

CONTRACT

THIS CONTRACT, made and entered into this 31st day of March 2021, by and between the Teachers' Retirement System of the State of Kentucky, 479 Versailles Road, Frankfort, Kentucky 40601, hereinafter referred to as "TRS," and Aon Consulting, Inc., 220 W Main Street, Suite 1855, One Corporate Plaza, Louisville, KY 40202, hereinafter referred to as the "Contractor."

WHEREAS, TRS published a Request for Proposals (RFP) dated October 7, 2020, in accordance with KRS 161.340(3); and

WHEREAS, the RFP and Contractor's response dated November 6, 2020, are incorporated by reference into this contract; and

WHEREAS, TRS by its Board of Trustees at a meeting held on the 21 day of December 2020, has approved contracting with Contractor, in accordance with the authority granted in KRS 161.340(3); and

WHEREAS, the Contractor is a reputable, qualified and established firm and has agreed to provide medical benefit consulting services to TRS in connection with the funds of the retirement system as described in KRS 161.420; and

WHEREAS, the Board of Trustees is the trustee of all funds of the system and responsible for the general administration and management of all funds of the system hereinbefore mentioned and desires to avail itself of the services of the Contractor to safeguard and defend the interests of the TRS's members and the Board of Trustees; and

NOW THEREFORE, it is hereby and herewith mutually agreed as follows:

1. Scope of Services. As detailed in the Contractor's response to the RFP, the Contractor will provide services and support to TRS on matters including the financial management and vendor management of health plans, federal compliance and regulation, personalized medicine, attending board and committee meetings, preparing cost projections and consulting related to legislative proposals and other services as requested by TRS.
2. Fees. For the services rendered by the Contractor hereunder, TRS shall pay the fee set out in the Statement of Work. Additionally, from time to time, TRS may request that the Contractor undertake audits. For each audit requested by TRS, the fee for the audit will be no more than the audit fee guarantee detailed in Contractor's response to the RFP. TRS will pay Contractor's fee for an audit upon completion and delivery of the final audit report.

The Contractor shall invoice TRS at the end of each calendar month for all services rendered during the month. The invoice shall itemize the monthly fee and any audit fee due for the month.

3. Training/Seminars. In the event the Contractor conducts seminars, training sessions or similar events which are generally made available to the Contractor's clients receiving similar services, TRS shall be invited to attend upon the same terms and conditions as such other clients. If the Contractor offers to pay the cost of such events and/or expenses incurred by the clients in such events, the Contractor shall pay for such expenses by TRS on the same basis as the Contractor pays for its other clients.
4. Duration of Contract. The period in which subject services are to be performed is April 1, 2021, through December 31, 2023. At the expiration of its term, this contract may, at the option of the parties hereto, be renewed by negotiation for further periods not to exceed 12 months for each such renewal.
5. Termination or Cancellation. Termination or cancellation of this contract may be effected at any time by either party upon 30 days advance written notice of its intent to terminate. The notice of termination shall be served on the other party by registered or certified mail. Upon such termination, TRS will only pay such fees as had been incurred until the date of termination as specified in the notice of termination.
6. Intellectual Property. With respect to any project, Contractor retains all ownership rights to Contractor's existing and developed intellectual property, and any derivatives thereof. TRS may internally use Contractor's intellectual property for the intended purpose during the term of the Agreement. Each party agrees to treat the other's information as confidential. TRS acknowledges that Contractor may de-identify and aggregate TRS information with other client data for statistical analysis in our services provided to third parties.
7. Indemnification and Limitation of Liability. Contractor will be responsible to TRS for any and all claims, actions, damages, losses, liabilities and expenses (including reasonable attorneys' fees and expenses) (collectively, a "Loss" or "Losses"), regardless of whether such Loss is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, arising out of Contractor's failure to comply with the applicable terms and conditions of this Agreement or Contractor's performance of Services. Contractor agrees to unlimited liability for any Losses resulting from Contractor's a. gross negligence (defined as reckless or wanton misconduct), fraudulent or willful actions, or criminal misconduct; b. bodily injury, including death, or damage to personal or real property; c. infringement claims based on Contractor's intellectual property; d. Contractor's breach of its confidentiality obligations set forth in Section 15 hereof; or e. any and all expenses incurred in implementing the corrective and other action described in Section 15 ("a" through "e" being the "Described Exceptions"). Contractor acknowledges that TRS is an agency of the Commonwealth of Kentucky and TRS has informed the Contractor that TRS is prohibited by the Kentucky Constitution from indemnifying and may be prohibited from limiting the liability of the Contractor; however, to the limited extent that TRS may be able to effectively agree under Kentucky law, if at all, Contractor's liability for Losses resulting from Contractor's actions other than as defined in the Described Exceptions will not exceed the amount of \$24,999,999.

Contractor acknowledges that such limitation may be deemed unenforceable under Kentucky law.

8. Conflict of Interest. Contractor hereby certifies that it has not and will not pay or cause to be paid any money, fees, political contributions or other things of value to any third party as a result of or in relation to services provided to TRS, without TRS's informed written consent. Contractor hereby certifies that it has not and will not accept any money, fees or other things of value from any third party as a result of or in relation to service provided to TRS, without TRS's informed written consent. In addition, Contractor agrees to act as a fiduciary to TRS in regard to any payments, fees or other things of value nevertheless received from a third party in relation to providing services to TRS, unless the Contractor's acceptance and retention of such item was fully disclosed to and approved by TRS in writing. Contractor agrees to exercise independent professional judgment, without conflict of interest, in providing independent service to TRS. Contractor shall certify as to its compliance with this section and the TRS Conflict of Interest and Confidentiality Policy by executing the TRS External Service Provider Conflict of Interest Statement. The TRS Conflict of Interest and Confidentiality Policy are attached hereto and incorporated herein as Exhibit 1. Contractor hereby certifies that Contractor is legally entitled to enter into the subject contract with TRS and certifies that Contractor is not and will not be violating any conflict of interest statute (KRS 121.056 or any other applicable statute) or principle by the performance of this contract. The Contractor shall not engage directly or indirectly in any financial or other transaction with a trustee or employee of TRS which would violate standards of the Executive Branch Ethics provisions, as set forth in KRS Chapter 11A. Further, the Contractor certifies that neither the firm, nor its employees, have knowingly violated any of the Executive Branch Ethics provisions or the campaign finance laws of the commonwealth, and the award of a contract to the firm will not violate any of the Executive Branch Ethics provisions or the campaign finance laws of the commonwealth or the TRS Conflict of Interest and Confidentiality Policy.
9. Relationship of the Parties. Contractor warrants that all work performed by Contractor under this contract is and shall be performed as an independent contractor. Contractor shall be responsible for compliance with all laws, rules and regulations by its respective employees, including, but not limited to, employment of labor, hours of labor, health and safety, working conditions, workers' compensation insurance and payment of wages. This contract shall not be construed so as to create a partnership or joint venture between Contractor and TRS.
10. Amendments and Renewal. Written modifications, amendments or additions to this contract shall be effective only when signed by both parties.
11. Notices of Material Changes. Contractor shall use reasonable efforts to notify the Board of Trustees in writing within five business days of any material changes in senior officers providing or overseeing the services identified herein, final legal rulings of any significant legal actions instituted against Contractor or any significant investigations, examinations or other proceedings decided by any governmental agency including, but

not limited to, investigations by any insurance regulatory agency, relating to the services identified herein. Notices required in this section shall be served on TRS by registered or certified mail. Failure or delay notifying pursuant to this Section 11 shall not be deemed a breach of the Agreement.

12. Assignment. This contract may not be assigned by Contractor without the written consent of TRS. Further, the obligations of Contractor under this contract shall be considered personal obligations of Contractor, performable solely by the Contractor and Contractor may not delegate its duties hereunder to any entity other than an employee of Contractor without the express written consent of TRS. TRS, upon its determination of need for certain distinctive services related to any business operations matter, and by providing written authorization to Contractor, may authorize Contractor to obtain services from other professionals to satisfy TRS's need for such distinctive services.
13. Controlling Law; Jurisdiction and Venue; Waiver. All questions as to the execution, validity, interpretation, construction and performance of this contract shall be construed in accordance with the laws of the Commonwealth of Kentucky, without regard to conflicts of laws principles thereof. Contractor hereby consents to the jurisdiction of the courts of the Commonwealth of Kentucky and further consents that venue shall lie in Franklin Circuit Court located in Franklin County, Kentucky. To the extent that in any jurisdiction Contractor may now or hereafter be entitled to claim for itself or its assets immunity from suit, execution, attachment (before or after judgment) or other legal process, Contractor, to the extent it may effectively do so, irrevocably agrees not to claim, and it hereby waives, same.
14. Auditing. The Contractor agrees that TRS shall have reasonable access to any books, documents, papers, records or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review.
15. Access to Confidential Information. The Contractor shall presume that all information received pursuant to this contract is confidential and subject to the provisions of KRS 161.585 unless otherwise designated by TRS ("Confidential Information"). The Contractor's employees, agents and subcontractors may have access to Confidential Information maintained by TRS to the extent necessary to carry out its responsibilities under the contract. The Contractor shall provide to TRS a written description of its policies and procedures to safeguard Confidential Information. The Contractor shall provide TRS updates or changes to these policies in a timely manner. Policies of confidentiality shall address, as appropriate, information conveyed in verbal, written and electronic formats. The Contractor shall provide physical and logical protection for all TRS written and electronic information. Electronic information shall be encrypted during transport and at rest. The Contractor is responsible for ensuring that they have reviewed all policies and policy updates provided to it. The Contractor shall remain the responsible authority in charge of all information collected, used or disseminated by the Contractor in connection with the performance of this contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance


with the terms of this contract. The Confidential Information shall remain the property of TRS at all times. The following provisions also apply:

- a. No Dissemination of Confidential Information. No Confidential Information collected, maintained or used in the course of the contract shall be disseminated except as authorized by law and with the written consent of TRS during the period of the contract or thereafter. The Contractor must return any and all information collected, maintained, created or used in the course of the performance of the contract in whatever form it is maintained promptly at the request of TRS. In accordance with applicable legal and disaster recovery requirements, each party may store copies of Confidential Information in electronic archives or backups made in the ordinary course of business which shall not be returned or destroyed but shall remain subject to the restrictions set forth herein.
- b. Subpoena. In the event that a subpoena or other legal process is served upon the Contractor for records containing Confidential Information, the Contractor shall promptly notify TRS and cooperate with TRS in any lawful effort to protect the Confidential Information, at TRS's expense.
- c. Reporting of Unauthorized Disclosure. The Contractor shall immediately report to TRS any unauthorized disclosure of Confidential Information. Contractor, in consultation with TRS, will manage the disclosure consistent with the requirements of Kentucky law. For an unauthorized disclosure of, or unauthorized access to, Confidential Information, Contractor agrees to pay for the following hereunder:
 - i. Reasonable cost of Contractor, in consultation with TRS, providing notice of the event to affected individuals;
 - ii. Reasonable cost of Contractor, in consultation with TRS, providing required notice to government agencies, credit bureaus, media and/or other required entities;
 - iii. Reasonable cost of Contractor, in consultation with TRS, through a third party providing individuals affected by the event with the option to elect credit protection services designed to prevent fraud associated with identity theft crimes for a specific period not to exceed (12) months, except to the extent applicable law specifies a longer period for such credit protection services, in which case such longer period shall apply;
 - iv. Cost of Contractor, in consultation with TRS, providing reasonable call center support for such affected individuals for a specific period of not less than ninety (90) days from the date that Contractor provides notice of the disclosure to the affected individuals, except to the extent applicable law specifies a longer period of time for such call center support, in which case such longer period shall then apply; and
 - v. Contractor costs associated with computer forensics and investigation of the breach.


- d. Survives Termination. The Contractor's obligations under this section regarding the security, confidentiality and ownership of Confidential Information as set forth in this section shall survive termination of this contract.
16. Authorized Signature. The undersigned, Gary L. Harbin, CPA, is Executive Secretary of TRS and as such has been duly authorized by the Board of Trustees of TRS to sign this contract on behalf thereof, therefore, binding TRS to the provisions of this contract.
17. Authorized Signature. The undersigned, Deanne Hettich, COO, US Health Solutions, of the Contractor and is duly authorized to sign this contract on behalf of the Contractor and her signature, therefore, binds Contractor to the provisions of this contract.
18. Severability. The provisions of this contract shall be deemed severable, and the unenforceability of any one or more provisions shall not affect the enforceability of any of the other provisions. In addition, if any provision of this contract, for any reason, is declared to be unenforceable, the parties shall substitute an enforceable provision that, to the maximum extent possible in accordance with applicable law, preserves the original intentions and economic positions of the parties.
19. Principal Contact. R. Curtis Dame shall be the principal contact for the Contractor for the implementation of the services set forth in this contract.
20. Principal Contact. Gary L. Harbin shall be the principal contact for TRS for the implementation of the services set forth in this contract.

(The signatures page follows)


TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY


Gary L. Harbin, CPA
Executive Secretary
Teachers' Retirement System of the State of Kentucky
479 Versailles Road
Frankfort, Kentucky 40601
In behalf of TRS

AON CONSULTING, INC.


Deanne Hettich COO, US Health Solutions Aon Consulting, Inc,
200 E Randolph
Chicago, IL 60201

Approved as to Form and Legality:
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY


Robert B. Barnes
Deputy Executive Secretary Operations and
General Counsel

BOARD GOVERNANCE MANUAL

APPENDIX 7 CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY

INTRODUCTION

1. Adoption of Conflict of Interest and Confidentiality Policy

Pursuant to the provisions of KRS 161.250, the Board of Trustees (board) of the Teachers' Retirement System of the State of Kentucky (TRS) is vested with the responsibility for the general administration and management of the retirement system. The board may adopt procedures necessary to conduct the business of the retirement system as needed. The law shall control if any inconsistency exists between the law and this policy.

2. Statement of Conflict of Interest and Confidentiality Policy

TRS recognizes the need to maintain the public's confidence and trust in the integrity of TRS and the Commonwealth of Kentucky. Individuals associated with TRS must not engage in activities that have the potential to become a conflict of interest in their association with TRS. Likewise, individuals associated with TRS must not release information about TRS or any of its members that would breach any duty to protect such information. TRS recognizes the need to establish procedures to prevent such conflicts or breaches.

3. Purpose

The purpose of this Conflict of Interest and Confidentiality Policy is to: establish which individuals are subject to TRS's conflict of interest provisions; establish the specific standards of conduct with regard to conflict of interest; establish standards with regard to the confidentiality of information; and establish procedures for obtaining written conflict of interest statements and confidentiality agreements from certain individuals.

4. Procedures Regarding Conflicts of Interest and Confidentiality

A. Application of Policy

- 1) This policy shall apply to all individuals who have a statutory, contractual or working relationship with TRS.
- 2) Individuals affected by this policy shall include, but are not limited to:
 - a) Employees of TRS;
 - b) The board;
 - c) Independent contractors of TRS;

- d) Vendors of TRS;
- e) Employees or Officers of the Commonwealth of Kentucky providing legal or expert advice at the request of TRS; and
- f) Any person acting in a fiduciary capacity for TRS.

B. Standards of Conduct Regarding Conflicts of Interest

- 1) Individuals have an obligation to diligently identify, disclose, avoid and manage conflicts of interest.
- 2) Potential conflicts of interest exist when an individual or an individual's family may be directly or indirectly financially impacted, whether favorably or detrimentally, by a decision made by TRS in which the individual participates.
- 3) Individuals and their family members should not enter into any contract with TRS or any agency doing business with TRS for financial gain, apart from an employment contract, without full disclosure and satisfactory management of any potential conflict of interest in accordance with the Executive Branch Code of Ethics and this policy.
- 4) Individuals should not be involved in the decision to hire or in the supervision of any member of their family as defined by the Executive Branch Code of Ethics.
- 5) Individuals should not conduct business or participate in decisions with a company or agency in which the individual or family member is employed or is actively seeking employment.
- 6) Individuals should not accept campaign contributions, gifts, loans, gratuities, discounts, services or other compensation under circumstances from which it could reasonably be inferred that a major purpose of the donor is to influence the individual in the performance of their duties for TRS.
- 7) Individuals must avoid all conduct that in any way might lead the public to believe that the individual is using his or her position with TRS to further a professional, political or private interest.
- 8) Individuals not covered by the conflict of interest provisions under KRS Chapter 11A must not violate any conflict of interest statute or principle by the performance of their duties with TRS. These individuals must not engage directly or indirectly in any financial or other transaction with a trustee or employee of TRS that would violate the standards of the Executive Branch Ethics provisions, as set forth in KRS Chapter 11A.

Standards of Conduct Regarding Confidentiality

- 1) Individuals associated with TRS may be granted access to confidential information in the course of being a TRS employee, board member or contractor.
- 2) This information may include, but is not limited to, investment trade data; individual member information, including but not limited to, Social Security numbers, names, addresses, phone numbers, birth dates, beneficiaries, health insurance information, member numbers; documents; records; programs; files; scientific or technical information; and other information made available to individuals for purposes of completing their obligations to TRS.
- 3) These individuals have a duty to keep confidential the information to which they are granted access as a result of their association with TRS.
- 4) TRS and these individuals shall also recognize that confidential member information is protected under KRS 161.585.

5. Written Statements of Conflict of Interest and Confidentiality

- A. On an annual basis, the executive secretary, deputy executive secretaries, chief investment officer, chief financial officer, the members of the board, independent contractors, vendors of TRS and other persons identified in Section 2 (2) shall file a written conflict of interest statement on the form(s) provided by TRS and adopted by the board.
- B. Upon proposal for contract and continuing on an annual basis, any independent contractors and vendors of TRS shall file a written confidentiality agreement on the form provided by TRS and adopted by the board. This form may be amended to conform to specific needs of the individual vendor or contractor as deemed necessary by general counsel or designee.
- C. Other employees of TRS also may be requested to file a written conflict of interest statement as needed or requested by the board.
- D. An individual who abstains from involvement in an official decision because of a personal or private interest must disclose that fact in writing to the executive secretary.

6. Ethics and Confidentiality

Individuals as set forth above shall conform to the Executive Branch Code of Ethics with regard to conflicts of interests as set forth in KRS Chapter 11A; applicable provisions of KRS 161.430 and KRS 161.460; and this policy. Individuals as set forth above shall conform to the confidentiality requirements of KRS 161.585.

Adopted March 16, 2009; amended September 19, 2016 and June 20, 2018

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF KENTUCKY**

**EXTERNAL SERVICE PROVIDER
CONFLICT OF INTEREST STATEMENT**

I, _____, in my role as _____
_____ for the Teachers' Retirement System of the State of Kentucky
(TRS), recognize the need to maintain the public's confidence and trust in the integrity of TRS
and the Commonwealth of Kentucky.

I understand that I have the obligation to diligently identify, disclose, avoid and manage conflicts
of interest that may arise through my relationship with TRS.

I will conduct my activities with TRS so that I do not advance or protect my own interests or the
private interests of others with whom I have a relationship in a way that is detrimental to the
interests of TRS.

In every instance in which I am acting on behalf of TRS, I will conduct my activities in a manner
to best promote the interests of TRS.

I agree not to attempt to influence TRS in disregard of the public interest at large.

In all matters where an official decision must be made that may favorably or detrimentally
impact my own financial interests or the financial interests of other individuals or organizations
with whom I have a relationship, I will reveal that relationship and abstain from involvement in
the official decision.

When a conflict of interest arises, or when a potential conflict of interest arises, I will disclose
that conflict or potential conflict to my contact person at TRS and seek resolution of that issue.

I agree not to violate any conflict of interest statute or principle by the performance of my duties
with TRS, including the TRS Conflict of Interest and Confidentiality Policy (policy). I will not
engage, directly or indirectly, in any financial or other transaction with a trustee or employee of
TRS that would violate the Executive Branch Ethics law (as set forth in KRS Chapter 11A);
applicable provisions of KRS 161.430; or the policy.

Agreed this the 29 day of March, 2021.

Signature

Deanne Hettich

Name

COO, US Health Solutions

Title

Aon Consulting, Inc.

Company

EXHIBIT 1

Statement of Work

Medical Benefit Consulting Services

This Statement of Work ("SOW"), effective as of April 1, 2021, is between Aon Consulting, Inc. and its licensed brokerage affiliates ("Aon") and Teachers' Retirement System of the State of Kentucky ("Client"). This SOW and the services provided hereunder are subject to the terms and conditions in the Agreement between Aon and Client, dated as of March 31, 2021, ("Agreement"). In the event of any conflict between this SOW and the Agreement, the terms of the Agreement shall prevail over this SOW and Aon's RFP response.

This SOW commences on April 1, 2021, and will remain in effect until December 31, 2023, unless terminated earlier by either party as permitted in the Agreement. Aon's obligation to render services will end at the expiration of this SOW.

Services

The services to be provided under this SOW are set forth in Exhibit A hereto ("Services"). Any work product arising out of the services set forth in Exhibit A, which reflect the list of services provided in Aon's RFP response, are subject to the terms of the Agreement. Client acknowledges that, in order for Aon to meet critical completion dates and operate within budget expectations, Client will need to provide information requested by Aon at various intervals. For example, Aon may need Client to:

- Provide historical benefit plan documentation.
- React to preliminary project findings.
- Be accessible for conference calls and/or meetings.
- Approve final versions of project-related documentation.

Compensation

For completing the assignment outlined in this Agreement, Client will pay to Aon a fixed fee of \$172,503 for the period from from April 1, 2021, through December 31, 2021, and \$230,004 annually for the remaining term of the Agreement. The fee applies without regard to the amount of time that Aon spends on the assignment.

The fee will be invoiced in equal monthly installments of \$19,167.

Out-of-Pocket Expenses

If Client requires copies of files for transferring services to other service providers during or after this engagement, such services will be available based on reasonable copy expenses incurred.

Change In Scope

Please be aware that requested changes in the scope of services provided by Aon could result in an increase in fees and charges. Changes in the services or additional projects may also be included as part of this engagement, as mutually agreed to in writing or email by the parties. Changes in scope could include, but are not limited to, the following:

- Bidding the life, disability, dental or vision coverage;
- Assignment of additional roles, responsibilities or functions related to the plan; or
- Other factors which were not anticipated in the RFP and increase the complexity of timing of plan operations or which affect Aon's responsibilities or duties outside of this Agreement, SOW and Aon's RFP response.

In the event that Client's operations or insurance programs substantially change in scope and nature of exposures, Client will inform Aon, and Client and Aon will negotiate in good faith to revise this SOW as appropriate.

Disclosures

Aon will accept no commissions, finder's fees or placement agent fees as a result of this contract with client.

Aon will disclose to Client all marketing quotes received prior to binding any coverages for Client's insurance programs. Client also will be provided prior to binding with a disclosure of any amounts to be paid to Aon and/or Aon affiliate intermediaries if available, in connection with coverages procured for Client's insurance programs, including any fees, if applicable, paid to Aon for services it provides to third parties.

Aon's goal is to procure insurance for Client with insurance companies possessing the financial strength to perform in today's economic environment. Toward this objective, Aon regularly reviews publicly available information concerning an insurer's financial condition, including, but not limited to:

- Approvals by various regulatory authorities;
- Analyses of insurers by professional rating agencies such as A.M. Best, Standard and Poor's, Moody's and/or Fitch; and
- The input of Aon's global affiliates and correspondents.

Most Aon procurements are made with insurers that are rated "Excellent" by the professional rating agencies; however, Aon does not guarantee the solvency of any insurer. Aon encourages Client to review the publicly available information made available by Aon. The decision to accept or reject an insurer will be made solely by Client.

Aon and/or its affiliates may from time to time maintain contractual relationships with the insurers that are recommended as potential markets, or with whom Client's coverage may

ultimately be placed. Aon will notify TRS of such relationships in advance of making recommendations.

This SOW must be signed below by authorized representatives of the parties. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Teachers' Retirement System of the State of Kentucky

Aon Consulting, Inc.

By: 

By: 

Name: EMILY L. HARBIN, CPA

Name: Deanne Hettich

Title: EXECUTIVE SECRETARY

Title: COO, US Health Solutions

Date: 3/26/21

Date: 3/29/2021

Exhibit A—Services to Be Provided

Consulting Services	Frequency
<i>Strategy</i>	
▪ Strategic plan linking business objectives	As needed
▪ Benchmark design/costs	As needed
▪ Healthcare reform assessment	As needed
▪ Cost containment tactics	As needed
▪ Plan cost forecasting	As needed
▪ Executive/Board summary reports	As needed
▪ Annual stewardship report	
▪ Annual service review—Client Promise	Annually
▪ Action plan and service schedule	
<i>Financial Management</i>	
▪ Develop budget projections	
▪ Monitor/communicate budget variances	As needed
▪ Large claim probability modeling	
▪ Data analytics system, reporting, access	Ongoing
▪ Contribution modeling	
▪ Stop loss deductible and attachment level analysis	
▪ Alternate funding arrangement analysis (fully insured / self-funded)	Annually (if necessary)
▪ Actuarial impact of design changes	
▪ Healthcare reform modeling	
▪ IBNR calculation	
▪ Financial reporting including dashboards	Quarterly (As needed)
▪ Comprehensive medical/Rx utilization analysis	
<i>Renewal/Marketing</i>	

▪ Pre-renewal projections	
▪ Detailed marketing/renewal report	
▪ Market selection and approval	
▪ Total and itemized costs	Annually, if necessary
▪ Independent network discount analysis	
▪ Network access and provide disruption analysis	
▪ Carrier/Vendor performance/rate guarantees	
▪ Funding methodology evaluation	
▪ Development of customized RFP	Annually (As needed)
▪ Carrier financial ratings/market review	At renewal, marketing and stewardship
▪ Finalist meetings and scorecard analysis	Annually, as needed
▪ Best and final negotiations	
▪ Vendor site visits	As needed
▪ Disclosure of all proposals and compensation	Annually
Implementation	
▪ Carrier application preparation assistance	
▪ Enrollment meeting support/coordination	
▪ Contract review	Annually
▪ Review vendor created employee communications	
▪ Administrative arrangements (billing, banking, reporting, data)	
▪ Pre-implementation audits	As needed
▪ Executive summary of final decisions	Annually
Ongoing Service	
▪ National Aon vendor liaisons	
▪ Scheduled vendor service meetings	As needed (ongoing)
▪ Issue resolution (claim, billing, eligibility)	

▪ Assisting with all RDS Reporting and Cost Metrics	Ongoing
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▪ Work plan for ongoing tasks/projects	Ongoing
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Compliance & Regulatory support

▪ Compliance review of SPD provisions, contracts, agreement and documents	Ongoing
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▪ Web-based Compliance Dashboard	Ongoing
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▪ Compliance assessment and Scorecard	As needed
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▪ Summary Annual Report preparation	
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▪ Ongoing webcasts and legislative alerts	Ongoing
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▪ Upon request, provide additional information to assist in client's fulfillment fiduciary duties *	As requested
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Communications

▪ Communication strategy	Annually
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Audits

▪ Pre-implementation (Medical and Rx)	As needed
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▪ Pricing (financial) (PBM)	TBD
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▪ Drug Manufacturer (rebate) (PBM)	TBD
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▪ Benefit (administrative) (PBM)	TBD
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▪ CMS Revenue (with reconciliation) (PBM)	TBD
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▪ CMS Formulary Administration (PBM)	TBD
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▪ Due Diligence (Medical) (TBD and approved by carrier for fully insured)	TBD
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▪ Customer Service (Medical) (TBD and approved by carrier for fully insured)	TBD
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Resources

▪ Subject Matter Experts	Ongoing
– Wellness	(as needed)
– Pharmacist	
– Actuary	

- Underwriters
- M.D.s and R.N.s
- Legal

Access to local geographic experts in 50 U.S. offices Ongoing
▪ (as requested)

Pharmacy purchasing coalition Ongoing
▪ (as requested)

Stop loss alliance Ongoing
▪ (as requested)

HR Online training courses (7) Ongoing
▪ (as requested)

Additional Audit Services with Guaranteed pricing

Audit Fee guarantee:

- Pricing Audit - \$30,000
- Drug Manufacturer Rebate Audit - \$45,000
- Benefit Audit - \$40,000
- CMS Revenue Audit - \$30,000
- CMS Formulary Administration - \$35,000