SERIAL 12006 RFP EMPLOYEE VISION SERVICES

DATE OF LAST REVISION: August 22, 2012 CONTRACT END DATE: June 30, 2016

CONTRACT PERIOD THROUGH JUNE 30, 2016

TO: All Departments

FROM: Office of Procurement Services

SUBJECT: Contract for **EMPLOYEE VISION SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **August 22, 2012 (Eff. 07/01/13).**

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

_____

Wes Baysinger, Chief Procurement Officer
Office of Procurement Services

SD/mm
Attach

Copy to: Office of Procurement Services
Chris Bradley, Business Strategies and Health Care
Meg Blankenship, Business Strategies and Health Care

(Please remove Serial 05070-RFP from your contract notebooks)

CONTRACT PURSUANT TO RFP

SERIAL 12006-RFP

This Contract is entered into this 22nd day of August, 2012 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Avesis Third Party Administrators an Arizona corporation ("Contractor") for the purchase of Vision Care services.

1.0 CONTRACT TERM:

1.1 This Contract is for a term of Three (3) year, beginning on the 1st day of July, 2013 and ending the 30th day of June , 2016

1.2 The County may, at its option and with the agreement of the Contractor, renew the term of this Contract for additional terms up to a maximum of three (3) years, (or at the County's sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least thirty (30) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

2.0 FEE ADJUSTMENTS:

Any request for fee adjustments (years 5 and 6 based on the capped rates) must be submitted one hundred and eighty (180) days prior to the current Contract expiration date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted fee, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

3.0 PAYMENTS:

3.1 **As** consideration for performance of the duties described herein, County shall pay Contractor the sum(s) stated in Exhibit "A" for the ASO fees monthly. Payment shall be made using the County's calculation of fees due after the End of Month of service Net thirty (30) terms.

3.2 Claims shall be paid twice per month (first and fifteenth) upon receipt of properly completed invoice. Payment shall be made within ten (10) days.

3.3 INVOICES:

3.3.1 The Contractor shall submit two (2) legible copies of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract serial number
- County purchase order number
- Invoice number and date

- Payment terms
- Date of service or delivery
- Quantity
- Contract Item number(s)
- Description of service provided
- Pricing per unit of service
- Freight (if applicable)
- Extended price
- Mileage w/rate (if applicable)
- Total Amount Due

3.3.2 Problems regarding billing or invoicing shall be directed to the County as listed on the Purchase Order.

3.3.3 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Award the Contractor shall fill out an EFT Enrollment form located on the County Department of Finance Website as a fillable PDF document (www.maricopa.gov/finance/)

3.3.4 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

4.0 AVAILABILITY OF FUNDS:

4.1 The provisions of this Contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this Contract. County shall keep the Contractor fully informed as to the availability of funds.

4.2 If any action is taken by any state agency, Federal department or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this Contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this Contract. In the event of termination, County shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services are performed in accordance with the provisions of this Contract. County shall give written notice of the effective date of any suspension, amendment, or termination under this Section, at least ten (10) days in advance.

5.0 DUTIES:

5.1 The Contractor shall perform all duties stated in Exhibit “B” (General Scope of Services, Exhibit B-1 (Plan Design) and Exhibit B-2 (Avesis Response to Attachment D), or as otherwise directed in writing by the Procurement Officer.

6.0 TERMS and CONDITIONS:

6.1 INDEMNIFICATION:

6.1.1 To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions, mistakes or malfeasance relating to the performance of this Contract.

Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract by the Contractor, as well as any person or entity for whose acts, errors, omissions, mistakes or malfeasance Contractor may be legally liable.

6.1.2 The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

6.1.3 The scope of this indemnification does not extend to the sole negligence of County.

6.2 INSURANCE REQUIREMENTS:

6.2.1 Contractor, at Contactor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of A-, VII or higher. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

6.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

6.2.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

6.2.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

6.2.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contactor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

6.2.6 County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance certificates. County shall not be obligated to review policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

6.2.7 The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

6.2.8 The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

6.2.9 Commercial General Liability.

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than $1,000,000 for each occurrence, $2,000,000 Products/Completed Operations Aggregate, and $2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

6.2.10 Automobile Liability.

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.

6.2.11 Workers' Compensation.

6.2.11.1 Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than $100,000 for each accident, $100,000 disease for each employee, and $500,000 disease policy limit.

6.2.11.2 Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

6.2.12 Certificates of Insurance.

6.2.12.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

6.2.12.1.1 In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

6.2.12.1.2 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

6.2.13 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

6.3 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:
Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona 85003-2494

For Contractor:
Avesis Third Party Administrators, Inc.
3030 North Central Avenue, Suite 300
Phoenix, AZ. 85012

6.4 REQUIREMENTS CONTRACT:

6.4.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made (minimum or maximum).

6.5 TERMINATION FOR CONVENIENCE:

The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the County without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the County. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

6.6 TERMINATION FOR DEFAULT:

6.6.1 In addition to the rights reserved in the Contract, the County may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

6.6.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County on demand.

6.6.3 The County may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the County for any excess costs incurred by the County in procuring materials or services in substitution for those due from the Contractor.

6.6.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

6.7 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. §38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on

behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

6.8 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

6.9 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

6.10 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture between the District and the Contractor.

6.11 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

6.12 AMENDMENTS:

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Materials Management shall be responsible for approving all amendments for Maricopa County.

6.13 RETENTION OF RECORDS:

6.13.1 The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

6.13.2 If the Contractor’s books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

6.14 AUDIT DISALLOWANCES:

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance.

County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

6.15 ALTERNATIVE DISPUTE RESOLUTION:

6.15.1 After the exhaustion of the administrative remedies provided in the Maricopa County Procurement Code, any contract dispute in this matter is subject to compulsory arbitration. Provided the parties participate in the arbitration in good faith, such arbitration is not binding and the parties are entitled to pursue the matter in state or federal court sitting in Maricopa County for a de novo determination on the law and facts. If the parties cannot agree on an arbitrator, each party will designate an arbitrator and those two arbitrators will agree on a third arbitrator. The three arbitrators will then serve as a panel to consider the arbitration. The parties will be equally responsible for the compensation for the arbitrator(s). The hearing, evidence, and procedure will be in accordance with Rule 74 of the Arizona Rules of Civil Procedure. Within ten (10) days of the completion of the hearing the arbitrator(s) shall:

6.15.1.1 Render a decision;

6.15.1.2 Notify the parties that the exhibits are available for retrieval; and

6.15.1.3 Notify the parties of the decision in writing (a letter to the parties or their counsel shall suffice).

6.15.2 Within ten (10) days of the notice of decision, either party may submit to the arbitrator(s) a proposed form of award or other final disposition, including any form of award for attorneys' fees and costs. Within five (5) days of receipt of the foregoing, the opposing party may file objections. Within ten (10) days of receipt of any objections, the arbitrator(s) shall pass upon the objections and prepare a signed award or other final disposition and mail copies to all parties or their counsel.

6.15.3 Any party which has appeared and participated in good faith in the arbitration proceedings may appeal from the award or other final disposition by filing an action in the state or federal court sitting in Maricopa County within twenty (20) days after date of the award or other final disposition. Unless such action is dismissed for failure to prosecute, such action will make the award or other final disposition of the arbitrator(s) a nullity.

6.16 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

6.17 RIGHTS IN DATA:

The County shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

6.18 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

6.19 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:

6.19.1 By entering into the Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using e-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.

6.19.2 The County retains the legal right to inspect contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 6.19.1 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County will consider this a material breach of the contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

6.20 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §§35-391.06 AND 35-393.06 BUSINESS RELATIONS WITH SUDAN AND IRAN:

6.20.1 By entering into the Contract, the Contractor certifies it does not have scrutinized business operations in Sudan or Iran. The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract.

6.20.2 The County may request verification of compliance for any contractor or subcontractor performing work under the Contract. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

6.21 CONTRACTOR LICENSE REQUIREMENT:

6.21.1 The Respondent shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. The Respondent shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Materials Management and the using agency of any and all changes concerning permits, insurance or licenses.

6.22 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

6.22.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:

6.22.1.1 are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

6.22.1.2 have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statues or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

6.22.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

6.22.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.

6.22.2 Should the Contractor not be able to provide this certification, an explanation as to why should be attached to the Contact.

6.22.3 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

6.23 PRICES:

Contractor warrants that prices extended to County under this Contract are no higher than those paid by any other customer for these or similar services.

6.24 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

6.25 INFLUENCE

As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct, may be grounds for Disbarment or Suspension under MC1-902.
An attempt to influence includes, but is not limited to:

6.25.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type valuable contribution or subsidy,

6.25.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

If a Person attempts to influence any employee or agent of Maricopa County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the

Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

6.26 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract:

6.26.1 Exhibit A, Pricing;

6.26.2 Exhibit B, (General Scope of Work)

6.26.3 Exhibit B-1 (Plan Design)

6.26.4 Exhibit B-2 (Avesis response to Attachment D)

6.26.5 Exhibit C (HIPAA Business Associate Agreement);

6.26.6 Exhibit D, Service Level Agreement

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

Michael Reamer

AUTHORIZED SIGNATURE

MICHAEL REAMER, SECRETARY

PRINTED NAME AND TITLE

3030 N. Central Avenue, Suite 300, PHOENIX, AZ, 85012

ADDRESS

AUGUST 5, 2012

DATE

MARICOPA COUNTY

CHAIRMAN, BOARD OF SUPERVISORS

AUG 22 2012

DATE

ATTESTED:

CLERK OF THE BOARD

AUG 22 2012

DATE

APPROVED AS TO FORM:

LEGAL COUNSEL

8/16/12

DATE

EXHIBIT A
PRICING

SERIAL 12006-RFP
PRICING SHEET: NIGP 94868

BIDDER NAME:	Avesis Third Party Administrators, Inc.
VENDOR #:	86-0986927
BIDDER ADDRESS:	3030 North Central Avenue, Suite 300, Phoenix, AZ 85012
P.O. ADDRESS:	NA
BIDDER PHONE #:	602-241-3400
BIDDER FAX #:	602-240-9103
COMPANY WEB SITE:	www.avesis.com
COMPANY CONTACT (REP):	Denise Ramage Meling, Regional Vice President of Sales and Marketing
E-MAIL ADDRESS (REP):	dramage@avesis.com

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: YES

PAYMENT TERMS:
NET 30

1.0 ASO PRICING:*	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**	**YEAR 6**
1.1 PER EMPLOYEE PER MONTH *	$0.34	$0.34	$0.34	$0.34	10% CAP	10% CAP
1.2 RETIREES*	$0.37	$0.37	$0.37	$0.37	10% CAP	10% CAP

*** INCLUDES ALL NETWORK ACCESS FEES (IF ANY)**

1.3 **GUARANTEED NETWORK DISCOUNTS 20%
(Professional services)

1.4 **GUARANTEED NETWORK DISCOUNTS 20%
(GUARANTEED discounts for products/services in plan)

Note: ASO Pricing assumes that the vendor will charge a fee per covered employee for claims administration functions and that the County will pay actual claims as the emerge. It also assumes that the vendor will include the network of providers designed and managed by the same vendor. The ASO pricing does not expect a separate contract for or a separate provider network

2.0 **OTHER PRODUCTS/SERVICES PUBLISHED PRICE LESS 20%

**DOES NOT INCLUDE WALMART/SAMS
**DOES INCLUDE EMPLOYEE PURCHASES

EXHIBIT A
PRICING

SERIAL 12006-RFP
PRICING SHEET: NIGP 94868

BIDDER NAME:	Avesis Third Party Administrators, Inc.
VENDOR #:	86-0986927
BIDDER ADDRESS:	3030 North Central Avenue, Suite 300, Phoenix, AZ 85012
P.O. ADDRESS:	NA
BIDDER PHONE #:	602-241-3400
BIDDER FAX #:	602-240-9103
COMPANY WEB SITE:	www.avesis.com
COMPANY CONTACT (REP):	Denise Ramage Meling, Regional Vice President of Sales and Marketing
E-MAIL ADDRESS (REP):	dramage@avesis.com

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: __**X**___YES _____ NO

PAYMENT TERMS: BIDDER IS REQUIRED TO PICK ONE OF THE FOLLOWING.
TERMS WILL BE CONSIDERED IN DETERMINING LOW BID.
FAILURE TO CHOOSE A TERM WILL RESULT IN A DEFAULT TO NET 30.
BIDDER MUST INITIAL THE SELECTION BELOW.

NET 30 **XX** drm

1.0 ASO PRICING:*

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1.1 PER EMPLOYEE PER MONTH *	$0.34	$0.34	$0.34	$0.34	10% CAP	10% CAP
1.2 RETIREES*	$0.37	$0.37	$0.37	$0.37	10% CAP	10% CAP

*** INCLUDES ALL NETWORK ACCESS FEES (IF ANY)**

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2.0 **OTHER PRODUCTS/SERVICES PUBLISHED PRICE LESS 20%

**DOES NOT INCLUDE WALMART/SAMS
**DOES INCLUDE EMPLOYEE PURCHASES

1.0 PRICING VISION SERVICES:

Years 4, 5, and 6 are cap rates:

1.1 FULLY INSURED COMBINED WITH MEDICAL PER MEMBER PER MONTH	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**	**YEAR 6**
1.1.1 EMPLOYEE	$5.13	$5.13	$5.13	$5.13	$10% CAP	$10% CAP
1.1.2 EMPLOYEE PLUS SPOUSE	$9.68	$9.68	$9.68	$9.68	$10% CAP	$10% CAP
1.1.3 EMPLOYEE PLUS CHILDREN	$11.31	$11.31	$11.31	$11.31	$10% CAP	$10% CAP
1.1.4 EMPLOYEE PLUS FAMILY	$13.91	$13.91	$13.91	$13.91	$10% CAP	$10% CAP

1.2 FULLY INSURED STAND ALONE MONTHLY PREMIUMS PER MEMBER PER MONTH	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**	**YEAR 6**
	$_____	$_____	$_____	$_____	$_____	$_____
1.2.1 EMPLOYEE	$ 6.28	$6.28	$6.28	$6.28	$10% CAP	$10% CAP
1.2.2 EMPLOYEE PLUS SPOUSE	$12.01	$12.01	$12.01	$12.01	$10% CAP	$10% CAP
1.2.3 EMPLOYEE PLUS CHILDREN	$12.13	$12.13	$12.13	$12.13	$10% CAP	$10% CAP
1.2.4 EMPLOYEE PLUS FAMILY	$18.31	$18.31	$18.31	$18.31	$10% CAP	$10% CAP

2.0 SELF INSURED OPTION

2.1 ASO PRICING:*

	YEAR 1	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**	**YEAR 6**
PER EMPLOYEE PER MONTH *	$0.37	$0.37	$0.37	$0.37	$10% CAP	$10% CAP

2.2 GUARANTEED NETWORK DISCOUNTS _____%
(Professional services)

*** INCLUDES ALL NETWORK ACCESS FEES (IF ANY)**

2.3 GUARANTEED NETWORK DISCOUNTS _____20____%
(GUARANTEED average discounts for products/services in plan)

Note: ASO Pricing assumes that the vendor will charge a fee per covered employee for claims administration functions and that the County will pay actual claims as the emerge. It also assumes that the vendor will include the network of providers designed and managed by the same vendor. The ASO pricing does not expect a separate contract for or a separate provider network

3.0 OTHER PRODUCTS/SERVICES PUBLISHED PRICE LESS 20 %

EXHIBIT B
SCOPE OF SERVICES EMPLOYEE VISION CARE SERVICES

1.0 INTENT**:**

The purpose of this contract is to provide a single contractor to furnish comprehensive vision care benefits to eligible Maricopa County employees, retirees, dependents, COBRA participants, and contract employees.

1.1 PROPOSED BENEFITS:

Maricopa County is requesting a proposal to provide vision care benefits to Maricopa County employees, retirees, and their families. The benefit schedule is provided as EXHIBIT 3. This exhibit reflects the current plan design and the minimum coverage that shall be provided under the plan.

Other governmental entities under agreement with the County may have access to services provided hereunder (see also Section 2.31, below)

2.0 SCOPE OF WORK:

In addition to the minimum requirements noted in section 2.26 your proposed and ultimately contracted services, shall comply with the following scope of work:

2.1 The effective date of the contract will be July 1, 2013. The rate/fees shall be firm fixed rates/fees for years one through three with a not-to-exceed increase for years four, five and six. The quoted rates shall be all-inclusive including the administration, underwriting, insurance, network management, etc.

2.2 The contract's rate change date and anniversary will fall on July 1st. All contract or benefit changes will only occur on this date unless previously agreed to in writing by all parties. The County reserves the right to annually negotiate benefit modifications it considers in its best interest. Rates may be modified for such changes subject to mutual good faith negotiation on the value of such changes.

2.3 Written, 7-month rate change notification of the final renewal shall be given prior to the anniversary dates for years 4, 5 and 6 and shall include supporting documentation. The first notification is due December 1, 2016 for year 4 of the contract. Preliminary, non-binding renewal projections to assist the County in the budgetary process shall be provided as requested.

2.4 Vision coverage will be provided for eligible employees, retiree's dependents, COBRA participants, and contract employees. There is a four-tier rate structure (single, single plus spouse, single plus children, and single plus family.) Employees are eligible for vision coverage if they are a regular employee (except some contract employees as specified below) scheduled to work at least 20 hours per week. For benefit plan purposes, "regular employee" is defined as a full-time or part-time employee who is not temporary, but who may be a contract employee. Employees working under specific contracts may or may not be eligible for benefits based on the terms of their contract. Regular employees who are scheduled to work less than 20 hours per week, all temporary employees, and contract employees whose contract specifies they are not benefits-eligible are ineligible to participate in the vision plan. Additionally, a benefits-eligible employee may add an eligible dependent to coverage. An eligible dependent is a legal spouse as defined or recognized by Arizona and federal law, including IRS regulations and rulings, (does not include same sex or common-law spouses, domestic partners, or significant others) and /or a child or children or young adult up to age 26 (regardless of marital, student, residency, or tax dependency status) or a child of any age if permanently and totally disabled prior to age 26. The term "child or young adult" means your natural child, stepchild, legally adopted child, child placed with you for adoption or child for whom you have been awarded legal guardianship.

2.5 The County will self-administer ASO fees and will provide supporting documentation regarding the calculation of the fees payments.

2.6 Actives and retirees will be covered under the vision plan however their rates shall not be blended.

2.7 The County reserves the right to audit the contractor's claim processing, payments and membership records, with reasonable notice.

2.8 The contractor, by submitting a response to these services, acknowledges the County's right to select the auditor, and further agrees to allow the auditor to determine the sample, cooperate fully with such auditor and waive any and all fees associated with providing access to the County's claim records including use of the contractor's staff time to assist in the audit. The audits may include, but are not limited to, the following:

2.8.1 Determinations of any mathematical errors in computation.
2.8.2 Determinations that only eligible members have had claims paid.
2.8.3 Review of provider charges per service.
2.8.4 Review of turnaround time in claim processing.
2.8.5 Review of duplicate, denied claims and claims in appeal status.

2.9 The audits may be conducted during the policy period and/or upon completion of the policy period and/or following submission of the final policy report by the contractor at the discretion of the County.

2.10 Additionally, the contractor shall be requested to provide periodic eligibility lists or electronic files to the County at no charge in order to reconcile participants' eligibility.

2.11 If at any time the County has a reasonable belief that it is being systematically overcharged or double-billed under the contract, or that any other significant accounting irregularities exist, the County may conduct or hire an agent to conduct an audit of the contractor's books and records with respond to their contract. Such audit shall be undertaken at contractor's expense.

2.12 The contractor shall agree to provide personnel to attend scheduled Open Enrollment meetings at no charge, at the County's request.

2.13 The contractor will implement Maricopa County in a timely fashion and will be measured using the following operational milestones which shall be included on their implementation work plan and will put a certain portion of their reimbursement at risk for completion of such tasks by the effective date of the contract:

2.13.1 Setting up the eligibility data (subscriber, dependents, correct plan selection, effective dates, etc.)
2.13.2 Setting up the employer Group and sub-groups for active, retiree and COBRA participants
2.13.3 Setting up the benefit plans and corresponding benefit terms
2.13.4 Setting up the provider contracts, corresponding contract terms and network relationships
2.13.5 Correctly identifying services that need to be pre-authorized
2.13.6 Establishing the claims edits and business rules
2.13.7 Transition/coordination of care issues/procedures are provided and implemented correctly
2.13.8 Accurately paying in-network and out-of-network claims according to the Certificate of Coverage/Summary Plan Document
2.13.9 Production of accurate member correspondence, including but not limited to, , ID cards, EOBs, Provider Remittances and management reports

2.14 The vendor/claims administrator will maintain and verify eligibility for coverage for all benefits.

2.15 The contractor shall provide a minimum of 12 months of historical data upon termination of the contract at no additional cost.

2.16 The contractor shall provide claims payment services for 6 months upon termination of the contract at no additional cost.

2.17 The County may correct legitimate administrative errors and is the final determinant of when such errors have occurred. The County shall be the final determinant for all eligibility issues. No evidence of insurability will be required unless the participant is a late entrant.

2.18 ASO fees will be paid monthly.

2.19 Eligibility for active employees and retirees will be provided electronically via ADP WinFlex 2.8 at least weekly. The contractor shall be able to accept and process such file in a mutually agreed upon format within 48 hours of receipt. Contractor shall also be able to generate an electronic exception report for the County within five working days from applying the data from each file.

2.20 The County's COBRA Administrator will handle eligibility, enrollment and premium payment for COBRA participants.

2.21 The County maintains the right to cancel the contract at any time, if there is a significant change, in the County's opinion, in the contractor's operation of the plan, including but not limited to, the adequacy of the provider network, satisfaction with customer service, quality of the plan services, timeliness of claims payment and/or overall satisfaction by the County's employees.

2.22 If the contract is awarded on a self-insured basis, the contractor shall have the capability to accept electronic transfer of funds under the ASO agreement and will be asked to establish banking arrangements that charges the account only for benefit checks presented for payment versus checks issued by the administrator.

2.23 All forms and documents shall be provided via electronic format for posting on the County's intranet and Internet Web sites.

2.24 The contractor shall provide each County participant using services with a satisfaction survey, which will determine satisfaction level with customer services, the network, the treating provider, the quality of services and satisfaction with the benefits.

2.25 <u>REPORTING REQUIREMENTS</u>:

2.25.1 All reports shall be received on a quarterly basis with accumulated year to date results unless otherwise noted.

2.25.2 The administrator shall provide all reports and documentation required by law to be administered by the plan .to employees and dependents.

2.25.3 The vendor shall provide summary data that includes demographics, and claims by type and number down to Level 4 of the account structure shown in 2.25.6 and 2.25.7 below.

2.25.4 Reports shall be provided electronically in Excel compatible format to allow the County to manipulate the data. Reports shall be accessible to the County through a secure Web site.

2.25.5 The contractor shall provide a report with the results of the County-specific satisfaction survey results.

2.25.6 In order to provide the level of reporting required, the contractor shall be able to accept and store enrollment and claims data according to the following account structure:

2.25.6.1 Level I: Group
2.25.6.2 Level 2: Sub Groups: ADP t payroll system and Non-payroll
2.25.6.3 Level 3: Eligibility Type for each sub-group (active, elected officials, contract, COBRA, retirees over and under age 65
2.25.6.4 Level 4: Department

2.25.7 The contractor shall track claims experience and provide such experience reports to the County in conjunction with renewals past the initial contract year. Claims experience, at a minimum, means diagnosis and procedures, frequency and cost.

2.25.8 An audited annual report shall be provided each year. The contractor shall be financially solvent as demonstrated by audited annual reports that include financial statements for the past three calendar years.

2.25.9 The contractor shall conduct and provide a SAS 70 audit report of their claims payment system at least bi-annually to support the County's annual external audit.

2.25.10 The contractor shall provide a full annual accounting within six months of the end of the policy year, and will show all premium components including but not limited to capitation and paid, pending and clams in appeal status, retention analysis, beginning and ending reserves, and pooled premiums and claims.

2.25.11 Contractors shall provide both an in-network as well as out-of-network benefit. Vendors may choose to provide benefits through a preferred network of vendors and a non-preferred extended network of contracted vendors in addition to an out-of-network or indemnity system, or may choose to provide only a closed panel of preferred providers and an out of network benefits. If out-of-network benefits are based on a reasonable and customary amount or schedule, the basis for the payment shall be described in the proposal.

2.25.12 At least 80% of the vendor's retail stores shall be able to provide full services; exams, frames, and lenses/contacts through that storefront outlet. All facilities shall meet Americans with Disability Act (ADA) requirements and guidelines, including but not limited to access to a TTY (Telephone Text) for the hearing impaired and/or providing translation services.

2.25.13 The contractor shall be responsible for drafting, producing, and distributing, subject to County review and approval, all communication materials, certificates of coverage, plan summaries, provider directories and administrative forms. The provider directory shall be current and indicate which providers are accepting new patients and which are closed, if any, to new patients. Such documents shall be produced in sufficient quantities to meet the County's needs for existing and future employees.

2.25.14 The contractor shall have a procedure for informing established employees as well as new hires of the services provided and how to access services. This includes informational materials, payroll stuffers, videos, brochures, posters and live presentations. Additionally, the contractor shall provide communication pieces that compliment the health initiatives identified by the County and for higher than expected utilization of services/conditions.

2.25.15 The contractor will be evaluated using performance standards, which measure member telephone response time, abandonment rate, member appeals, claims payment accuracy and timeliness, ID card production, member satisfaction and delivery of management reports. The contractor will be expected to guarantee performance in these areas by guaranteeing a percentage of the premium if standards are not met. This will be negotiated as part of the final contract as a Service Level Agreement.

2.25.16 Takeover will be on a "no-loss, no-gain" basis; that is, no individual will lose coverage or be subject to a new pre-existing condition limitation solely on the basis of a change in contractor. Any actively at-work provision will be waived for participants who are not actively at work (including those who are confined to a hospital).

2.25.17 No minimum participation requirements will be allowed. Rates shall be guaranteed unless the active enrollment level changes by more than 20% based on open enrollment data.

2.26 USAGE REPORT:

The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

2.27 TAX: (SERVICES)

No tax shall be levied against labor. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.

2.28 DELIVERY:

It shall be the Contractor's responsibility to meet the proposed delivery requirements. Maricopa County reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

2.29 STRATEGIC ALLIANCE for VOLUME EXPENDITURES ($AVE):

The County is a member of the $AVE cooperative purchasing group. $AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the $AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of $AVE may access a contract resulting from a solicitation issued by the County.

EXHIBIT B-1
(PLAN DESIGN)

Avēsis
A National Vision, Dental and Hearing Company

12006 Exhibit B-1
Advantage Plus Vision Care

Monthly Self-Funded Vision Care Rates
Prepared For:
MARICOPA COUNTY
Network includes Wal-Mart

Advantage Plus Benefit Frequency & Plan Design

Plan A	Examination	Spectacle Lenses	Frame	Contact Lenses
	12 months	12 months	12 months	12 months

Advantage Plus Schedule of Benefits and Avesis Fees

	In-Network Member Cost Excluding Wal-Mart	In-Network Member Cost at Wal-Mart	In-Network Avesis Fees (less any co-pays)	Out of Network Reimbursement
Eye Examination	$10 Copay*	$10 Copay	$45	Reimbursed up to $30
Contact Lens Fit / Follow-up				
-Standard Lenses	Up to $40	Retail	$0	Not covered
-Premium Lenses	10% off retail	Retail	$0	Not covered
Spectacle Lenses (pair)				
-Standard Single Vision	$10 Copay*	$10 Copay	$35	Reimbursed up to $25
-Standard Bifocal	$10 Copay*	$10 Copay	$50	Reimbursed up to $40
-Standard Trifocal	$10 Copay*	$10 Copay	$65	Reimbursed up to $55
-Standard Lenticular	$10 Copay*	$10 Copay	$65	Reimbursed up to $55
-Standard Progressive	$75	Retail less $50	$55	Reimbursed up to $40
-Premium Progressive	$75, 80% of charge less $120 allowance	Retail less $50	$55	Reimbursed up to $40
Lens Options Add Ons				
-Tint (solid/gradient)	$15	Retail Price	$0	Not covered
- UV Coating	$15	Retail Price	$0	Not covered
-Standard Scratch Resistance	$15	Retail Price	$0	Not covered
-Standard Polycarbonate	$0	Retail Price	$40	Reimbursed up to $25
-Standard Anti-Reflective	$45	Retail Price	$0	Not covered
-Other Add-Ons and Services	80% of charge	Retail Price	$0	Not covered
Frame	$130 Allowance*	$68 Allowance for Wal-Mart*	$75 $68 (Walmart)	Reimbursed up to $50 NA
Contact Lenses *(In lieu of frame/ spectacle lenses)*				
-Elective	$130 allowance	$130 allowance	$130	Reimbursed up to $130
-Medically Necessary	Covered in full	Covered in full	80% of charge	Reimbursed up to $250
LASIK Surgery *Onetime, lifetime allowance*	At least 80% of preferred provider charge less lifetime allowance of $150 per eye.		Allowance up to $150 per eye	Not Covered

Advantage Plus Self-Funded Monthly Administrative Fee

Plan A (12/12/12/12)	$10/$10 Co-pay*
Composite Administrative Fee - Actives	$0.34 PEPM
Composite Administrative Fee - Retirees	$0.37 PEPM

*** A $10/$10 co-pay includes a $10 co-pay for the exam and a $10 co-pay for materials (spectacle lenses & frame). Co-pays do not apply to out-of-network reimbursement or contact lens benefits or LASIK Allowance.**

- ***ASO Fees are guaranteed for four (4) years.***
- ***Fees are net of commissions.***
- ***Fees are inclusive of all services.***
- ***Claims can be paid by check or electronic transfer.***

SPECIFIC AVESIS SERVICES INCLUDED IN THE ABOVE PRICING

The Avesis quotation is all inclusive of the services that we provide. Services included are as follows:

- Customer service including a toll-free number for members to use during normal business hours
- 24-hour access to the Avesis website at www.avesis.com
- Liaison with the providers to resolve any provider related issues
- Provider service and recruitment
- Eligibility verification
- Maintenance and updating of the website
- Claims adjudication - processing and payment of in-network and out-of-network claims
- Standard Management Reports
- Attendance at enrollment meetings upon request
- Attendance at meetings with the Purchasing Department upon request
- In-service meetings with staff regarding plan information and Avesis processes
- Printing of all standard benefit and enrollment materials
- Printing and mailing of ID Cards to the member's home

EXHIBIT B-2
(AVESIS RESPONSE TO ATTACHMENT D)

2.1	The effective date of the contract will be July 1, 2013. The rate/fees shall be firm fixed rates/fees for years one through three with a not-to-exceed increase for years four, five and six. The quoted rates shall be all-inclusive including the administration, underwriting, insurance, network management, etc
Vendor Response	
Agreed. The effective date will be July1, 2013 and the rate/fees proposed by Avesis are firm until July 1, 2013 and thereafter, if awarded the contract, will be guaranteed for four (4) years with caps on the increases (if any are needed) for years five and six. The Avesis rates/fees proposed are inclusive of the services we will provide which will include: *Customer Service including a toll free number for members to use during normal business hours; *24-hour access to the Avesis website at www.avesis.com; *Maintenance and updating of the website; *Claims adjudication; *Eligibility verification; *Provider services and recruitment; Printing of standard benefit and enrollment materials; *ID card production and mailing to member homes; *Standard Management Reports; *Attendance at meetings when requested; *In-service training meetings with staff on plan information and Avesis processes.	
2.2	Thepolicy's or contract's rate change date and anniversary will fall on July 1st. All contract or benefit changes will only occur on this date unless previously agreed to in writing by all parties. The County reserves the right to annually negotiate benefit modifications it considers in its best interest. Rates may be modified for such changes subject to mutual good faith negotiation on the value of such changes.
Vendor Response	
Agreed. The contract's anniversary will fall on July 1st each year. All contract or benefit changes will only occur on this date unless previously agreed to in writing by all parties. The County has the right to annually negotiate benefit modifications it considers in its best interest. Rates may be modified for such changes subject to mutual good faith on the value of such changes.	
2.3	Written, 7-month rate change notification of the final renewal shall be given prior to the anniversary dates for years 4, 5 and 6 and shall include supporting documentation. The first notification is due December 1, 2016 for year 4 of the contract. Preliminary, non-binding renewal projections to assist the County in the budgetary process shall be provided as requested
Vendor Response	
Agreed. Avesis will provide a written, 7 month advance notification of any rate change prior to the anniversary dates for years 5 and 6 and will include supporting documentation. The first notification is due December 1, 2016 for year 5. Avesis will provide preliminary, non-binding renewal projections to assist the County in the budgetary process as requested.	
2.4	Vision coverage will be provided for all employees, retirees and their dependents, COBRA participants, and contract employees. There is a four-tier rate structure (single, single plus spouse, single plus children, and single plus family.) Employees are eligible for vision coverage if they are a regular employee (except some contract employees as specified below) scheduled to work at least 20 hours per week. For benefit plan purposes, "regular employee" is defined as a full-time or part-time employee who is not temporary, but who may be a contract employee. Employees working under specific contracts may or may not be eligible for benefits based on the terms of their contract. Regular employees who are scheduled to work less than 20 hours per week, all temporary employees, and contract employees whose contract specifies they are not benefits- eligible are ineligible to participate in the vision plan. Additionally, a benefits-eligible employee may add an eligible dependent to coverage. An eligible dependent is a legal spouse as defined or recognized by Arizona and federal law, including IRS regulations and rulings, (does not include same sex or common-law spouses, domestic partners, or significant others) and /or a child or children or young adult up to age 26 (regardless of marital, student, residency, or tax dependency status) or a child of any age if permanently and totally disabled prior to age 26. The term "child or young adult" means your natural child, stepchild, legally adopted child, child placed with you for adoption or child for whom you have been awarded legal guardianship

Vendor Response	
Agreed. Vision coverage will be provided for all employees, retirees and their dependents, COBRA participants and contract employees. The Avesis proposal includes a four-tier rate structure. Avesis accepts the County's definition of eligible employee/dependent (up to age 26) for vision benefits.	
2.5	The County will self-administer premiums and will provide supporting documentation regarding the calculation of the premium payments.
Vendor Response	
Agreed. Avesis will accept the County's self-administered premiums and supporting documentation.	
2.6	Actives and retirees will be covered under the vision plan however their rates shall not be blended.
Vendor Response	
Agreed. Rates for Actives and Retirees will not be blended.	
2.7	The County reserves the right to audit the contractor's claim processing, payments and membership records, with reasonable notice.
Vendor Response	
Agreed. The County has the right to audit the Avesis claim processing, payments and membership records for the County vision plan with reasonable notice.	
2.8	The contractor, by submitting a response to these services, acknowledges the County's right to select the auditor, and further agrees to allow the auditor to determine the sample, cooperate fully with such auditor and waive any and all fees associated with providing access to the County's claim records including use of the contractor's staff time to assist in the audit. The audits may include, but are not limited to, the following: 2.8.1 Determinations of any mathematical errors in computation. 2.8.2 Determinations that only eligible members have had claims paid. 2.8.3 Review of provider charges per service. 2.8.4 Review of turnaround time in claim processing. 2.8.5 Review of duplicate, denied claims and claims in appeal status. 2.8 The contractor, by submitting a response to these services, acknowledges the County's right to select the auditor, and further agrees to allow the auditor to determine the sample, cooperate fully with such auditor and waive any and all fees associated with providing access to the County's claim records including use of the contractor's staff time to assist in the audit. The audits may include, but are not limited to, the following: 2.8.1 Determinations of any mathematical errors in computation. 2.8.2 Determinations that only eligible members have had claims paid. 2.8.3 Review of provider charges per service. 2.8.4 Review of turnaround time in claim processing. 2.8.5 Review of duplicate, denied claims and claims in appeal status.
Vendor Response	
Agreed. The County has the right to select the auditor and the auditor may select the sample of claims to audit. Avesis will cooperate fully with the County's auditor and will waive any fees associated with providing access to the County's claim file including use of Avesis staff time to assist the audit. Furthermore, Avesis agrees to the audit perameters state in 2.8 above.	
2.9	The audits may be conducted during the policy period and/or upon completion of the policy period and/or following submission of the final policy report by the contractor at the discretion of the County

Vendor Response	
Agreed. Avesis understands that the County's audits may be conducted during the policy period and/or upon completion of the policy period and/or following submission of the final policy report by Avesis at the discretion of the County.	
2.10	~~Additionally, the contractor shall be requested to provide periodic eligibility lists or electronic files to the County at no charge in order to reconcile participants' eligibility.~~
Vendor Response	
NA	
2.11	If at any time the County has a reasonable belief that it is being systematically overcharged or double-billed under the contract, or that any other significant accounting irregularities exist, the County may conduct or hire an agent to conduct an audit of the contractor's books and records with respond to their contract. Such audit shall be undertaken at contractor's expense
Vendor Response	
Agreed. If at any time the County has a reasonable belief that it is being systematically overcharged or double-billed under the contract, or that any other significant accounting irregularities exist, the County may conduct, or hire an agent to conduct, an audit of the Avesis books and records with respect to the County contract. Such audit will be undertaken at Avesis's expense.	
2.12	The contractor shall agree to provide personnel to attend scheduled Open Enrollment meetings at no charge, at the County's request
Vendor Response	
Agreed. Avesis will provide personnel to attend scheduled Open Enrollment meetings at no charge, at the County's request.	
2.13	The contractor will implement Maricopa County in a timely fashion and will be measured using the following operational milestones which shall be included on their implementation work plan and will put a certain portion of their reimbursement at risk for completion of such tasks by the effective date of the contract: 2.13.1 Setting up the eligibility data (subscriber, dependents, correct plan selection, effective dates, etc.) ~~2.13.2 Setting up the employer Group and sub-groups for active, retiree and COBRA participants~~ 2.13.3 Setting up the benefit plans and corresponding benefit terms 2.13.4 Setting up the provider contracts, corresponding contract terms and network relationships 2.13.5 Correctly identifying services that need to be pre-authorized 2.13.6 Establishing the claims edits and business rules 2.13.7 Transition/coordination of care issues/procedures are provided and implemented correctly 2.13.8 Accurately paying in-network and out-of-network claims according to the Certificate of Coverage/Summary Plan Document 2.13.9 Production of accurate member correspondence, including but not limited to, , ID cards, EOBs, Provider Remittances and management reports
Vendor Response	
Agreed. Avesis will implement Maricopa County in a timely fashion and agrees to be measured using the operational milestones listed above in 2.13.1 - 2.13.9 which shall be included in the Avesis Implementation work plan. Avesis will put a certain portion of the reimbursement at risk for completion of the implementation tasks by the effective date of the contract.	
2.14	The vendor/claims administrator will maintain and verify eligibility for coverage for all benefits.
Vendor Response	
Agreed. Avesis will maintain and verify eligibility for coverage of all benefits.	
2.15	The contractor shall provide a minimum of 12 months of historical data upon termination of the contract at no additional cost.

Vendor Response	
Agreed. Avesis will provide a minimum of 12 months of historical data upon termination of the contract at no additional cost.	
2.16	The contractor shall provide claims payment services for 6 months upon termination of the contract at no additional cost.
Vendor Response	
Agreed. Avesis will provide run-out claim payment services for 6 months after termination of the contract at no additional cost.	
2.17	The County may correct legitimate administrative errors and is the final determinant of when such errors have occurred. The County shall be the final determinant for all eligibility issues. No evidence of insurability will be required unless the participant is a late entrant.
Vendor Response	
Agreed. Avesis agrees that the County may correct legitimate administrative errors and shall be the final determinant of when such errors have occurred. Avesis agrees that the County will be the final determinant for all eligibility issues. No evidence of insurability will be required unless the participant is a late entrant.	
2.18	Premiums will be paid monthly.
Vendor Response	
Agreed. Avesis understands that premiums/fees will be paid monthly by the County.	
2.19	Eligibility for active employees and retirees will be provided electronically via ADP WinFlex 2.8 at least weekly. The contractor shall be able to accept and process such file in a mutually agreed upon format within 48 hours of receipt. Contractor shall also be able to generate an electronic exception report for the County within five working days from applying the data from each file.
Vendor Response	
Agreed. Avesis will receive eligibility for active employees and retirees electronically via ADP WinFlex 2.8 at least weekly. Avesis will be able to accept and process the file in a mutually agreed upon format within 48 hours of receipt. Avesis will generate an electronic exception report for the County within five (5) working days from applying the data from each file.	
2.20	The County's COBRA Administrator will handle eligibility, enrollment and premium payment for COBRA participants.
Vendor Response	
Agreed. The County's COBRA Administrator will handle eligibility, enrollment and premium payment for COBRA participants.	
2.21	The County maintains the right to cancel the contract at any time, if there is a significant change, in the County's opinion, in the contractor's operation of the plan, including but not limited to, the adequacy of the provider network, satisfaction with customer service, quality of the plan services, timeliness of claims payment and/or overall satisfaction by the County's employees.
Vendor Response	
Agreed. Avesis understands that the County has the right to cancel the contract at any time if there is a significant change, in the County's opinion, in Avesis's operation of the plan, including but not limited to, the adequacy of the Avesis provider network, satisfaction with customer service, quality of the plan services, timeliness of claims payment and/or overall satisfaction by the County's employees.	
2.22	If the contract is awarded on a self-insured basis, the contractor shall have the capability to accept electronic transfer of funds under the ASO agreement and will be asked to establish banking arrangements that charges the account only for benefit checks presented for payment versus checks issued by the administrator.

Vendor Response	
Agreed. If the County contract is awarded on a self-insured basis, Avesis will have the capability to accept electronic transfer of funds under the ASO agreement.	
2.23	All forms and documents shall be provided via electronic format for posting on the County's intranet and Internet Web sites.
Vendor Response	
Agreed. Avesis is able to provide all forms and documents in an electronic format for posting on the County's intranet and internet web sites.	
2.24	The contractor shall provide each County participant using services with a satisfaction survey, which will determine satisfaction level with customer services, the network, the treating provider, the quality of services and satisfaction with the benefits.
Vendor Response	
Agreed. Avesis will provide a satisfaction survey to each County participant who uses the vision services.	
2.25	REPORTING REQUIREMENTS:
2.25.1	All reports shall be received on a quarterly basis with accumulated year to date results unless otherwise noted.
Vendor Response	
Agreed. Avesis will produce quarterly reports based on accumulated year-to-date results unless otherwise noted.	
2.25.2	The administrator shall provide all reports and documentation required by law to be administered by the plan .to employees and dependents.
Vendor Response	
Agreed. Avesis will provide all reports and documentation required by law to be administered by the plan to employees and dependents, except COBRA notices which are handled by the COBRA administrator.	
2.25.3	The vendor shall provide summary data that includes demographics, and claims by type and number down to Level 4 of the account structure shown in 2.25.7 below.
Vendor Response	
Agreed. Avesis will provide summary data that includes demographics and claims by type and number down to level 4 of the account structure shown in 2.25.7 so long as the County provides the data in a format that is broken down by the Levels described in 2.25.7.	
2.25.4	Reports shall be provided electronically in Excel compatible format to allow the County to manipulate the data. Reports shall be accessible to the County through a secure Web site.
Vendor Response	
Agreed. Avesis shall provide reports electronically in Excel format through a secure web site.	
2.25.5	The contractor shall provide a loss ratio report, reporting premium, and incurred and paid claims reports.
Vendor Response	
Agreed. Avesis can provide a loss ratio report, reporting premium, and incurred/paid claims reports.	
2.25.6	The contractor shall provide a report with the results of the County-specific satisfaction survey results.

Vendor Response	
Agreed. Avesis will provide a report with the results of the County-specific satisfaction survey results.	
2.25.7	In order to provide the level of reporting required, the contractor shall be able to accept and store enrollment and claims data according to the following account structure: 2.25.7.1 Level I: Group 2.25.7.2 Level 2: Sub Groups: ADP t payroll system and Non-payroll 2.25.7.3 Level 3: Eligibility Type for each sub-group (active, elected officials, contract, COBRA, retirees over and under age 65 2.25.7.4 Level 4: Department
Vendor Response	
Agreed. Avesis can accept and store enrollment and claims data according the 4 levels described above as long as the County provides the data in a format broken down by levels described above.	
2.25.8	The contractor shall track claims experience and provide such experience reports to the County in conjunction with renewals past the initial contract year. Claims experience, at a minimum, means diagnosis and procedures, frequency and cost.
Vendor Response	
Agreed. Avesis will track claims experience and provide experience reports to the County in conjunction with the renewals past the initial contract year.	
2.25.9	An audited annual report shall be provided each year. The contractor shall be financially solvent as demonstrated by audited annual reports that include financial statements for the past three calendar years.
Vendor Response	
Agreed. Avesis will provide the County with a copy of the annual audited financial reports of Avesis Incorporated, the parent company.	
2.25.10	The contractor shall conduct and provide a SAS 70 audit report of their claims payment system at least bi-annually to support the County's annual external audit.
Vendor Response	
Agreed. Avesis shall conduct and provide a SAS 70 audit report, or comparable policies and procedures reporting, of the Avesis claims payment system at least bi-annually to support the County's annual external audit.	
2.25.11	The contractor shall provide a full annual accounting within six months of the end of the policy year, and will show all premium components including but not limited to capitation and paid, pending and clams in appeal status, retention analysis, beginning and ending reserves, and pooled premiums and claims.
Vendor Response	
Agreed. Avesis will provide a full annual accounting within six (6) months of the end of the policy year and will show all premium components including, but not limited to, capitation and paid, pending and claims in appeal status, retention analysis, beginning and ending reservices, and pooled premiums and claims.	

2.26	Mandatory Qualifications**:**
2.26.1	Contractors shall provide both an in-network as well as out-of-network benefit. Vendors may choose to provide benefits through a preferred network of vendors and a non-preferred extended network of contracted vendors in addition to an out-of-network or indemnity system, or may choose to provide only a closed panel of preferred providers and an out of network benefits. If out-of-network benefits are based on a reasonable and customary amount or schedule, the basis for the payment shall be described in the proposal. The contractor shall be able to have sufficient qualified providers located in the geographic areas where employees reside to serve a population of approximately 13,000 employees throughout Maricopa and adjoining Pinal County. The contractor shall have a least 5 open providers within 10 miles or 30 minutes of the metropolitan employee population and at least 2 providers within 30 miles or 45 minutes of the rural employee population based on the employee census data. The provider network shall consist of sufficient ophthalmologists and optometrists. Providers shall be appropriately credentialed to ensure quality care.
Vendor Response	
Agreed. Avesis will provide both an in-network and out-of-network benefit. The Avesis plan is based on a closed panel of preferred providers and an out-of-network benefits.	
2.26.2	The contractor shall have a net worth (total assets - total liabilities) of $2,000,000.00 or more.
Vendor Response	
Agreed. Avesis will maintain a net worth of $2,000,000 or more throughout the contract. In 2010 Avesis's net worth was close to $7,000,000 (the audited 2011 is not available yet, but will be made available to the County when completed if so desired.)	
2.26.3	The contractor shall provide a network comparison to the current vision network and offer contracts to qualified providers that are not within their network in sufficient time to contract with such providers before the contract commences.
Vendor Response	
Agreed. Avesis will provide a network comparison to the current network and will offer contracts to qualified providers that are not within our network in sufficient time to contract with such providers before the contract commences.	
2.26.4	The contractor shall be licensed to provide fully insured and/or self-insured ASO contracts within the State of Arizona and provide quotes under at least one of these arrangements to be considered responsive to the bid by the County
Vendor Response	
Agreed. Avesis is licensed by the State of Arizona to provide fully insured and self-funded ASO contracts.	
2.26.5	The contractor shall provide a Geoaccess report indicating the locations of all retail and service units throughout Maricopa County and in adjoining Pinal county.
Vendor Response	
Agreed. A Geo Access map of the Avesis providers in Maricopa and Pinal Counties is included in Section 13 of the proposal, as well as the Geo Access Report of urban and rural employee access.	
2.26.6	The contractor shall have experience meeting the demands and needs of over 5,000 employees as well as working with multiple businesses within an organization. The contractor shall serve at least 5 private or public organizations and have a minimum of 5 years experience servicing organizations in Arizona with a minimum of 5,000 employees.

Vendor Response	
Agreed. Avesis has administered the vision benefits for the State of Arizona with 39,000 employees since 10/1/2001. In Arizona, Avesis administers full service vision benefits to over 900 employer groups, while nationally Avesis administers vision plans for over 5,000 employer sponsored groups.	
2.26.7	Five references shall be provided including name of employer contact name, e-mail address and phone number of contact person, number of employees, time period for which services were provided and utilization rates (ranges).
Vendor Response	
Agreed. Five references are provided in Section 10 of the proposal.	
2.26.8	At least 80% of the vendor's retail stores shall be able to provide full services; exams, frames, and lenses/contacts through that storefront outlet. All facilities shall meet Americans with Disability Act (ADA) requirements and guidelines, including but not limited to access to a TTY (Telephone Text) for the hearing impaired and/or providing translation services.
Vendor Response	
Agreed. Over 90% of the Avesis Retail stores in Maricopa County are full service providers.	
2.26.9	The contractor shall be responsible for drafting, producing, and distributing, subject to County review and approval, all communication materials, certificates of coverage, plan summaries, provider directories and administrative forms. The provider directory shall be current and indicate which providers are accepting new patients and which are closed, if any, to new patients. Such documents shall be produced in sufficient quantities to meet the County's needs for existing and future employees.
Vendor Response	
Agreed. Avesis will be responsible for drafting, producing and distributing, subject to County review and approval, all communication materials, certificates of coverage, plan summaries, current provider directories and administrative forms. All materials will be produced in sufficient quantities to meet the County's needs for existing and future employees.	
2.26.10	The contractor shall have a procedure for informing established employees as well as new hires of the services provided and how to access services. This includes informational materials, payroll stuffers, videos, brochures, posters and live presentations. Additionally, the contractor shall provide communication pieces that compliment the health initiatives identified by the County and for higher than expected utilization of services/conditions.
Vendor Response	
Agreed. Avesis will have a procedure for informing established employees as well as new hires of the services provided and how to access services. Additionally, Avesis shall provide communication pieces that compliment the health initiatives identified by the County.	
2.26.11	The contractor will be evaluated using performance standards, which measure member telephone response time, abandonment rate, member appeals, claims payment accuracy and timeliness, ID card production, member satisfaction and delivery of management reports. The contractor will be expected to guarantee performance in these areas by guaranteeing a percentage of the premium if standards are not met. This will be negotiated as part of the final contract as a Service Level Agreement.
Vendor Response	
Agreed. Avesis will be evaluated using performance standards, which measure member telephone response time, abandonment rate, member appeals, claims payment accuracy and timeliness, ID card production, member satisfaction and delivery of management reports. Avesis will guarantee a percentage of premium if	
2.26.12	All vendors submitting responses shall be principals. Broker's agents or other separate entities representing other independent firms will not be recognized as authorized proposers under this RFP. No commissions shall be included in the quoted rates.

Vendor Response	
Agreed. Avesis is submitting the proposal directly. The rates quoted are net of commission.	
2.26.13	Takeover will be on a “no-loss, no-gain” basis; that is, no individual will lose coverage or be subject to a new pre-existing condition limitation solely on the basis of a change in contractor. Any actively at-work provision will be waived for participants who are not actively at work (including those who are confined to a hospital).
Vendor Response	
Agreed. The takeover will be on a "no loss, no gain" basis. Additionally, actively at work provisions will be waived for the initial enrollment.	
2.26.14	No minimum participation requirements will be allowed. Rates shall be guaranteed unless the active enrollment level changes by more than 20% based on open enrollment data.
Vendor Response	
Agreed. No minimum participation requirements will be allowed. Rates are guaranteed unless the active enrollment level changes by more than 20% based on open enrollment data.	
2.27 USAGE REPORT:	
	The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.
Vendor Response	
Agreed. Avesis will provide a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.	
2.28	INVOICES AND PAYMENTS:
2.28.1	The Respondent shall submit two (2) legible copies of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information: • Company name, address and contact • County bill-to name and contact information • Contract Serial Number • Invoice number and date • Payment terms • Date of service or delivery • Quantity • Contract Item number(s) • Description of Purchase (services) • Pricing per unit of service • Extended price • Total Amount Due
Vendor Response	
Agreed. Avesis will provide two copies of the detailed invoice in the format required by the County.	
2.28.2	Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order
Vendor Response	
Agreed. Avesis will direct any problems regarding billing or invoicing to the using agency as listed on the Purchase Order.	

2.28.3	Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (www.maricopa.gov/finance/vendors).
Vendor Response	
Agreed. Payment will be made to Avesis by Accounts Payable through the Maricopa County Vender Express Payment Program (EFT). After Contract Award, Avesis will complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site.	
2.28.4	EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.
Vendor Response	
Agreed. EFT payments to the routing and account numbers designated by Avesis will include the details on the specific invoices that the payment covers. Avesis will discuss remittance delivery capabilities with our designated financial institution for access to those details.	
2.29	TAX: (SERVICES)
	No tax shall be levied against labor. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.
Vendor Response	
Agreed. No tax will be levied against labor. Avesis quoted price will include any and all taxes, if any.	
2.30	DELIVERY:
	It shall be the Contractor's responsibility to meet the proposed delivery requirements. Maricopa County reserves the right to obtain services on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.
Vendor Response	
Agreed. If Avesis fails to meet the delivery requirements, the County has the right to obtain services on the open market and charge the price differential to Avesis.	
2.31	STRATEGIC ALLIANCE for VOLUME EXPENDITURES ($AVE):
	The County is a member of the $AVE cooperative purchasing group. $AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the $AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of $AVE may access a contract resulting from a solicitation issued by the County. If you do not want to grant such access to a member of $AVE, please so state in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.
Vendor Response	
Agreed. Avesis will grant access to any cooperative purchasing group member of $AVE.	

EXHIBIT C

MARICOPA COUNTY
Health Insurance Portability and Accountability Act of 1996 ("HIPAA")
Business Associate Provisions

This Attachment sets out the HIPAA-related responsibilities and obligations of Contractor pursuant to the Contract between Contractor and Department.

I. Definitions

A. Applicable Law means any of the following items, including any amendments to any such item as such may become effective:

1. the Health Insurance Portability and Accountability Act of 1996 ("HIPAA");

2. the federal regulations regarding privacy and promulgated with respect to HIPAA, found at 45 C.F.R. Parts 160 and 164 (the "Privacy Rule");

3. the federal regulations regarding electronic data interchange and promulgated with respect to HIPAA, found at 45 C.F.R. Parts 160 and 162 (the "Transaction Rule");

4. the federal regulations regarding security and promulgated with respect to HIPAA, found at 45 C.F.R. Parts 160 and 164 (the "Security Rule"); and

5. the American Recovery and Reinvestment Act of 2009 ("ARRA"), §§ 13400-24, Public Law 111-5, 123 Stat 115 (Feb. 17, 2009), codified at 42 U.S.C. §§ 17921, 17931-40, 17951-53.

B. Business Associate means an entity that performs or assists in the performance of a function on behalf of a Covered Entity, which involves the use or disclosure of Individually Identifiable Health Information as defined in 45 C.F.R. § 160.103. Contractor is a Business Associate of Department under this Contract, and for purposes of Contractor's obligations under this Attachment, the terms "Business Associate" and "Contractor" are synonymous. Notwithstanding this definition, if Contractor does not have access to or create PHI under this Contract, Contractor is not a Business Associate, and the terms of this Attachment do not apply to Contractor.

C. Contract means the entire agreement between the parties.

D. Contractor for purposes of this Attachment means any party to this Contract, which is not a department of Maricopa County government.

E. Covered Entity means a health plan, a health care clearinghouse, or a health care provider that transmits any health information in electronic form in connection with a transaction covered by HIPAA as defined in 45 C.F.R. § 160.103. Department or a part of Department, as designated by Maricopa County, is a Covered Entity under this Contract.

F. Department means the party to this Contract that is part of Maricopa County government.

G. ePHI means electronic protected health information within the meaning of 45 C.F.R. § 160.103, limited to the information created, received, maintained, or transmitted by Business Associate from or on behalf of Department.

H. Individual means the person who is the subject of PHI.

I. Protected Health Information ("PHI") is health information that (1) is created or received by a Covered Entity, (2) relates to the physical condition, mental health or other health condition of an Individual, or to the provision of health care to the Individual (including but not limited to the

payment for such health care), and (3) identifies or can be used to identify the Individual, as defined in 45 C.F.R. § 160.103.

J. Secretary means the Secretary of the United States Department of Health and Human Services ("HHS") and her designees.

K. Security Breach means (1) unauthorized access to, or acquisition, use, disclosure, modification or destruction, of Department's Unsecured PHI, whether in paper or electronic form, or (2) the successful interference with system operations in an information system containing Department's PHI. The term does *not* include (1) disclosure of PHI to an unauthorized person in circumstances where that person would not reasonably have been able to retain the information, or (2) good faith unintentional access to, or acquisition or use of, PHI by Business Associate's employees, agents or subcontractors in the course of such person's performance of services authorized by the Contract provided that such PHI is not further accessed, acquired, used, or disclosed by any person.

L. Unsecured PHI means all PHI, *except*: (1) PHI in electronic form that is encrypted consistent with regulations promulgated by HHS or has been subject to disposal in a manner that renders the information irretrievable, or (2) PHI in paper form that has been shredded, burned, or otherwise rendered irrecoverable.

II. Rights and Obligations of Business Associate

A. General Obligations

1. Compliance with Privacy Rule

   a. Business Associate shall not use or further disclose PHI other than as permitted or required by HIPAA, the Privacy Rule, and this Attachment.

   b. Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Attachment.

   c. Business Associate shall report to Department any use or disclosure of PHI, known to Business Associate, that is not permitted by this Attachment.

2. Compliance with Security Rule

   a. Business Associate shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI.

   b. Business Associate shall report to Department any Security Breach of which Business Associate becomes aware.

3. Compliance with ARRA

   a. Business Associate shall comply with the Security Breach notice requirements provided in Section II.A.4 of this Attachment.

   b. Business Associate shall not receive remuneration, either directly or indirectly, in exchange for PHI, except as may be permitted by 42 U.S.C. § 17935(d). [This paragraph shall be effective 180 days after issuance of final regulations implementing 42 U.S.C. § 17935]

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Health Insurance Portability and Accountability Act of 1996 ("HIPAA")
Business Associate Provisions

c. Pursuant to the Privacy Rule, made applicable to Business Associate by ARRA, Business Associate shall adopt, implement, and follow privacy policies and procedures in the same manner and to the same extent as if it were a Covered Entity.

d. Pursuant to the Security Rule, made applicable to Business Associate by ARRA, Business Associate shall adopt, implement, and follow security policies and procedures in the same manner and to the same extent as if it were a Covered Entity.

4. Notice of Security Breach

a. *Notice to Department*. Business Associate shall notify Department without unreasonable delay and within five (5) business days of Business Associate's discovery of a Security Breach. The notice to Department shall include the identity of each Individual whose Unsecured PHI was involved in the Security Breach, a brief description of the Security Breach, and any mitigation efforts. To the extent that Business Associate does not know the identities of all affected Individuals when it is required to notify Department, Business Associate shall provide such additional information as soon as administratively practicable after such information becomes available. For purposes of this paragraph, a Security Breach shall be treated as discovered as of the first day on which the Security Breach is known or should reasonably have been known to Business Associate (including any person, other than the one committing the Security Breach, who is an employee, officer, or other agent of Business Associate).

b. *Notice to Individuals*. On behalf of Department, Business Associate shall provide written notice of the Security Breach without unreasonable delay, but no later than sixty (60) calendar days following the date the Security Breach is discovered, or such later date as is authorized under 45 C.F.R. § 164.412, to each Individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, used, or disclosed as a result of the Security Breach. For purposes of this paragraph, a Security Breach shall be treated as discovered as of the first day on which the Security Breach is known or should reasonably have been known to Business Associate (including any person, other than the one committing the Security Breach, who is an employee, officer, or other agent of Business Associate).

The content, form, and delivery of such written notice shall comply in all respects with 45 C.F.R. § 164.404(c)-(d).

Business Associate and Department shall cooperate in all respects regarding the drafting and the content of the notice. To that end, before sending any notice to any Individual, Business Associate shall first provide a draft of the notice to Department. Department shall have five (5) business days (plus any reasonable extensions) to provide comments on Business Associate's draft of the notice.

c. *Notice to Media*. On behalf of Department, Business Associate shall provide written notice of a Security Breach to the media to the extent required under 45 C.F.R. § 164.406. Business Associate and Department shall cooperate in all respects regarding the drafting and the content of the notice. To that end, before sending any notice to the media, Business Associate shall first provide a draft of the notice to Department. Department shall have five (5) business days (plus

any reasonable extensions) to provide comments on Business Associate's draft of the notice.

d. *Notice to Secretary*. On behalf of Department, Business Associate shall provide written notice of a Security Breach to the Secretary to the extent required under 45 C.F.R. § 164.408. Business Associate and Department shall cooperate in all respects regarding the drafting and the content of the notice. To that end, before sending any notice to the Secretary, Business Associate shall first provide a draft of the notice to Department. Department shall have five business days (plus any reasonable extensions) to provide comments on Business Associate's draft of the notice.

If a Security Breach involves fewer than five hundred (500) Individuals, Business Associate shall maintain a log or other documentation of the Security Breach that contains such information as would be required to be included if the log were maintained by Department pursuant to 45 C.F.R. § 164.408, and provide such log to Department within five (5) business days of Department's written request.

5. Subcontractors and Agents. Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI agrees to the same restrictions and conditions that apply through this Attachment to Business Associate with respect to PHI.

6. Access to Books and Records by Secretary. Business Associate shall make its internal practices, books, and records relating to the use, disclosure, and security of PHI available to the Secretary for purposes of the Secretary determining Department's and Business Associate's compliance with HIPAA.

7. Mitigation. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of (a) a use or disclosure of PHI by Business Associate in violation of the requirements of this Attachment, or (b) a Security Breach.

B. Obligations Relating to Individual Rights

1. Restrictions on Disclosures. Upon request by an Individual, Department shall determine whether the Individual shall be granted a restriction on disclosure of PHI pursuant to 45 C.F.R. § 164.522. Department shall not agree to any such restriction without the prior consent of Business associate if such restriction would affect Business Associate's use or disclosure of PHI, *provided, however*, that Business Associate's consent is not required for requests that must be granted under 42 U.S.C. § 17935(a). Department shall communicate any grant of a request to Business Associate. Business Associate shall restrict its disclosures of the Individual's PHI in the same manner as would be required for Department. If Business Associate receives an Individual's request for restrictions, Business Associate shall forward such request to Department within five (5) business days.

2. Access to PHI. Upon request by an Individual, Department shall determine whether an Individual is entitled to access his or her PHI pursuant to 45 C.F.R. § 164.524. If Department determines that an Individual is entitled to such access, and that such PHI is under the control of Business Associate, Department shall communicate the decision to Business Associate. Business Associate shall provide access to the PHI in the same manner as would be required for Department. If Business Associate receives an Individual's request to access his or her PHI, Business Associate shall forward such request to Department within five (5) business days.

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Business Associate Provisions

3. Amendment of PHI. Upon request by an Individual, Department shall determine whether the Individual is entitled to amend his or her PHI pursuant to 45 C.F.R. § 164.526. If Department determines that an Individual is entitled to such an amendment, and that such PHI is both in a designated record set and under the control of Business Associate, Department shall communicate the decision to Business Associate. Business Associate shall provide an opportunity to amend the PHI in the same manner as would be required for Department. If Business Associate receives an Individual's request to amend his or her PHI, Business Associate shall forward such request to Department within five (5) business days.

4. Accounting of Disclosures. Upon request by an Individual, Department shall determine whether any Individual is entitled to an accounting pursuant to 45 C.F.R. § 164.528. If Department determines that an Individual is entitled to an accounting, Department shall communicate the decision to Business Associate. Business Associate shall provide information to Department that will enable Department to meet its accounting obligations. If Business Associate receives an Individual's request for an accounting, Business Associate shall forward such request to Department within five (5) business days.

C. **Permitted Uses and Disclosures by Business Associate**. Except as otherwise limited in this Attachment or by Applicable Law, Business Associate may:

1. Use or disclose PHI to perform functions, activities, or services for or on behalf of Department, as specified in the Contract, *provided that* such use or disclosure (a) is consistent with Department's Notice of Privacy Practices, and (b) would not violate Applicable Law if done by Department;

2. Use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate;

3. Disclose PHI for the proper management and administration of Business Associate, *provided that* (a) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached, or (b) the disclosures are required by law; and

4. Use PHI to provide Data Aggregation services to Department as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

III. Rights and Obligations of Department

A. Privacy Practices and Restrictions

1. Upon request, Department shall provide Business Associate with the notice of privacy practices that Department produces in accordance with 45 C.F.R. § 164.520. If Department subsequently revises the notice, Department shall provide a copy of the revised notice to Business Associate.

2. Department shall notify Business Associate of any restriction to the use or disclosure of PHI that Department has agreed to in accordance with 45 C.F.R. § 164.522. Department shall provide Business Associate with any changes in, or revocation of, permission by an

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Individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.

B. **Permissible Requests by Department**. Department shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Department.

IV. Term and Termination

A. **Term**. This Attachment shall become effective upon execution by the Parties and shall supersede any existing Business Associate Agreement among the Parties. The requirements of this Attachment shall end upon the termination of the Contract or upon termination for cause as set forth in the following Section IV.B, whichever is earlier.

B. **Termination for Cause**. Upon any Party's knowledge of a material breach of this Attachment by another Party, the nonbreaching Party shall have the following rights:

1. If the breach is curable, the nonbreaching Party may provide an opportunity for the other Party to cure the breach or end the violation. Alternatively, or if the other Party fails to cure the breach or end the violation, the nonbreaching Party may terminate this Contract.

2. If the breach is not curable, the nonbreaching Party may immediately terminate this Contract.

3. If termination is not feasible, the nonbreaching Party may report the problem to the Secretary.

C. **Effect of Termination**.

1. Except as provided in Section IV.C.2, upon termination of this Contract, for any reason, Business Associate shall return or destroy all PHI within its possession or control, and all PHI that is in the possession or control of Business Associate's subcontractors or agents. Business Associate shall retain no copies of the PHI.

2. If Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Department notification of the conditions that make return or destruction infeasible. Business Associate shall extend the protections of this Attachment to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

V. Miscellaneous

A. **Electronic Health Records**. The Parties agree that Business Associate shall not maintain any "electronic health record" or "personal health record," as those terms are defined in ARRA, for or on behalf of Department. As such, Business Associate has no obligation to document disclosures that are exempt from the accounting requirement under 45 C.F.R. § 164.528(1)(i)-(ix), and Department agrees not to include Business Associate on any list Department produces pursuant to 42 U.S.C. § 17935(c)(3).

B. **Regulatory References**. A reference in this Attachment to a section in any Applicable Law means the section in effect or as amended, and for which compliance is required.

EXHIBIT C

MARICOPA COUNTY
Health Insurance Portability and Accountability Act of 1996 ("HIPAA")
Business Associate Provisions

C. **Amendment**. The Parties agree to take such action as is necessary to amend this Attachment from time to time as is necessary for Department to comply with the requirements of Applicable Law. All amendments to this Attachment, except those occurring by operation of law, shall be in writing and signed by both Parties.

D. **Survival**. The respective rights and obligations of Business Associate under Section IV.C. of this Attachment shall survive the term and termination of the Contract.

E. **Interpretation**. Any ambiguity in this Attachment shall be resolved in favor of a meaning that permits Department to comply with Applicable Law.

F. **No Third Party Beneficiaries**. Nothing express or implied in this Attachment is intended to confer, nor shall anything herein confer upon any person, other than Department, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

G. **Assignment**. No assignment of rights or obligations under this Attachment shall be made by either Party without the prior written consent of the other Party; provided however, that Business Associate may assign the rights and obligations under this Attachment to an affiliate.

H. **Effect on Agreement**. Except as specifically required to implement the purposes of this Attachment, or to the extent inconsistent with this Attachment, all other terms of the underlying Contract shall remain in force and effect.

I. **Counterparts.** This Attachment may be executed in counterparts, each of which may be deemed an original.

	Avesis Third Party Administrators, Inc.
DEPARTMENT NAME	FIRM NAME
Wesley W. Basinger	Denise Ramage Meling
PERSON SIGNING (PLEASE PRINT)	PERSON SIGNING (PLEASE PRINT)
	Denise R. Meling
SIGNATURE	SIGNATURE
9/6/12	April 26, 2012
DATE	DATE

EXHIBIT D
SERVICE LEVEL AGREEMENT

Additional standards can be discussed prior to the implementation of the contract.

PERFORMANCE STANDARD	PERFORMANCE GUARANTEES	AMOUNT AT RISK
Implementation	Program will be fully operational on Implementation Date: County files are fully loaded, employees have materials.	$2,000
Implementation	Mail ID cards to all enrolled employees within 10 business days of receiving completed eligibility information.	$1,000
Enrollment	Ongoing electronic enrollment will be accurately loaded within an average of 2 working days of receipt of clean enrollment information.	$500
Enrollment	Ongoing - Mail ID cards to all enrolled employees within 10 business days of receiving completed eligibility information.	$500
Customer Service	Average speed to live voice answer of 30 seconds	$500
Customer Service	Call abandonment rate will average less than 5%	$500
Customer Service	Acknowledge member complaints/appeals/grievances within 72 hours of receipt and resolve within 30 days	$1,000
Claims Processing	90% of clean claims will be paid or denied within 14 business days. 100% of clean claims will be paid within 30 calendar days.	$500
Claims Processing	99% financial accuracy	$1000
Claims Processing	98% procedural accuracy	$500
Account Service	Attendance at all required County service meetings	$500
Member Satisfaction Survey	Overall rating will not fall below 85% based on end of year tabulation of results.	$500
Management Reports	Provide standard utilization reports within 30 days of request.	$500
Total Amount at Risk:	**20% of total annual administrative fees (estimated to be $9,500 based on $47,000 projected annual fee)**	

AVESIS THIRD PARTY ADMINISTRATORS INC., 3724 N. 3RD STREET, SUITE #300, PHOENIX, AZ 85012

PRICING SHEET: NIGP CODE 94868

Terms:	NET 30
Vendor Number:	W000004728 X
Telephone Number:	602/241-3400
Fax Number:	602/240-9103
Contact Person:	Denise Ramage Meling
E-mail Address:	dramage@avesis.com
Certificates of Insurance	Required
Contract Period:	To cover the period ending **June 30, 2016.**