lieu of spectacle lenses and frame.

# VSP Signature & Choice Plans

Below is a summary of benefits available with the VSP Signature and Choice Plans through VSP Preferred Providers.

## City of Carson City – July 1, 2013 Renewal Plan Options

	VSP Signature Plan <sup>®</sup> <i>Premier Full-service Plan</i>	VSP Choice Plan <sup>™</sup> <i>Full-service Plan</i>
Exam Services	Thorough WellVision Exam <sup>®</sup> covered in full <sup>1</sup>	✓
	Contact lens exam (fitting and evaluation) is covered in full with a copay not to exceed \$60 for all contact lens wearers (standard and premium fit); members will also receive 15% off of the contact lens exam and all other contact lens services	✓
	VSP Preferred Providers offer guaranteed pricing, which ensures that members won't pay more than \$39 for a routine retinal screening	✓
Lenses	Glass or plastic, single vision, lined bifocal, lined trifocal, or lenticular prescription lenses are covered in full <sup>1</sup>	✓
Lens Options	All lens options are covered in full with a copay, saving our members an average of 35-40%	The most popular lens options are covered in full with a copay, saving our members an average of 20-25% <sup>2</sup>
	Patient cost <sup>2</sup> :	Patient cost <sup>2</sup> :
	Progressives: \$50	Progressives: \$55
	Anti-reflective: \$39	Anti-reflective: \$41
Photochromics: \$62	Photochromics: \$70	
Scratch resistant coating: \$15	Scratch resistant coating: \$17	
Polycarbonate: \$25	Polycarbonate: \$31	
	Dependent children are eligible for covered in full polycarbonate prescription lenses	✓
Frame	Frames are covered in full <sup>1</sup> up to the retail allowance of \$140 and/or \$53 wholesale	✓
	20% off any amount above the allowance	✓
	Frame allowance backed by a wholesale guarantee, meaning VSP fully covers more frames compared to retail allowance plans	✓
Contact Lenses	Instead of eyeglasses, elective contact lens materials are covered up to \$140 toward any type of prescription contact lenses	✓
	Exclusive offers for VSP members include: Mail-in rebate savings <sup>4</sup> up to \$110 on eligible Bausch & Lomb contacts and up to \$125 on eligible ACUVUE Brand Contact Lenses	✓
	Necessary contact lenses are covered-in-full <sup>1</sup> for members who have specific conditions for which contact lenses provide better visual correction.	✓

	VSP Signature Plan <sup>®</sup> <i>Premier Full-service Plan</i>	VSP Choice Plan <sup>®</sup> <i>Full-service Plan</i>
<b>Diabetic Eyecare Plus Program<sup>™</sup></b>	Provides additional coverage through medical diagnosis and procedure codes specifically targeted toward type 1 and type 2 diabetics. A \$20 copay applies	✓
<b>Eye Health Management Program<sup>®</sup></b>	Includes member materials, care from VSP providers, and data that supports your wellness initiatives	✓
<b>VSP GetFIT Program<sup>®</sup></b>	A free customizable wellness program for all your members and their dependents	✓
<b>Laser VisionCare<sup>™</sup> Program</b>	Discounts averaging 15-20% off or 5% off a promotional offer for laser surgery including PRK, LASIK, and Custom LASIK <sup>5</sup>	✓
	Members who've had vision correction surgery can use their frame benefit for sunglasses, instead of a pair of prescription glasses	N/A
<b>Value-added Benefits</b>	30% off unlimited additional pairs of prescription glasses and/or non-prescription sunglasses <sup>6</sup>	20% off unlimited additional pairs of prescription glasses and/or non-prescription sunglasses
	Guaranteed pricing that ensures members won't pay more than \$39 for a routine retinal screening	✓
<b>Sample Member Out-of-Pocket<sup>7</sup></b>	Eye Exam: \$25 copay	Eye Exam: \$25 copay
	Eyewear: \$25 copay (Bifocal Lenses & Frame)	Eyewear: \$25 copay (Bifocal Lenses & Frame)
	Progressive Lenses: \$50 (Standard Add-On Option)	Progressive Lenses: \$55 (Standard Add-On Option)
	Total Member Out-of-Pocket: \$100	Total Member Out-of-Pocket: \$105
<b>Plan Frequencies</b>	Exam/Lenses/Frame 12/12/24	Exam/Lenses/Frame 12/12/24
<b>Open Access Schedule</b>	Eye Exam: \$50	Eye Exam: \$45
	Single Vision: \$50	Single Vision: \$30
	Lined Bifocal: \$75	Lined Bifocal: \$50
	Lined Trifocal: \$100	Lined Trifocal: \$65
	Lenticular: \$125	Lenticular: \$100
	Progressive: \$75	Progressive: \$50
	Frame: \$70	Frame: \$70
	Elective Contact Lenses: \$105	Elective Contact Lenses: \$105
	Medically Necessary Contact Lenses: \$210	Medically Necessary Contact Lenses: \$210

<sup>4</sup> Less any applicable copay

<sup>5</sup> Most popular lens options include progressives, anti-reflective, photochromics, scratch resistant coating, polycarbonate, plastic dyes, and UV protection. All other lens options available at a 20% discount

<sup>6</sup> Prices shown reflect the standard option price; prices on premium options may vary. Prices are valid only through VSP Preferred Providers and are subject to change without notice.

<sup>7</sup> Rebates subject to change.

<sup>8</sup> Using wavefront technology with the microkeratome surgical device only. Other LASIK procedures may be performed at an additional cost to the member. Laser VisionCare discounts are only available from VSP-contracted facilities.

<sup>9</sup> 30% discount applies to glasses purchased the same day as the member's eye exam from the same VSP Preferred Provider who provided the exam. Members will also receive 20% off unlimited additional pairs of glasses valid through any VSP Preferred Provider within 12 months of the last covered exam.

<sup>10</sup> The copay amounts are example amounts only and may be customized to meet specific needs.