

AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

THIS AMENDMENT, which is effective September 1, 2012, is by and between Blue Cross and Blue Shield of Florida, Inc. d/b/a Florida Blue, a Florida corporation having principal offices at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 (hereinafter referred to as "BCBSF") and City of Hollywood, Florida (hereinafter referred to as "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between BCBSF and Employer (hereinafter "Agreement") is amended as follows:

1. The subsection entitled "Providers Outside the State of Florida", under Section III, Duties and Responsibilities of BCBSF, is hereby deleted in its entirety and replaced with the following:

Providers Outside the State of Florida

A. Inter-Plan Programs

BCBSF has a variety of relationships with other Blue Cross and/or BlueShield Licensees referred to generally as "Inter-Plan Programs." Whenever members access healthcare services outside the geographic area BCBSF serves, the claim for those services may be processed through one of these Inter-Plan Programs and presented to BCBSF for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Programs available to members under this Agreement are described generally below.

Typically, members, when accessing care outside the geographic area BCBSF serves, obtain care from healthcare providers that have a contractual agreement (i.e., are "participating providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, members may obtain care from non-participating healthcare providers. BCBSF's payment practices in both instances are described below.

Under the Inter-Plan Program called BlueCard®, when members access covered healthcare services within the geographic area served by a Host Blue, BCBSF will remain responsible to Employer for fulfilling BCBSF's contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, BCBSF's action will be consistent with the spirit of this description.

B. Liability Calculation Method Per Claim

The calculation of the member liability on claims for covered healthcare services processed through the BlueCard Program will be based on the lower of the participating healthcare provider's billed covered charges or the negotiated price made available to BCBSF by the Host Blue.

The calculation of Employer liability on claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to BCBSF by the Host Blue. Sometimes, this negotiated price may be greater than billed charges if the Host Blue has negotiated with its participating healthcare provider(s) an inclusive allowance (e.g., per case or per day amount) for specific healthcare services.

Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's healthcare provider contracts. The negotiated price made available to BCBSF by the Host Blue may represent a payment negotiated by a Host Blue with a healthcare provider that is one of the following:

(i) an actual price. An actual price is a negotiated payment without any other increases or decreases, or

(ii) an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements, and performance-related bonuses or incentives, or

(iii) an average price. An average price is a percentage of billed covered charges representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustments may mean that a current price reflects additional amounts or credits for claims already paid to providers or anticipated to be paid to or received from providers). However, the amount paid by the member and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims. The BlueCard Program requires that the price submitted by a Host Blue to BCBSF is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

If a Host Blue uses either an estimated price or an average price on a claim, it may also hold some portion of the amount that Employer pays in a variance account, pending settlement with its participating healthcare providers.

Because all amounts paid are final, neither variance account funds held to be paid, nor the funds expected to be received, are due to or from Employer. Such payable or receivable would be eventually exhausted by healthcare provider settlements and/or through prospective adjustment to the negotiated prices. Some Host Blues may retain interest earned, if any, on funds held in variance accounts.

A small number of states require Host Blues either (i) to use a basis for determining member liability for covered healthcare services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (ii) to add a surcharge.

Should the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, BCBSF would then calculate member liability and Employer liability in accordance with applicable law.

C. Return of Recoveries

Under the BlueCard Program, recoveries from a Host Blue or its participating healthcare providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a claim-by claim or prospective basis.

Unless otherwise agreed to by the Host Blue, BCBSF may request adjustments from the Host Blue for full refunds from healthcare providers due to the retroactive cancellation of membership but only for one year after the date of the Inter-Plan financial settlement process for the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery conflicts with the Host Blue's state law or healthcare provider contracts or would jeopardize its relationship with its healthcare providers.

D. BlueCard Fees and Compensation

Employer understands and agrees to reimburse BCBSF for certain fees and compensation which BCBSF is obligated under the BlueCard Program to pay to the Host Blues, to the Blue Cross and Blue Shield Association (BCBSA), and/or to BlueCard Program vendors, as described below. Fees and compensation under the BlueCard Program may be revised in accordance with the Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by any Employers. Such revisions typically are made annually as a result of Program policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Employer's benefit period under this Agreement.

Where applicable, access fees will be applied each time a claim is processed through the BlueCard Program, and will be billed to Employer as an additional claim liability. Other fees including, but not limited to, administrative expense allowance fees, Central Financial Agency fees, ITS Transaction Fees, an 800 number fee and a fee for providing provider directories, if applicable, are included as a component of the administrative fee and will not be a separate charge to Employer.

Only the BlueCard Program access fee may be charged separately each time a claim is processed through the BlueCard Program. If one is charged, it will be a percentage of the discount/differential BCBSF receives from the Host Blue, based on the current rate in accordance with the Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any claim. All other BlueCard Program-related fees are included in BCBSF's general administrative fee.

E. Non-Participating Providers

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

Employer understands and agrees to reimburse BCBSF for certain fees and compensation which BCBSF is obligated under applicable Inter-Plan Programs requirements to pay to the Host Blues, to the Blue Cross and Blue Shield Association, and/or to Inter-Plan Programs vendors. Fees and compensation under applicable Inter-Plan Programs may be revised in accordance with the specific Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by any Employers. Such revisions typically are made annually as a result of Inter-Plan Programs policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Employer's benefit period under this Agreement.

F. Inconsistencies

To the extent of any inconsistency between the above provision titled "Providers Outside the State of Florida" and other terms or conditions of the Agreement, the above provision controls.

2. The first paragraph of the subsection entitled "Pharmacy Rebates" in Section III, Duties and Responsibilities of BCBSF (if applicable), is hereby deleted and replaced with the following new first paragraph:

Pharmacy Rebates

In certain circumstances, BCBSF and/or its pharmacy benefits manager and/or vendors (collectively "PBM") negotiate(s) and receive(s) formulary rebates, volume discounts, and/or fees from certain drug manufacturers/distributors as a result of the inclusion of such manufacturer's/distributor's branded products on BCBSF's formularies ("Rebates").

3. The following new subsection, "Confidential and Trade Secret Information", is hereby added to the Agreement under Section II, Duties and Responsibilities of the Employer:

Confidential and Trade Secret Information

BCBSF maintains trade secret information and other confidential information which information may be disclosed to Employer for the purposes of analyzing such information in conjunction with services performed under the Agreement. Information BCBSF considers to be trade secret information or otherwise confidential information will be clearly marked as such. Except as required by law, Employer agrees to hold such trade secret or otherwise confidential information in confidence and only disclose such information to employees of Employer who have a need to know such information; provided however that such employees of Employer agree to maintain the confidentiality of the trade secret or otherwise confidential information and take all steps necessary to safeguard the trade secret or otherwise confidential information against unauthorized access, use, and disclosure to at least the extent Employer maintains the confidentiality of its most confidential information.

Except as required by law, Employer shall not disclose such trade secret or otherwise confidential information to any third party without the express written permission of BCBSF. If BCBSF, in its sole discretion, approves release of trade secret or otherwise confidential information to a third party, the third party and Employer will be required to execute a Confidentiality & Indemnity Agreement, in a form specified by BCBSF, prior to the release of the trade secret or otherwise confidential information to the third party. For purposes of this paragraph, the definition of "trade secret" will be the same as the definition contained in Section 812.081, Florida Statutes.

4. The subsection entitled "Claims Processing" in Section III, Duties and Responsibilities of BCBSF, is hereby deleted in its entirety and replaced with the following:

Claims Processing

BCBSF shall provide claims processing services on behalf of Employer for all properly submitted claims, in accordance with the benefits set forth in Exhibit "A", using funds solely supplied by Employer, as set forth in Exhibit "B". BCBSF

shall furnish each claimant with an explanation of each claim that is paid, rejected or suspended.

For purposes of this Agreement, the term "claim(s)" shall be defined as the amount paid or payable by BCBSF to providers of services and/or covered group members under this Agreement and the Group Health Plan, and in conformity with any agreements BCBSF enters into with such providers of services. For value-based reimbursement programs BCBSF enters into with participating providers, an applicable claim level surcharge may be included in the claim amount.

Claim level charges are used to fund a bonus pool for making quality improvement and financial performance incentive payments to providers which have entered into a value-based reimbursement arrangement with BCBSF. The surcharge is only applicable to services provided by these providers, and shall not affect member cost sharing.

The accrued bonus pool, which shall be held in a non-interest bearing account, will include surcharge amounts contributed by other self-funded employers. All amounts in the bonus pool shall be available to fund incentive payments to providers who have entered into a value-based reimbursement arrangement with BCBSF and who have achieved the requisite quality and financial goals.

The amount of the surcharge will be set by BCBSF based on actuarially estimated incentive payments contractually due to providers. BCBSF will perform periodic reconciliations of the bonus pool and may adjust the applicable claim level surcharge from time to time as it reasonably determines necessary to appropriately fund the bonus pool.

Such claims level surcharge amounts will not be refunded to Employer, including upon termination of this Agreement. Any surplus funds at the end of an incentive payment measurement period shall be used to fund incentive payments in a subsequent period. Any deficit in funds at the end of an incentive payment measurement period shall be collected in the next period through an adjustment to the claims level surcharge amount which will cover the previous period shortfall.

Additionally, BCBSF may enter into bundled payment arrangements with providers of service which require a single provider to be responsible for providing and/or arranging for the provision of a group of services for a defined episode of care (e.g., hospital, physician and/or ancillary services).

In processing such claims for the defined episode of care, notwithstanding the requirements of Exhibit "A", BCBSF may calculate the member cost sharing based upon the status of the provider receiving the bundled payment without regard to the fact that other provider types may have provided certain components of the episode included in the bundled payment arrangement.

5. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the duly authorized representatives of the parties.

BLUE CROSS AND BLUE SHIELD
OF FLORIDA, INC.

By: CH Good

Title: V.P. Major Accounts

Date: 1/30/13

CITY OF HOLLYWOOD, FLORIDA

By: JP [Signature]

Title: Director of HR/R. [Signature]

Date: 1/11/13

APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND RELIANCE OF THE
CITY OF HOLLYWOOD, FLORIDA ONLY.

BY: [Signature] at
CITY ATTORNEY

AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

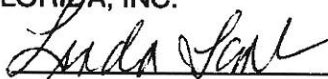
THIS AMENDMENT, entered into on May 6, 2011 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and City of Hollywood, Florida (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective January 1, 2006 is amended as follows:

1. Section I, subsection 1.1, is hereby amended to extend the term of the Group Health Plan until December 31, 2016 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Exhibit B to the Agreement is hereby amended, effective June 1, 2011. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
3. Exhibit E, Performance Guarantees, which is attached to this Amendment, is hereby added to the Agreement.
4. Exhibit F, Discount Guarantees, which is attached to this Amendment, is hereby added to this Agreement.
5. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the duly authorized representatives of the parties.

BLUE CROSS AND BLUE SHIELD
OF FLORIDA, INC.

By:



Title: VP, Sales & Business mgmt.

Date: 5-12-11

CITY OF HOLLYWOOD, FLORIDA

By:



Title: Director of Human Resources
and Risk Management

Date: 6-1-11

EXHIBIT "B"
to the
ADMINISTRATIVE SERVICES AGREEMENT
between
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.
and
CITY OF HOLLYWOOD, FLORIDA
FINANCIAL ARRANGEMENTS

I. **Effective Date**

The effective date of this Exhibit is June 1, 2011.

II. **Monthly Payments.**

- A. Each month, BCBSF will notify the Employer of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within fifteen (15) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.
- B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within fifteen (15) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

III. **Funding Information**

- A. Method of Funding Transfer: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$36.05 per contract per month from June 1, 2011 through December 31, 2013

\$37.20 per contract per month from January 1, 2014 through December 31, 2015

\$38.40 per contract per month from January 1, 2016 through December 31, 2016

Fees for June 1, 2011 through December 31, 2016 include \$1.25 per contract per month discount credit given for retaining Prime with BCBSF as their pharmacy benefits manager and \$1.25 per contract per month discount given for retaining Dental coverage through Florida Combined Life. If the client terminates BCBSF pharmacy benefits manager or Dental through Florida Combined Life during June 1, 2011 through December 31, 2016, the fee may be re-evaluated and the discount credit removed.

B. Administrative fees after the termination of the Agreement: 15% of claims paid.

V. Late Payment Penalty

A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

A. The administrative fees referenced above are based on a minimum enrollment of 1,400 employees.

B. After initial enrollment, if the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

VII. Group Member Wellness

A. BCBSF agrees to contribute a wellness contribution to the City of Hollywood in the amount of \$50,000 per year for three years, not to exceed \$150,000 in total contributions.

EXHIBIT "E"
to the
ADMINISTRATIVE SERVICES AGREEMENT
between
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.
and
CITY OF HOLLYWOOD, FLORIDA

Performance Guarantees

Guarantees are based on book of business results.

Service Level Measures	Goals	Amount at Risk
Abandon Rate Number of calls that reach the call center and are placed in queue but do not reach the final destination because the caller hangs up before a representative becomes available.	≤5% 5.1% - 5.9% >6%	0% .5% 1%
Average ACD Phone Queue Time Actual length of time a member waits to speak with a customer service associate after all ACD options have been chosen.	≤30 seconds 31 – 39 seconds 40 – 49 seconds	0% .5% 1%
Blockage Rate Percentage of calls blocked during business hours.	≤8% 8.1% - 8.9% >9%	0% .5% 1%
Enrollment Timeliness Percentage of initial ID cards mailed by effective date provided that the enrollment data is received from the employer 30 days prior to the effective date of coverage.	≥99% 98% - 98.9% <98%	0% .5% 1%
Claims Processing Timeliness Percentage of provider and subscriber claims processed within 30 calendar days from receipt to the date that a claim has passed all edits and is pending the issuance of a check, voucher or denial.	≥97% 96% - 96.9% <96%	0% .5% 1%
Claims Processing Accuracy Percentage of claims processed accurately.	≥97% 96% - 96.9% <96%	0% .5% 1%
Claims Dollar Accuracy Percentage of claim dollars paid accurately.	≥98% 97% - 97.9% <97%	0% .5% 1%
Inquiry Timeliness Percentage of inquiries finalize within 7 days	90%	1%

EXHIBIT "F"
to the
ADMINISTRATIVE SERVICES AGREEMENT
between
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.
and
CITY OF HOLLYWOOD, FLORIDA

Discount Guarantees

Discount Achieved	Penalty
69% or greater	No penalty
67% - 68.99%	\$25,000
65% - 66.99%	\$50,000
63% - 64.99%	\$100,000
Below 62.99%	\$150,000

Assumptions:

- Applies to In-network provider claims only.
- BCBSF Network and Program Savings Report will be used for validation of results.
- No significant benefit changes or membership changes by geographical regions.
- Blue products only, excluding Rx.
- Inpatient hospital claim in excess of \$500,000 will be removed in their entirety from the discount guarantee calculation.
- Does not include any ancillary products or AOR fees.
- Does not include nationwide BlueCard.
- Discount ranges are account specific and apply to total discounts only.
- Results will be provided on a quarterly basis with final annual settlement no earlier than second quarter of following year.
- One year offer based on In-network providers.