

**AMENDMENT 1 TO THE
ADMINISTRATIVE SERVICES AGREEMENT
WITH
LEXINGTON FAYETTE-URBAN COUNTY GOVERNMENT**

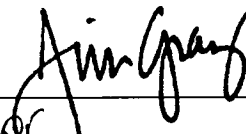
This is an Amendment to the Administrative Services Agreement as of January 1, 2016. This Amendment shall supplement and amend the Agreement between Employer and Anthem Health Plans of Kentucky, Inc. dba Anthem Blue Cross and Blue Shield ("Anthem"). If there are any inconsistencies between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.


1. **Schedule A is replaced by the attached Schedule A.**
2. **Schedule B is replaced by the attached Schedule B.**

IN WITNESS WHEREOF, Anthem has caused this Amendment to be executed by affixing the signature of a duly authorized officer.

Lexington Fayette-Urban County Government

Anthem Health Plans of Kentucky, Inc. dba Anthem Blue Cross and Blue Shield

By: 
Title: Mayor
Date: 26-May-2016

By: 
Title: PRESIDENT
Date: 1/27/2016

**SCHEDULE A
TO
ADMINISTRATIVE SERVICES AGREEMENT
WITH
LEXINGTON FAYETTE-URBAN COUNTY GOVERNMENT**

This Schedule A shall govern the Agreement Period from January 1, 2016 through December 31, 2016. For purposes of this Agreement Period, this Schedule shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedules, and this Schedule A, the terms of this Schedule A shall control.

Section 1. Effective Date and Renewal Notice

This Agreement Period shall be from 12:01 a.m. January 1, 2016 to the end of the day of December 31, 2016.

Paid Claims shall be processed pursuant to the terms of this Agreement when incurred and paid as follows:

Incurred from January 1, 2015 through December 31, 2016 and
Paid from January 1, 2016 through December 31, 2016.

Anthem shall provide any offer to renew this Agreement at least 30 days prior to the end of an Agreement Period.

Section 2. Broker or Consultant Base Compensation

Not Applicable

Section 3. Administrative Services Fees

A. Base Administrative Services Fee

PPO Composite	\$35.32 per Subscriber per month
HSA Composite	\$35.32 per Subscriber per month
Vision Composite	\$0.92 per Subscriber per month

Article 3(a) Retroactive Adjustments to Enrollment.

Anthem will not credit Employer Administrative Services Fees that relate to retroactive deletions and conversely, Anthem will not charge, and Employer shall not pay, Administrative Services Fees that relate to retroactive additions to enrollment.

B. Health and Wellness Program Fees

Not applicable

C. Other Fees or Credits

Fee for Subrogation Services. The charge to Employer is 25% of gross subrogation recovery, or, if outside counsel is retained, 15% of the net recovery after a deduction for outside counsel fees.

Fee for Provider Audit Performed by External Vendors. The charge to Employer is 25% of the amount recovered from Vendor audits of Provider activity, including but not limited to credit balance, hospital bill audits, DRG readmissions and high-cost drug audits.

Fee for Overpayment Identification Provided by External Vendors. The charge to Employer is 25% of the amount recovered from review of Claims and membership data to identify overpayments, including but not limited to COB, duplicates, contract compliance and eligibility.

Fee for Collection Services Provided by External Vendors. The charge to Employer is 25% of the amount recovered by a Vendor in collecting receivables.

Fee for Independent Claims Review: \$550.00 per independent review

NCN Fee When Anthem forwards a non-Network Provider Claim to NCN to negotiate with the non-Network Provider, the Employer will pay a fee equal to 50% of the difference between the non-Network Provider's Billed Charges and NCN's negotiated amount. In the absence of successfully negotiated Claims, there will be no fee charged as the amount will be determined by the local Blue plan.

COBRA Administration and Optional Services.

Monthly Fee (1000+ eligible employees) \$0.80 per Subscriber enrollee in COBRA
per month

Section 4. Paid Claims, Billing Cycle and Payment Method

A. Paid Claims

Paid Claims are described in Article 1-Paid Claims Definition of the Agreement.

B. Billing Cycle

Weekly

Anthem shall notify Employer of the amount due to Anthem as a result of Claims processed and paid by Anthem according to the billing cycle described above. The actual date of notification of Paid Claims and the Invoice Due Date will be determined according to Anthem's regular business practices and systems capabilities.

C. Payment Method

ACH Demand Debit Reimbursement for Paid Claims. Anthem will initiate an ACH demand debit transaction that will withdraw the amount due from a designated Employer bank account no later than the next business day following the Invoice Due Date, however, if the Invoice Due Date falls on either a banking holiday, a Saturday or a Sunday, the withdrawal shall be made on the following banking day.

Section 5. Administrative Services Fee Billing Cycle and Payment Method

A. Billing Cycle

Monthly List Bill (pay as billed)

Anthem shall notify Employer of the amount due to Anthem pursuant to Section 3 of Schedule A according to the billing cycle described above. The actual date of notification of amounts due and the Invoice Due Date will be determined according to Anthem's regular business practices and systems capabilities.

B. Payment Method

ACH Demand Debit Reimbursement. Anthem will initiate an ACH demand debit transaction that will withdraw the amount due from a designated Employer bank account no later than the next business day following the Invoice Due Date, however, if the Invoice Due Date falls on either a banking holiday, a Saturday or a Sunday, the withdrawal shall be made on the following banking day.

Section 6. Claims Runout Services

A. Claims Runout Period

Claims Runout Period shall be for the 12 months following the date of termination of this Agreement.

B. Claims Runout Administrative Services Fees

Medical:

Claims Runout Administrative Services Fee will be waived.

Vision:

Vision ASO fees include Run-Out processing for up to 365 days after the Claim is incurred, provided the Member and the Employer were active on the date the Claim was incurred.

Section 7. Other Amendments. The Administrative Services Agreement is otherwise amended as follows:

Inter-Plan Programs Fees

As described in Article 15, certain fees and compensation may be charged each time a Claim is processed through Inter-Plan Programs, which include the BlueCard Program, Negotiated National Account Arrangements, and non-Network Provider Claims pricing arrangements. (Non-Network Provider Claims fees include, but are not limited to administrative expense allowance fees, Central Financial Agency fee and ITS transaction fee). The extent to which these fees and compensation are (i) included in the Base Administrative Services Fee; or (ii) included in Paid Claims or separately billed to Employer is as follows:

Included in Base Administrative Services Fee:

All BlueCard Program and Inter-Plan Program fees, including the access fee, administrative expense allowance fee, Negotiated National Account Arrangements fee, Central Financial Agency fee, ITS transaction fee and Non-Network Provider Claim fees. If Employer requests paper copies of PPO directories from a non-Anthem state, a fee may be charged by the Host Blue for those directories and charged to the Employer.

Included in Paid Claims or separately billed to Employer:

Not applicable

No access or administrative expense allowance ("AEA") fees will be billed for the following states: [IN, KY, OH, MO (RightCHOICE Managed Care, Inc.'s network only), WI, CT, NH, ME, CO, NV, VA, GA, NY (Empire's network only), and CA (Blue Cross' network only)]. The access fee, which is a percentage of the discount/differential Anthem receives from the Host Blue, based on the current rate in accordance with the BlueCard Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any Claim.

Notice of Loss of Grandfathering Status

In the event Employer maintains a grandfathered health plan(s), as that term is used in the Patient Protection and Affordable Care Act ("PPACA"), Employer shall not make any changes to such plan(s), including, but not limited to, changes with respect to Employer contribution levels, without providing Anthem with advance written notice of the intent to change such plan(s). Making changes to grandfathered plans without notice to Anthem may result in the plan(s) losing grandfathered status and significant penalties and/or fines to Employer and Anthem. In the event Employer implements changes to its plan(s) and does not provide advance notice to Anthem, Employer agrees to indemnify Anthem according to the indemnification provisions set forth elsewhere in this Agreement for any penalties, fines or other costs assessed against Anthem.

Additionally, at each renewal after September 23, 2010, Employer shall affirm in writing, upon reasonable request of Anthem, that it has not made changes to its plan(s) that would cause the plan(s) to lose its/their grandfathered status.

If Employer loses grandfathered Plan status under PPACA and notifies Anthem of such loss no fewer than 90 days before the effective date of the change, Anthem will implement the additional group market (insurance) reforms that apply to non-grandfathered health Plans subject to the provisions of Article 18 of this Agreement.

Anthem Health Plans of Kentucky, Inc. dba Anthem Blue
Cross and Blue Shield

By: 

Title: President

Date: 1/27/2016

**SCHEDULE B
TO
ADMINISTRATIVE SERVICES AGREEMENT
WITH
LEXINGTON FAYETTE-URBAN COUNTY GOVERNMENT**

This Schedule B shall govern the Agreement Period from January 1, 2016 through December 31, 2016. For purposes of this Agreement Period, this Schedule B shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedules and this Schedule B, the terms of this Schedule B shall control.

The following is a list of services that Anthem will provide under this Agreement for the Base Administrative Services Fee listed in Section 3(A) of Schedule A. These services will be furnished to Employer in a manner consistent with Anthem's standard policies and procedures for self-funded plans. Anthem may also offer services to Employer that have an additional fee. If Employer has purchased such services, those services and any additional fees are also listed in Schedule A.

SERVICES INCLUDED IN THE BASE ADMINISTRATIVE SERVICES FEE IN SECTION 3A OF SCHEDULE A

Management Services

- Anthem Benefits and administration, unless otherwise noted below:
 - Anthem definitions and exclusions
 - Anthem complaint and appeals process
 - Claims incurred and paid as provided in Schedule A
 - Accumulation toward plan maximums beginning at zero on effective date
 - Anthem Claim forms
 - ID card
 - Explanation of Benefits (Non-customized)
- Acceptance of electronic submission of eligibility information in HIPAA-compliant format
- Preparation of Benefits Booklet (accessible via internet)
- Account reporting - standard data reports
- Billing and Banking Services
- Plan Design consultation
- Employer eServices
 - Add and delete Members
 - Download administrative forms
 - View Member Benefits and request ID cards
 - View eligibility
 - View Claim status and detail

Claims and Customer Services

- Claims processing services
- Coordination of Benefits
- Recovery services performed internally by Anthem
- Medicare crossover processing
- Complaint and appeals processing

- One mandatory level of appeal, one voluntary level of appeal
- Employer customer service, standard business hours
- Member customer service, standard business hours
- 1099s prepared and delivered to Providers
- Residency-based assessments and/or surcharges and other legislative reporting requirements
- Member eServices

Health Care Management


- Health Care Management
 - Referrals
 - Utilization management
 - Case management
 - Anthem Medical Policy
- SpecialOffers
- HealthCare Advisor
- Care Comparison (where available)
- Transplant services - Blues Distinction
- Healthy Solutions Newsletter (available online)
- MyHealth (Member Portal)
 - Electronic Health Risk Assessment
 - Personal Health Record
 - Online Communities
 - Member Alerts
- Health and Wellness Programs
 - Condition Care Core – Asthma, Pulmonary Disease, Congestive Heart Failure, Coronary Artery Disease & Diabetes
 - Complex Care
 - My Health Advantage - gold
 - Future Mom's Maternity
 - 24/7 NurseLine

Networks

- Access to networks
 - Provider Network
 - Mental Health/Substance Abuse Network
 - Coronary Services Network
 - Human Organ and Tissue Transplant Network
 - Complex and Rare Cancer Network
 - Bariatric Surgery Network

- Network Management
- Anthem.com Provider directory

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By: 
Title: President
Date: 1/27/2016