

## ASC PERFORMANCE GUARANTEE ADDENDUM

### PERFORMANCE GUARANTEES

This Administrative Services Contract Performance Guarantee Addendum (the "Addendum") is attached to and forms a part of the Administrative Services Contract dated January 1, 2015 ("Agreement") among CITY OF VANCOUVER ("Plan Sponsor"), Plan Sponsor's group health plan known as CITY OF VANCOUVER ("GHP") and Regence BlueCross BlueShield of Oregon ("Regence"). Regence and Plan Sponsor wish to implement certain performance guarantees according to the terms set forth below. This Addendum shall become part of the Agreement between the parties effective January 1, 2023 ("Effective Date").

#### A. Performance Requirements and Penalties

Regence agrees to meet the performance requirements set forth in Exhibit A. If Regence fails to meet one or more of the performance requirements, it agrees to pay the penalty amount associated with such requirement as set forth in Exhibit A, subject to the conditions set forth below.

#### B. Term and Termination

The term of this Addendum ("Term") shall be for one year, beginning on the Effective Date. Successive terms, if any, will be re-negotiated and agreed to by Plan Sponsor and Regence.

This Addendum shall terminate upon the earliest of the following dates: (i) the end of the Term; (ii) termination of the Agreement; (iii) the effective date of any state's or other jurisdiction's action that prohibits activities of the parties under this Agreement.

#### C. Evaluation of Services and Reporting of Results

Regence will evaluate the services and provide reports to Plan Sponsor as provided in Exhibit A.

1. Quarterly Reporting. Within sixty (60) days after the end of each quarter, Regence shall compile the necessary documentation to report on the current status of the performance requirements in Exhibit A.
2. Final Report. Within one hundred and eighty (180) days of the end of the Term of this Addendum, Regence will compile the necessary data to evaluate its fulfillment of the performance requirements under Exhibit A and issue a final report to Plan Sponsor.
3. First Year Performance Requirements. If the Agreement between Regence and Plan Sponsor is new, certain performance requirement(s) in Exhibit A may apply only in the first year of the Agreement. Any such requirement(s) shall be measured only in the first year of the Agreement.
4. Early Termination. In the event the Agreement terminates prior to end of the Term of this Addendum, services shall be evaluated for the period the Agreement was in effect and penalties, if any, will be prorated and reduced accordingly.

5. Plan Sponsor/Third Party Data. When Plan Sponsor or a third party is responsible for providing information or data of any kind to Regence, including, but not limited to, the GHP benefits in effect during the Agreement (e.g., Summary Plan Description or benefit booklets), electronic data, tapes or software, and where such information or data may affect Regence's ability to satisfy any performance requirement in Exhibit A, the information or data must be accurate, timely, and accessible, and any system producing the information or data must be capable of meeting all contingencies related to the initial and ongoing provision of the information or data. The failure of Plan Sponsor to satisfy these conditions shall nullify any guarantee if Regence's performance with respect to that requirement is adversely affected.

D. Penalties

Penalties, if any, shall be payable by Regence to Plan Sponsor within thirty (30) days of receipt of the final report by Plan Sponsor.

1. Disputes. Any dispute regarding a penalty under this Addendum must be raised in writing within sixty (60) days of the date Regence provides the final report to Plan Sponsor. Disputes regarding a penalty shall be resolved in accordance with the dispute resolution provisions in the Agreement.

2. Setoff. Regence shall be entitled to setoff any penalty owed by it to Plan Sponsor under this Addendum against any debt owed by Plan Sponsor to Regence, whether now existing or hereafter arising. Plan Sponsor also shall be entitled to setoff any amount owed by Plan Sponsor to Regence under the Agreement against any penalty hereunder owed by Regence to Plan Sponsor, whether now existing or hereafter arising.

3. Change in Projected Enrolled Employee Lives. The penalty amounts in Exhibit A have been established in relationship to the projected number of enrolled employee lives. In the event that the number of actual enrolled employee lives increases or decreases by 10% or more than the projected number of 522, Regence reserves the right to increase, decrease, or eliminate the penalty measures and/or amounts.

4. Penalty Maximum. The total amount payable by Regence during the Term of this Addendum for failure to meet the performance requirements set forth in the Exhibit A shall not exceed the sum of the penalties associated with each performance requirement.

5. Other Material Changes. To the extent that Plan Sponsor makes benefit changes and/or imposes additional requirements on Regence that were not in effect at time of the Addendum's Effective Date and that materially impact Regence performance requirements set forth in Exhibit A, then Regence reserves the right to increase, decrease, or eliminate the penalty measures and/or amounts and/or carve-out the new benefit changes and/or requirements from this Addendum.

E. THIS ADDENDUM INAPPLICABLE

This Addendum is inapplicable during any month in which Plan Sponsor has not paid invoices timely. If, during any month, Plan Sponsor has not paid all Regence invoices timely, that month will not be included in the performance requirements calculations in this Addendum.

F. No Third Party Beneficiaries

This Addendum is for the benefit of Regence and Plan Sponsor and not for any other person. It shall not create any legal relationship between Regence and any plan participant, employee, beneficiary, or any other party claiming any right, whether legal or equitable, under the terms of this Addendum or Plan Sponsor's plan.

G. Waiver

No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement shall be construed as a general waiver or relinquishment of such term, right or condition. Waiver by either party or any default shall not be deemed a waiver of any other default.

H. Signatures/E-delivery

A manually signed copy of this Addendum delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Addendum. No legally binding obligation shall be created on a party until each party has delivered or caused to be delivered a manually signed copy of this Addendum by each party or each party's respective representative(s).

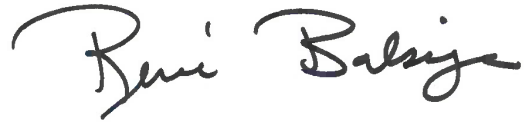
I. Force Majeure

Regence shall not be liable for any failure to meet any of the obligations specified or required under this Addendum where such failure to perform is due to any contingency beyond the reasonable control of Regence, its employees, officers, or directors. Such contingencies include, but are not limited to, acts or omissions of any person or entity not employed or reasonably controlled by Regence, its employees, officers, or directors, acts of God, fires, wars, accidents, or labor disputes or shortages, and governmental laws, ordinances, rules, or regulations, whether valid or invalid.

**IN WITNESS WHEREOF**, the parties, with intent to be legally bound, have caused this Addendum to be executed by their respective authorized representatives.

**PLAN SPONSOR**  
CITY OF VANCOUVER

Regence BlueCross BlueShield of  
Oregon



By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Renee Balsiger

Title: \_\_\_\_\_

Title: VP, Oregon Sales

Date: \_\_\_\_\_

Date: March 3, 2023

**GROUP HEALTH PLAN**  
CITY OF VANCOUVER

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A TO ASC PERFORMANCE GUARANTEE ADDENDUM**

**CITY OF VANCOUVER Performance Guarantees – Effective 01/01/2023 to 12/31/2023**

<b>Guarantee Measure</b>	<b>Specified Line Of Business</b>	<b>Target</b>	<b>Fees At Risk</b>	<b>Definition</b>	<b>Measurement Criteria</b>
Claims Dollar Accuracy	Overall Plan Results	Minimum of 97% quarterly accuracy rate (no greater than 3% error rate)	\$0.10 Per Medical Member Per Month	This measure tracks the percentage of audited claim dollars paid correctly. Examples of dollar/payment errors include, but are not limited to: Claims paid in wrong amount (paid higher than non-authorized benefit level or paid at lower than the authorized level), Duplicate payment made, Payment of non-eligible benefits, Payment to ineligible enrollee (subscribers, dependents, member ID) or provider, Misapplied deductibles and maximums resulting in payment error, or Any charge missing from any portion of the claim. Statistical errors, zero-paid, adjustments and denial codes due to computer logic and provider billing errors are excluded from this measurement. The net dollar amount of all errors on a claim should be counted when determining the total dollars processed accurately for that claim.	Measured and reported quarterly based on a claims report extracted by Regence claims auditing unit the percentage of claims processed from all lines of business. Results based on overall Regence corporate performance levels.
Claims Turnaround Timeliness	Overall Plan Results	Minimum of 97% processed within 30 calendar days	\$0.10 Per Medical Member Per Month	This measure tracks the percent of claims processed to the “approved to pay” status within the specified number of days. The processing period will be measured from the date the claim is received by the Plan or clearinghouse to the date the claim is processed and in the “approved to pay” status.	Measured and reported quarterly based on a claims report extracted by Regence claims auditing unit the percentage of claims processed from all lines of business. Results based on overall Regence corporate performance levels.
Claims Processing Accuracy	Overall Plan Results	Minimum of 95% quarterly accuracy rate (no greater than 5% error rate)	\$0.10 Per Medical Member Per Month	This measure tracks the percentage of audited claims processed correctly. All financial errors are processing errors. Only one processing error per claim is counted even if more than one item on a claim caused an error. Examples of errors are defined as but no limited to: Claims which are rejected incorrectly, Zero paid claims (e.g. all dollars applied incorrectly to deductibles resulting in no payment), Correct payment amounts but mailed/credited to wrong payee (e.g., correct amount mailed to provider instead of enrollee or to wrong provider), Misapplied deductibles or maximum that do not result in payment errors, and Claim overpayments or underpayments. Statistical errors, denial codes due to computer logic and provider billing errors are excluded from this measurement.	Measured and reported quarterly based on a claims report extracted by Regence claims auditing unit the percentage of claims processed from all lines of business. Results based on overall Regence corporate performance levels.
Average Speed of Answer	ASO Service Center	Average response time of no more than 45 seconds per answered call	\$0.10 Per Medical Member Per Month	This measure tracks the average number of seconds between the time calls into the customer service call center are queued until the call is answered.	Measured and reported quarterly based on performance measured by automated call distribution system. Results based on the performance levels of the ASO Service Center.
Abandonment Rate	ASO Service Center	No greater than 5% call abandonment rate	\$0.10 Per Medical Member Per Month	This measure tracks the percentage of abandoned calls calculated by dividing the number of abandoned calls (calls reaching the member service line and placed in queue but not answered because the caller hangs up) divided by the total number of calls.	Measured and reported quarterly based on performance measured by automated call distribution system. Results based on the performance levels of the ASO Service Center.

Guarantee Measure	Specified Line Of Business	Target	Fees At Risk	Definition	Measurement Criteria
Monthly Reporting Timeliness	Group Specific	Within 45 calendar days after the close of the reporting period	\$0.10 Per Medical Member Per Month	This measure tracks the number of days after the close of the reporting period it takes Regence to deliver the monthly on-demand reporting to the Plan Sponsor. If the group uses the Employer Center for online reporting, the reports need to be available on the website within this timeframe.	Measured and reported quarterly based on documentation by Regence staff of average quarterly delivery dates.