AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: CoreSource, Inc – Fifth Amendment to Service Agree

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: CoreSource, Inc (fka NGS, Inc) and Gunnison County, Colorado

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Please see the attached summary document for details.

Fiscal Impact:

Submitted by: Cheryl Seing **Submitter's Email Address:** cseling@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns for 2018 as there is not fiscal impact this year. ln

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 8/8/2018

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 8/16/18

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 8/16/2018 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 8/16/2018

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 0

Agenda Date: 8/21/2018

Revised April 2015

After a recent audit was performed for CoreSource, Inc. entire book of business, it was brought to their attention **Gunnison County CoreSource Service Amendment #5 - Effective 1/1/2012** had not been signed. Although CoreSource did not have this signed service amendment, services for Gunnison County were not impacted or interrupted. In this amendment the following increase is reflected;

Medical increased $17.25 to $17.94

FIFTH AMENDMENT TO SERVICE AGREEMENT

This Fifth Amendment to the NGS Service Agreement ("Agreement") is entered into this date, January 1, 2012, between NGS American, Inc. ("NGS") and **Gunnison County, Colorado** ("Sponsor").

Whereas, NGS and Sponsor are parties to that certain Service Agreement, dated January 1, 2003, which both parties desire to amend and extend the term of the Agreement for an additional one (1) year and to update the agent of record, on the terms and conditions set forth herein.

Now, Therefore, in consideration of the above and for other good and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, NGS and Sponsor agree as follows:

1. Appendix A of the Agreement is deleted in its entirety and replaced by the attached Appendix A: Compensation for Services, which, among other things, sets fees and rates for the twelve (12) month term, effective January 1, 2012, through December 31, 2012.
1. Section 13, OTHER IMPORTANT PROVISIONS, of the Agreement is amended to add the following provisions:

13.04(a) Confidentiality. Each party acknowledges and agrees that all Confidential Information (defined below) it receives from the other party shall be held in strict confidence by the receiving party and its representatives and shall be used only to carry out the terms of this Agreement. Each party undertakes and agrees to use, and to cause each of its representatives to use all commercially reasonable means to safeguard the confidentiality of the other party's Confidential Information received and at least the same measures it uses to safeguard its own Confidential Information. Confidential Information means, as to any party, all information that is, or could reasonably be considered to be, proprietary or confidential information of that party including, without limitation, all documents, information, knowledge or data relating to that party's financial condition, financial information, customers, suppliers, product design, business plans, software programs, computer hardware, systems, sales strategies, pricing, contract terms, facilities, processes, and strategic plans regardless of the form, manner or medium by which the Confidential Information is recorded or disclosed. Notwithstanding any other provision of this Agreement it is expressly understood and agreed that neither party nor its representatives shall be liable for the disclosure of the other party's Confidential Information if such Confidential Information (a) is in the public domain at the time it is disclosed; or (b) was known to the receiving

party on a non-confidential basis prior to the time of its initial receipt from the disclosing party; or (c) is disclosed with the disclosing party's prior written approval; or (d) is disclosed pursuant to the requirement of applicable law, court order, administrative agency or other governmental authority; or (e) was developed independently by the receiving party prior to disclosure by the disclosing party, as demonstrated by the receiving party's records.

13.04(b) Use of Information. Notwithstanding anything to the contrary in any other agreement between the parties, in addition to using information to carry out its duties under this Agreement, Plan Supervisor and its agents, employees and contractors may use, reproduce or adapt information obtained in connection with this Agreement, including claims under the Plan and eligibility information, in any manner it deems appropriate, except that Plan Supervisor and its agents, employees and contractors shall maintain the confidentiality of such information to the extent required by applicable law, may not use the information in any way prohibited by law, and agree to use only information that has been de-identified at both the Plan and Participant level. Any work, compilation, processes or inventions developed by Plan Supervisor, or its respective agents, employees or contractors as a result of any such use, reproduction or adaptation is deemed Confidential Information of Plan Supervisor under this Agreement and is the sole and exclusive property of Plan Supervisor.

2. No Other Change - Except as expressly set forth in this Fifth Amendment, the terms and provisions of the Agreement shall remain in full force and effect, without change. All capitalized terms not otherwise defined herein shall have the meanings as set forth in the Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above-written.

NGS AMERICAN, INC. A Michigan Corporation, "NGS"	**Gunnison County, Colorado** "Sponsor"
Kimberly A. Fiori Kimberly A. Fiori	_____ Name
President Title	_____ Title
July 18, 2012 Date	_____ Date

FIFTH AMENDMENT TO APPENDIX A

COMPENSATION FOR SERVICES

A. **Contract Term:** **12 months**
Effective Date: **January 1, 2012 to December 31, 2012**

The following information is being provided to the undersigned to disclose the fees and costs for the services which NGS will provide to Sponsor or Administrator, as the case may be, with respect to the administration of the Plan, and, pursuant to the requirements of Prohibited Transaction Class Exemption 84-24 issued by the Department of Labor, in order to exempt the proposed transactions between the Plan, Sponsor, and NGS from any applicable prohibited transaction under ERISA. The following information is being provided to permit Administrator (or Sponsor, if acting in that capacity), to determine whether the compensation received by NGS is reasonable, whether the services provided are necessary for the operation of the Plan and whether the provision of services by NGS is in the best interest of the Plan.

II. Fees for Plan Services

Sponsor agrees that in addition to the full payment of all claims, it will pay to NGS the following fees. Sponsor's obligation is to pay the fees for the services listed below if the box is checked. The optional services are described in separate Addendum(s) which are attached to this Agreement and those Addendum(s), which have been executed, are deemed to be incorporated into and made part of this Agreement.

☐ A. Installation Fees. An initial installation fee of N/A is applicable, covering the following items:

Items
1. Employee meeting for two (2) days at two (2) locations
2. Set-up of one (1) plan in the NGS claim system
3. One installation of WES (NGS' Remote Eligibility System) with training session
4. Load of one eligibility tape in NGS format
5. Load claims historical file in NGS format
6. Initial supply of forms and ID cards sent to one location

☑ B. Basic Plan Administration Service Fees. A monthly service fee of:

	1/1/2012 - 12/31/2012
Medical	$41.99*
Dental	$3.41
Vision	$0.53

*Includes $24.74 pepm for agent commissions.)

per month per covered employee and retiree, if applicable, will be billed by NGS. A full month's fee will be charged for each employee whose coverage is effective as of the last day of the month immediately prior to the month in which the invoice is dated. Invoices will be sent on the first of the month for: (1) claim processing and adjudication services to be performed in the month next following the invoice date, and (2) all other services performed in the month immediately prior to the invoice date.

Any service fees or commissions included in the Basic Plan Administration Service Fee which are subsequently payable to an agent, broker, consultant or other entity, are fully disclosed in Item III. F. of this Appendix A.

The Basic Plan Administrative Service Fee includes provision of the following:

1. Claim processing services through dedicated team
2. Special services unit for large claims and catastrophic cases
3. On-line displays for mail, claim and eligibility history, hospital verification, etc.
4. New York and Massachusetts filings
5. Multiplan, Guardian and other NGS negotiated discounts
6. Centers of Excellence program through Optum Health.
7. Flexibility Administration choices
8. Maintenance and coordination with up to three (3) generally utilized PPO's
9. Specific and Aggregate stop loss submissions
10. Stop loss advise-to-pays
11. Annual re-marketing of stop loss to up to three (3) carriers
12. Annual graphical analysis
13. Standard monthly reporting package
14. WES eligibility system and all updates
15. Two (2) hours of "help desk" assistance per month
16. Two (2) hours of system access time per month

17. All forms, supplies and ID cards, excluding ID card reissues for plan, provider or PBM changes, needed for plan administration (postage and handling not included)
18. Dedicated Client Services representative
19. 1099 and W-2 filing assistance
20. 5500 assistance
21. All client mailings
22. Toll free telephone line
23. NGS website, including Participant Self-Service Center

Those services checked below have been selected by Sponsor to include in the administration of their plan. Fees for these services may be changed at any time but not more frequently than annually.

☑ C. Election Of Final Claims Determination Addendum. In addition to the fees set forth in Section II.B,

Flat Rate

an annual fee as stated below, to be paid 1/12 monthly plus a per case fee as stated below.

	1/1/2012 - 12/31/2012
Annual Rate	$1500.00
Per Case Fee	$325.00

will be charged if Sponsor elects to have NGS undertake the task of making final benefit determinations and construing the terms of the Plan so that NGS assumes, for the purposes of final claim determination only, the role and responsibilities of a fiduciary (as defined in ERISA §3(21)(A)) under the Plan. NGS will provide final claims determination services under the Plan only if the Final Claims Determination Addendum is signed by NGS, Sponsor and Administrator.

☐ Non-Election of Final Claims Determination Addendum. Sponsor and Administrator elect to retain all fiduciary rights and responsibilities and final discretion for final claims determination. In the event any medical review services are needed in the process of initial clinical determinations, or arranged on behalf of Sponsor in the review of appeals these services will be billed to the Sponsor on a net basis.

☑ D. Plan Document/SPD/Communication Fees.

	Fee
Plan Documentation	$60/hour
Word Processing	$25/hour
Employee Communication	$60/hour
Employee Meetings	$60/hour
Provider Introduction Letters	$2.00 each
Additional Plan Loads	$250/plan

☑ E. COBRA Services Addendum.

A monthly service fee as determined below, per month per covered employee and retiree, if applicable, will be billed by NGS. A full month's fee will be charged for each employee whose coverage is effective as of the last day of the month immediately prior to the month in which the invoice is dated. Invoices will be sent on the first of the month for: (1) claim processing and adjudication services to be performed in the month next following the invoice date, and (2) all other services performed in the month immediately prior to the invoice date.

	1/1/2012 - 12/31/2012
Monthly charge	$12.50

☐ COBRA rate development coordination (actuarial rate development charges billed net to Sponsor).
☒ Proof of Mail services at net postage cost, with a handling fee of $0.28.

☑ F. HIPAA Creditable Coverage Services Addendum.

☑Issue Certificates
☑Issue Pre-Ex Letters
A service fee, as determined below, per certificate issued for employees/retirees, and/or for spouses or reprints to the same address, plus first class postage to provide services with respect to the provision of Certificates of Creditable Coverage required under HIPAA. This fee shall be paid to NGS by Sponsor only if Sponsor and NGS have signed the HIPAA Services Addendum.

	1/1/2012 - 12/31/2012
HIPAA Certificates for Employee	$1.90
HIPAA Certificates for Spouse	$1.25
Pre-existing Condition Notification	$1.90

☑ G. Health Care Management Addendum. Sponsor agrees to pay NGS a monthly fee, as determined below, per employee per month, for the services described in the Health Care Management Addendum. Payment for the service fees herein agreed to, will be on a monthly basis and will be computed, paid and included as part of the monthly claims processing and adjudication services invoice to Sponsor.

	1/1/2012 - 12/31/2012
Health Care Management	$1.99

Ancillary Healthcare Management Services	1/1/2012 - 12/31/2012
☐ Nurse 24	
☐ Special Delivery Maternity Program	
☒ Case Management (per hour)	$103.50
☐ High Risk Disease Management	

☑ H. Flexible Benefits Addendum

Initial Set-Up Fee: WAIVED
Annual Maintenance Fee: _____
-Items included in annual maintenance fee:
- ☐ Data Entry of new elections
- ☐ Plan Parameter modification of options and/or rates
- ☐ Enrollment confirmation statements
- ☐ Other

☐ Direct Deposit -
a one time ___set up fee

☑ Debit Card Services - effective 1/01/2009
Debit card services have been elected,

	1/1/2012 - 12/31/2012
Debit Card Services (pepm)*	
Rx Only	N/A
Medical & Rx	$2.00

*In addition to the above, the client will pay any substantiation fees charged by the PBM to MBI this is a direct pass through to the client.

Health Care Reimbursement Account. If one of the Plans listed on Appendix A is a Flexible Benefits Plan with a flexible spending account that is a health care reimbursement account, and Sponsor wishes NGS to administer claims and perform the duties and services set forth in the

attached Addendum with respect to the health care reimbursement account, the monthly fee will be determined below.

	1/1/2012 - 12/31/2012
Health Care Reimbursement Account*	$4.24

Dependent Care Reimbursement Account. If one of the Plans listed on Appendix A is a Flexible Benefits Plan with a flexible spending account that is a dependent care reimbursement account, and Sponsor wishes NGS to administer claims and perform the duties and services set forth in the attached Addendum with respect to the dependent care reimbursement account, the monthly fee will be determined below.

	1/1/2012 - 12/31/2012
Dependent Care Reimbursement Acct*	$4.24

*Combined Monthly Minimum:	$100.00

☑ I. Preferred Provider Arrangement Addendum (NGS Contracts). Sponsor will pay NGS a monthly fee of waived per participant for performing the duties and service described in the attached Addendum with respect to the preferred provider network(s) listed in the Exhibit A to this Addendum.

☑ J. Preferred Provider Arrangement Addendum (Sponsor Contracts). Sponsor will pay NGS a monthly fee of waived per participant for performing the duties and service described in the attached Addendum with respect to the preferred provider network(s) listed in the Exhibit A to this Addendum.

☑ K. Subrogation Services Addendum.

Threshold amount: $1000.00
Contingency Fee: 28% of gross amount recovered

☐ L. Prescription Drug Card Plan Addendum. Sponsor will pay NGS a monthly fee of «N/A» per participant for performing the duties and service described in the Prescription Drug Card Plan Addendum with respect to the Rx Vendor(s) listed in Exhibit A to this Addendum.

☑ M. Trading Partner Addendum. The Trading Partner Addendum is intended to allow the parties to carry out health care transactions electronically, and when applicable, in the appropriate codes and formats required for such transactions under the HIPAA regulations for electronic standards for health care transactions. The Trading Partner Addendum commits the parties to carry on such electronic transactions in compliance with all legal and technical requirements. The fees associated with the services to be performed under the Trading Partner Addendum are as follows:

Inbound:

	1st Year
☐ Per transaction	$
☐ Per employee/file transfer	$

Outbound:

	1/1/2012 - 12/31/2012
☑ Per transaction - ANSI	$0.75
☑Per non-ANSI file transfer	$0.15

Full file eligibility transfers will be billed at a reduced rate of $300 for the first 1,000 records and $150 for each of the next 1,000 records.

☑ N. Other Eligibility Support Services

Data Entry Fees:

-New Enrollment Form	$9.00/enroll form
-Maintenance/Change to existing enrollment form	$1.50/enroll form
Maintenance of non-NGS Administered Plan Records	$.50/record
WES transactions for non-NGS Administered Plans	$.50/transaction
Help Desk Services/WS Training	$70.00/hour
Open Enrollment Assistance	Quoted On Request

☐ O. Run-In/Run-Out Services

☐ Run-in Service of Medical Claims	
☐ Run-in Service of Dental Claims	

☐ Run-out Service of Medical Claims	Three months at current administrative fee
☐ Run-out Service of Dental Claims	Three months at ½ of current administrative fee

☐ P. Web Based Services

	1st Year
☐ On - Line Open Enrollment	
☐ On - Line Ongoing Enrollment	
☐ Health Grades	
☐ Health A to Z	
☐ Data Mining Tools	

☑ Q. Letter Services

	1/1/2012 - 12/31/2012		
☑ Dependent Verification*	$3.25		
Frequency/Timing:			
☐ Initial COBRA Notification*			
Frequency/Timing:			
☐ COB Solicitation*			
Frequency/Timing:			
☐ COBRA Soc. Sec. Award Ext.*			
Frequency/Timing:	3 months prior to 65th Birthday		
☐ Confirmation Statements*			
Frequency/Timing:	Annually after open enrollment		
☐ Medicare Notice*			
Frequency/Timing:	Annually after open enrollment		
☐ Other: _____*			
Frequency/Timing:			

*Per letter, plus First Class Postage

Or,

☐ Letter Package, includes First Class Postage

A monthly service fee, as determined below, per month per covered employee and retiree, if applicable, will be billed by NGS. A full month's fee will be charged for each employee whose coverage is effective as of the last day of the month immediately prior to the month in which the invoice is dated.

	1st Year
Letter Package, includes 1st Class Postage	$

☐ R. HIPAA Individual Rights Administration - per

	1st Year
Individual HIPAA Administration ☐ NGS Only ☐ NGS and other vendors	$
Photo Copies per Page	$

☑ S. Ancillary Services

	1/1/2012 - 12/31/2012
Physician Reviews	Actual Cost
Medical Records Fees	Actual Cost
Hospital Bill Audits	Actual Cost
Printing Costs	Actual Cost
Provider Directory Costs	Actual Cost
Programming Fees (based on level of Programmer)	Hourly Rate

☐ T. Health Reimbursement Account Services (HRA)

If one of the Plans listed on Appendix A is a Health Reimbursement Account Plan, and Sponsor wishes NGS to administer claims and perform the duties and services set forth in the attached Addendum with respect to the health reimbursement account, the monthly fee will be determined below.

	1st Year
Health Reimbursement Account	$

☐ U. Healthcare Savings Account Services (HSA)

Healthcare Savings Account. If one of the Plans listed on Appendix A is a Healthcare Savings Account Plan, and Sponsor wishes NGS to administer claims and perform the duties and services set forth in the attached Addendum with respect to the healthcare savings account, the monthly fee will be determined below.

☐ Set-up fee (one time only): _____

	1st Year
☐ HSA Integrated Claims Accounts	$
☐ HSA Non-integrated Accounts	$

☑ V. Total Claims Capture & Control (TC3)

For enhanced plan savings opportunities, NGS through a master service agreement with TC3 Health, LLC, (TC3), provides advanced technology controls for fraud protection, out of network discounts and out of network negotiations. These services are provided on a percent of savings ranging from 18%-30%, inclusive of a 3-6% override fee to NGS due to daily transmission requirements and administration and communication support.

☑ W. PHCS - Healthy Directions

NGS has achieved enhanced pricing if the benefit plan(s) listed on Appendix B utilizes the PHCS Healthy Directions network as a "wrap" network on a percentage of savings basis as a result of contracts negotiated by CoreSource and their parent, Trustmark Insurance Company which reduce the standard Healthy Directions access fee from 25% to 20%, inclusive of a 4% override.

☐ X. Specialty Prescription Drug Program

Sponsor has executed the Client Agreement for the Specialty Prescription Drug Program a full-service specialty pharmacy and support program to more effectively manage and monitor the distribution and effectiveness of specialty drugs including individualized care coordination. There is no cost unless Specialty Prescription Drug Program is able to impact plan costs. Fees are thirty (30) percent of the savings off average wholesale price capped at $2,500 per drug claim.

NGS WILL FORWARD ALL MONTHLY INVOICES TO THE FOLLOWING ONE LOCATION:

COMPANY NAME:	Gunnison County		
ATTN:	Debbie Moore Personnel Department	PHONE NUMBER:	970.641.7623
ADDRESS:	200 E. Virginia Ave.		
ADDRESS:			
CITY, ST ZIP	Gunnison, CO 81230	FAX NUMBER:	

III. INSURANCE ISSUES, INCLUDING FEES, COMMISSIONS, OR OTHER REMUNERATION

A. ☐ There are no insurance products purchased with Plan assets.

☑ The following insurance products are being directly purchased with Plan assets:

Stop Loss Coverage

B. ☑ There are no insurance products being purchased with Sponsor's general assets on account of the operations of the Plan.

☐ The following insurance products are being purchased by Sponsor on account of the operations of the Plan, but are being purchased with Sponsor's general assets:

C. NGS has the following relationship, other than the receipt of commissions, if applicable, with the insurer(s) providing the above listed products:

☑ None.

☐ Is an affiliate of the following insurers:

☐ Has other relationships with the following insurers:

D. The agent/broker involved in providing these insurance products, M3 Insurance, has the following relationship, other than the receipt of commissions, if applicable, with the insurer(s) providing the above listed products:

☑ None.

☐ Is an affiliate of the following insurers:

☐ Has other relationships with the following insurers:

E. NGS will receive the following commissions with respect to the insurance products:

☐ None. All NGS fees relating to insurance products are included in the standard administration fee listed at Section II.B of this Appendix.

☑ The commissions listed below.

	Insurance Product	Insurer	Commission as Percent of Gross Premiums
1.	Stop Loss	HM Life Insurance Co.	

With respect to placement of the insurance products listed in Sections III.A and III.B, Sponsor will pay NGS the following fee for insurance-related services irrespective of the above-noted commissions:

F. The agent/broker identified in Section III.D, above, will receive the following commissions:

☐ None

☐ The commissions listed below.

Insurance Product	Insurer	Commission as Percent of Gross Premiums.
1.		

☑ The following fees or commissions from NGS which amount was included in the Basic Administrative Service Fees:

Product	Fee or Commission
Medical Administration	$24.74 pepm

IN THE EVENT FEES OR COMMISSIONS ARE PAYABLE TO AN AGENT BY NGS UNDER THIS ADDENDUM, SUCH FEES OR COMMISSIONS WILL BE MAILED FIRST CLASS MAIL TO:

AGENT NAME: IMA, Inc.
ATTN: Frank Stichter
ADDRESS: 1550 17th Street,
ADDRESS: Suite 600
CITY, ST ZIP Denver, CO 80202-1657

Phone: 303-534-4567

Fax:

By the signatures of their duly authorized officers or other persons, Sponsor and Administrator consent and agree to pay NGS the fees set forth in Appendix A of the Agreement, and acknowledge and approve as reasonable the fees and commissions, if any, paid to NGS and any designated agent/broker with respect to the Plan related insurance products listed above.

NGS AMERICAN, INC.	GUNNISON COUNTY
By: Kimberly A. Fiori Signature	By: _____ Signature
Name: Kimberly A. Fiori	Name: _____
Title: President	Title: _____
Date: July 18, 2012	Date: _____

IMA, INS.	
By: _____ Signature	By: _____ Signature
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

By the signatures of its duly authorized officers, NGS agrees to perform the additional services pursuant to the applicable Addendum(s) for the fees set forth above.