CITY CLERK
CITY OF SUNRISE

19 SEP 17 AM 10:36

SUNRISE, FLORIDA

RESOLUTION NO. 14-107-19-A

A RESOLUTION OF THE CITY OF SUNRISE, FLORIDA, APPROVING A "THIRD AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT" BETWEEN THE CITY OF SUNRISE, FLORIDA AND AVMED, INC. FOR THE FIVE (5) YEAR CONTRACT PERIOD OF JANUARY 1, 2020 THROUGH DECEMBER 31, 2024; AUTHORIZING THE RISK MANAGER, OR DESIGNEE, TO AMEND OR EXTEND ONE (1) YEAR EXTENSIONS THROUGH DECEMBER 31, 2029; AND PROVIDING AN EFFECTIVE DATE AND PROVIDING FOR FUNDING.

WHEREAS, via Resolution No. 14-107, the City Commission awarded Av-Med, Inc. the City's Requests for Proposals for Third-Party Administrative Services Only for Self-Funded HMO and NPOS Open Access Employee Group Health Insurance Plans, including Pharmacy Benefit Management; and

WHEREAS, on January 1, 2015, the City of Sunrise (City) and AvMed, Inc. (AvMed) entered into an Administrative Services Agreement (ASA) to provide claim and other certain administrative services for the Exclusive Provider Network (HMO) and Point of Service (POS) plans under the City's self-funded health insurance; and

WHEREAS, the ASA offered initial Contract Years for a period of three (3) years and offered renewals for Extended Contract Years for two (2) one (1) year contract extensions; and

WHEREAS, via Resolution No. 14-107-17-A, the First Amendment to the Agreement, which modified the definition of Extended Contract Years and Exhibit "1" Third Party Administration Cost Form, was signed on and became effective on January 1, 2018; and

WHEREAS, via Resolution No. 14-107-18-A, the Second Amendment to the Agreement, which modified the definition of Extended Contract Years and Exhibit "1" Third Party Administration Cost Form, was signed on and became effective on January 1, 2019; and

WHEREAS, the parties desire and agree that a Third Amendment to the ASA is necessary to revise the Contract Years for years six (6) through ten (10), including optional Extended Contract Years for years eleven (11) through fifteen (15), and modify

Exhibit "1" – Exhibit F. Third Party Administration Cost Form increasing the Claims Administrative Fee from the current $39.14 per Subscriber per month (PSPM) by two-percent (2%) for each of the Contract Years six (6) through ten (10).

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SUNRISE, FLORIDA:

Section 1. The foregoing Whereas clauses are hereby ratified and incorporated as the legislative intent of this Resolution.

Section 2. A "Third Amendment to Administrative Services Agreement" (Third Amendment) is hereby approved for self-fund health plan claims administrative services for the contract period of January 1, 2020, through December 31, 2024, with five (5) optional one (1) year term extensions, subject to subsequent budget approvals for future years. A copy of the Third Amendment is attached hereto and made a part of this Resolution as Exhibit A.

Section 3. Due to the City's positive experience with AvMed successfully administering the City's two (2) self-funded health plans, seamless reinsurance reporting and recoveries, competitive network discounts, excellent claims advocacy afforded by an onsite client service representative, broad network options for out of area employees, students and retirees, a claims administration fee guaranteed to only increase annually by two-percent (2%) for the next five years, the City's competitive bid requirements are hereby waived for good cause.

Section 4. Pursuant to Section 5-173(c)(5) of the Code of the City of Sunrise, Florida, the City's formal bidding procedures are waived for good cause for the reasons set forth in this Resolution and accompanying Agenda Item Request.

Section 5. The Risk Manager, or designee, is hereby authorized to review, approve and execute the Third Amendment to effectuate ASA services, including any applicable amendments, HIPAA forms, state or federal regulatory form, or extensions. Risk Manager shall provide the City Clerk with copies of any such amendments, forms, and extensions. Should the ASA terms or conditions change, or the administrative fees increase in Exhibit "1" – Exhibit F. Third Party Administration Cost Form beyond the authority by this Resolution or Third Amendment in any fiscal year, then staff will bring the item to City Commission for its consideration.

Section 6. Effective Date. This Resolution shall be effective shall be effective immediately upon its passage.

PASSED AND ADOPTED this 10TH DAY of SEPTEMBER, 2019.

Mayor Michael J. Ryan

Authentication:

Felicia M. Bravo
City Clerk

MOTION: SCUOTTO
SECOND: SOFIELD

DOUGLAS: YEA
KERCH: YEA
SCUOTTO: YEA
SOFIELD: YEA
RYAN: YEA

Approved by the City Attorney
as to Form and Legal Sufficiency

Kimberly A. Kisslan

Risk Management
OCT 29 2019
Received

RESO. NO. 14-107-19-A
C19257

CITY CLERK
CITY OF SUNRISE
19 OCT 29 PM 3:10

SCANNED

THIRD AMENDMENT
TO ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN
THE CITY OF SUNRISE, FLORIDA
AND
AVMED, INC.

This Third Amendment is to the Administrative Services Agreement between AvMed, Inc. and the City of Sunrise, Florida to provide claim and related third party administrative services to the Exclusive Provider Network (HMO) and Point of Service (POS) under the City's self-funded health insurance plan.

WHEREAS, via Resolution No. 14-107, the City Commission awarded Av-Med, Inc. the City's Requests for Proposals for Third-Party Administrative Services Only for Self-Funded HMO and NPOS Open Access Employee Group Health Insurance Plans, Including Pharmacy Benefit Management; and

WHEREAS, on January 1, 2015, the City of Sunrise ("City") and AvMed, Inc. d/b/a AvMed ("AvMed") entered into an Administrative Services Agreement ("ASA") to provide claim and other certain administrative services for the Exclusive Provider Network (HMO) and Point of Service (POS) plans under the City's self-funded health insurance plan. The ASA was for a period of three (3) years and offered renewals for Extended Contract Year 4 and Extended Contract Year 5; and

WHEREAS, via Resolution No. 14-107-17-A, the First Amendment to the Agreement, which modified the definition of Extended Contract Years and Exhibit "1" Third Party Administration Cost Form, was signed on and became effective on January 1, 2018; and

WHEREAS, via Resolution No. 14-107-18-A, the Second Amendment to the Agreement, which modified the definition of Extended Contract Years and Exhibit "1" Third Party Administration Cost Form, was signed on and became effective on January 1, 2019; and

WHEREAS, the parties wish to extend the Contract Years and Extended Contract Years of the ASA.

NOW THEREFORE, in consideration of the mutual covenants and obligations create hereby, as well as other good and valuable considerations, the parties agree as follows:

Underscored text show additions
~~Stricken text shows deletions~~

1. Recitals Incorporated. The foregoing recitals are true and correct and are incorporated herein by reference.

2. Amendments to the ASA. Additions to the Agreement are shown in underscore and deletions from the Agreement are shown in ~~strikethrough~~.

(A) Section **"PART II. CHARGES FOR BASIC ADMINISTRATIVE SERVICES PROVIDED BY AVMED OR A SUBCONTRACTOR, A. BASIC ADMINISTRATIVE SERVICES, 1. AvMed"** of the ASA is hereby revised to read as follows:

A. BASIC ADMINISTRATIVE SERVICES

1. **AvMed**

Contract Years: Year ~~1~~ 6 through Year ~~3~~ 10: January 1, ~~2015~~ 2020 through December 31, ~~2017~~ 2024 the mutually negotiated and agreed upon administrative fee shall be ~~$38.00~~ $39.92 for Contract Year 6 and thereafter increased by two percent (2%) each January 1st for Contract Year 7 through 10 per Subscriber per month (PSPM) basis in accordance with EXHIBIT F. Third-Party Administrative Cost Form. Any new administrative fee shall be negotiated and mutually agreed upon by Employer and AvMed, and will be provided by way of amendment to any applicable Extended Contract Years.

Extended Contract Years: Year ~~4~~ 11: January 1, ~~2018~~ 2025 through December 31, ~~2018~~ 2025 Fee increase not to exceed 3%. per Subscriber per month (PSPM) as negotiated and mutually agreed upon between Employer and AvMed. Any change in any administrative fee will be provided for by way of amendment to this Agreement between Employer and AvMed.

Extended Contract Years: Year ~~5~~ 12: January 1, ~~2019~~ 2026 through December 31, ~~2019~~ 2026 Fee increase not to exceed 3%. per Subscriber per month (PSPM) as negotiated and mutually agreed upon between Employer and AvMed. Any change in any administrative fee will be provided for by way of amendment to this Agreement between Employer and AvMed.

Extended Contract Years: Year 13: January 1, 2027 through December 31, 2027 Fee increase not to exceed 3%. per Subscriber per month (PSPM) as negotiated and mutually agreed upon between Employer and AvMed. Any change in any administrative fee will be provided for by way of amendment to this Agreement between Employer and AvMed.

Extended Contract Years: Year 14: January 1, 2028 through December 31, 2028 Fee increase not to exceed 3%. per Subscriber per month (PSPM) as negotiated and mutually agreed upon between Employer and AvMed. Any change in any administrative fee will be provided for by way of amendment to this Agreement between Employer and AvMed.

Extended Contract Years: Year 15: January 1, 2029 through December 31, 2029 Fee increase not to exceed 3%. per Subscriber per month (PSPM) as negotiated and mutually agreed upon between Employer and AvMed. Any change in any administrative fee will be provided for by way of amendment to this Agreement between Employer and AvMed.

(B) Section **"PART II. CHARGES FOR BASIC ADMINISTRATIVE SERVICES PROVIDED BY AVMED OR A SUBCONTRACTOR, A. BASIC ADMINISTRATIVE SERVICES, 2."** of the ASA is hereby revised to read as follows:

2. Employer and AvMed agree each liquidated damage in accordance with EXHIBIT E. Performance Guarantees is independent of any other when calculated, and will be applied against AvMed's administrative fee as provided above in Contract Years: Year ~~1~~ 6 through Year ~~3~~ 10, including Extended Contract Years: Year ~~4~~ 11 ~~and~~ through Year ~~5~~ 15. **Capitation Fees Billed by AvMed on Behalf of Provider Vendors**

(C) The "**Exhibit F. Third Party Administration Cost Form"** in the ASA is hereby replaced in its entirety with a revised **"Exhibit F. Third Party Administration Cost Form"** attached as Exhibit "1" to this Third Amendment.

3. Conflicting Terms. In the event the terms of this Third Amendment conflict with those of the ASA, First Amendment, or the Second Amendment, the terms of this Third Amendment shall govern. All other terms of the ASA, as amended, shall remain and continue in full force and effect.

4. Captions. The captions of this Third Amendment are for convenience only and are not to be construed as defining or limiting in any way the scope or intent of the provisions of this Third Amendment.

5. Effective Date. This Third Amendment shall be effective on January 1, 2020.

IN WITNESS WHEREOF, AvMed and City have each executed this Third Amendment on the date(s) indicated below.

AVMED, INC.

Underscored text show additions
~~Stricken text shows deletions~~

By: Ashley Allen
(Signature)

Name: ~~James M. Repp~~ Ashley Allen

Title: ~~President & COO~~ SVP, Chief Growth + Mktg Officer

Date: 10/25/19

CITY OF SUNRISE

By: Bill Mason
(Signature)

Name: Bill Mason

Title: Risk Manager

Date: 10/29/19

Underscored text show additions
~~Stricken text shows deletions~~

Exhibit "1"

Need to add $0.61 to Claim Admin Fee to account for MD Live telemedicine added benefit.

EXHIBIT F. THIRD PARTY ADMINISTRATION COST FORM

AvMed fully identifies all administrative cost factors of the services rendered under this Agreement on this form, unless otherwise provided in the Agreement. AvMed agrees these administrative fees are inclusive of all cost and unforeseen supplemental fees shall be minimal; otherwise, Employer's approval will be necessary in writing as required in the Agreement. AvMed provides these fees on a per Subscriber per month basis (PSPM), unless otherwise noted below.

Requested Services	**Year ~~1~~ 6**	**Year ~~2~~ 7**	**Year ~~3~~ 8**	**Year ~~4~~ 9**	**Year ~~5~~ 10**
Claims Administration Fee	~~$19.88~~ $39.92	~~$19.88~~ $40.72	~~$19.88~~ $41.54	~~$19.88~~ $42.37	~~$25.19~~ $43.21
Utilization Management & Review Fees***	~~$5.60~~ Included	~~$5.60~~ Included	~~$5.60~~ Included	~~$5.60~~ Included	~~$4.24~~ Included
Medical Case Management***	~~$2.38~~ Included	~~$2.38~~ Included	~~$2.38~~ Included	~~$2.38~~ Included	~~$1.46~~ Included
Network Access Fee***	~~$3.44~~ Included	~~$3.44~~ Included	~~$3.44~~ Included	~~$3.44~~ Included	~~$3.40~~ Included
Other Network Administration Fees***	~~$3.68~~ Included	~~$3.68~~ Included	~~$3.68~~ Included	~~$3.68~~ Included	~~$2.25~~ Included
Disease Management Fees (list all programs currently offered to ASO accounts)*					
Cardiovascular	$143.21 PP	$143.21 PP	$143.21 PP	$143.21 PP	$143.21 PP
Diabetes	$110.79 PP	$110.79 PP	$110.79 PP	$110.79 PP	$110.79 PP
Coronary Artery Disease	$87.75 PP	$87.75 PP	$87.75 PP	$87.75 PP	$87.75 PP
COPD	$96.32 PP	$96.32 PP	$96.32 PP	$96.32 PP	$96.32 PP
Asthma	$47.37 PP	$47.37 PP	$47.37 PP	$47.37 PP	$47.37 PP
Other (please list): Low Risk/Education	$1.55 PP	$1.55 PP	$1.55 PP	$1.55 PP	$1.55 PP
Wellness Services					
Health Risk Assessments (online)	Included	Included	Included	Included	Included
Biometric Screenings (price based on screening type)	Variable	Variable	Variable	Variable	Variable
Incentive Administration (price based on program selection)	Variable Included	Variable Included	Variable Included	Variable Included	Variable Included
Standard Reports	Included	Included	Included	Included	Included
Capitated Services**					
Lab	~~$2.44~~ $3.25	~~$2.44~~ $3.25	~~$2.44~~ $3.25	~~$2.44~~ $3.25	$3.25
Durable Medical Equipment	~~$2.39~~ $2.54	~~$2.39~~ $2.54	~~$2.39~~ $2.54	~~$2.39~~ $2.54	$2.54
Home Health and Home Infusion	~~$2.25~~ $2.30	~~$2.25~~ $2.30	~~$2.25~~ $2.30	~~$2.25~~ $2.30	$2.30
Fiduciary Services - coordination of benefits, claim appeals***	~~$1.00~~ Included	~~$1.00~~ Included	~~$1.00~~ Included	~~$1.00~~ Included	~~$1.00~~ Included

Exhibit “1”

On-Site Service Representative	Included	Included	Included	Included	Included
Other Fees That May Be Included Above					
Start-up fees	Included	Included	Included	Included	Included
Preparation of summary plan descriptions	Included	Included	Included	Included	Included
ID cards	Included	Included	Included	Included	Included
Other (please list) HIPAA Certificates ***	~~$0.25~~ Included	~~$0.25~~ Included	~~$0.25~~ Included	~~$0.25~~ Included	~~$0.25~~ Included
COBRA Administration***	~~$0.40~~ Included	~~$0.40~~ Included	~~$0.40~~ Included	~~$0.40~~ Included	~~$0.44~~ Included
Nurse Help Line***	~~$1.37~~ Included	~~$1.37~~ Included	~~$1.37~~ Included	~~$1.37~~ Included	~~$0.91~~ Included

NOTES:

*Disease Management fees are listed as per program enrolled Participant, and are not included in the Total Administrative Fee PSPM.

**Capitated Services Rates are representative of current per Member per month (PMPM) capitation rates for the amount shown. They are subject to change as provider agreements are negotiated, and are billed on a PMPM basis. AvMed guarantees these rates for the ~~Extended~~ Contract Years: Years ~~5~~ 6 - Years 10: January 1, ~~2019~~ 2020 through December 31, ~~2019~~ 2024.

***These fees are now all included in the Claims Administration Fee.