L.H. Unified School District #1
Employee Benefit Trust

LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST

NOTICE OF PUBLIC MEETING

Thursday, January 17, 2019 5:00 p.m.
2200 Havasupai Blvd. – Governing Board Conference Room
Lake Havasu, AZ 86403

MEMBERS OF THE LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST BOARD OF TRUSTEES WILL ATTEND EITHER IN PERSON OR BY TELEPHONE CONFERENCE CALL.

AGENDA

REGULAR MEETING SESSION: **5:00 p.m.**

1. **Routine Opening of Meeting** - Call to Order — Chairperson
   - 1.1 Roll Call
   - 1.2 Pledge of Allegiance/Moment of Silence
   - 1.3 Call for an Executive Session

   (If the situation warrants, an Executive Session may be held during the meeting, pursuant to A.R.S. §38.431.03 (A)(2) for "Discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law" or (A)(3) for "Discussion or consultation for legal advice with the attorney or attorneys of the public body.")

2. **Call to the Public** — Chairperson

   (Form BEDH-E is required to address the Board during Call to the Public. Form must be turned in to the Secretary before the meeting starts. There will be a five (5) minute time limit. At this time, the Chairperson will call for comments from members of the public on items not on the agenda. Because of restrictions imposed by A.R.S. §38.431.01, discussion and action on items brought before the Board during this time will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date.)

3. **Old Business (Action Items)**
   - 3.1 Discussion and Possible Action re Void Contracts — ECA
   - 3.2 Discussion and Possible Action re Clinic Closure/Inventory — Chairperson

4. **New Business (Action Items)**
   - 4.1 Review of Incurred But Not Paid Analysis — ECA
   - 4.2 Discussion and Possible Action re Teladoc — ECA
   - 4.3 Approval of October 18, 2018 Meeting Minutes — Chairperson
   - 4.4 Review of Financial Reports through November 30, 2018 — ECA

5. **Adjournment** — Chairperson

NEXT SCHEDULED MEETING OF THE LHSEBT TRUST BOARD — **February 04, 2019 @ 3:30 p.m.**
February 05, 2019 @ 5:00 p.m.

ECA
Erin P. Collins & Associates, Inc.

Phone: 928.753.4700 x300
Fax: 877.866.5732
1115 Stockton Hill Rd., Ste. 101
Kingman, AZ 86401
erinp@ecollinsandassociates.com

MEMORANDUM

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**
Erin P. Collins, President

DATE: January 11, 2019

RE: Draft Ameritas Agreement

Attached to this memo is the most recent version of a proposed agreement between Ameritas and the Trust. Unfortunately, and as pertains to the proposed Agreement, the final version that was exchanged between Ameritas and ECA became corrupted. Rather than delay the approval to a future meeting while we work out the remaining changes to clean up the document, I am forwarding the agreement with the formatting errors corrected other than the following:

1. There is an invalid cross-reference under section IV(B) on page 6;
2. The pagination is off in the footer;
3. Appendix "C" has been manually entered rather than incorporated into the body of the Agreement; and
4. Mike Hensley's "Approved as to form" box is missing.

At the meeting, Trustees will be asked to approve the agreement subject to the four (4) corrections above and to authorize the Chairperson to execute the document on behalf of the Trust once those changes have been incorporated.

If you have any questions between now and the date of the meeting, I can be reached at (928) 753-4700 ext. 300 or via email at erinp@ecollinsandassociates.com.

ADMINISTRATIVE SERVICES AGREEMENT

BETWEEN

AMERITAS LIFE INSURANCE CORP.

AND

LAKE HAVASU UNIFIED SCHOOL DISTRICT
EMPLOYEE BENEFIT TRUST

Table of Contents

Administrative Services Agreement

This Administrative Services Agreement ("Agreement") is between Lake Havasu Unified School District Employee Benefit Trust ("Plan Sponsor"), and Ameritas Life Insurance Corp., Lincoln, Nebraska, a Nebraska corporation (hereinafter called "Ameritas"), effective upon the date set forth herein.

WHEREAS, Plan Sponsor has established and will administer an employee dental benefit plan (Plan) according to the provisions of A.R.S. §15-382 and A.R.S. §15-502 for its eligible employees and their dependents;

WHEREAS, Plan Sponsor desires to utilize the services of Ameritas to assist in its duties to administer the Plan; and

WHEREAS, Ameritas has agreed to provide such administrative services in connection with the Plan such as processing of claims and other services under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, Plan Sponsor and Ameritas hereby agree as follows:

Section I. Scope of Agreement

Ameritas agrees to perform certain administrative services, such as claim processing and other services specified herein for the Plan, as amended, as described in Addendum A (hereinafter Plan).

Section II. Services to be Provided by Ameritas

Ameritas shall perform the following administrative services in connection with the Plan:

A. Process claims and determine the Plan benefits applicable to Covered Employees and their dependents (collectively, "Covered Persons"), including coordination of benefits, where applicable, in accordance with the terms of the Plan and as specified to Ameritas by Plan Sponsor, using Ameritas' claim paying system as specified to Ameritas by Plan Sponsor. Ameritas will process claims incurred on or after the Effective Date of this Agreement and received while this Agreement is still in effect.

B. Notify a Covered Person of the initial denial of a claim (benefits) and his or her right of review of the denial as specified by the Plan Sponsor and in accordance with the terms of the Plan.

C. Issue checks in payment of benefits payable under the Plan which, subject to the terms of this Agreement, shall be paid through the bank account as set forth in Section IV. of this Agreement.

D. Answer benefits and claims questions and inquiries of Covered Persons and providers through toll free telephone number.

E. Communicate with Plan Sponsor as is necessary to verify eligibility of Covered Persons.

F. Provide to Plan Sponsor estimated Plan benefit costs after the Initial Term, and Plan design and underwriting services in connection with benefit revisions, addition of new benefits, and extensions of coverage to new Covered Persons, as requested by the Plan Sponsor.

G. Financial Institution Bond all of its employees who will be handling funds of Plan Sponsor.

H. Prepare reports regarding the Plan for use by Plan Sponsor in accounting for and managing the Plan, which shall include the standard reports identified in Addendum D.

I. Prepare and provide form 1099 MED for each provider of services, in accordance with IRS rules.

J. Provide Plan identification cards, Ameritas PPO dentist lists, if applicable, and a description of the Plan, as set forth in Addendum A, for each of the Plan Sponsor eligible employees.

K. Assist Plan Sponsor upon requests in connection with the general administration of the Plan, administration and record keeping systems for the ongoing operation of the Plan and reconciliation of claims paid. As mutually agreed to by the parties, Ameritas will provide forms, including claims forms, related to the general administration of the Plan.

L. Maintain all benefit payment records as to requests for benefits for a period of seven (7) years following the month in which the final benefit payment was made, or such longer period as required by applicable law. In the event of discontinuance of this Agreement, Ameritas, upon the Plan Sponsor's request and their expense, shall promptly forward to Plan Sponsor the subject records in its possession in the format identically maintained by Ameritas at the time the Agreement is discontinued. During the time in which Ameritas is to maintain benefit payment records, Ameritas shall be permitted, if it so desires, and unless otherwise prohibited by law, to destroy hard copies whenever the information has been transferred to microfiche or such other similar process which permits the retention of such information.

M. If it is determined that any payment has been made under this Agreement to an ineligible person, or if it is determined that more or less than the correct amount has been paid by Ameritas, Ameritas will make a diligent attempt to recover the overpayment or will adjust the underpayment in accordance with Ameritas' established claim practices. However, in no event shall such recovery or adjustment be performed in a manner violative of any state's Unfair Claims Practices Act. Ameritas shall not initiate court proceedings for any such recovery. In the event, however, that Ameritas is sued by any beneficiary seeking to recover an adjustment to an alleged underpayment, then the decision whether to defend such court suit shall be the responsibility of Plan Sponsor. Plan Sponsor may direct Ameritas to enter into a settlement or to forego the defense to any such action, provided, however, that Plan Sponsor shall ensure that Ameritas is fully reimbursed and indemnified for any and all payments made by reason of such decision by Plan Sponsor.

Section III. Obligations of Plan Sponsor

Plan Sponsor shall:

A. Promptly and diligently provide eligibility information for Covered Persons under the Plan, on or after the Effective Date of this Agreement, to Ameritas in a format mutually agreed upon by Plan Sponsor and Ameritas.

B. Provide benefit information, eligibility information and periodic (at least monthly) updates of additions, deletions and changes with regard to Covered Persons by an agreed upon medium.

C. Designate personnel with authority to answer questions relative to eligibility so that accurate eligibility information is available to Ameritas upon request.

D. Provide discretionary authority and exercise control respecting plan management and contested claims decisions.

Section IV. Banking Arrangements

During the term of this Agreement:

A. All benefit payments made by Ameritas on behalf of the Plan will be issued by Ameritas on checks payable through Ameritas bank of choice.

B. Ameritas will send to Plan Sponsor monthly, the Paid/Denied Claim Report identified in Addendum D. Accompanying this report will be a cover letter setting forth the total amount paid as reflected by the report. Three (3) business days after sending, Plan Sponsor will pay Ameritas the amount listed in the letter, by sending a check to Ameritas at the address listed in Section VII., F., below.

C. Failure to reimburse Ameritas in accordance with the above will result in interest being charged on the unpaid amount from the date due until fully paid at a rate equal to the lower of a) ten percent (10%) per year or, b) the maximum rate allowable by applicable usury laws and may result in the discontinuance of the Agreement in accordance with Section VI.

Section V. Administrative Service Charge Schedule

A. Except as otherwise provided hereafter, the Administrative Service Charge for each month of this Agreement shall be as specified in Addendum B, both for the Initial Term of this Agreement and as agreed to thereafter. Initial Term shall be as defined in Section VI., below.

B. The Administrative Service Charge as applied and provided for in Addendum B, will start on the first day of the month falling on or after the date the applicable coverage is effective. The Administrative Service Charge for the applicable coverage will cease on the last day of the month falling on or after the date of termination of the applicable coverage. There will be no pro rata charges or credits for partial month.

C. Ameritas will refund unearned Administrative Service Charges to Plan Sponsor for up to three (3) months before the date Ameritas receives evidence that a refund is due.

D. Prior to the first (1st) day of each month of this Agreement, Ameritas will submit a report identifying the Covered Person(s) and listing the Administrative Charges for the month. Remittance of the Administrative Service Charges, in the form of the Plan Sponsor's check, shall be due by the first (1st) of the month and past due on the tenth (10th) of the month. Such report and remittance shall be subject to audit and adjustment, as necessary, by Ameritas within ninety (90) days of receipt.

E. The Administrative Service Charge may be adjusted by Ameritas at the start of any Subsequent Agreement Period following the Initial Term, provided Ameritas has given Plan Sponsor sixty (60) days advance written notice of its intent to adjust the Administrative Service Charge. Subsequent Agreement Period shall be as defined in Section VI., below. Should Ameritas fail to timely deliver any rate change notice, the rate contained in the notice shall still be effective but not until the first month following the month in which the advance notice period required hereunder ended. Upon the delivery of such rate change notice, Addendum B attached hereto shall be deemed to be modified without any further action by the parties.

F. During the Initial Term of this Agreement, Plan Sponsor may be eligible for a refund of a portion of the Administrative Services Charges or the Ameritas PPO Access Fees (if applicable) it paid, if Ameritas does not meet the guarantees identified in Addendum C. The refund will be paid to Plan Sponsor within sixty (60) days of the end of the Initial Term in which the guarantee was not met. The calculation of the amount of the refund is

described in Addendum C.

G. During the Initial Term of this Agreement, Plan Sponsor may be eligible for a refund of a portion of the PPO Access Fees paid as identified in Addendum B. The refund will be paid to Plan Sponsor within sixty (60) days of the end of the Initial Term in which the guarantee was not met. The calculation of the amount of the refund is described in Addendum B.

Section VI. Term and Termination

A. Term

1. Although executed on the dates shown below, this Agreement shall be effective as of November 1, 2018, through June 30, 2019, (This time period shall be considered the "Initial Term").

2. This Agreement shall be automatically renewed for up to four (4) successive twelve (12) month periods beginning the first day following the expiration of the Initial Term and each anniversary of such date thereafter, unless terminated as provided for herein. Such renewal periods shall be considered "Subsequent Agreement Periods".

B. Termination

1. Termination without cause. This Agreement may be terminated without cause by either Party at the expiration of the Initial Term or any subsequent term with thirty (30) days written notice to the other Party in advance of such termination date. The Parties may also mutually agree in writing to terminate at any time.

2. Termination with Cause. Either Party has the right to terminate this Agreement upon at least 30 days' advance written notice of such termination to the other Party if the Party to whom such notice is given breaches any material provision of this Agreement. The Party claiming the right to terminate shall provide the facts underlying its claim of breach and cite the relevant sections of this Agreement that are claimed to have been breached. Remedy of such breach to the satisfaction of the other Party, within 30 days of the receipt of such notice, shall revive this Agreement for the remaining portion of its then-current term, subject to any other rights of termination contained in this Agreement.

C. Effect of Termination

1. Termination of this Agreement for whatever reason, shall not terminate the rights or liabilities of either Party arising out of a period prior to termination.

2. Ameritas will continue to process all claims received on or before the date the Agreement is terminated. Upon request, and with appropriate guarantees of funding and agreement to Administrative Service Charges from Plan Sponsor, Ameritas will, for a period of ninety (90) days subsequent to the date of termination of this Agreement, continue to process those standard dental claims containing expenses for dental services performed prior to the date of termination of this Agreement which dental claims are received during said ninety (90) day period. At the expiration of said ninety (90) day period, Ameritas will cease all claim processing in accordance with (3) hereof.

3. Plan Sponsor agrees to reimburse Ameritas in the same manner as provided for in accordance with

Section IV. B., for benefit payments made subsequent to the date of termination until all payments made by Ameritas have been reimbursed by Plan Sponsor.

Section VII. General Provisions

A. Plan Administration

1. Ameritas does not insure or underwrite the liability of the Plan Sponsor under the Plan. Ameritas shall not have discretionary authority or control over plan management or disposition of assets of the Plan (including final claim decisions). In no event shall Ameritas be responsible for Plan Sponsor's compliance with the requirements of A.R.S. §15-382 and A.R.S. §15-502. Ameritas shall not be responsible for complying with the provisions of any federal or state laws and regulations pertaining to the Plan and Plan administration (except as to its administrative functions regarding processing claims and customer claims service). The Plan Sponsor, has final complete discretion to construe or interpret the provisions of the Plan, to determine eligibility for benefits from the Plan, to determine the type and extent of benefits, to be provided by the Plan, and to make final claims decisions under the Plan. Plan Sponsor's decisions in such matters shall be controlling, binding, and final. By this Agreement, Plan Sponsor is delegating to Ameritas such authority as is necessary to process or otherwise resolve undisputed claims, eligibility questions, or other matters governed by this Agreement, but the Plan Sponsor reserves ultimate authority with respect to those and all other aspects of the Plan.

2. Ameritas shall have no responsibility to provide Summary Plan Descriptions; comply with COBRA or state continuation of coverage requirements; or to comply with HIPAA portability requirements. If such obligations exist, they shall be the sole responsibility of Plan Sponsor and not the responsibility of Ameritas.

B. Limitation of Ameritas' Liability

1. Ameritas's liability under this Agreement is limited to the provision of the services enumerated herein. In no event will Ameritas be liable in its own funds for the payment of benefits under the Plan or for any other payment not expressly provided for in this Agreement.

2. In no event will Ameritas be liable or provide indemnity to Plan Sponsor where any damage or loss is caused directly or indirectly by information provided by Plan Sponsor or any third party under the direction or at the request of Plan Sponsor.

C. Indemnification by Ameritas

Ameritas will be liable for and will protect, save harmless and indemnify Plan Sponsor, its agents and employees from and against all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature (together "Plan Losses") to the extent that such Plan Losses arise out of or are based on Ameritas's, or any agent or employee of Ameritas's, intentional, willful, reckless or negligent acts or omissions in the performance of its duties under this Agreement, except to the extent Ameritas's actions are taken at the specific direction of, or are based on information provided by Plan Sponsor.

D. Indemnification by Plan Sponsor

1. Plan Sponsor will be liable for and will protect, save harmless and Indemnify Ameritas, its agents and

employees, from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature (together "Ameritas Losses"), arising out of:

(a) The entry, use, access or reliance upon the integrity of data contained in or processed through Ameritas's computerized systems if such data is supplied to Ameritas by Plan Sponsor or any third party under the direction or at the request of Plan Sponsor'

(b) Actions taken with respect to the payment or provision of or failure to pay or provide for any dental services or supplies at the direction of Plan Sponsor'

(c) The intentional, willful, reckless or negligent acts or omissions in the performance of Plan Sponsor's duties under this Agreement, whether performed by Plan Sponsor or any agent or employee of the Plan or any other third party acting under contract with or on behalf of the Plan.

2. Survival. The provisions of this Section VII. B, C and D. shall survive the expiration or termination of the Agreement.

E. Proprietary Interest

Plan Sponsor acknowledges that the claims paying, administration and eligibility systems employed by Ameritas and the Ameritas PPO Network and the listing of the dental providers participating therein, have been developed by Ameritas and that Ameritas has a proprietary interest therein. Plan Sponsor further agrees that at no time shall Plan Sponsor or any of its employees use such other than for the intended purposes of this Agreement.

F. Confidentiality and Privacy

Except as otherwise provided in this Agreement, all information communicated to one party by the other party, whether before or after the effective date of this Agreement, was and shall be, to the extent permitted by law, received in confidence and shall be used only for purposes of this Agreement. No such information, including without limitation the provisions of this Agreement, shall be disclosed by the recipient Party to other persons including its own employees, except as may be necessary by reason of legal, accounting, regulatory or administrative requirements under this Agreement. The Parties further agree to comply with all applicable laws respecting privacy and security, including HIPAA and to enter into HIPAA Business Associate Agreements and to make any required compliance certifications, as applicable.

G. Examination of Records

Each Party shall have the right to examine any records of the other relating the other Party's obligations under this Agreement provided, however, such examination shall take place on a regular working day in a manner agreed to between the Parties and in a manner designed to protect the confidentiality of an individual's medical or dental information. The cost of any such examination shall be borne by the Party requesting the examination.

H. Insurance

Without limiting any of Ameritas's liability or other obligations, Ameritas shall provide and maintain the minimum insurance coverage listed below until obligations under this Agreement are satisfied. At a minimum, the professional liability insurance shall be kept in force at least two years after final payment to Ameritas.

1. Workers' Compensation insurance as statutorily required by applicable federal and/or state law to the extent Ameritas has any employees performing services under this Agreement;
2. Comprehensive General Liability insurance with a minimum combined single limit of One Million Dollars ($1,000,000) per occurrence. The policy shall include coverage for bodily injury, death, property damage, and personal injury;
3. Business Automobile Liability insurance naming AzMT as an additional insured and with a combined single limit for bodily injury and property damage of not less than One Million Dollars ($1,000,000) each occurrence with respect to any owned, hired, and non-owned vehicles and equipment assigned to or used in the performance of Ameritas's work or services; and
4. Professional Liability insurance covering acts, errors, mistakes, and omissions arising out of the work or services performed by Ameritas or any person employed by Ameritas, with an unimpaired limit of not less than One Million Dollars ($1,000,000) for each claim or occurrence and in the aggregate.

I. Claims/Limitation of Action

No action shall be maintained by any party to this Agreement against the other party on any claim based upon or arising out of the Agreement or out of anything done in connection with the Agreement unless such action shall be commenced within one year of the date the action is known or should have been known by the party bringing the action.

J. Entire Agreement, Amendments, Notices

This Agreement and attached Addendums, shall constitute the entire agreement between the Parties and all prior oral agreements shall be merged into this written Agreement. This Agreement may be amended from time to time by written agreement between the Parties. The Parties may provide notice to each other as follows:

In the case of Ameritas:

Ameritas Life Insurance Corp.
5900 O Street
P.O. Box 81889
Lincoln, Nebraska 68501-1889
Attn: Group Department

In the case of Plan Sponsor:

Lake Havasu Unified School District Employee Benefit Trust
2330 McCulloch Blvd. N.
Lake Havasu City, Arizona 86403-5950

IN WITNESS WHEREOF, Plan Sponsor and Ameritas have caused this Agreement to be executed in duplicate on the dates set forth below.

AMERITAS LIFE INSURANCE CORP.
AMERITAS

By: _____
Bruce E. Mieth

Title: Senior Vice President, Group Customer Connections and Operations

Date: _____

LAKE HAVASU UNIFIED SCHOOL DISTRICT
EMPLOYEE BENEFIT TRUST

By: _____

Print:

Title:

Date: _____

Addendum A

Description of Plan Booklet

[See attached]

Addendum B - Bank Account, Administrative Service Charges

Administrative Service Charges

The Administrative Service Charges from Effective Date to July 30, 2020

$ 3.25 per Covered Employee/Dependent unit per month

Fees shown above are based on the services outlined in Section II. Services to be Provided by Ameritas. Any other services and the fees related, if any, are identified in Addendum F, if applicable.

Ameritas.
fulfilling life

Addendum C - AMERITAS GROUP PERFORMANCE GUARANTEES

FOR LAKE HAVASU UNIFIED SCHOOL DISTRICT EBT

During the Initial Term, Ameritas guarantees the following:

Category	Performance Guarantee
(a) Claims Turn-Around Time	At least 90% of all claims will be processed within ten (10) business days of the date Ameritas receives all the information necessary to process the claims. This will be measured over a twelve (12) period on claims processed by the Plan Sponsor.
(b) Processing Claims Accuracy Financial	Claims payments will be at least 99% accurate. This means the claims paid will be within 1% of the amount that should have been paid. This will be measured by aggregate claims paid over a 12-month period
(c) Administrative Service Agreement	Benefit booklets, ID cards and other administrative materials will be mailed within 15 business days of the date all requires information is received by Ameritas Life Insurance Corp. at our Administrative Office in Lincoln, Nebraska.
Claims Savings	Ameritas will guarantee a claims savings of at least 10% of submitted dental charges. The actual savings is determined from the Dental Claims Saving Report identified in Addendum D. For each time the actual savings percentage as shown on the applicable Dental Claims Saving Report is less than 10%, Ameritas will pay to the sum of one full month's ASO fee.

*If the condition described in (a), (b) or (c) above is not met then the Plan Sponsor is eligible for a refund of a portion of the Administrative Service Charges. The amount of the refund is calculated as follows:

(Annual Administrative Service Charges Paid – PPO Fees Paid (if applicable)
-Commission or Broker's Fees Paid) / 12 = Average Monthly Charge at Risk

If only 1 of the 3 conditions is not met the refund is 33% *Average Monthly Charge at Risk
If only 2 of 3 conditions are not met the refund is 67% * Average Monthly Charge at Risk
If all 3 conditions are not met the refund is 100% * Average Monthly Charge at Risk

Addendum D - Summary of Repo

Monthly Reports
- Paid/Denied Claims Report

Monthly Reports
- Ameritas List Bill

Quarterly Reports
- Claims Turn Around Time Report
- Benefit Payment Report
  - Lists Paid Claims by Benefit Type
- Coordination of Benefit Savings

Annual Reports
- Informed Selling Reports
  - EOB Count per Month
  - Incentive Coinsurance Levels
  - Lifetime Deductible Summary
  - Dental Calendar Year Maximum Benefit Summary
  - Dental Claims Savings Report
    - PPO Savings Information
    - Claim System Savings Information
  - Procedure Utilization
    - By Frequency
    - By Total Allowed
- Benefit Payment Report
  - Lists Paid Claims by Benefit Type
- Claims Turn Around Time Report
- Coordination of Benefit Savings (COB Savings)

Fees include this standard report package. Deviations from these reports and/or frequency will be priced accordingly as shown in Addendum F (if applicable).

Addendum E – Intentionally Omitted

The fees assume submission of eligibility in a mutually agreed upon electronic media based on the above format. Fees also assume one plan design for all employees, one class and/or division, and one mailing location. Deviations will be priced accordingly as shown in Addendum F (if applicable).

Addendum F

Deviations from Standard Services

(None)

ECA
Erin P. Collins & Associates, Inc.

Phone: 928.753.4700 x300
Fax: 877.866.5732
1115 Stockton Hill Rd., Ste. 101
Kingman, AZ 86401
erinp@ecollinsandassociates.com

MEMORANDUM

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**
Erin P. Collins, President

DATE: January 11, 2019

RE: Draft Gilsbar Agreement

Attached to this memo is the current working draft of the proposed Gilsbar Agreement for TPA services. Also attached is an email from Joyce Perez from Gilsbar that includes the discussion back and forth on two sections proposed by Gilsbar and the dialogue between ECA and Gilsbar pertaining to the language. The **blue** sections reflect ECA questions and the **red**, Gilsbar's responses. The entire agreement has been reviewed and approved by Mike Hensley and we are now down to these two final sections in Exhibit "A" which set the overall compensation and charges that can be made against the Trust by Gilsbar. In sum, ECA believes the language of the sections is overly broad and we are simply unable to explain how it would operate in practice, and therefore to budget for it. Thus, we have asked Joyce Perez to be at the meeting and to bring with her, presumably via telephone, anyone form Gilsbar who can explain and clarify the language and how it would operate in practice. The sections are as follows:

1. Custom reports/changes to standard processes – to be billed at $200 per hour. The language here "changes to standard processes" is not defined and we have no idea what constitutes a standard process and therefore what is a change. Likewise, we therefore cannot budget for it.

2. Third party requests – Any and all requests for services not specified in this agreement, including but not limited to, records requests by subpoena, third party requests for information or documents, requests for information involving an audit, or any similar requests. Fees will be paid from the claims account with notification. – All of this is new language and we have therefore not worked with it to date. As you can see on a basic reading, this is very broad language and covers issues such as audit, public records requests and a range of others that are either common or foreseeable. And, the "including but not limited to" language makes it essentially limitless. Again, we are at a loss for how to budget for it.

We are at the point where I believe it best to present the issue to Trustees, have Joyce and her colleagues explain the language, where it comes from and how it would work in practice, and then determine a course of action that will bring us to a signed and valid contract for the remainder of the current plan year. Upon conclusion of that discussion, we will suggest an appropriate motion for Trustees consideration.

If you have any questions between now and the date of the meeting, I can be reached at (928) 753-4700 ext. 300 or via email at erinp@ecollinsandassociates.com.

Erin Collins

From: jperez@gilsbar.com
Sent: Tuesday, December 4, 2018 11:38 AM
To: Erin Collins; Jaime Schulenberg; mwiley@gilsbar.com
Cc: Storm Kinion; jperez@gilsbar.com
Subject: RE: Gilsbar-LHSEBT Agreement
Attachments: 2018-11-01 Gilsbar-LHSEBT Draft 2 with Gilsbar and ECA 2nd round edits.docx; 2018-11-01 Gilsbar-LHSEBT Draft 2 with Gilsbar and ECA 2nd with round edits 11.21 clarifications.docx

Hello Ern,

Please see below in red and let me know if this clarifies your questions. We're taking another look at the appeals section and may have some edits. There is a separate email that I have with Jaime on proposed appeal language in the plan document, this is being cross referenced with the agreement and we'll need a little more time to review both of these. Jaime, once our compliance & contracts team meet on both the agreement and the PD, I'll schedule our call to go over these parts with you.

We just did a call on the new language you all proposed and have some questions and concerns before putting this in front of the Trustees for discussion and a decision:

1. On the custom reports section, language was added "changes to standard processing methods" There is no definition of what constitutes a "standard processing method" today. Can you clarify that? This is anything outside of what we are currently providing to the group including but not limited to any manual processing, work arounds, special requests, exceptions or changes to administrator's standard processing, extra contractual claims processing services, retroactive claims reprocessing, processing backlog of claims, changes to service providers, preferred provider networks, pharmacy benefit managers, reporting, programming or other services are undertaken by the BSM at the request of the Plan Administrator or in order to process claims and administer the plan, the Plan Sponsor will pay additional fees and the costs.

2. The "third party requests" language proposed is very broad and we run into pretty much that same issue as above. Parts of it, like the audit references, are clearly in the scope of services, at least from my view. The remaining language seems (at best) difficult to define as regards what would fall under it. Again, can you clarify? This is anything that is requested by a third party as it relates to the group that we are required to handle (subpoena) or that you ask us for assistance with handling. Some examples include, but are not limited to subpoenas, third party requests for medical records or other information/documentation, if you are audited by the third party (for example – the department of insurance is auditing you) and you need us to gather information for you to respond to that audit, that is a third party request and we will be glad to assist and provide the documentation, but it will require time and pulling resources from other areas to assist you in gathering the required documents for you to respond to that audit. While you are correct that audits of our processes are included in our scope of services and we do not charge for audits of our (Gilsbar's) system, a third party audit from an outside entity auditing the group is not within the scope of services and are considered a third party request.

For what it is worth, our position is that Section III is controlling and that the reporting obligation is pretty broad. We have generally used a ruler that anything that required significant programming was billable. That is just what the custom reporting/changes to standard processing methods is meant to encompass. We also want to be sure to capture changes requested by the group such as PPO/PBM changes that do require additional programming and fees that do not fall under the scope of custom reporting. We have not encountered a situation with any of the other TPA's we work with

where language of this sort was sought, so I am at a bit of a loss for definitions. So, let us know your thoughts and clarifications.

Joyce Perez
Sr. Account Manager

Direct: 985-809-2451

Facebook | LinkedIn | Twitter

TPA & Association Services | Population Health Management | Wellness | Professional Liability | Advocacy

www.gilsbar.com

From: Erin Collins <erinp@ecollinsandassociates.com>
Sent: Tuesday, December 4, 2018 11:25 AM
To: Joyce Perez <jperez@gilsbar.com>; Jaime Schulenberg <jaimes@ecollinsandassociates.com>; Michelle Wiley <mwiley@gilsbar.com>
Cc: Storm Kinion <stormk@ecollinsandassociates.com>
Subject: RE: Gilsbar-LHSEBT Agreement

Received from External Source

Checking status. Please advise when you have a moment.

Thanks,

E

Erin P. Collins & Associates, Inc.
1115 Stockton Hill Road
Suite 101
Kingman, Arizona 86401
(p) 928.753.4700 Ext. 300
(f) 877.866.5732

1905 West Washington Street, Ste. 201
Phoenix, AZ 85009

AGREEMENT FOR THIRD PARTY CLAIMS, COBRA AND HIPAA ADMINISTRATION SERVICES

This Agreement for Third Party Claims and COBRA Administration Services (the "**Agreement**") is made and entered into to be effective as of the 1st day of November 2018, by and between the Lake Havasu Schools Employee Benefit Trust (the "**Trust**") and Gilsbar, L.L.C. (the "**Professional**" or "**TPA**").

RECITALS:

I. WHEREAS, the Trust is a public entity employee benefits trust established pursuant to A.R.S. § 15-382 and A.R.S. § 15-502 in order to provide employee benefits including, without limitation, Medical and Prescription drug benefits; and

II. WHEREAS, the Trust desires to secure the services of a Third Party Administrator as described in this Agreement, and the Professional desires to provide those services to the Trust and represents that it is fully qualified and has the expertise, personnel, and resources to perform the desired services;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained in this Agreement, the Trust and the Professional agree as follows:

AGREEMENTS:

I. Term and Termination:

A. **Term**. This Agreement shall become effective on November 1, 2018 and shall remain in effect through and including June 30, 2019 (the "Term"), unless terminated earlier as provided herein. Further, this Agreement shall renew automatically for one (1) additional one (1) year period unless either (i) the Professional provides the Trust written notice of its intent not to renew within one-hundred and twenty (120) days of the end of the current Term, or (ii) the Trust provides the Professional written notice of its intent not to renew within sixty (60) days of the end of the current Term.

B. **Termination Without Cause.** The parties may mutually agree in writing to terminate this Agreement at times other than at the end of any annual period. The parties must also agree on the effective date of such mutual termination for it to be effective.

C. **Termination For Cause.** If either party to this Agreement believes the other party is not in compliance with the material terms or conditions of this Agreement or that the other party is refusing or failing to properly perform the material services or obligations it is required to perform under this Agreement, that party shall provide a written notice to the party alleged to

be in non-compliance of such non-compliance, refusal, and/or failure (the "**Notice of Non-Compliance**") and provide the party alleged to be in non-compliance with not less than thirty (30) working days to cure the alleged deficiency(s) (the "**Cure Period**"). If the alleged deficiency(s) have not been cured within the Cure Period set forth in the Notice of Non-Compliance, the party issuing the Notice of Non-Compliance may unilaterally terminate this Agreement effective immediately upon providing the other party with written notice of termination for non-performance. Further, the Trust may terminate this Agreement immediately by issuing a written notice of termination to the Professional, if the Professional violates the law or engages in fraud, theft, or embezzlement.

D. **Termination For Non-Appropriation.** The Trust is obligated only to pay periodic payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during the Trust's then current budget year. Should the Trust fail to budget, appropriate or otherwise make available funds to pay periodic payments under this Agreement following the then current budget year, this Agreement shall be deemed terminated at the end of the then current budget year. This provision shall take precedence over and shall not be limited in any way by any other provision of this Agreement for all purposes. Notwithstanding the preceding, the Trust will use its best efforts to budget and appropriate the funds necessary for the continuance of this administration services agreement.

E. **Termination For Change in Control.** In the event the Professional is sold, the majority ownership of Professional changes, the majority control of the Professional changes, or the key personnel of the Professional providing the services under this Agreement are no longer providing the services, the Trust may, at its option, terminate this Agreement by providing the Professional notice of intent to terminate effective immediately. The term "Majority" as used in this Paragraph is understood by the parties to mean fifty one (51) or more percent of ownership or control.

II. The Professional's Post-Termination Obligations:.

A. If this Agreement is terminated, the Professional will discontinue performance of services on the date of termination and deliver to the Trust completed or partially completed information, reports, and documentation, which, if performance had been completed, would have been furnished to the Trust under this Agreement.

B. The Professional shall, at the Trust's option, provide transitional services for a period not to exceed six (6) months for a fee not to exceed an amount equal to the customary monthly fee due under the Agreement for a three (3) month period.

C. The Professional will convert, at no charge to the Trust, any data generated during this Agreement, or for at least the most current 36 months, into a format that can be transferred to the Trust for its use without the need to obtain a software license from the Professional. The Professional may retain a copy or make copies of this data if it wishes, but at its own expense.

D. The Professional shall provide any original records to the Trust, and shall keep copies of all records generated during this Agreement at its own cost.

E. In no event shall the Professional cause or by omission allow to occur an event that would jeopardize the Trust's reinsurance.

F. The Professional shall cooperate fully with any audit of the services provided under this Agreement and shall do so without compensation for the twelve month period beginning the day that services are last provided hereunder.

III. <u>Scope of Services to Be Provided by the Professional</u>: During the term of this Agreement, the Professional shall:

A. For each benefit administered by the TPA, draft and provide to the Trust for the approval of the Trustees a Summary Plan Description (SPD), Summary of Benefits and Coverage (SBC) and any other documents, and any amendments thereto, as may be required in order to effectively administer the plan and communicate its provisions to covered beneficiaries, the language of such items being in compliance with all applicable federal, state and local law and regulatory requirements applicable to the Trust and the administration of its benefit plan.

1. Changes to the SPD and/or SBC that are requested by the Trust and that are intended to be effective on the first day of a plan year, shall be returned to the Trust in draft, non-PDF redline form for review, modification and approval not later than forty-five (45) days from the date the requested changes are received and finalized by the Professional, including all clarifications to proposed changes.
2. Changes to the SPD and/or SBC that are requested by the TPA and that are intended to be effective on the first day of a new plan year shall be incorporated into the draft described under Section III(A)(1) of this Agreement.
3. The Trust and TPA acknowledge and agree that time is of the essence in preparing amendments to the SPD and SBC and each shall endeavor to promptly reply to all proposed changes in an effort to quickly come to agreement on language and avoid delays in reaching mutually agreed to SPD and SBC language so these documents can be distributed to plan participants prior to the beginning of the subject plan year.

4. Changes to the SPD and SBC that are intended to be effective at times other than the beginning of the plan year shall be provided to the Trust in draft, non-PDF redline form for review, modification and approval in accordance with such schedule as the parties may agree to at the time the changes are proposed.
5. No changes to the SPD and/or SBC may be made by the TPA without the prior approval of the Trust. Any items included in a draft or final SPD or SBC by the TPA that have not been specifically identified in the initial proposed draft or in a track change format edit to any to any previous draft of the SPD and/or SBC, or are otherwise expressly pointed out to the Trust will be voidable at the sole discretion of the Trust.

B. The TPA shall coordinate reproduction of SPD and SBC in sufficient quantities as determined by the Trust. Costs for printing/duplication will be borne by the Trust.

C. Maintain complete and accurate census and eligibility data within the TPA's eligibility and/or claims system(s);

1. By beneficiary class (active employees, dependents, retirees, COBRA's etc.);
2. Including at least the following member information:
   a. Dates of hire;
   b. Effective dates of coverage;
   c. Term dates;
   d. Dates of birth;
   e. Gender;
   f. Social security number;
   g. Alternate identification number;
   h. Mailing address;
   i. Physical address (if different than mailing address);
   j. Zip code of residence; and
   k. Telephone number.

D. As pertains specifically to COBRA administration, and in addition to such other COBRA-related duties performed within the remaining parameters of any contract or agreement resulting from this process:

1. Send COBRA notices to all qualified beneficiaries within the timeframes established in the regulations;
2. Accept the elections of COBRA continuation and complete the enrollment process for continuation of coverage;
3. Accept notices of second qualifying events (as defined by COBRA) and notices of disability determination form the Social Security Administration;

4. Maintain census and enrollment information on COBRA beneficiaries;
5. Monitor continuing eligibility for COBRA in terms of months of coverage, etc.;
6. For Medical/Rx COBRA, the TPA shall be responsible for monitoring age-outs of dependent children and, upon attainment of age 26 by each such dependent child:
   a. Terminating coverage;
   b. Sending the COBRA notice;
   c. Notifying the Trust's designated contact with such disenrollments so they can adjust tier assignments/payroll deductions if needed;
   d. Notifying the Trust's PBM of the change in status; and
   e. If COBRA is elected, reversing these processes and administering the COBRA eligibility in accordance with applicable law and regulation.
7. Bill and collect COBRA premiums, note the member's account, and forward the payment to the Trust for deposit.
8. Send notices of insufficient premiums, as applicable;
9. Terminate COBRA rights according to procedures approved by the Trust, including providing COBRA notices of termination.

E. As pertains to Flexible Spending Account (FSA) administration:

1. Account setup services;
2. Enrollment data entry;
3. Provide debit cards for all participants;
4. Provide an FSA plan document;
5. Maintain records and balances for each individual account by type of coverage (i.e., medical and dependent);
6. Provide reimbursement to participants for eligible expenses on a weekly basis, or an otherwise agreed upon schedule;
7. Provide monthly claims registers separated by type of coverage;
8. Issue account statements to participants;
9. Produce separate, monthly management reports for medical and dependent care;
10. Handle all participant inquiries concerning claims adjudication and determinations; and
11. Provide FSA participation agreements and enrollment forms, as well as educational materials as requested by the Trust.

F. As pertains to Health Savings Accounts (if selected):

1. Propose a banking vendor with which the TPA has established integration allowing for beneficiaries to view and authorize payments for covered services;
2. Where such vendor (either the TPA or Bank) will provide representatives to go on-site to perform education meetings for

beneficiaries at least one time each plan year or as agreed upon by the parties; and

3. Where the bank will also provide or perform at least the following:
   a. Debit cards for all participants;
   b. Issue monthly account statements to participants;
   c. Handle all participant inquiries concerning payments; and
   d. Provide Health Savings Account enrollment forms and educational materials for distribution by the Trust.

G. Transmit accurate and complete eligibility data in a timely manner to all vendors requiring and/or requesting same, including but not limited to the designated Pre-Certification/Utilization Review (UR) provider, Prescription Benefit Manager (PBM), Broker/Consultant, actuary, insurers/reinsurers, and other insurers or providers as needed.

H. Complete processing, accurately and in a timely manner, of all claims that are eligible for reimbursement under the Summary Plan Description (as amended from time to time by the Trust), including but not limited to functions such as eligibility verification, claims investigation and payment, subrogation, re-pricing, recordkeeping, claims correspondence and review.

I. Make payments and maintain complete and accurate monthly claims data for the Trust broken out by:

1. Benefit (Medical, Rx, FSA, and any other benefits which are or may later be provided through a self-funded mechanism administered by the TPA);
2. Beneficiary class (Active, COBRA);
3. Coverage Tier (EE, EE+ 1 Child, EE+Children, EE+Family);
4. Individual Beneficiary; and
5. Reinsurance and Subrogation Recoverables/Recoveries, if applicable.

J. Make payments and maintain complete and accurate monthly fixed charge (PEPM) expense data for the Trust, including, without limitation:

1. Third Party Administrator (TPA) charges;
2. Specific and Aggregate stop-loss premiums;
3. Preferred Provider Organization (PPO) charges;
4. Utilization Review, Precertification and related expenses; and
5. Such others as may be specified by the Trust and agreed to by the TPA.

K. As pertains to insured products and products utilizing service providers other than the TPA:

1. Pay insurance premiums for Basic and Voluntary Term Life (VTL); and

2. Pay the Dental and Vision premiums, network and/or claims processing fees on behalf of the Trust.

L. As pertains to PBM charges, which are made on a Per Member Per Month (PMPM) basis, verify that the PMPM count used by the PBM is the same as is reflected in the TPA's system and, if any discrepancies are noted, bring them to the attention of the Trust.

M. Maintain complete and accurate additional expense charges made on an other than fixed PEPM reflecting charges processed as a claim under the Trust through TPA's Vendor Relations department in each calendar month including, without limitations:

1. Attorney fees;
2. Auditor fees;
3. Actuary fees;
4. Broker/Consultant fees;
5. Fees associated with the Cerner Clinic;
6. Vendor expense reimbursements as directed by the Trust's Broker/Consultant; and
7. Other miscellaneous expenses as directed by the Trust's Broker/Consultant.

N. Actively research and pursue, either through the TPA's staff or through a sub-contracted vendor:

1. Subrogation against third parties;
2. Claims overpayments; and
3. Payments made for ineligible services.

Return all recovered amounts to the Trust through such procedures as may be established and mutually agreed upon by the parties. To the degree that any services provided under this section are at cost to the Trust in addition to the PEPM for claims administration, the TPA shall provide a monthly itemization of all expenses associated with such claims broken out in accordance with Section III (X) (10) of this Agreement.

O. Timely calculate amounts due and complete specific and aggregate reimbursement processes from the applicable reinsurer/stop-loss carrier for all eligible claims and expenses as provided under the applicable contracts of insurance and/or reinsurance and forward recovered amounts to the Trust via check mailed to the Trust through the agreed process.

P. Provide prompt and accurate telephonic and/or written response to all inquiries, including, but not limited to, maintenance of a toll-free telephone

number available, at a minimum, between the hours of 8:00 am to 5:00 pm Monday through Friday, Arizona time (excluding holidays).

Q. Conduct and complete eligibility verification telephonically and electronically during and after business hours.

R. Provide claim, enrollment, change and any other such forms, open enrollment materials, procedures, etc. for Active employees/dependents and COBRA beneficiaries which are reasonably necessary for the efficient administration of the Trust as determined by the Trust and communicated in advance to the TPA, including, without limitation:

1. Distribute via mail all open enrollment materials to COBRA beneficiaries;
2. Provide requested materials to include in open enrollment packets to be distributed to members; and
3. Attend annual open enrollment meetings as requested by the Trust.

NOTE: The Trust reserves the right to use its own enrollment form subject to approval of the form by the TPA.

S. Reimburse Flexible Spending Account payments automatically to the beneficiary; and, if applicable, make available the *myGilsbar.com* on-line tools for HSA account holders to pay their claim liability either to the provider or by reimbursing themselves.

T. Provide a mechanism for exchange of accumulator information with the Prescription Benefit manager (PBM) contracted with by the Trust for purposes of complying with combined Medical and Pharmacy out-of-pocket maximum limitations under Health Care Reform and/or applicable provisions of the SPD and/or SBC.

U. As pertains to the TPA's portal capabilities, provide at least the following:
1. For Plan Beneficiaries, secure portal access and tools including at least:
   a. Real-time inquiry for items including (as applicable):
   b. Claims paid (Medical, Rx);
   c. Pended and denied claim information;
   d. Explanations of Benefits;
   e. Status relative to deductibles, out-of-pocket maximums, etc.; and
   f. Flexible Spending Account balances and payments.
2. For administrative personnel (HR, Finance, Payroll as designated) secure portal access and tools including at least:
   a. Ability to view beneficiary records but only with appropriate HIPAA sign-off/release obtained from the appropriate individual.
   b. Monthly eligibility and invoices.

c. Complete census information by benefit (Medical/Rx) including, without limitation:
   i. Employee name (first, last, MI)
   ii. Mailing address;
   iii. Benefit tier election;
   iv. Date of birth (DOB);
   v. Gender;
   vi. Covered dependent names, genders and DOB's; and
   vii. Employee and Dependent Basic Life and AD&D amounts in force.

V. Provide for a claims appeal process consistent with the appeal process contained within the then current SPD, including the following:

1. Internal - To be completed internally by the TPA for all issues except Medical Necessity and Experimental/Investigational. Where internal appeals are not successfully resolved and the participant wishes to appeal the outcome, the TPA's appeal department representative will prepare written summaries of all items in dispute, the factual basis for the appeal and a recommended course of action, upon request by the Trust. This representative will be available to respond to questions from the Trustees, appellant, and any counsel for either party to the appeal.

2. External – To be forwarded by TPA to an outside consultant for review and completion of Medical Necessity and Experimental/Investigational issues. The documentation prepared by the outside consultant may be provided by the TPA's appeal department representative to the Trust, upon request by the Trust.

3. Final Appeal – TPA arranges for the services of an Independent Review Organization (IRO) that is certified to handle PPACA final adverse determinations, to make final reviews of appeals in accordance with applicable provisions of Health Care Reform.

In the event of any conflict between this language and the appeal language in the SPD, the SPD will control.

W. Run-out claims administration, at the sole discretion of the Trust, in the event any contract or agreement resulting from this process is cancelled or non-renewed for any reason. Compensation for run-out claims administration shall not exceed three (3) times the final month's paid PEPM fee for six (6) months run-out claims administration.

X. Provide, no later than the 15th calendar day of the month, reports for the period ending on the last day of the preceding calendar month as follows:

1. Detailed claims reports by benefit (Medical, Rx, etc.) with expenses broken out between employee and dependent on a monthly basis;
2. Check registers reflecting all checks issued on behalf of the Trust as checks are issued, such registers to separately break out:
   a. Claims for benefits; and
   b. Claims paid to vendors for PEPM, PMPM and any other services or expense reimbursements.
3. Calculation of the aggregate attachment for that month and all prior months, as well as year-to-date;
4. Reports on any claim in excess of a pre-determined amount or which appear likely, based on the nature of the involved illness/injury, to exceed 50% of the Trust's specific stop loss/reinsurance attachment point on a monthly basis;
5. Refunds received broken out for the current versus prior years;
6. Reinsurance recoveries broken out for the current versus prior years;
7. Current list of enrolled employees and dependents on a monthly basis broken out by:
   a. Benefit (Medical, Rx, Life and AD&D, etc.);
   b. Tier (Employee, EE+1 Child, EE+Children, Employee+Family); and
   c. Division (Active, COBRA, Retiree, etc.).
8. Claim summaries by benefit and claim type (i.e., inpatient hospital, outpatient, professional, etc.);
9. Claims attributed to non-BCBSAZ providers without regard to whether such providers are in or outside of Arizona or whether the claims were discounted using a network or process other than those associated with BCBSAZ;
10. To the degree that any out-of-network charges are subject to percentage of savings and/or revenue sharing arrangements:
    a. The amounts charged by the provider;
    b. The amounts eligible for payment under the discount arrangement before application of deductibles, co-pays, cost sharing and/or plan exclusions and/or limitations;
    c. The amounts paid after application of deductibles, co-pays, cost sharing and/or plan exclusions and/or limitations;
    d. The fee, charge or percentage of savings cost to the Trust for processing and/or negotiating the involved claim(s);
    e. The amount of the fee, charge or percentage of savings cost paid to the TPA; and
    f. The net cost and savings to the Trust.
11. A claim summary, as requested, identifying the number and dollar amount of claims in the standard 18 medical categories to allow the Trust to analyze where claims are originating;
12. Claim reports needed by the Trust's Broker/Consultant for reinsurance including, without limitation; the names of specific beneficiaries,

aggregate calculation, claims lag, trigger diagnosis, large claims and pended claims reports;

13. Claims lag and other reports as may be needed by the Trust's actuary and Broker/Consultant;
14. Preparation and filing of IRS form 1099 for all applicable claim or payment recipients annually; and
15. Such other reports as the TPA, Trust, and the Trust's Broker/Consultant may agree.

Y. Provide special claims reports as agreed upon by the Parties within thirty (30) calendar days of request, or as otherwise agreed upon between the Parties to this Agreement.

Z. As applicable, coordinate with the Trust's selected Provider Network(s) to arrange for receipt and re-pricing of claims by the Provider Network prior to re-shipping to TPA for payment to providers.

AA. Maintain approved status as a TPA with BlueCross BlueShield of Arizona (BCBSAZ) and comply with BCBSAZ's requirements and those of the Trust's insurer(s) and reinsurer(s), including, but not limited to, reporting requirements and applicable provisions of agreements between the network provider and the providers in those networks.

BB. Coordinate and/or produce ID cards evidencing eligibility for benefits and such other information as may be reasonably required in order to facilitate receipt of covered benefits by the beneficiary.

CC. Attend Trust and other related meetings at the request of the Trust.

DD. Otherwise cooperate with the Trust and its associated vendors in all aspects of the Trust.

IV. Compensation:

A. For the services included herein, the Professional shall receive as compensation only those amounts as set forth in the fee schedule attached hereto as Exhibit "A", including any amendments thereto, and which is incorporated herein by reference (the "Fee Schedule").

B. The Professional may deliver a request for a fee increase to the Trust no less than one hundred fifty (150) days prior to the end of the then current Term. If the Professional and the Trust have not reached an agreement on the requested fee increase before the 90th day prior to the end of the then current Term, the then current Fee Schedule will continue for the next Term, however, this Agreement may be terminated at the end of the then current Term, at the option of the Professional by providing the written notice of

intent not to renew on or before the 90th day before the end of the current term.

V. **Expenses:**

A. Unless set forth in the Fee Schedule, each party shall be solely responsible for its own expenses including, without limitation, the hourly rates, salaries, benefits, and other things of value which arise from employment of such party's employees; any costs incurred for travel, meals, lodging, telephone, fax or other electronic or other means of communication; costs of compiling and formatting information, and any and all direct and indirect costs associated with or arising from the completion of the services contemplated under the terms of this Agreement.

B. The parties further acknowledge and agree that the Trust shall be solely responsible for its share of any charges related to actuary, auditor, attorney and any other professional or ancillary service providers separately retained by the Trust in order to review Trust operations or options as may from time to time be identified by the Trust.

VI. **Taxes:**

A. The Professional shall have full and exclusive liability for and shall pay and hold the Trust harmless from any and all of the Professional's taxes, assessments, or governmental charges in connection with all or part of the services provided by the Professional hereunder, other than insurance premium taxes due as a result of any insurance and/or reinsurance placed on behalf of the Trust. The Professional is not responsible for assessments or governmental charges incurred by the Trust.

B. The Professional shall complete and provide to the Trust an Internal Revenue Form W9 (Request for Taxpayer Identification Number and Certification) for the purpose of the Trust's Internal Revenue Service 1099 Form reporting.

VII. **Ownership of Documents, Records and Work Product:**

A. All documents, records, information, electronically stored information and data, and work product of any kind related to the Trust and/or which result from this Agreement ("the Documents") shall become the property of and belong to the Trust and may be used as the Trust deems appropriate.

B. At all times during the term of this Agreement, the Trust or its appointed representative(s) shall, as authorized by the Trust, have access to the Documents of the Trust maintained by the Professional and to work product of the Professional that is related to the Trust and/or which results from this

Agreement. Such access shall occur during normal business hours upon not less than twenty-four (24) hours advance notice to the Professional.

VIII. Compliance with Laws; Non-Discrimination; No Kick-Back or Conflict of Interest Certification:

A. **Compliance with Laws.** The Professional and its partners, directors, officers, employees, and agents shall at all times comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes, standards, and restrictions and all orders and decrees of bodies or tribunals having jurisdiction or authority, which may in any manner affect the provision of services under this Agreement, including the obligations under E-Verify, (collectively, "**Laws**").

B. **Non-Discrimination.** The Professional shall not illegally discriminate on the basis of race, color, religion, gender, age, national origin, veteran's status, political affiliation, or disability in any contacts with the public with regard to work to be performed under this Agreement nor in regard to employment opportunities nor in the procurement of materials, equipment, leases, or subcontractors.

C. **No Kick-Back or Conflict of Interest Certification.** The Professional warrants that it has not employed, retained, or paid any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, and that no Trustee of the Trust has any interest, financially or otherwise in the Professional firm. The Professional further warrants that the Professional shall not receive any compensation, payment, or other item of more than nominal or insignificant economic value for the services provided to the Trust by the Professional under this Agreement, other than the compensation set forth in Section IV of this Agreement; provided, however, that this warranty does not prohibit any of the Professional's board members, directors, officers, employees, agents, or representatives from accepting things such as food or refreshment of insignificant value on infrequent occasions, given that such items are customarily provided. For breach or violation of these warranties, the Trust shall have the right to terminate this Agreement without liability, or, at the Trust's discretion, to deduct from the consideration to be paid to the Professional hereunder the full amount of any such commission, percentage, brokerage, contingent fee, or other prohibited item of economic value received. The Professional further warrants that neither it nor its board members, directors, officers, or employees now have a conflict of interest in the performance of the Professional's obligations under this Agreement and that the Professional further agrees for itself, its board members, directors, officers, and employees, that it will not contract for nor accept employment for the performance of any work or services with any individuals, businesses, or governmental entities where such a contract

would create a conflict of interest in the performance of its obligations under this Agreement.

D. **Certification.** The Professional shall, upon executing this agreement, and upon request of the Trust, provide a written attestation that it has no conflicts of interest as provided under A.R.S. § 38-511 and, further, that it remains in compliance with Section VIII (C) of this Agreement, such attestation attached here as Exhibit "B" and incorporated herein by reference. Professional acknowledges that Trust may exercises its rights as set forth in A.R.S. 38-511 to terminate this agreement for non-compliance with these provisions.

IX. Licenses, Approvals and Permits: The Professional shall and agrees to obtain, pay for, and maintain throughout the term of this Agreement all licenses, approvals, and permits necessary for the Professional to perform its services under this Agreement.

X. Insurance: Throughout the term of this Agreement, the Professional, at the Professional's sole expense, shall purchase and maintain, from and with an insurance company or companies duly licensed and authorized to do business in Arizona and possessing a current A.M. Best Inc. Rating of A– or higher, insurance policies and endorsements, which are on policies and forms acceptable to the Trust and which meet or exceed the minimum insurance coverage requirements set forth below:

A. **Commercial General Liability ("CGL") Insurance.** CGL insurance, written on a claims occurred basis, with an unimpaired limit of not less than one million dollars ($1,000,000) for each occurrence, a one million dollar ($1,000,000) unimpaired products/completed operations aggregate, and a one million dollar ($1,000,000) unimpaired general aggregate limit.

B. **Automobile Liability.** Commercial/business automobile liability insurance with a combined single limit for bodily injury and property damage of not less than one million dollars ($1,000,000) each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in the performance of the Professional's work or services under this Agreement.

C. **Professional/Errors and Omissions Liability.** Professional Liability insurance covering acts, errors, mistakes, and omissions arising out of the work or services performed by the Professional or any person employed by the Professional, with an unimpaired limit of not less than one million dollars ($1,000,000) for each claim or occurrence and as an aggregate.

D. **Workers' Compensation.** Workers' Compensation insurance as statutorily required by applicable federal and/or state statutes.

E. **Fidelity Bond.** If the Professional is authorized to hold client money under this Agreement, it shall provide the Trust a fidelity bond protecting against

theft of client money by employees of the Professional in an amount not less than one million dollars ($1,000,000).

F. **Claims Made Policies.** In the event any insurance policy(ies) required by this Agreement is/are written on a "claims made" basis, the Professional shall insure that coverage shall extend for two years past completion and acceptance of the Professional's work or services under this Agreement and shall provide the Trust with evidence of that continued coverage by submittal of an annual certificates of insurance.

G. **Primary Coverage; Deductibles/Retentions.** The Professional's insurance shall be primary insurance with respect to the Trust, and any insurance or self-insurance maintained by the Trust shall not contribute to it. The insurance policies may provide coverage that contain deductibles or self-insured retentions. Such deductibles and/or self-insured retentions shall not be applicable with respect to the coverage provided to the Trust under such policies. The Professional shall be solely responsible for deductibles and/or self-insured retentions.

H. **Claim Reporting and Warranty Requirements.** Any failure to comply with the claim reporting provisions of the insurance policies or any breach of any insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the Trust.

I. **Certificates of Insurance/Policies/Endorsements.** Within ten (10) working days after the first day of the commencement of the term of this Agreement, the Professional shall furnish the Trust with certificates of insurance or formal endorsements issued by the Professional's insurer(s), as verification that policies providing the required coverages, conditions, and limits required under this Agreement are in full force and effect. The Trust reserves the right to request and receive from the Professional within ten (10) working days of any such request, certified copies of any or all of the insurance policies and/or endorsements required under this Agreement. The Trust shall not be obligated, however, to review same or to advise the Professional of any deficiencies in such policies and endorsements, and such receipt shall not relieve the Professional from, or be deemed a waiver of, the Trust's right to insist on strict fulfillment of the Professional's obligations under this Agreement.

J. **Expiration and Renewal of Policies.** If any of the above-described insurance policies and/or endorsements, expire during the term of this Agreement, the Professional shall forward (or cause to be forwarded) renewal certificates or formal endorsements to the Trust within fifteen (15) days prior to the expiration date, which renewal certificates shall set forth all the information required in the original certificates. Failure to maintain required insurance policies in full force and effect may, at the sole discretion of the Trust, constitute a material breach of this Agreement.

K. **Survival.** The provisions of this Section shall survive the termination of this Agreement.

XI. Indemnification: Professional agrees to indemnify, hold harmless, and defend (to the fullest extent permissible under Arizona law) the Trust, its employees, member participating entities, agents, affiliates or affiliated entities and their employees, agents or affiliates, (jointly referred to as the "Trust") regardless of the negligence or fault of or by the Trust, from and against any and all claims, liabilities, damages, debts, demands, actions, causes of action, and judgments, and all costs and expenses related thereto, including attorney's fees for any and all injury, liability or damage arising out of or resulting from the performance of, or non-performance of, the Professional's obligations under this Agreement and as required by law.

XII. Business Associate Agreement: Professional agrees to sign the HIPAA Business Associate Agreement attached hereto as Exhibit "C".

XIII. No Waiver: No inadvertent or incidental waiver of any term, condition or provision included in this Agreement by either or both the Professional or the Trust shall constitute a breach of this Agreement or justify or authorize a repetition or on-going breach or waiver of that or any other term, condition or provision of this Agreement. In addition, no waiver of any breach of any of the terms, conditions, or provisions included in this Agreement shall be construed as a waiver of any succeeding breach of the same or other terms, conditions, or provisions of this Agreement.

XIV. Amendment: This Agreement may only be amended in writing upon mutual agreement of the Professional and the Trust.

XV. Entire Agreement: This Agreement and its Exhibits, including any amendments hereto, constitutes the entire agreement and understanding between the Trust and the Professional with respect to, and supersedes, any and all prior agreements, understandings, negotiations, and representations regarding, the subject matter of this Agreement.

XVI. Partial Invalidity; Severability: If any term, condition or provision of this Agreement or the application thereof to any person or circumstance shall, at any time during the term of this Agreement, or to any extent, be deemed by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such term, condition or provision to persons or circumstances other than those to which this Agreement is found to be invalid or unenforceable shall not be affected thereby and each remaining term, condition or provision of this Agreement shall remain valid and enforceable to the fullest extent provided by law.

XVII. Independent Contractor Status: This Agreement does not create an employee/employer relationship between the parties. Rather, it is understood and agreed that the Professional at all times shall be deemed an independent contractor of the Trust and not an employee of the Trust for any or all purposes, including but not limited to the application of the Americans with Disability Act, Fair Labor Standards Act, minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act,

the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, any applicable revenue and taxation law, the Arizona Workers Compensation law, and the Arizona unemployment insurance law, and that employees of the Professional shall in no event be deemed to be employees of the Trust. Subject to the parameters of this Agreement, the Professional will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Professional's activities and responsibilities hereunder. The Professional agrees it is a separate and independent enterprise from the Trust, it has a full opportunity to find other business, it has made its own investment in its business and it will utilize a high level of skill necessary to perform the work, including all services required to be performed by the Professional hereunder. This Agreement shall not be construed as creating any joint employment relationship between the Professional and the Trust and the Trust will not be liable for any obligation incurred by the Professional, including but not limited to unpaid minimum wages, overtime premiums, withholdings of taxes for the Professional and/or the Professional's employees and/or the withholding and payment of Social Security, unemployment payments, and any other withholdings or payments required by Laws including estimated taxes (if applicable) for the Professional or its employees. No agency relationship, except as expressly provided herein, shall exist between the parties as a result of the execution of this Agreement.

XVIII. Construction; Section Headings: Whenever the context of this Agreement requires, the singular shall include the plural, and the masculine, neutral or feminine shall include each of the other. This Agreement is the result of negotiations between the Trust and the Professional and shall not be construed for or against the Trust or the Professional as a consequence of its role or the role of its attorney in the preparation or drafting of this Agreement or any amendments hereto. The Section Headings contained in this Agreement are for the convenience and reference of the Trust and the Professional and are not intended to define or limit the meaning or scope of any provision of this Agreement.

XIX. Choice of Law: This Agreement is made in the State of Arizona and shall be construed, enforced, and governed by the internal, substantive laws of the State of Arizona without regard to conflict of law principals.

XX. Dispute Resolution and Venue: Before either Party may initiate a lawsuit against the other, they agree that upon written notice of a dispute, the CEO or top official with each Party shall agree to meet, no later than 30 days from receipt of the written notice of dispute, in an agreed location or telephonically if agreed, to discuss and try to resolve the dispute. In addition, or in the alternative, the parties also agree, prior to filing suit, to participate in a mediation in an agreed upon place, or Phoenix, Arizona if no alternative is agreed upon, within no longer than 60 days from when the discussions of the Parties' CEOs or top official failed to resolve the dispute, before the AAA or an agreed upon alternative mediation forum, to try and resolve the dispute. If suit is ultimately filed, the venue for any lawsuit arising between the parties under this Agreement shall be the Superior Court in Maricopa County, Arizona.

XXI. Inurement; Assignment: Except as provided in this Agreement to the contrary, all of the terms, covenants and conditions of this Agreement shall be binding upon, and

shall inure to the benefit of, each party and the successors and assigns of each party. The Professional shall not assign its rights, duties, or obligations under this Agreement without the prior written consent of the Trust.

XXII. Voluntary Agreement; Legal Advice: Each party warrants that it has read and understands this Agreement and knowingly, willingly, and voluntarily entered into and agreed to all terms contained in this Agreement. Each party further acknowledges that, prior to signing this Agreement, he, she, or it has consulted with and been advised by legal counsel concerning the terms of this Agreement and the legal consequences of entering into this Agreement, or has voluntarily elected not to do so.

XXIII. Counterpart Signatures: This Agreement may be executed in any number of counterparts, each of which shall be deemed a duplicate original and all of which when taken together shall constitute one and the same document. Counterparts are effective and binding when this Agreement has been executed by all the parties.

XXIV. Notices: All notices required or permitted to be given under this Agreement shall be in writing and shall be given by facsimile, personal delivery, deposit with an overnight express delivery service, such as Federal Express, or deposit in the United States Mail, certified or registered mail, return receipt requested, postage prepaid, addressed to the applicable address set forth below, or such other addresses as hereafter may be designated by prior notice, in writing. Notices pursuant to this Agreement shall be sent to:

For the Trust:

Chairperson
Lake Havasu Schools Employee Benefit Trust
c/o Erin P. Collins & Associates, Inc.
1115 Stockton Hill Road, Suite 101
Kingman, Arizona 86401
Facsimile No.: 877.866.5732

Copy to:

JONES, SKELTON & HOCHULI, P.L.C.
Attn: Michael E. Hensley, Esq.
40 North Central Avenue, Suite 2700
Phoenix, Arizona 85004
Facsimile No.: 602.200.7832

For the Professional:

Gilsbar, L.L.C.
Attn: Henry J. Miltenberger, CEO
2100 Covington Centre

Covington, Louisiana 70433
Facsimile No.: 985.898.1700

Notices under this Section shall be deemed complete and effective on the date delivered, if the notice is given by facsimile, personal delivery or overnight express delivery service, or four (4) days after the date of deposit in the Mail, if the notice is sent through the United States Mail.

XXV. **Signatures:** By their signatures set forth below, the Professional and the Trust agree to and accept the terms, conditions and provisions of this Agreement.

The Professional	**Trust**
Gilsbar, L.L.C.	Lake Havasu Schools Employee Benefit Trust
_____	_____
By: Shelley P. Lampard Chief Administrative Officer/ Vice President	By: Marcia Cox Chairperson
Date:	Date:
_____	

Reviewed and approved as to form by counsel for the Trust.

_____ Date: _____

JONES, SKELTON & HOCHULI, P.L.C.
By: Michael E. Hensley

EXHIBIT "A"

ANY EXPENSE NOT SET FORTH ON THE FOLLOWING FEE SCHEDULE OR IN AN AMOUNT NOT CUSTOMARILY SUBMITTED BY PROFESSIONAL SHALL REQUIRE THE SIGNATURE OF THE CHAIRPERSON OF THE TRUST BEFORE REIMBURSEMENT WILL BE MADE BY THE TRUST.

Formatted Table

	11/01/18 - 06/30/19
Medical Claims Admin	$17.90
COBRA Admin	$1.60
HIPAA Admin	Included
FSA Admin	$4.00
FSA Debit Card	Included
Other Fees	
SPD Amendments/Rewrites	Included
SPD Printing	Cost of printing + 10%
SBC Amendments/Rewrites	Included
SBC Printing	Cost of printing + 10%
Non-Network Negotiations	25% of Gross Savings (Multiplan = 20%; Gilsbar = 5%)
Claim Subrogation	28% of Recovery (24% to The Phia Group and 4% to Gilsbar
	33% of Recovery + All Costs of Litigation, excluding attorney's fees, if filing of suit and continued litigation required to recover funds
ID Card Production	Included
Vendor Check Processing	Included
Postage	Cost of Postage +10%
On-Site Trust Meetings	Included
On-Site Open Enrollment Meetings	Included
Open Enrollment Materials	Cost of postage and materials +10%

Run-Out Processing in Case of Cancellation of Your Services	For claims received after expiration of the six months included under Section III(W) of this Agreement, $22/claim
Reports	
Standard	Included
Ad Hoc	Included
Custom Reports/changes to standard processing methods	$200.00 / Hr.
Third party requests Any and all requests for services not specified in this Agreement, including, but not limited to, records requests by subpoena, third party requests for information or documents, requests for information involving an audit, or any other similar requests. Fees will be paid from the claims account with notification.	$100/Hr.
Other (Specify)	
Clinical Bill Review & Audit	25% of Gross Savings (18% to Zelis and 7% to Gilsbar)

Formatted: Highlight

Formatted: Highlight

EXHIBIT "B"

ATTESTATION

By my signature below, I do attest and warrant on behalf of the Professional, as follows:

1. Neither the Professional nor its board members, directors, officers, or employees, now have or will have, during the term of this Agreement, a conflict of interest in the performance of the Professional's obligations under this Agreement and that the Professional further agrees for itself, its board members, directors, officers and employees, that it will not contract for nor accept employment for the performance of any work or services with any individuals, businesses, or governmental entities where such a contract would create a conflict of interest in the performance of its obligations under this Agreement as Conflict of Interest is defined under the provisions of A.R.S. § 38-511.

2. The Professional warrants that it has not employed, retained, or paid any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, and that no member of the Trust Board has any interest, financially or otherwise in the Professional. The Professional further warrants that the Professional shall not receive any compensation, payment, or other item of more than nominal or insignificant economic value for the services provided to the Trust by the Professional under this Agreement, other than the compensation set forth in Section IV. Compensation and Exhibit A. Fee Schedule of this Agreement; provided, however, that this warranty does not prohibit any of the Professional's board members, directors, officers, employees, agents, or representatives from accepting things such as food or refreshment of insignificant value on infrequent occasions, given that such items are customarily provided.

_____
Gilsbar, L.L.C.

_____

By: Shelley P. Lampard
Chief Administrative Officer/Vice President

Date: _____

EXHIBIT "C"

BUSINESS ASSOCIATE AGREEMENT
HIPAA PRIVACY AND SECURITY RULES

This Business Associate Agreement (the "Agreement"), is entered into by and between Lake Havasu Schools Employee Benefit Trust, a self-funded health plan, ("Covered Entity" or "Plan") and Gilsbar, LLC, a Business Associate ("BA" or "Business Associate") of the Covered Entity. This Agreement supplements and is made a part of the Agreement for Third-Party Claims, COBRA and HIPAA Administration Services ("Underlying Agreement") entered into between BA and Covered Entity and is effective the 1st day of November 2018 (the "Effective Date") and will remain in effect unless and until the Underlying Agreement is terminated.

RECITALS:

WHEREAS, pursuant to the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191, 110 Stat. 2024 (Aug. 21, 1996) ("HIPAA"), and the HITECH Act of American Recovery and Reinvestment Act of 2009, the Office of the Secretary of the Department of Health and Human Services has issued regulations governing the Standards for Privacy, Security and Breach Notification of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 ("Privacy Rule", "Security", "Breach Notification" Rules); and

WHEREAS, the HIPAA Rules provide, among other things, that a Covered Entity is permitted to disclose Protected Health Information to a Business Associate and allow the Business Associate to obtain, receive, and create Protected Health Information on the Covered Entity's behalf, only if the Covered Entity obtains satisfactory assurances in the form of a written contract, that the Business Associate will appropriately safeguard the Protected Health Information; and

WHEREAS, the Office of the Secretary of the Department of Health and Human Services has issued regulations requiring certain transmissions of electronic data, for vendors where such electronic data is exchanged, be conducted in specified standardized formats at 45 CFR Parts 160 and 162 ("Electronic Transactions Rule"); and

WHEREAS, Covered Entity and Business Associate desire to determine the terms under which they shall comply with the Privacy Rule and the Electronic Transactions Rule for the Business Associates to which this applies;

NOW THEREFORE, the Covered Entity and Business Associate agree as follows:

1. GENERAL HIPAA COMPLIANCE PROVISIONS

1.1. HIPAA Definitions. Except as otherwise provided in this Agreement, all capitalized terms contained in this Agreement shall have the meanings set forth in the Privacy Rule.

1.1.1. The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

1.1.2. Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Gilsbar, L.L.C.

1.1.3. Covered Entity. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Lake Havasu Schools Employee Benefit Trust. Business associate provides utilization review services on behalf of various Covered Entities.

1.1.4. HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

1.1.5. "Protected Health Information" ("PHI") shall have the same meaning as the term "Protected Health Information" in the Security and Privacy Rules, limited to the information received by BA from, or on behalf of the covered Entities.

1.1.6. "Electronic Protected Health Information" ("ePHI") shall have the same meaning as the term "Electronic Protected Health Information" in 45 C.F.R. §160.103.

1.2. HIPAA Readiness. Business Associate agrees that it will be fully compliant with the requirements of the HIPAA Rules by the compliance dates established under the HIPAA Rules, and Electronic Transactions Rule, if applicable, and will provide the Plan with written certification of such compliance on or before such compliance date[s].

1.3. Changes in Law. Business Associate agrees that it will comply with any changes in HIPAA and the HIPAA Rules, and the Electronic Transactions Rule, if applicable, by the compliance date established for any such changes and will provide the Plan with written certification of such compliance. If, due to such a change, either or both of the parties are no longer required to treat Protected Health Information in the manner provided for in this Agreement, the parties shall renegotiate this Agreement, subject to the requirements of Section 6. Any such renegotiation shall occur as soon as practicable following the occurrence of the change.

1.4. Nature of Relationship. The parties acknowledge that:

1.4.1. The Parties to this Agreement are the Covered Entity and the Business Associate.

1.4.2. To the extent that the Plan is required to take any action, or that Business Associate is required to communicate with the Plan, such action shall in fact be taken by, and such communication shall be made to, the Trust Consultant of the Covered Entity.

2. TREATMENT OF PROTECTED HEALTH INFORMATION

2.1. Permitted Uses and Disclosures of Protected Health Information.

2.1.1. Uses and Disclosures on Behalf of the Plan. Business Associate may use PHI in its possession to perform the services set forth in the Underlying Agreement.

2.1.2. Other Permitted Uses and Disclosures. In addition to the uses and disclosures set forth in Section 2.1.1, Business Associate may use or disclose Protected Health Information under Subpart E, the HIPAA Privacy Rule, of 45 CFR Part 164, to comply with the requirements of Subpart E that apply to the Covered Entity in the performance of the Agreement obligations received from, or created or received on behalf of, the Plan under the following circumstances:

2.1.2.1. Use of Protected Health Information for Management, Administration, and Legal Responsibilities. Business Associate is permitted to use Protected Health Information if necessary for the proper management and administration of Business Associate or to carry out legal responsibilities of Business Associate.

2.1.2.2. Disclosure of Protected Health Information for Management, Administration, and Legal Responsibilities. Business Associate is permitted to disclose Protected Health Information if necessary for the proper management and administration of Business Associate, or to carry out legal responsibilities of Business Associate, provided that the disclosure is required by law, or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, the person will use appropriate safeguards to prevent use or disclosure of the information, and the person will notify Business Associate immediately of any instance of which it is aware in which the confidentiality of the Protected Health Information has been breached.

2.1.2.3. Data Aggregation Services. Business Associate is also permitted to use or disclose Protected Health Information to provide data aggregation services, as that term is defined by 45 CFR 164.501, relating to the health care operations of the Covered Entity.

2.1.3. Further Uses Prohibited. Except as provided in Section 2.1.1 and Section 2.1.2. Business Associate is prohibited from further using or disclosing any information received from the Covered Entity, or from any other Business Associate of the Covered Entity, for any commercial purposes of Business Associate, including, for example, "data mining."

2.2. Minimum Necessary. Business Associate agrees to make uses and disclosures and requests for Protected Health Information consistent with the minimum necessary standards as set forth in 164.502(b).

2.3. Prohibited, Unlawful, or Unauthorized Use and Disclosure of Protected Health Information. Business Associate shall not use or further disclose any Protected Health Information received from, or created or received on behalf of, the Plan, in a manner that would violate the requirements of the Privacy Rule, if done by the Covered Entity.

2.4. Required Safeguards. Business Associate shall use all appropriate safeguards, and comply with Subpart C, the HIPAA Security Rule, of 45 CFR Part 164 with respect to Electronic Protected Health Information to prevent use or disclosure of Protected Health Information received from, or created or received on behalf of, the Covered Entity other than as provided for in this Agreement or as required by law. These safeguards will include, but not be limited to:

2.4.1. Employee /Contractor Education on HIPAA

2.4.1.1. Create a training plan that includes HIPAA and internal policies and procedures pertaining to HIPAA;

2.4.1.2. Provide training to all employees, contractors and subcontractors on HIPAA and how the regulations help to prevent the improper use or disclosure of Protected Health Information;

2.4.1.3. Document training completion and testing outcomes. Retain training records; and

2.4.1.4. Update and repeat training on a regular (annual) basis

2.4.2. Administrative Safeguards

2.4.2.1. Adopt policies and procedures regarding the safeguarding of Protected Health Information, including a Risk Analysis; and

2.4.2.2. Enforce those policies and procedures, including sanctions for anyone found not in compliance.

2.4.3. Technical and Physical Safeguards

2.4.3.1. Implement appropriate technical safeguards to protect Protected Health Information, including access controls, authentication and transmission security; and

2.4.3.2. Implement appropriate physical safeguards to protect Protected Health Information, including workstation security and device and media controls.

2.5. Mitigation of Improper Uses or Disclosures. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

2.6. Reporting of Unauthorized Uses and Disclosures. Business Associate shall promptly report in writing to the Covered Entity any use or disclosure of Protected Health Information or a security incident not provided for under this Agreement as required at 45 CFR 164.410, of which Business Associate becomes aware, but in no event later than 10 business days of first learning of any such use or disclosure. Business Associate agrees that if any of its employees, agents, subcontractors, and representatives use or disclose Protected Health Information received from, or created or received on behalf of, the Covered Entity, or any derivative De-identified Information in a manner not provided for in this Agreement, Business Associate shall ensure that such employees, agents, subcontractors, and representatives shall receive training on Business Associate's procedures for compliance with the HIPAA Rules, or shall be sanctioned or prevented from accessing any Protected Health Information Business Associate receives from, or creates or receives on behalf of, the Plan. Continued use of Protected Health Information in a manner contrary to the terms of this agreement shall constitute a material breach of this Agreement.

2.7. Access to Protected Health Information. Within 10 days of a request by the Covered Entity on behalf of an individual, Business Associate agrees to make available to the Covered Entity per 45 CFR 164.524 (or, at the direction of the Covered Entity, the Plan participant) any relevant Protected Health Information in either paper or electronic format received from, or created or received on behalf of, the Plan in accordance with the Privacy Rule. If Business Associate receives, directly or indirectly, a request from an individual requesting Protected Health Information, Business Associate shall notify the Plan in writing promptly of such individual's request no later than 5 business days of receiving such a request. Business Associate shall not give any individual access to Protected Health Information unless such access is approved by the Plan.

2.8. Amendment of Protected Health Information. Within 10 days of a request by the Covered Entity, Business Associate agrees to make available to the Covered Entity any relevant Protected Health Information per 45 CFR 164.526 received from, or created or received on behalf of, the Plan so the Plan may fulfill its obligations to amend such Protected Health Information pursuant to the Privacy Rule. At the direction of the Plan, Business Associate shall incorporate any amendments to Protected Health Information into any and all Protected Health Information Business Associate maintains. If Business Associate receives, directly or indirectly, a request from an individual requesting an amendment of Protected Health Information, Business Associate shall notify the Plan in writing promptly of such individual's request no later than 5 business days of receiving such a request. Business Associate shall not amend any Protected Health Information at the request of an individual unless directed by the Plan. The Plan shall have full discretion to determine whether the requested amendment shall occur.

2.9. Accounting of Disclosures. Business Associate shall maintain an accounting of disclosures of Protected Health Information it receives from, or creates or receives on behalf of, the Covered Entity in accordance with the Privacy Rule. Within 10 days of a request by the Covered Entity, Business Associate shall make available to the Covered Entity, or, at the direction of the Covered Entity, the Plan participant, the information required to provide an accounting of disclosures in accordance with 45 CFR § 164.528. If Business Associate receives, directly or indirectly, a request from an individual requesting an accounting of disclosures of Protected Health Information, Business Associate shall notify the Covered Entity in writing promptly of such individual's request no later than 5 business days of receiving such a request. Business Associate shall not provide such an accounting at the request of an individual unless directed by the Covered Entity. The Covered Entity shall have full discretion to determine whether the requested accounting shall occur.

2.10. Restrictions and Confidential Communications. Business Associate shall, upon notice from the Covered Entity in accordance with Section 4.4, accommodate any restriction per 45 CFR 164.522 to the use or disclosure of Protected Health Information and any request for confidential communications to which the Plan has agreed in accordance with the Privacy Rule.

2.11. Subcontractors. In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, Business Associate shall ensure that any of its agents, including any subcontractor, to whom it provides Protected Health Information received from, or created, received, maintained or transmitted on behalf of, the Plan agree to all of the same or substantially similar restrictions, conditions and requirements contained in this Agreement or the HIPAA Rules that apply to Business Associate with respect to such information. Business Associate shall not assign any of its rights or obligations under this Agreement without the prior written consent of the Covered Entity.

2.12. Audit.

2.12.1. Audit by Secretary of Health and Human Services. Business Associate shall make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received on behalf of, the Covered Entity, available to the Secretary of Health and Human Services upon request for purposes of determining the Covered Entity's compliance with the HIPAA Rules.

2.12.2. Audit by the Covered Entity. Business Associate shall make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received on behalf of, the Covered Entity, available to the Covered Entity, within 30 business days of the Covered Entity's request for the purposes of monitoring Business Associate's compliance with this Agreement, the HIPAA Rules, and other applicable law.

3. STANDARD ELECTRONIC TRANSACTIONS.

The following section applies if this Business Associate will engage in standardized transactions.

3.1. The parties agree that Business Associate shall, on behalf of the Covered Entity, transmit data for transactions that are required to be conducted in standardized format under the Electronic Transactions Rule.

3.2. Business Associate shall comply with the Electronic Transactions Rule for all transactions conducted on behalf of the Covered Entity that are required to be in standardized format.

3.3. Business Associate shall ensure that any of its subcontractors to whom it delegates any of its duties under its contract with the Plan, agrees to conduct and agrees to require its agents or subcontractors to comply with the Electronic Transactions Rule for all transactions conducted on behalf of the Covered Entity that are required to be in standardized format.

4. OBLIGATIONS OF COVERED ENTITY

4.1. Notice of Privacy Practices. The Covered Entity shall provide Business Associate with the notice of privacy practices that the plan produces in accordance with 45 CFR 164.520, as well as any changes to such notice.

4.2. Revocation of Permission. The Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by any individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

4.3. Notice of Restrictions. The Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that the Covered Entity has agreed to in accordance with 45 CFR § 164.522.

4.4. Notice of Restrictions and Confidential Communications. The Covered Entity shall notify Business Associate of any restriction on the use or disclosure of Protected Health Information and any request for confidential communications to which, in accordance with the HIPAA Rules, the Covered Entity has agreed.

4.5. Permissible Requests by the Covered Entity. Except as provided in Section 2.1, the Covered Entity shall not request that Business Associate use or disclose Protected Health Information in any manner that would not be permissible under the HIPAA Rules if done by the Covered Entity.

5. LIABILITY

5.1. Indemnification. Business Associate shall be solely responsible for, and shall indemnify and hold the Covered Entity harmless from any and all claims, damages, or

causes of action (including the Covered Entity's reasonable attorneys' fees) arising out of the acts or omissions of Business Associate or Business Associate's employees, agents, and subcontractors, and Business Associate will pay all losses, costs, liabilities, and expenses agreed to in settlement of, or in compromise of, or finally awarded the Plan in connection with such claims or actions. The Covered Entity shall notify Business Associate promptly of any action or claims threatened against or received by the Covered Entity and provide Business Associate with such cooperation, information, and assistance as Business Associate shall reasonably request in connection therewith. This Section 5.1 shall survive the termination of this Agreement.

5.2. Insurance Coverage. Business Associate agrees that it will purchase, if available and at its own expense, an insurance policy that will insure against any violations of the Privacy Rule by Business Associate or its employees, agents, subcontractors, and representatives with respect to Protected Health Information it receives from, or creates or receives on behalf of, the Covered Entity. Such insurance policy will be effective no later than the Effective Date of this Agreement.

6. AMENDMENT AND TERMINATION

6.1. Term. The term of this Agreement shall be effective as the Effective Date and shall terminate at the termination of the Underlying Agreement or on the date the Covered Entity terminates for cause as authorized in 6.2.

6.2. Termination for Violation of Agreement. If the, Covered Entity, in its sole discretion, determines that Business Associate has violated a material term of this Agreement with respect to Protected Health Information it receives from, or creates or receives on behalf of, Covered Entity, this Agreement may be terminated by the Plan effective upon Business Associate's receipt of written notice from the Covered Entity, provided that Business Associate shall continue to comply with Section 6.4 after termination of this Agreement.

6.3. Termination of Underlying Agreement. This Agreement shall terminate upon the termination of the Underlying Agreement, provided that Business Associate shall continue to comply with Section 6.4 hereof after termination of this Agreement.

6.4. Additional Obligations of Business Associate Upon termination.

Upon termination of this Agreement for any reason, business associate, with respect to Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

1. Retain only that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

2. Return to Covered Entity or, if agreed to by covered entity, destroy the remaining Protected Health Information that the Business Associate still maintains in any form;

3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic Protected Health Information to prevent use or

disclosure of the Protected Health Information, other than as provided for in this Section, for as long as Business Associate retains the Protected Health Information;

4. Not use or disclose the Protected Health Information retained by Business Associate other than for the purposes for which such Protected Health Information was retained and subject to the same conditions set out at in Section 2 above, which applied prior to termination;

5. Return to Covered Entity or, if agreed to by Covered Entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities; and

6. Upon direction from the Covered Entity, the Business Associate will transmit the Protected Health Information to another Business Associate of the Covered Entity at termination.

7. Survival. The obligations of business associate under this Section 6.4 shall survive the termination of this Agreement.

6.5. Amendment to Comply with Law. The Parties acknowledge that state and federal laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments, The Parties agree to take such action as is necessary to comply with the standards and requirements of HIPAA, the HIPAA Regulations and other applicable laws relating to the security or confidentiality of PHI. Upon either Party's request, the other Party agrees to promptly enter into negotiations concerning the terms of an amendment to this Agreement

7. MISCELLANEOUS PROVISIONS

7.1. Third-Party Beneficiary. No individual or entity is intended to be a third-party beneficiary to this Agreement or the Underlying Agreement, if separate.

7.2. Severability. If any term or other provision of this Agreement is determined to be invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to affect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible. If any provisions of this Agreement shall be held by a court of competent jurisdiction to be no longer required by the Privacy Rule, the parties shall exercise their best efforts to determine whether such provision shall be retained, replaced, or modified.

7.3. Procedures. The parties shall comply with procedures mutually agreed upon by the parties to facilitate compliance with HIPAA Rules, including procedures for employee

sanctions and procedures designed to mitigate the harmful effects of any improper use or disclosure of the Plan's Protected Health Information.

7.4. Regulatory Reference. A reference in this Agreement to a section of the HIPAA Rules meant the section as in effect, or as amended.

7.5. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona except to the extent federal law applies. The parties hereby submit to the jurisdiction of the courts located in the State of Arizona including any appellate court thereof.

7.6. Headings. The headings and subheadings of the Agreement have been inserted for convenience of reference only and shall not affect the construction of the provisions of the Agreement.

7.7. Cooperation. The parties shall agree to cooperate and to comply with procedures mutually agreed upon to facilitate compliance with the Privacy Rule, including procedures designed to mitigate the harmful effects of any improper use or disclosure of the Plan's Protected Health Information.

7.8. Notice. Other than notices specifically required by law, Notice under this agreement shall be given in the manner and to those persons or entities that are to be provided notice in the Underlying Agreement.

7.9. Survival. The obligations of the Business Associate under this Section shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this BA Agreement to be signed and delivered by their duly authorized representatives, as of the BA Agreement Effective Date.

BUSINESS ASSOCIATE:	**COVERED ENTITY:**
Gilsbar, LLC	**Lake Havasu Schools Employee Benefit Trust**
By: _____	By: _____
Print Name: _____	Print Name: _____
Print Title: _____	Print Title: _____

ECA
Erin P. Collins & Associates, Inc.

Phone: 928.753.4700 x302
Fax: 877.866.5732
1115 Stockton Hill Rd., Ste. 101
Kingman, AZ 86401
jaimes@ecollinsandassociates.com

MEMORANDUM

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**
Jaime Schulenberg, Sr. Account Manager

DATE: January 11, 2019

RE: Clinic Closure & Inventory

As Trustees are aware, the Health & Wellness Clinic closed effective December 31, 2018.

ECA has secured the building (obtained keys and updated all of the alarm codes) as well as inventoried everything remaining on-site. In addition, I supervised the removal of all of Cerner's equipment on January 03, 2019. We have provided a key and alarm code to the owner's realtor for purposes of showing the property in the hopes that it will be leased prior to the end of the Trust's term.

With regard to the inventory, Cerner left behind fairly large quantities of medical supplies, some office supplies and, of course, the furniture and fixtures, all of which belong to the Trust. Chairperson Cox has been in contact with the District staff about disposition of what is remaining and will discuss with Trustees options for same.

I will provide the inventory list ahead of Thursday's meeting for your reference and information.

If you have any questions between now and the date of the meeting, I can be reached at (928) 753-4700 ext. 302 or via email at jaimes@ecollinsandassociates.com.

ECA
Erin P. Collins & Associates, Inc.

Phone: 928.753.4700 x302
Fax: 877.866.5732
1115 Stockton Hill Rd., Ste. 101
Kingman, AZ 86401
jaimes@ecollinsandassociates.com

MEMORANDUM

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**
Jaime Schulenberg, Sr. Account Manager

DATE: January 10, 2019

RE: Incurred But Not Paid (IBNP) Analysis

The Incurred but Not Paid (IBNP) claim reserve calculation is provided annually by the Trust's contracted actuary, Cheiron, and provides an estimate of outstanding claim payments for services already delivered to plan members, but for which the claim has not yet been received by the Trust for payment. The IBNP estimate also includes an administrative settlement expense based on the actual contractual obligation associated with paying IBNP claims in the situation of a plan closure.

The IBNP liability for the 2017-18 Plan year is reported at $655,000. There was no IBNP calculation prior to the 2017-18 plan year so we are unable to provide a comparison, however, going forward, we will report on how this number has changed (and why) when the analysis is presented.

This item is for your information only and does not require approval by Trustees.

If you have any questions between now and the date of the meeting, I can be reached at (928) 753-4700 ext. 302 or via email at jaimes@ecollinsandassociates.com.

Via Electronic Mail

October 30, 2018

Ms. Jaime Schulenberg
Sr. Account Manager
Erin P. Collins & Associates, Inc.
1115 Stockton Hill Road #101
Kingman, Arizona 86401

Re: 6/30/2018 Incurred But Not Paid (IBNP) Claims Reserves

Dear Jaime:

We have completed our analysis of the Lake Havasu Unified School District's (LHUSD's) liability for claims that were incurred but not paid (IBNP) as of June 30, 2018.

The IBNP liability is calculated following the close of each fiscal year so that it can be reflected in the Plan's audited financial statements in accordance with generally accepted accounting practices. The claims liability as of June 30, 2018 was calculated based on actual LHUSD experience data. Please see the attachments for additional details on the methods and data used to calculate the figures in this letter.

Results

Our projected ending claims run-out amounts by coverage as of June 30, 2018 are shown in the following table.

IBNP as of June 30, 2018

	IBNP as of June 30, 2018
Medical/Drugs	$ 548,000
Dental	18,000
Administration	89,000
Total	$ 655,000

The methodologies used to estimate the liability for all of these coverages are described in the Attachment 2 - Methodology & Assumptions.

The figures contained in this analysis were prepared for the sole purpose of estimating LHUSD's liability for IBNP claims. This letter was prepared for LHUSD and is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party. In preparing this letter, we relied on information (some oral and some written) supplied by ECA and some of LHUSD's health vendors. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

The results of this letter rely on future plan experience conforming to the underlying assumptions and methods outlined in this report. To the extent that the actual plan experience deviates from the underlying assumptions and methods, or there are any changes in plan provisions or applicable laws, the results would vary accordingly.

To the best of my knowledge, this letter and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices that are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this letter. This letter does not address any contractual or legal issues. I am not an attorney and our firm does not provide any legal services or advice.

Should you or the Trustees have any questions or would like additional information or analyses, please contact us.

Sincerely,
Cheiron

Michael Schionning, FSA, MAAA
Principal Consulting Actuary

Attachments

ATTACHMENT 1 - DATA SOURCES

Premium and Expense Information: We received the following spreadsheets containing both claim lag and aggregate payments for the following:

1) Medical claims
2) Prescription drug claims
3) Dental claims
4) Claim lag tables
5) Administrative expenses associated with plan settlement activities

ATTACHMENT 2 - METHODOLOGY & ASSUMPTIONS

Methodology:

To establish IBNP reserves as of June 30, 2018, we have examined each Plan's actual incurred and paid claims for the last 12 months from the data provided. We created lag tables from July 1, 2017 through June 30, 2018.

Our estimates include all claims incurred but not indicated as paid in the databases. Our estimates do not include: i) a "checks not cleared" component of the unpaid liability, which is the average days between the claim paid date and the date the check is cashed, or ii) lag time for invoices received, but not yet processed or paid.

In estimating the IBNP, we developed completion factors and applied them to the claim lag table. For dates of service in May and June 2018, we used a blend of the completion factor method and Projected Paid Lag Per Person Per Month (PPPM) method. Both methods use previous patterns of payments (number of months from incurred month to paid month) to estimate incurred claims from those paid to date. The completion factor method uses ratios, and the Projected Paid Lag PPPM method uses a trended average projected dollar amount paid by covered person for each lag month.

The chart below shows the weights assigned to the Projected Paid Lag PPPM method in calculating the amount to weight the results of the two methods.

Weight Given to Projected Paid Lag PPPM Method		
	May 2018	**June 2018**
Medical	50%	100%

The average of one month of claims is used to estimate the IBNP for dental claims.

Assumptions:

Trend assumptions used for the Projected Paid Lag PPPM method are as follows:

8% Medical
8% Pharmacy
4% Dental

ECA
Erin P. Collins & Associates, Inc.

Phone: 928.753.4700 x302
Fax: 877.866.5732
1115 Stockton Hill Rd., Ste. 101
Kingman, AZ 86401
jaimes@ecollinsandassociates.com

MEMORANDUM

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**
Jaime Schulenberg, Sr. Account Manager

DATE: January 11, 2019

RE: Teladoc

As Trustees are aware, Teladoc was implemented effective January 01, 2019.

First, I want to update you on the program:

- Gilsbar is providing an eligibility file to Teladoc on a regularly scheduled basis;
- The District sent out flyers and information reminding employees about the availability of Teladoc;
- ECA is working on the final details of a "Registration Campaign" which will encourage members to register via the mobile app or website before they need services. Members who register will be entered into a drawing for prizes;
- Thereafter, ECA will work with the District to provide ongoing, regular communication to encourage utilization.

Next, we have come across an issue which requires Trustee discussion and decision.

A member contacted us to find out how to enroll their dependent for Teladoc who is not covered under the medical plan. We set up the program to cover employees and their dependents who are covered under the LHSEBT, since that is where payment for the services is derived.

We were reminded that during the presentation of Teladoc and its capabilities, Courtney Healey mentioned that family members could be covered regardless of health plan enrollment; we (ECA) took that as an option available rather than a decision to implement the plan that way, however, information was sent to employees that noted that option.

I spoke with Teladoc and they can amend the platform to allow eligible members to enroll their non-covered dependents, however, there are some concerns with this approach:

- If we make this change, the dependent eligibility information from Gilsbar will NOT be automatically loaded; instead, each eligible employee who wants a dependent to receive services would have to load them individually to the platform.

- I inquired if we could require non-covered dependents to pay the $45 consultation fee currently being covered by the Trust in full; the answer is no.

- Current pricing is based on 40% utilization; if that target is exceeded, pricing will increase at renewal. My concern is that based on the cost of dependent coverage, it is entirely possible that a lot of non-covered dependents may get enrolled on the platform and drive up utilization.

- Utilization by non-enrolled dependents was not included in the actuary's cost analysis for the addition of this benefit, so it is possible that there are additional costs that would impact the overall Trust.

It is our recommendation that if the Trust wants to provide Teladoc services to dependents who are not covered under the medical plan, that this item be reviewed as part of the 2019-20 renewal for possible implementation July 01, 2019.

If you have any questions between now and the date of the meeting, I can be reached at (928) 753-4700 ext. 302 or via email at jaimes@ecollinsandassociates.com.

ECA
Erin P. Collins & Associates, Inc.

Phone: 928.753.4700 x302
Fax: 877.866.5732
1115 Stockton Hill Rd., Ste. 101
Kingman, AZ 86401
jaimes@ecollinsandassociates.com

MEMORANDUM

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**
Jaime Schulenberg, Sr. Account Manager

DATE: January 10, 2019

RE: October 18, 2018 Regular and Executive Meeting Minutes

Attached are the minutes from the Trust meeting held October 18, 2018. Please note that Executive Meeting Minutes will be distributed for your review at the meeting in accordance with guidance from legal counsel.

We would request approval of the minutes as presented.

If you should have any questions between now and the date of the meeting, feel free to call or email me at (928) 753-4700 x302 or jaimes@ecollinsandassociates.com.

LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST
2200 Havasupai Blvd., Lake Havasu City, AZ 86403

Trust Board Minutes
October 18, 2018

REGULAR MEETING:

1. Routine Opening of Meeting – Call to Order

The Regular Meeting of the Board of Trustees of the Lake Havasu Schools Employee Benefit Trust was called to order by Trust Chairperson, Marcia Cox, in the District Boardroom, 2200 Havasupai Blvd., Lake Havasu City, Arizona at 5:01 p.m. on October 18, 2018.

1.1 Roll Call

BOARD MEMBERS PRESENT:	Marcia Cox, Chairperson Hal Christiansen, Vice Chairperson Amy Barney, Trustee Pat Rooney, Trustee
BOARD MEMBERS ABSENT:	Dr. Fadi Atassi, Trustee Julie Sasseen, Trustee
GOVERNING BOARD MEMBERS PRESENT:	John Masden, President
ADMINISTRATION PRESENT:	
OTHERS:	Erin Collins, ECA – Broker/Consultant Storm Kinion, ECA – Broker/Consultant 5 Others

1.2 Pledge of Allegiance/Moment of Silence

1.3 Call for an Executive Session

Mr. Collins suggested a brief Executive Session may be in order to discuss the contract for Prescription Benefits Management (PBM) Services in reference to the renewal of the contract with Wisconsin Rx.

Trustee Barney moved to adjourn to Executive Session regarding the PBM contract renewal, as recommended, seconded by Vice Chairperson Christiansen and unanimously approved.

Regular session resumed at 5:22 p.m.

2. Call to the Public – None

3. Old Business

3.1 Update on Void Contracts

Mr. Collins updated the Board on the review of 6 contracts found to be void advising that 4 of them were renegotiated as follows:

A. American Health Group (AHG) - The contract now includes improved protections for the Trust including mutual indemnification and updated language that prohibits AHG from taking any revenue other than the fee. It also has non-collusion and standard cancellation provisions, utilizes a standard contract format that complies with the statute and favors the Trust to protect its fiduciaries.

B. GDK, Mike Bonney's contract, was reviewed; the format did not change but contains adequate language to protect the Trust. Mr. Collins noted that the Board may wish to review the necessity of GDK's services in in the future as eventually GDK and ECA will be duplicating statements as Mr. Bonney moves to an accrual basis.

C. Wisconsin Rx offered a 3-year contract on a calendar year basis. This the 2nd largest area of expense behind medical and ECA requested alignment of the contract to a fiscal year instead of calendar year and/or an extension in order to review options; Wisconsin Rx declined on both counts stating it is a national contract and they do not make changes or adjustments.

   If Rx is to go to bid there are 3 elements of penalty:

   1. If it cancels mid-term, whatever rebates have not been paid would be forfeited by the Trust;
   2. There is a $5.00 per participant one-time fee that Wisconsin Rx offered to waive; and
   3. A potential concern with language stating they (Wisconsin Rx) retain the right, in addition to the aforementioned penalties, to any other additional recoveries or any other remedy available in law or equity.

   When the Trust goes to bid it needs to be done through a competitive process for complete transparency. Anytime you change a PBM there is a potential for a tremendous amount of member disruption; each PBM has their own formularies and tiers that can vary dramatically. Based on this information, staff recommends renewing the contract with the current PBM.

D. Blue Cross Blue Shield provided an updated contract including all amendments since the date of original inception. In addition, the Rate Acceptance Form for the plan year that began July 01, 2018 was requested for retroactive approval of the prior Chairperson's signature.

The last two outstanding contracts are Ameritas (dental) and Gilsbar (third-party administrator). For Ameritas, ECA requested some minor changes which are being

reviewed by their attorney. ECA has moved the Gilsbar contract to the same core document used for AHG. There are some minor changes currently under review with their legal counsel. It is anticipated the final two will be ready by the next meeting of the Trust.

ECA recommends approval of the AHG, GDK, Wisconsin Rx and BCBSAZ as presented.

Regarding the BCBSAZ approval, Mr. Collins asked that whoever moves to approve to include a statement that the Board retroactively approves the prior Chairperson's signature.

Vice Chairperson Christiansen inquired about the earlier conversation regarding the ongoing need for GDK's CPA services. Mr. Collins indicated eventually services would be duplicated since ECA provides financial reporting on an accrual basis. The discussion concluded that for the minimal price of $300.00 per month there was a level of comfort getting the reports from GDK quarterly.

Chairperson Cox inquired if audits for the School Board were treated the same for the EBT. She stated she understood the school board couldn't use the same auditor more than 3-years in a row; on the 4th year they would need to use a new auditor. Mr. Murray confirmed the auditor procurement requirement however was unsure if the audit for the EBT was different. Chairperson Cox asked Mr. Collins to determine what the requirements were for the EBT, especially in relation to the change in the State District policy brought up by Governing Board President Masden.

Vice Chairperson Christiansen moved to approve 3 contract agreements for AHG, GDK and Wisconsin Rx with Chairperson Cox authorized to sign, seconded by Trustee Barney and unanimously approved.

Vice Chairperson Christiansen moved to approve the BCBSAZ contract and approve Kari Thompson's signature on the 07/01/18 Rate Acceptance Form, seconded by Trustee Barney and unanimously approved.

3.2 Update on 07/01/18 Prescription Co-Pay Implementation

While performing an audit, ECA discovered that the forms required to implement the approved co-pays was not provided to CVS/Caremark. As a result, the Trust was charging lower co-pays than what had been authorized. ECA requested CVS run a report from the effective date to the change date in order to determine the difference in what the Trust should have paid and what they actually paid as a result of the error. Mr. Collins provided a check to Mr. Murray in the amount of $1,839.57 along with an apology to the Trust. Vice Chairperson Christiansen thanked Mr. Collins for check.

Vice Chairperson Christiansen moved to accept the check, seconded by Trustee Barney and unanimously approved.

4. New Business

4.1 Approval of Meeting Minutes: July 19, August 20, August 29, and September 12, 2018.

Chairperson Cox reported all meeting minutes have been distributed electronically to all members over the past few months and all changes she has made have been corrected.

Mr. Collins reminded the Board they also had Executive Session Minutes which they are approving. Ms. Kinion will collect the Executive Session Minutes at the end of the meeting.

Vice Chairperson Christiansen moved to approve all meeting minutes for July 19, August 20, August 29 and September 12, 2018 including Executive Sessions as presented, seconded by Trustee Barney and unanimously approved.

4.2 Review of Financial Report through July 31, 2018

Mr. Collins reviewed the financial report for the month ended July 31, 2018. He noted there were a couple of anomalies he wanted to bring to the Board's attention:

A. There was an overall loss of $120,00.00 that appears to be related to very low revenue over what was budgeted. ECA believes this is related to different withholding schedules, some being on 9-month while others are on a 12-month basis, as well as a July payment which was made in June.

B. The actuary/legal tend to run high at the beginning of the year and then tend to level out.

C. The Patient Center Outcomes Research Institute (PCORI), a federal charge, is at 961%. PCORI is a one-time charge, budgeted over 12-months, so that percentage will come in line as the year progresses.

Chairperson Cox brought up the Cerner transaction fee invoice they did not receive for July and inquired about the status. Mr. Collins reported ECA did receive an invoice, however it did not align with the credit. There is an indication of error; Ms. Schulenberg is working with Cerner to obtain the corrected invoice. The Trust will only see this invoice once it has been corrected. Chairperson Cox understood Mr. Collins has limited knowledge of the situation as Ms. Schulenberg has been working on the issue, her concern is ensuring the Trust receives the full credit.

Mr. Collins explained to the Board they would receive the financial reports monthly, typically by the third week.

Chairperson Cox inquired if there was a list being developed to indicate what property is owned by Cerner and what property is owned by LHS. Mr. Collins reported the list is being developed.

Vice Chairperson Christiansen reported the realtor who is representing the owner did a walk-though on 10/17/2018 and indicated they would begin marketing with the next couple weeks, around the first of November. He also said the marketing would state the tenants were not to be disturbed. It is expected to be available 02/01/2018.

Vice Chairperson Christiansen moved to accept the financial reports through 07/31/2018, seconded by Trustee Barney and unanimously approved.

4.3 Discussion and Possible Action re Emergency Checks at District Office

Previously, there were pre-signed emergency checks in the safe in the District Office in the event of an unexpected emergency, or expense requiring immediate attention. Upon the departure of the former Chairperson, the pre-signed checks were destroyed. Chairperson Cox is uncomfortable with pre-signed checks and does not want to revert to using them. Mr. Collins offered two suggestions to resolve the issue: 1) Have Gilsbar expedite a payment, however, because they use a 3rd party vendor, it is unknown how quickly the payment would be processed and received; or 2) ECA can write a check and then be reimbursed by the Trust. Chairperson Cox thought it a little odd that ECA would write a check for the Trust. Mr. Collins pointed out that ECA would not pay a bill without written authorization from the Chairperson and the reimbursement would be submitted with a cover letter, invoice and ECA check number. The reimbursement must be approved by the Chairperson. Mr. Murray indicated he was uncomfortable with pre-signed checks and felt having ECA write the checks would be "cleaner." Trustee Barney inquired how often this might come up; Mr. Collins indicated probably not more than 2-3 times per year. He also indicated he feels that once the Clinic is gone there will be much less of a need for emergency funds as many of the issues requiring them have been due to the Clinic. Chairperson Cox said if ECA is comfortable with the process she is as well. Trustee Barney and Vice Chairperson Christiansen indicated they were also comfortable with the process.

Vice Chairperson Christiansen moved to no longer use pre-signed checks and for infrequent occasions where an expense must be paid immediately, subject to ECA's ability to do so, ECA will cut a check and seek reimbursement on a written authorization for the exact amount, authorized by the Chairperson, seconded by Trustee Barney and unanimously approved.

4.4 Presentation of Clinic Report

No Action. ECA was notified there was no representative able to attend from Cerner.

Vice Chairperson Christiansen moved to postpone the presentation of the clinic report, seconded by Trustee Barney and unanimously approved.

4.5 Administrative Update

Mr. Collins reported ECA has notified Gilsbar and CVS of the January 01, 2019 changes approved by the Board and is working with District staff to do a mid-year open enrollment.

ECA is also working with the District regarding employee meetings that may need to be offered.
Mr. Collins reported that the Teladoc contract had been signed and would be effective January 01, 2019. Gilsbar and Teladoc are working on the eligibility feed with no issues to date. ECA anticipates working with Teladoc on employee education as ECA has done in the past and on marketing strategies, i.e. If an employee registers for Teladoc they are enrolled in a drawing for an ear thermometer.
ECA is also working with Mike Schionning on the IBNP (Incurred but not Paid) calculation. The IBNP will be for the period ending 06/30/18 and represents claims which are incurred but have not been paid and includes an administrative expense component which is relevant if the Trust were to ever shut down. Once the analysis is complete, it will be presented to Trustees for review and incorporated into the financial reporting.

A member of the public asked when open enrollment was going to begin. Mr. Murray indicated the District is looking at November. This open enrollment will be done paper/pen and manually uploaded; in May of 2019 it will be done through Vision. This enrollment won't affect the masses, it will only affect those who want to make changes. Chairperson Cox inquired if everyone would be given the notice and Mr. Murry confirmed notices would be sent to all members. If the employee is happy with their plan, they do nothing, a decline is not required. Mr. Collins clarified this is a passive enrollment and agreed with Mr. Murray indicating he thought there would be approximately a 5% turn-out. Chairperson Cox indicated she wanted to make sure the notice went out frequently and in different avenues of communication to ensure everyone was aware of the enrollment. She also felt it was important for everyone to acknowledge they were making changes or accepting their current plan with no changes. Mr. Murray acknowledged they will have everyone indicate if they are making changes or declining changes. The public also wanted to ensure the members who did not come to the special meeting had a clear understanding of the upcoming changes; Mr. Murray advised he would work with ECA to ensure the packet of information was reader friendly. Trustee Barney reported she sent the benefit information to all district principals so they could push the information out.

Trustee Rooney reported this would be his last meeting. He thanked Chairperson Cox for leading the way to making changes to the EBT.

5. Adjournment
   Trustee Barney moved, seconded by Vice Chairperson Christiansen, to adjourn at 6:17 p.m.

Video of the entire meeting may be seen on the District website (www.havasu.k12.az.us) under EBT Documents.

Minutes of the Special Trust Board Meeting of October 18, 2018 are approved as submitted.

Marcia Cox, Chairperson

Hal Christiansen, Vice Chairperson

ECA
Erin P. Collins & Associates, Inc.

Phone: 928.753.4700 x305
Fax: 877.866.5732
1115 Stockton Hill Rd., Ste 101
Kingman, AZ 86401
stormk@ecollinsandassociates.com

MEMORANDUM

TO: **LHSEBT TRUSTEES**

FROM: **ECA Inc.**
Storm Kinion, Group Benefits Specialist

DATE: January 11, 2019

RE: Financial Summary for November 2018

Attached please find the LHSEBT financial report for the month ending November 30, 2018 for your review and information.

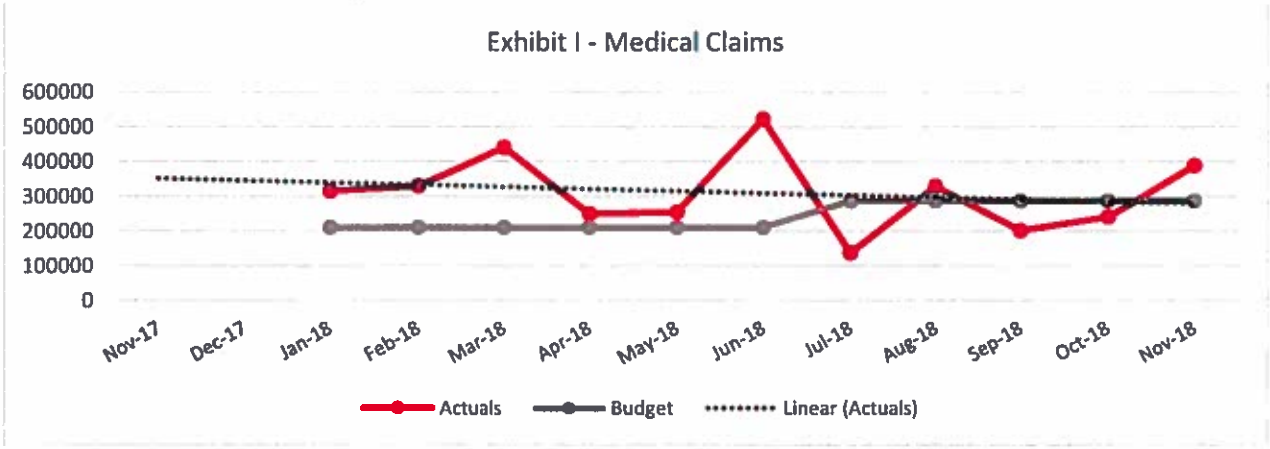
Below is a summary for your quick reference and information.

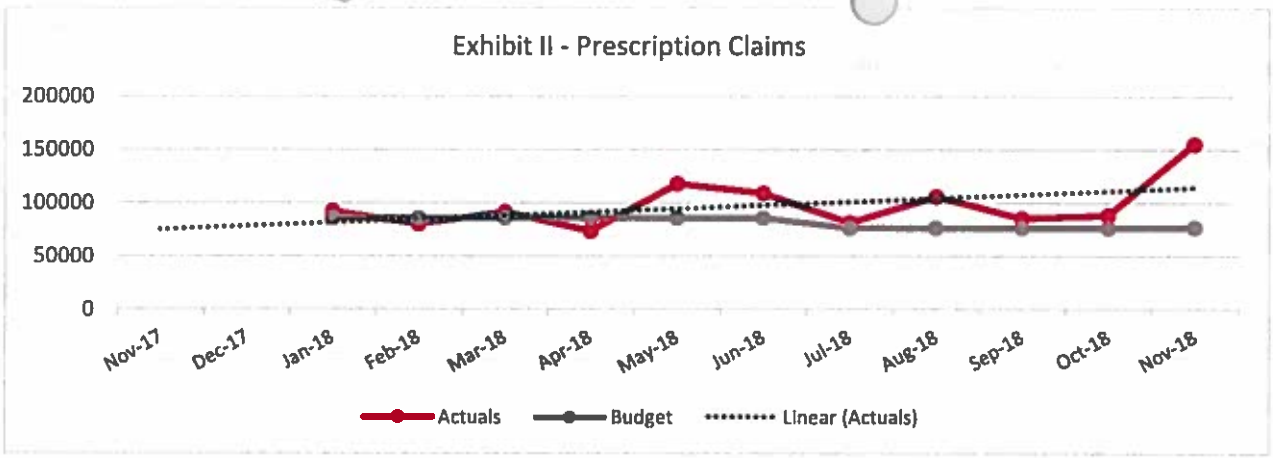
	November
REVENUE	$784,657
EXPENSES	
- Claims	$513,130
- Premiums	$53,534
- Claims Administration	$22,255
- General Operating	$70,784
Expense Total:	**$659,704**
Monthly Financial Position	**$124,953**
YTD Cash Position	**($217,464)**
All Years Cash Position	**$3,367,167**
Estimated IBNP Liability	**($1,181,055)**
All Years Surplus/Deficit Position	**$2,186,112**

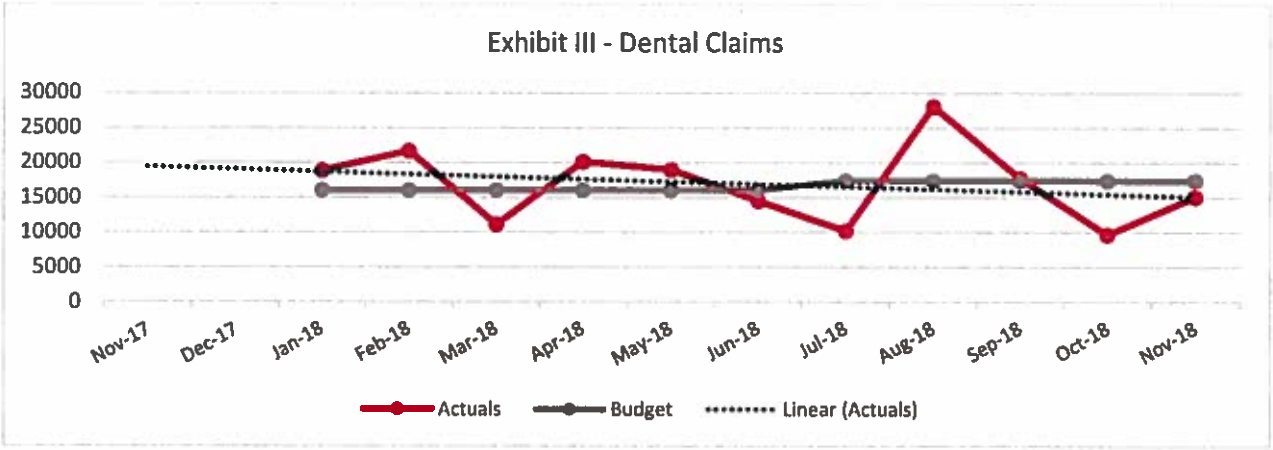
With regards to the November 2018 financial report, the following items merit your attention:

1. Gross Revenue in came in at 148% for the month and 81% for the year.
    a. Interest & Investment Income came in at 465% due to the Trust's ability to invest more funds that earned interest than originally anticipated.
    b. The Trust's cash position for the month came in at $124,953.
    c. The overall YTD deficit is primarily attributable to large claims.

2. Claim Funds include Medical, Rx and Dental claims as well as the Health & Wellness Center Lab and Rx charges, less any stop loss reimbursements and Rx rebates. This line item is running over budget 135% for the month and 87% for the year. More specifically, claims are running as follows (See Exhibits I, II and III below):
    a. Gold Plan Medical claims at 141%:
        i. Gold Plan medical claims are running over budget due to five large claims totaling $688,880.19;
    b. Silver Plan Medical claims at 12%;
    c. H&W Center Labs at 0%;
    d. Gold Plan Rx claims at 219%:
        i. Gold Plan Rx claims are running over budget for the month due to two large prescriptions totaling $66,681.62;
    e. Silver Plan Rx claims at 150%;
        i. Silver Plan Rx claims are running over budget due to high utilization.
    f. H&W Center Rx claims at 0%; and
    g. Dental claims at 86%.







3. Premiums are running at 104% for the month and at 98% for the year. Please note the following:
    a. STD is still running over budget at 123% due to residual changes that occurred during open enrollment.
    b. Basic Life is running high at 114% due to the census running over budget.

4. Claim Administration came in at 108% for the month. Please note the following:
    a. Several vendors under this category are paid on a per employee per month (PEPM) basis; as such, when the census runs over budget, those expenses paid using the PEPM methodology will also run over budget.
    b. AHG negotiated a discount on out-of-network services resulting in payment of a % of savings.

5. General Operating is running at 91% for the month; please note the following:
    a. Clinic Operating expenses are at 116% due to payment of property insurance totaling $2,173.00.

6. The Trust has 5 large claims that exceed 50% of the specific deductible, or $65,000, as of November 30, 2018. The 5 cases total $688,880 and three of the claims have exceeded the specific deductible of $130,000 by a total of $115,185.02, none of which has been received thus far. Gilsbar is in the process of seeking reimbursement. ECA will continue to monitor the large cases and keep the Board apprised.

Please note that figures used in this overview have been taken from the financial reports attached. The numbers are rounded, and therefore may not calculate to the penny.

If you have any questions on anything included here, please don't hesitate to contact me. I can be reached at your convenience at 928.753.4700 x305 or via email at skinion@ecollinsandassociates.com

c: Michael Murray, Director of Business Services

LHSEBT - Lake Havasu Schools Employee Benefit Trust

2018-19

Nov-18

	Annual Budget	MTD Budget	MTD Actual	YTD Budget	YTD Actual	% Total MTD	% Total YTD
GROSS REVENUE	*$6,374,085*	*$531,173.72*	*$784,657*	*$2,655,869*	*$2,146,859*	*147.72%*	*80.83%*
Contributions	$6,245,881	$520,490	$768,326	$2,602,450	$2,065,978	147.62%	79.39%
Interest & Investment Income	$16,932	$1,411	$6,561	$7,055	$29,516	464.98%	418.36%
COBRA/ASRS	$111,271	$9,273	$9,770	$46,363	$51,365	105.36%	110.79%
CLAIM FUNDS	*$4,571,912*	*$380,993*	*$513,130*	*$1,904,963*	*$1,652,901*	*134.68%*	*86.77%*
Medical (Gold)	$3,306,366	$275,530	$387,960	$1,377,652	$1,284,898	140.80%	93.27%
Medical (Silver)	$33,677	$2,806	$346	$14,032	$168	12.33%	1.20%
Medical (Clinic Labs)	$101,065	$8,422	$0	$42,110	$7,907	0.00%	18.78%
Stop Loss Reimbursement		$0	$0	$0	($134,677)		
Rx (Gold)	$845,572	$70,464	$154,457	$352,322	$504,867	219.20%	143.30%
Rx (Silver)	$5,000	$417	$623	$2,083	$1,936	149.57%	92.93%
Rx (Clinic)	$71,007	$5,917	$0	$29,586	$8,716	0.00%	29.46%
Rx Rebates		$0	($45,296)	$0	($101,623)		
Dental	$209,225	$17,435	$15,039	$87,177	$80,708	86.26%	92.58%
PREMIUMS	*$619,302*	*$51,609*	*$53,534*	*$258,043*	*$253,114*	*103.73%*	*98.09%*
Specific Stop Loss (American Fidelity)	$446,533	$37,211	$38,978	$186,056	$185,258	104.75%	99.57%
Aggregate Stop Loss (American Fidelity)	$17,082	$1,424	$1,441	$7,118	$6,846	101.21%	96.18%
Basic Life Insurance (Guardian)	$26,486	$2,207	$2,518	$11,036	$11,746	114.09%	106.44%
VTL (Guardian)	$59,639	$4,970	$4,276	$24,850	$26,524	86.03%	106.74%
STD (Guardian	$25,891	$2,158	$2,663	$10,788	$11,814	123.41%	109.51%
Vision (United Health Care)	$43,670	$3,639	$3,659	$18,196	$10,925	100.54%	60.04%
CLAIM ADMINISTRATION	*$247,222*	*$20,602*	*$22,255*	*$103,009*	*$96,746*	*108.03%*	*93.92%*
Medical Admin (Gilsbar)	$106,541	$8,878	$8,986	$44,392	$42,449	101.21%	95.62%
Cobra Admin (Gilsbar)	$9,523	$794	$803	$3,968	$3,798	101.21%	95.72%
% of Savings	$2,831	$236	$2,492	$1,180	$3,612		
Dental Admin (Ameritas)	$19,773	$1,648	$0	$8,239	$1,948	0.00%	23.65%
FSA Admin (Gilsbar)	$672	$56	$48	$280	$232	85.71%	82.86%
Utilization Review (AHG)	$11,904	$992	$1,004	$4,960	$4,740	101.21%	95.56%
Case Management (AHG)	$3,900	$325	$1,225	$1,625	$3,600		
Medical Network (BCBSAZ)	$89,280	$7,440	$7,530	$37,200	$35,550	101.21%	95.58%
Rx Admin (CVS Caremark/WI Rx)	$2,797	$233	$167	$1,166	$817	71.72%	70.11%
GENERAL OPERATING	*$935,649*	*$77,971*	*$70,784*	*$389,854*	*$361,562*	*90.78%*	*92.74%*
Benefit Administrator (ECA)	$72,019	$6,002	$6,000	$30,008	$30,000	99.97%	99.97%
Management Fee (Cerner)	$662,696	$55,225	$54,896	$276,123	$274,480		
Clinical Operating Expenses	$85,709	$7,142	$8,330	$35,712	$39,930	116.63%	111.81%
Wellness Programs	$0	$0	$0	$0	$0		
Actuary (Cheiron)	$12,559	$1,047	$0	$5,233	$0		
Actuary - GASB (Cheiron)	$17,558	$1,463	$0	$7,316	$0	0.00%	0.00%
Accountant (GDK)	$3,631	$303	$1,500	$1,513	$1,800		
Auditor (Henfeld Meech)	$6,012	$501	$0	$2,505	$0	0.00%	0.00%
Legal	$12,142	$1,012	$0	$5,059	$9,965	0.00%	196.97%
PCORI	$2,024	$169	$0	$843	$1,571	0.00%	186.28%
General Administration	$61,300	$5,108	$358	$25,542	$3,816	1.13%	14.94%
GRAND TOTAL BUDGET	*$6,374,085*	*$531,174*	*$659,704*	*$2,655,869*	*$2,364,323*	*124.20%*	*89.02%*

Cash Position As Of June 30, 2018		$3,584,631
Cash Position MTD	November-18	$124,953
Cash Position YTD	November-18	($217,464)
Cash Position All Years		$3,367,167

Prior Year Surplus Calculations	Cash Position	June 30, 2018	$3,584,631
	IBNP	June 30, 2018	$0
	Surplus Position	June 30, 2018	$3,584,631
Current Year Surplus Calculations	Cash Position	November 2018	$3,367,167
	IBNP	November 2018	($1,181,055)
	Surplus Position	November 2018	$2,186,112

Gold Active/Cobra Census

	EE	ES	EC1	EC1+	EF
Budget	304	43	20	24	64
Actual	307	41	42	0	65
% Budget	101.0%	95.3%	210.0%	0.0%	101.6%

Gold Retiree Census

	EE	ES	EC1	EC1+	EF
Budget	26	8	0	0	0
Actual	26	7	0	0	0
% Budget	100.0%	87.5%	0.0%	0.0%	0.0%

Silver Census

	EE	ES	EC1	EC1+	EF
Budget	6	1	0	0	0
Actual	8	2	0	0	0
% Budget	133.3%	200.0%	0.0%	0.0%	0.0%

Total Medical Census

	EE	ES	EC1	EC1+	EF
Budget	336	52	20	24	64
Actual	341	50	42	0	65
% Budget	101.5%	96.2%	210.0%	0.0%	101.6%

Active/ Cobra Dental Census

	EE	ES	EC1	EC1+	EF
Budget	362	44	18	25	58
Actual	330	35	46	0	55
% Budget	91.2%	79.5%	255.6%	0.0%	94.8%

Retiree Dental Census

	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	31	7	0	0	1
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

Active/ Cobra Vision Census

	EE	ES	EC1	EC1+	EF
Budget	369	54	16	20	49
Actual	335	39	37	0	52
% Budget	90.8%	72.2%	231.3%	0.0%	106.1%

Retiree Vision Census

	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	33	6	0	0	1
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

YTD Aggregate Calculations

Contracted Aggregate Factors

	EE	ES	EC1	EC1+	EF
	$550	$1,095	$969	$969	$1,645
Total	$1,888,750.70				
Med/Rx	$1,808,492.25				
Difference	$80,258.45				
Estimated % Attachment Point	95.75%				

General Administration Expenses Detail
LHSEBT

	July	August	September	October	November	December	January	February	March	April	May	June	YTD
Expenses													
													$0.00
Bank Fees													$0.00
Cobra Dental Fees					$6.50								$6.50
Depreciation													$0.00
Investment Management	$1,598.51			$1,609.05									$3,207.56
Meeting Expenses													$0.00
Misc. Expenses													$0.00
Printing		$300.00		$250.00	$51.00								$601.00
State Fees				$0.88									$0.88
Trustees E&O													$0.00
													$0.00
	$1,598.51	$300.00	$0.00	$1,859.93	$57.50	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3,815.94

Clinic General Administration Expenses Detail
LHSEBT

	July	August	September	October	November	December	January	February	March	April	May	June	YTD
Expenses													
													$0.00
Cleaning	$1,170.00	$1,170.00	$1,170.00	$1,170.00	$1,170.00								$5,850.00
Electric		$1,319.64	$556.11	$391.83	$558.06								$2,825.64
Gas	$22.83	$22.09	$22.09	$19.34	$19.71								$106.06
Landscaping	$200.00	$200.00	$200.00	$200.00									$800.00
Misc. Expenses		$685.60	$98.71	$2.37									$786.68
Pest Control		$120.00	$60.00	$120.00									$300.00
Phone	$748.66	$750.30	$751.13	$760.03	$762.96								$3,773.08
Property Insurance					$2,173.00								$2,173.00
Property Taxes				$4,590.22									$4,590.22
Rent	$3,275.00	$3,275.00	$3,275.00	$3,275.00	$3,275.00								$0.00
Repairs and Maintenance				$737.89	$144.40								$882.29
Security													$0.00
Trash		$123.14	$59.07	$64.07	$59.07								$305.35
Water	$155.35	$154.10	$163.27	$154.43	$168.21								$795.36
Western Alarm	$76.50		$290.70										$367.20
	$5,648.34	$7,819.87	$6,646.08	$11,485.18	$8,330.41	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$39,929.88

LHSEBT - Lake Havasu Schools Employee Benefit Trust

2018-19

Aug-18

	Annual Budget	MTD Budget	MTD Actual	YTD Budget	6 Month YTD Actual	% Total MTD	% Total YTD
GROSS REVENUE	$6,374,085	$531,173.72	$504,064	$1,062,347	$577,148	94.90%	54.33%
Contributions	$6,245,881	$520,490	$475,266	$1,040,980	$534,628	91.31%	51.36%
Interest & Investment Income	$16,932	$1,411	$4,023	$2,822	$14,674	285.10%	519.97%
COBRA/ASRS	$111,271	$9,273	$24,776	$18,545	$27,846	267.19%	150.15%
CLAIM FUNDS	$4,571,912	$380,993	$440,657	$761,885	$498,718	115.66%	65.45%
Medical (Gold)	$3,306,366	$275,530	$325,989	$551,061	$462,231	118.31%	83.88%
Medical (Silver)	$38,677	$3,223	($410)	$6,446	($300)	-12.71%	-4.65%
Medical (Clinic Labs)	$101,065	$8,422	$2,474	$16,844	$2,474	29.38%	14.69%
Stop Loss Reimbursement		$0	($6,704)	$0	($134,677)		
Rx (Gold)	$845,572	$70,464	$102,851	$140,929	$183,952	145.96%	130.53%
Rx (Silver)	$0	$0	$0	$0	$0		
Rx (Clinic)	$71,007	$5,917	$3,084	$11,835	$3,084	52.11%	26.06%
Rx Rebates		$0	($14,717)	$0	($56,326)		
Dental	$209,225	$17,435	$28,088	$34,871	$38,280	161.10%	109.78%
PREMIUMS	$619,302	$51,609	$46,308	$103,217	$93,432	89.73%	90.52%
Specific Stop Loss (American Fidelity)	$446,533	$37,211	$35,536	$74,422	$70,295	95.50%	94.45%
Aggregate Stop Loss (American Fidelity)	$17,082	$1,424	$1,315	$2,847	$2,605	92.37%	91.49%
Basic Life Insurance (Guardian)	$26,486	$2,207	$2,248	$4,414	$4,288	101.84%	97.14%
VTL (Guardian)	$59,639	$4,970	$4,631	$9,940	$11,450	93.19%	115.19%
STD (Guardian	$25,891	$2,158	$2,412	$4,315	$4,633	111.81%	107.35%
Vision (United Health Care)	$43,670	$3,639	$165	$7,278	$162	4.54%	2.22%
CLAIM ADMINISTRATION	$247,222	$20,602	$19,232	$41,204	$33,864	93.35%	82.19%
Medical Admin (Gilsbar)	$106,541	$8,878	$8,150	$17,757	$16,044	91.80%	90.35%
Cobra Admin (Gilsbar)	$9,523	$794	$729	$1,587	$1,437	91.90%	90.56%
% of Savings	$2,831	$236	$318	$472	$806		
Dental Admin (Ameritas)	$19,773	$1,648	$1,498	$3,296	($1,315)	90.93%	-39.89%
FSA Admin (Gilsbar)	$672	$56	$44	$112	$88	78.57%	78.57%
Utilization Review (AHG)	$11,904	$992	$910	$1,984	$1,790	91.73%	90.22%
Case Management (AHG)	$3,900	$325	$600	$650	$1,275		
Medical Network (BCBSAZ)	$89,280	$7,440	$6,825	$14,880	$13,425	91.73%	90.22%
Rx Admin (CVS Caremark/WI Rx)	$2,797	$233	$156	$466	$314	67.09%	67.26%
GENERAL OPERATING	$935,649	$77,971	$69,416	$155,941	$143,441	89.03%	91.98%
Benefit Administrator (ECA)	$72,019	$6,002	$6,000	$12,003	$12,000	99.97%	99.97%
Management Fee (Cerner)	$662,696	$55,225	$54,896	$110,449	$109,792		
Clinical Operating Expenses	$85,709	$7,142	$7,820	$14,285	$13,468	109.49%	94.28%
Wellness Programs	$0	$0	$0	$0	$0		
Actuary (Cheiron)	$12,559	$1,047	$0	$2,093	$0		
Actuary - GASB (Cheiron)	$17,558	$1,463	$0	$2,926	$0	0.00%	0.00%
Accountant (GDK)	$3,631	$303	$0	$605	$300		
Auditor (Henfeld Meech)	$6,012	$501	$0	$1,002	$0	0.00%	0.00%
Legal	$12,142	$1,012	$400	$2,024	$4,411	39.53%	217.99%
PCORI	$2,024	$169	$0	$337	$1,571	0.00%	465.70%
General Administration	$61,300	$5,108	$300	$10,217	$1,899	5.87%	18.58%
GRAND TOTAL BUDGET	$6,374,085	$531,174	$575,612	$1,062,347	$769,455	108.37%	72.43%

Cash Position As Of June 30, 2018		$3,584,631
Cash Position MTD	August-18	($71,548)
Cash Position YTD	August-18	($192,307)
Cash Position All Years		$3,392,324

Prior Year	Cash Position	June 30, 2018	$3,584,631
Surplus	IBNP	June 30, 2018	$0
Calculations	Surplus Position	June 30, 2018	$3,584,631
Current Year	Cash Position	August 2018	$3,392,324
Surplus	IBNP	August 2018	$0
Calculations	Surplus Position	August 2018	$3,392,324

Gold Active/Cobra Census

	EE	ES	EC1	EC1+	EF
Budget	304	43	20	24	64
Actual	282	39	42	0	58
% Budget	92.8%	90.7%	210.0%	0.0%	90.6%

Gold Retiree Census

	EE	ES	EC1	EC1+	EF
Budget	26	8	0	0	0
Actual	27	10	0	0	0
% Budget	103.8%	125.0%	0.0%	0.0%	0.0%

Silver Census

	EE	ES	EC1	EC1+	EF
Budget	6	1	0	0	0
Actual	7	1	0	0	0
% Budget	116.7%	100.0%	0.0%	0.0%	0.0%

Total Medical Census

	EE	ES	EC1	EC1+	EF
Budget	336	52	20	24	64
Actual	316	50	42	0	58
% Budget	94.0%	96.2%	210.0%	0.0%	90.6%

Active/ Cobra Dental Census

	EE	ES	EC1	EC1+	EF
Budget	362	44	18	25	58
Actual	299	35	43	0	53
% Budget	82.6%	79.5%	238.9%	0.0%	91.4%

Retiree Dental Census

	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	30	8	0	0	1
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

Active/ Cobra Vision Census

	EE	ES	EC1	EC1+	EF
Budget	369	54	16	20	49
Actual	307	40	34	0	49
% Budget	83.2%	74.1%	212.5%	0.0%	100.0%

Retiree Vision Census

	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	30	9	0	0	1
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

YTD Aggregate Calculations

Contracted Aggregate Factors

	EE	ES	EC1	EC1+	EF
	$550	$1,095	$969	$969	$1,645
Total	$729,989.49				
Med/Rx	$651,440.73				
Difference	$78,548.76				
Estimated % Attachment Point	89.24%				

LHSEBT - Lake Havasu Schools Employee Benefit Trust

2018-19

Sep-18

	Annual Budget	MTD Budget	MTD Actual	YTD Budget	YTD Actual	% Total MTD	% Total YTD
GROSS REVENUE	*$6,374,085*	*$531,173.72*	*$259,567*	*$1,593,521*	*$836,715*	*48.87%*	*52.51%*
Contributions	*$6,245,881*	$520,490	$255,267	$1,561,470	$789,894	49.04%	50.59%
Interest & Investment Income	*$16,932*	$1,411	$2,182	$4,233	$16,855	154.61%	398.18%
COBRA/ASRS	*$111,271*	$9,273	$2,118	$27,818	$29,965	22.85%	107.72%
CLAIM FUNDS	*$4,571,912*	*$380,993*	*$303,529*	*$1,142,978*	*$802,247*	*79.67%*	*70.19%*
Medical (Gold)	*$3,306,366*	$275,530	$200,372	$826,591	$662,603	72.72%	80.16%
Medical (Silver)	*$38,677*	$3,223	$77	$9,669	($223)	2.38%	-2.31%
Medical (Clinic Labs)	*$101,065*	$8,422	$0	$25,266	$2,474	0.00%	9.79%
Stop Loss Reimbursement		$0	$0	$0	($134,677)		
Rx (Gold)	*$845,572*	$70,464	$84,042	$211,393	$267,994	119.27%	126.78%
Rx (Silver)	*$0*	$0	$1,284	$0	$1,284		
Rx (Clinic)	*$71,007*	$5,917	$0	$17,752	$3,084	0.00%	17.37%
Rx Rebates		$0	$0	$0	($56,326)		
Dental	*$209,225*	$17,435	$17,755	$52,306	$56,035	101.83%	107.13%
PREMIUMS	*$619,302*	*$51,609*	*$51,137*	*$154,826*	*$144,569*	*99.09%*	*93.38%*
Specific Stop Loss (American Fidelity)	*$446,533*	$37,211	$36,911	$111,633	$107,206	99.19%	96.03%
Aggregate Stop Loss (American Fidelity)	*$17,082*	$1,424	$1,364	$4,271	$3,969	95.85%	92.94%
Basic Life Insurance (Guardian)	*$26,486*	$2,207	$2,192	$6,622	$6,480	99.32%	97.87%
VTL (Guardian)	*$59,639*	$4,970	$5,052	$14,910	$16,503	101.66%	110.68%
STD (Guardian	*$25,891*	$2,158	$2,166	$6,473	$6,798	100.36%	105.03%
Vision (United Health Care)	*$43,670*	$3,639	$3,451	$10,917	$3,613	94.83%	33.09%
CLAIM ADMINISTRATION	*$247,222*	*$20,602*	*$18,430*	*$61,805*	*$52,295*	*89.46%*	*84.61%*
Medical Admin (Gilsbar)	*$106,541*	$8,878	$8,487	$26,635	$24,531	95.59%	92.10%
Cobra Admin (Gilsbar)	*$9,523*	$794	$759	$2,381	$2,196	95.64%	92.25%
% of Savings	*$2,831*	$236	$313	$708	$1,119		
Dental Admin (Ameritas)	*$19,773*	$1,648	$0	$4,943	($1,315)	0.00%	-26.60%
FSA Admin (Gilsbar)	*$672*	$56	$20	$168	$108	35.71%	64.29%
Utilization Review (AHG)	*$11,904*	$992	$948	$2,976	$2,738	95.56%	92.00%
Case Management (AHG)	*$3,900*	$325	$625	$975	$1,900		
Medical Network (BCBSAZ)	*$89,280*	$7,440	$7,110	$22,320	$20,535	95.56%	92.00%
Rx Admin (CVS Caremark/WI Rx)	*$2,797*	$233	$168	$699	$481	71.98%	68.83%
GENERAL OPERATING	*$935,649*	*$77,971*	*$68,032*	*$233,912*	*$211,473*	*87.25%*	*90.41%*
Benefit Administrator (ECA)	*$72,019*	$6,002	$6,000	$18,005	$18,000	99.97%	99.97%
Management Fee (Cerner)	*$662,696*	$55,225	$54,896	$165,674	$164,688		
Clinical Operating Expenses	*$85,709*	$7,142	$6,646	$21,427	$20,114	93.05%	93.87%
Wellness Programs	*$0*	$0	$0	$0	$0		
Actuary (Cheiron)	*$12,559*	$1,047	$0	$3,140	$0		
Actuary - GASB (Cheiron)	*$17,558*	$1,463	$0	$4,390	$0	0.00%	0.00%
Accountant (GDK)	*$3,631*	$303	$0	$908	$300		
Auditor (Henfeld Meech)	*$6,012*	$501	$0	$1,503	$0	0.00%	0.00%
Legal	*$12,142*	$1,012	$490	$3,036	$4,901	48.43%	161.47%
PCORI	*$2,024*	$169	$0	$506	$1,571	0.00%	310.46%
General Administration	*$61,300*	$5,108	$0	$15,325	$1,899	0.00%	12.39%
GRAND TOTAL BUDGET	*$6,374,085*	*$531,174*	*$441,128*	*$1,593,521*	*$1,210,583*	*83.05%*	*75.97%*

Cash Position As Of June 30, 2018		$3,584,631
Cash Position MTD	September-18	($181,562)
Cash Position YTD	September-18	($373,869)
Cash Position All Years		$3,210,762

Prior Year Surplus Calculations	Cash Position	June 30, 2018	$3,584,631
	IBNP	June 30, 2018	$0
	Surplus Position	June 30, 2018	$3,584,631
Current Year Surplus Calculations	Cash Position	September 2018	$3,210,762
	IBNP	September 2018	$0
	Surplus Position	September 2018	$3,210,762

Gold Active/Cobra Census

	EE	ES	EC1	EC1+	EF
Budget	304	43	20	24	64
Actual	301	39	45	0	61
% Budget	99.0%	90.7%	225.0%	0.0%	95.3%

Gold Retiree Census

	EE	ES	EC1	EC1+	EF
Budget	26	8	0	0	0
Actual	23	9	0	0	0
% Budget	88.5%	112.5%	0.0%	0.0%	0.0%

Silver Census

	EE	ES	EC1	EC1+	EF
Budget	6	1	0	0	0
Actual	8	2	0	0	0
% Budget	133.3%	200.0%	0.0%	0.0%	0.0%

Total Medical Census

	EE	ES	EC1	EC1+	EF
Budget	336	52	20	24	64
Actual	332	50	45	0	61
% Budget	98.8%	96.2%	225.0%	0.0%	95.3%

Active/ Cobra Dental Census

	EE	ES	EC1	EC1+	EF
Budget	362	44	18	25	58
Actual	324	35	45	0	59
% Budget	89.5%	79.5%	250.0%	0.0%	101.7%

Retiree Dental Census

	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	29	8	0	0	1
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

Active/ Cobra Vision Census

	EE	ES	EC1	EC1+	EF
Budget	369	54	16	20	49
Actual	329	39	35	0	51
% Budget	89.2%	72.2%	218.8%	0.0%	104.1%

Retiree Vision Census

	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	29	8	0	0	1
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

YTD Aggregate Calculations

Contracted Aggregate Factors

	EE	ES	EC1	EC1+	EF
	$550	$1,095	$969	$969	$1,645
Total	$1,111,134.53				
Med/Rx	$937,214.83				
Difference	$173,919.70				
Estimated % Attachment Point	84.35%				

LHSEBT - Lake Havasu Schools Employee Benefit Trust

2018-19

Oct-18

	Annual Budget	MTD Budget	MTD Actual	YTD Budget	YTD Actual	% Total MTD	% Total YTD
GROSS REVENUE	$6,374,085	$531,173.72	$525,488	$2,124,695	$1,362,202	98.93%	64.11%
Contributions	$6,245,881	$520,490	$507,758	$2,081,960	$1,297,652	97.55%	62.33%
Interest & Investment Income	$16,932	$1,411	$6,100	$5,644	$22,955	432.30%	406.71%
COBRA/ASRS	$111,271	$9,273	$11,630	$37,090	$41,595	125.43%	112.14%
CLAIM FUNDS	$4,571,912	$380,993	$337,524	$1,523,971	$1,139,771	88.59%	74.79%
Medical (Gold)	$3,306,366	$275,530	$234,335	$1,102,122	$896,937	85.05%	81.38%
Medical (Silver)	$33,677	$2,806	$46	$11,226	($178)	1.62%	-1.58%
Medical (Clinic Labs)	$101,065	$8,422	$5,433	$33,688	$7,907	64.51%	23.47%
Stop Loss Reimbursement		$0	$0	$0	($134,677)		
Rx (Gold)	$845,572	$70,464	$82,417	$281,857	$350,410	116.96%	124.32%
Rx (Silver)	$5,000	$417	$29	$1,667	$1,313	6.95%	78.77%
Rx (Clinic)	$71,007	$5,917	$5,632	$23,669	$8,716	95.18%	36.82%
Rx Rebates		$0	$0	$0	($36,326)		
Dental	$209,225	$17,435	$9,634	$69,742	$65,669	55.25%	94.16%
PREMIUMS	$619,302	$51,609	$55,011	$206,434	$199,580	106.59%	96.68%
Specific Stop Loss (American Fidelity)	$446,533	$37,211	$39,074	$148,844	$146,280	105.01%	98.28%
Aggregate Stop Loss (American Fidelity)	$17,082	$1,424	$1,436	$5,694	$5,405	100.87%	94.92%
Basic Life Insurance (Guardian)	$26,486	$2,207	$2,748	$8,829	$9,228	124.50%	104.52%
VTL (Guardian)	$59,639	$4,970	$5,746	$19,880	$22,249	115.61%	111.92%
STD (Guardian	$25,891	$2,158	$2,358	$8,630	$9,152	109.07%	106.04%
Vision (United Health Care)	$43,670	$3,639	$3,654	$14,557	$7,266	100.40%	49.92%
CLAIM ADMINISTRATION	$247,222	$20,602	$22,196	$82,407	$74,491	107.74%	90.39%
Medical Admin (Gilsbar)	$106,541	$8,878	$8,932	$35,514	$33,463	100.60%	94.23%
Cobra Admin (Gilsbar)	$9,523	$794	$798	$3,174	$2,995	100.60%	94.34%
% of Savings	$2,831	$236	$0	$944	$1,119		
Dental Admin (Ameritas)	$19,773	$1,648	$3,263	$6,591	$1,948	198.03%	29.56%
FSA Admin (Gilsbar)	$672	$56	$76	$224	$184	135.71%	82.14%
Utilization Review (AHG)	$11,904	$992	$998	$3,968	$3,736	100.60%	94.15%
Case Management (AHG)	$3,900	$325	$475	$1,300	$2,375		
Medical Network (BCBSAZ)	$89,280	$7,440	$7,485	$29,760	$28,020	100.60%	94.15%
Rx Admin (CVS Caremark/WI Rx)	$2,797	$233	$169	$932	$650	72.32%	69.71%
GENERAL OPERATING	$935,649	$77,971	$79,305	$311,883	$290,778	101.71%	93.23%
Benefit Administrator (ECA)	$72,019	$6,002	$6,000	$24,006	$24,000	99.97%	99.97%
Management Fee (Cerner)	$662,696	$55,225	$54,896	$220,899	$219,584		
Clinic Operating Expenses	$85,709	$7,142	$11,485	$28,570	$31,599	160.80%	110.61%
Wellness Programs	$0	$0	$0	$0	$0		
Actuary (Cheiron)	$12,559	$1,047	$0	$4,186	$0		
Actuary - GASB (Cheiron)	$17,558	$1,463	$0	$5,853	$0	0.00%	0.00%
Accountant (GDK)	$3,631	$303	$0	$1,210	$300		
Auditor (Henfeld Meech)	$6,012	$501	$0	$2,004	$0	0.00%	0.00%
Legal	$12,142	$1,012	$5,064	$4,047	$9,965	500.46%	246.22%
PCORI	$2,024	$169	$0	$675	$1,571	0.00%	232.85%
General Administration	$61,300	$5,108	$1,860	$20,433	$3,758	36.41%	18.39%
GRAND TOTAL BUDGET	$6,374,085	$531,174	$494,036	$2,124,695	$1,704,619	93.01%	80.23%

Cash Position As Of June 30, 2018		$3,584,631
Cash Position MTD	October-18	$31,452
Cash Position YTD	October-18	($342,417)
Cash Position All Years		$3,242,214

Prior Year	Cash Position	June 30, 2018	$3,584,631
Surplus	IBNP	June 30, 2018	$0
Calculations	Surplus Position	June 30, 2018	$3,584,631
Current Year	Cash Position	October 2018	$3,242,214
Surplus	IBNP	October 2018	($1,013,639)
Calculations	Surplus Position	October 2018	$2,228,575

Gold Active/Cobra Census

	EE	ES	EC1	EC1+	EF
Budget	304	43	20	24	64
Actual	305	40	44	0	64
% Budget	100.3%	93.0%	220.0%	0.0%	100.0%

Gold Retiree Census

	EE	ES	EC1	EC1+	EF
Budget	26	8	0	0	0
Actual	22	9	0	0	0
% Budget	84.6%	112.5%	0.0%	0.0%	0.0%

Silver Census

	EE	ES	EC1	EC1+	EF
Budget	6	1	0	0	0
Actual	8	2	0	0	0
% Budget	133.3%	200.0%	0.0%	0.0%	0.0%

Total Medical Census

	EE	ES	EC1	EC1+	EF
Budget	336	52	20	24	64
Actual	335	51	44	0	64
% Budget	99.7%	98.1%	220.0%	0.0%	100.0%

Active/ Cobra Dental Census

	EE	ES	EC1	EC1+	EF
Budget	362	44	18	25	58
Actual	329	35	47	0	56
% Budget	90.9%	79.5%	261.1%	0.0%	96.6%

Retiree Dental Census

	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	31	7	0	0	1
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

Active/ Cobra Vision Census

	EE	ES	EC1	EC1+	EF
Budget	369	54	16	20	49
Actual	334	39	37	0	52
% Budget	90.5%	72.2%	231.3%	0.0%	106.1%

Retiree Vision Census

	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	30	7	0	0	1
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

YTD Aggregate Calculations

Contracted Aggregate Factors

	EE	ES	EC1	EC1+	EF
	$550	$1,095	$969	$969	$1,645
Total	$1,498,987.89				
Med/Rx	$1,265,105.44				
Difference	$233,882.45				
Estimated % Attachment Point	84.40%				