

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

427



FROM: Human Resources Department

SUBMITTAL DATE:
April 23, 2014

SUBJECT: Capitol Administrators, Inc., Dental Plan Administration Agreement, for the period beginning May 1, 2014 through December 31, 2019 [District- All] [Total Cost - \$0] [Source of Funds - N/A]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Dental Plan Administration Agreement between the County and Capitol Administrators to perform dental plan administrative services for the Local Advantage plans (Local Advantage Plus and Local Advantage Blythe), beginning May 1, 2014 through December 31, 2019 (Attachment A);
2. Authorize the Chairperson to sign four (4) copies of each agreement, retain one (1) copy of each agreement, and return three (3) copies to Human Resources for distribution.

BACKGROUND:

Summary

On April 8, 2014, Item 3-13, the Board of Supervisors approved Capitol Administrators, Inc. as the Dental Plan Administrator for the County's self-funded dental plans (Local Advantage Plus and Blythe plans).

Michael T. Stock
Asst. County Executive Officer/
Human Resources Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS:	Budget Adjustment: No
	For Fiscal Year: 13/14 - 19/20

C.E.O. RECOMMENDATION:

APPROVE

BY:
Ivan M. Chand 4/29/2014

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY:
NEAL R. KIPNIS
DATE: 4/23/14

Departmental Concurrence

- Positions Added
- Change Order
- A-30
- 4/5 Vote

Prev. Agn. Ref.: 04/08/2014, 3-13 | **District:** All | **Agenda Number:**

3-11

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Capitol Administrators, Inc., Dental Plan Administration Agreement, for the period
beginning May 1, 2014 through December 31, 2019 [District- All] [Total Cost - \$0] [Source of Funds
- N/A]**

DATE: April 23, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

The Local Advantage plans utilize local providers including Riverside Dental Group and Hospitality Dental Group. Currently, there are 1,043 members enrolled in the Local Advantage Plus plan and 30 members enrolled in the Local Advantage Blythe plan.

On February 6, 2014, the Third Party Administrator (TPA) for the Local Advantage plans, American Dental Professional Services (ADPS), sent a Notice of Termination of the Dental Plan Administration Agreement between ADPS and the County. As a result, Human Resources conducted a request for proposal (RFP) for a new TPA and Capitol Administrator's was awarded the bid.

Since the Board's approval of the new TPA on April 8, 2014, Item 3-13, Human Resources in conjunction with County Counsel have finalized the terms of the agreement (Attachment A). There is no direct cost to the County for this recommended action. Dental fees are paid by employee and retiree premiums.

Due to the low enrollment numbers in the plan, Human Resources will continue to evaluate plan efficiency based on County needs and assess whether to continue to offer the plan in the future.

Impact on Residents and Businesses

There is no direct impact to residents or businesses.

SUPPLEMENTAL:

Additional Fiscal Information

Capitol's fees include a one-time set up cost of \$900; claims administration with a base fee of \$3.00 per employee, per month (PEPM). The total annual cost for the first year is estimated to cost \$49,920 and \$49,020 each year after. The administration and network access repricing fees are guaranteed for the term of the agreement.

There are no additional fees for this recommendation; the above fees were previously approved by the Board on April 8, 2014, Item 3-13.

Contract History and Price Reasonableness

Capitol Administrators, Inc. has been in business for over two decades. They deliver service to over 200,000 members including commercial, tribal, and governmental agencies.

Capitol's prices are reasonable for their current market trend.

ATTACHMENT:

- A. Capitol Administrator's Dental Plan Administration Agreement

County of Riverside
DENTAL PLAN ADMINISTRATION AGREEMENT
BETWEEN
COUNTY OF RIVERSIDE AND
CAPITOL ADMINISTRATORS

This Dental Plan Administration Agreement (“Agreement”) between the County of Riverside, (hereafter “County”), a political subdivision of the State of California, and Capitol Administrators, Inc. a California Corporation (hereafter “Capitol”).

RECITALS

- A. WHEREAS, County has established a self-funded dental benefit plan (the “Plan”) designed to provide dental benefits (“Benefits”) to eligible County employees and their eligible dependents.
- B. WHEREAS, Capitol offers a variety of administrative services, as an independent contractor, related to the operation of certain dental benefit plans established, funded and operated by other parties.
- C. WHEREAS, County desires to retain Capitol to provide certain administrative services in connection with the Plan, and Capitol desires to provide such services, and County and Capitol (the “Parties”) are entering into this Agreement for that purpose.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, County and Capitol hereby acknowledge the accuracy of the foregoing Recitals and agree as follows:

ARTICLE I

RESPONSIBILITIES OF COUNTY

- 1.1 Plan Documentation.
 - a) County shall prepare, or cause to be prepared, the necessary documentation relating to the Plan, including without limitation a summary description of the Plan (the “Summary Description”), applicable schedules of benefits, annual reports, enrollment forms, information guides, Provider directories and other information required to be given to participants in the Plan (“Participants”) under applicable law, each as amended from time to time to reflect changes in the Plan or other changed circumstances from time to time (collectively, the “Plan Documentation”).

b) County shall provide to Capitol promptly upon the execution of this Agreement and thereafter from time to time, as appropriate, an executed copy of the Summary Plan Document (SPD) and any amendments thereto, it being understood that the Summary Description is considered part of the Plan. Notwithstanding the foregoing, County shall not make any amendment to the Plan which has the effect of materially changing the nature of Capitol's obligations under this Agreement without the prior written consent of Capitol, and upon a breach by County of this provision, Capitol may suspend its obligations under this Agreement by giving 90 day notice of its intent to do so.

- 1.2 Determination of Eligibility. The determination of which individuals are eligible to participate in the Plan, and the determination of which such individuals are Participants shall be made by County, and Capitol may conclusively rely on each such determination. Any disputes or inquiries regarding eligibility or participation shall be referred to and resolved by County, which shall advise Capitol of each such determination.
- 1.3 Enrollment of Participants; Eligibility Lists; Changes In Status. County shall enroll eligible individuals in the Plan as Participants and shall provide to Capitol, not less often than monthly, names and identifying data for the Participants, including without limitation specific identification of (a) those Participants who are newly eligible to receive benefits under the Plan; (b) those former Participants who are no longer eligible to receive benefits under the Plan; and (c) the primary Provider selected by each new Participant or newly selected by a current Participant. County shall promptly provide Capitol notice of each change in participation status of a Participant. To the extent possible, each Participant and former Participant shall be so identified prior to the effective date of coverage, or termination of coverage, as the case may be, of such Participant under the Plan. When feasible, the Participant data shall be delivered electronically by computer on a secure website, via file transfer or on-line. Capitol shall have no liability to County for, and shall be indemnified by County against, all claims and liabilities arising out of Capitol's honoring or refusing any claim of a Provider for payment if such action is consistent with the most recent eligibility information provided to Capitol in writing prior to such action.
- 1.4 Continuation of Coverage. County shall, as applicable: (a) determine the occurrence of "qualifying events" as that term is defined for purposes of continuation coverage under "COBRA" or any similar applicable state laws, (b) notify Participants of their continuation coverage rights under such laws, as applicable, and (c) notify Capitol of all Participants who have elected

continuation coverage, the duration of such coverage and the termination of such coverage.

- 1.5 County's Designated Representative. County shall maintain a representative(s) (the "Designated Representative(s)") to serve as a contact point for interactions between County and Capitol. The Designated Representative(s) shall be authorized to act on behalf of County with respect to all matters relating to administration of the Plan. Unless otherwise required by law or this Agreement, if Capitol is required to give notice to Participants with regard to matters covered by this Agreement, it shall be sufficient for Capitol to give such notice to the Designated Representative(s), and it shall be the Designated Representative's obligation to provide such notice to Participants.
- 1.6 Network Administration. County shall (a) arrange for Providers and (b) resolve controversies between Participants and Providers.
- 1.7 Account. County shall deposit into the Account (defined in § 2.1) by wire transfer, Automated Clearing House (ACH) or similar transfers of funds, all amounts invoiced by Capitol related to the payment of Claims (defined in § 2.2), or other amounts payable, no later than 10 business days from the date of the invoice is received by the County. County shall be solely responsible for the adequacy of the funds in the Account to pay for these services.

ARTICLE II CAPITOL RESPONSIBILITIES

- 2.1 Account Administration. Capitol shall establish and maintain, or cause to be established and maintained, a bank account to receive the transfer of funds from County (the "Account"). Capitol shall have the authority to issue checks or drafts against the Account, or initiate bank wire transfers or similar transfers of funds from the Account on behalf of County, to pay Benefits in accordance with the Plan and this Agreement. Capitol shall promptly deliver to the person entitled thereto or deposit into the Account any funds received by it in connection with the Plan. Capitol shall pay only the following from the Account: (a) Premium payments to an insurer entitled thereto; (b) Allowed Claims; and (c) the Network Access Fee to First Dental Health (FDH) or amounts payable to Providers for utilization review, prescription drugs or other necessary services or supplies. Capitol shall reconcile monthly and report to County any funds received into the Account on behalf of the County or Plan, and all amounts distributed from the Account on behalf of the County or Plan.

- 2.2 Payment of Claims. Capitol shall furnish the claims administration services:
- a) Capitol shall accept claims (each, a "Claim") for benefits under the Plan (the "Benefits") which are made pursuant to procedures established in connection therewith, and, after due evaluation of each Claim and any other relevant information available to Capitol, determine the eligibility of the Participant to whom the Services were provided, based on the eligibility information provided by County.
 - b) If the facts as stated in the Claim entitle the Participant to receive Benefits, Capitol shall arrange for the payment thereof from the Account. In so doing, Capitol shall make provision for, and honor, any assignment of Benefits by a Participant to a Provider.
 - c) If the facts as stated in the Claim or as determined by Capitol do not entitle the Participant to Benefits, the Claim shall be denied (in whole or in part) or modified in writing by Capitol, setting forth the reason(s) for such action. If a claim is wholly or partially denied by Capitol, Capitol shall send a written notice to the Participant and Provider's describing the reason(s) for denial and a description of any additional information which might be necessary for the reconsideration of the Claim.
 - d) Except as provided in § 2.2(e) below, Capitol' determination regarding any Claim shall be final and conclusive.
 - e) Capitol shall maintain a grievance resolution procedure which shall be made available to a Participant in writing upon request. Capitol may compromise or adjust any Claim properly submitted under such procedure. If there is a change to a determination of a Claim by virtue of the resolution procedure, Capitol shall make the necessary changes in its records and comply with the final decision. Capitol shall have no responsibility or liability on account of any determination or payment with respect to a Claim that is subsequently changed upon review.
- 2.3 Benefit Payments. Capitol shall mail benefit checks made payable to a provider of dental care or services directly to such provider, or, if any benefit checks have the Participant as the named payee, to the covered Participant.
- 2.4 Claim Forms. Subject to the requirements of the Plan and this Agreement, Capitol shall arrange for the printing and publication of, and maintain a supply of the forms necessary for the administration of the Plan, including without limitation Claim forms, Claim denial forms, and Claim payment forms.
- 2.5 Records. Capitol shall assist County with the development, design and installation of administrative and record keeping systems. All records maintained by Capitol with respect to its claim payment services under this Agreement

shall be made available for review by County upon its request. Subject to the requirements of applicable law, upon termination of this Agreement, all such records shall be delivered to County, at its expense.

2.6 Reports. Capitol shall submit to County the reports specified on Exhibit A attached to this Agreement and such other reports as may be reasonably requested by County from time to time during the Term.

2.7 Customer Services. Capitol shall (a) maintain a toll-free telephone number for Participants, (b) make available trained customer service representatives knowledgeable about the Plan to answer Participants' questions regarding the Plan Monday through Friday, 8 a.m. to 5 p.m., and (c) prepare and mail to Participants, subject to County's request, (i) an enrollment notification, identification card and any other available information regarding the Plan, (ii) termination notices, and (iii) any notifications required by applicable law.

2.8 Additional Services. Capitol may make available to County from time to time additional administrative or other services not provided for in this Agreement. If County elects to engage Capitol to provide such services, the applicable fees shall be established by agreement of the Parties at that time.

2.9 Limitations.

a) Notwithstanding anything in this Article II, Capitol shall have no liability with respect to any of the following:

- (i) delays in the processing of a Claim to the extent such delay was not caused by the acts or omission of Capitol;
- (ii) any liability, loss or consequential or other damage resulting from the activities of any third party unrelated to Capitol, including without limitation any preferred provider organization, health maintenance organization, managed care organization or similar entity engaged to reprice, manage or review any Claim or to perform any similar service with respect to the Plan;
- (iii) the cost of printing any forms, which shall be paid by County; or

b) Capitol shall not be responsible for pursuing any rights of recovery, subrogation or coordination of benefits to recover amounts paid with respect to Claims, provided that, if authorized and requested by County, and if County agrees to compensate Capitol therefore, Capitol shall assist with such activity.

2.10 Performance Guarantees.

Capitol has agreed to the performance guarantees set for in Exhibit B. In the event Capitol fails to meet the performance guarantees, Capitol shall be subject to the penalties set forth in Exhibit B. The sole remedy for failure to meet the performance guarantees shall be the penalties set forth in Exhibit B. If, however, Capitol consistently fails to meet the stated performance guarantees, the County may avail itself to remedies contained in Article V.

Nothing contained herein shall be construed to limit or restrict any rights and remedies that County may have against Capitol, including but not limited to any rights and remedies arising out of or relating to: (i) Capitol's breach of any provisions of this Agreement; (ii) Capitol's failure to comply with any applicable Federal, State or local law and regulation; and (iii) the negligent acts or omissions or willful misconduct of Capitol in its performance of this Agreement.

ARTICLE III FEEES AND COMMISSIONS

- 3.1 Administrative Fee. Capitol shall be entitled to a fee for its services under this Agreement. Claims Administration for the Local Advantage Plans are \$3.00 per enrolled employee per month through December 31, 2019. Capitol will submit to the County an invoice itemizing the administrative fee on a monthly basis. No later than 15 business days from the date of the invoice is received by the County, the County will send Capitol payment for the administrative service fee.
- 3.2 Claims Run Out Period. Capitol will provide for a claims run-out period of up to six months past the termination date of the Agreement if elected by County. The claims run-out fee is \$3.00 per claim. This fee is to be paid each month of the claim run-out Period.
- 3.3 Claims Run In Period. Capitol will provide for a claims run-in period of up to six months from the effective date of the Agreement. The claims run-in fee is \$3.00 per claim. This fee is to be paid each month of the claim run-in Period.
- 3.4 Repricing. Capitol will collect the fee and pass it on as a condition of the County's network lease and marketing arrangement between the County and First Dental Health (FDH). The fee Capitol will collect for FDH to reprice and review utilization is \$0.80 per enrolled employee per month through December 31, 2019.
- 3.5 Network Lease Payment to First Dental Health. Capitol Administrators, Inc. will make payments to First Dental Health (FDH), a California corporation, on behalf of the County of Riverside. The network lease is \$1.00 PEPM.

ARTICLE IV
CONFIDENTIAL INFORMATION AND PROPRIETARY RIGHTS

4.1 Confidential and Proprietary Information. Neither Party shall, in any manner or at any time, directly or indirectly, disclose any of the Confidential Information (defined below) of the other Party to any person, firm, association, organization or entity, or use, or permit or assist any person, firm, association, organization or entity to use, any of the Confidential Information, excepting only: (a) disclosures (i) required by law, as reasonably determined by the disclosing Party or its legal counsel, or (ii) made on a confidential basis to the disclosing Party's shareholders, directors, officers, employees (limited to those who need to know such Confidential Information) and legal, accounting and other professional advisors (collectively, the "Permitted Recipients"); or (b) use of such Confidential Information by Permitted Recipients in connection with this Agreement; provided that each Party shall (i) make its Permitted Recipients aware of the requirements of this Agreement, (ii) take reasonable steps to prohibit disclosure of such Confidential Information by any Permitted Recipient to any other person or entity except another Permitted Recipient, including without limitation taking such steps as that Party customarily takes to protect its own Confidential Information, and (iii) be responsible and liable for any disclosure or use of such Confidential Information by any of its Permitted Recipients, except disclosures or uses permitted by this Agreement. The term "Confidential Information" shall mean, with respect to a Party, all trade secrets, proprietary data and other information (whether written or oral) of a confidential nature relating directly or indirectly to that Party or its business, including without limitation all business management, marketing and economic studies and methods, proprietary forms, financial, tax, accounting and other information regarding business operations or structure, business plans, ideas, concepts, policies and procedures and any other information which that Party is obligated to treat as confidential pursuant to any law, agreement or course of dealing by which that Party is bound, whether or not such Confidential Information is disclosed or otherwise made available pursuant to this Agreement.

"Confidential Information" shall not include any information which (i) is or becomes known or available to the public and did not become so known or available through the breach of this Agreement by either Party, (ii) has been lawfully acquired from a third party without any breach of any confidentiality restriction, (iii) is already in the possession of the receiving Party at the time it was disclosed to the receiving Party at the time it was disclosed to the receiving Party by the disclosing Party, or (iv) is subject to disclosure by County in

accordance with the California Public Records Act (Government Code section 6250 et seq.) and/or Brown Act (Government Code section 54950 et seq.).

This Section 4.1 does not apply to Protected Health Information (PHI). With respect to PHI, the Parties shall comply with Section 4.3.

4.2 Trademarks and Copyrights. The Parties reserve the right to the control and use of their respective names and all of their respective copyrights, symbols, trademarks and service marks presently existing or later established. Except as expressly permitted in this Agreement, neither Party shall use the other Party's name, copyrights, symbols, trademarks or service marks in any manner without the prior written consent of such other Party. Any permitted use by one Party of a name, copyright, symbol, trademark or service mark of the other Party shall cease immediately upon the earlier of: (a) written notice of a demand to cease such use or (b) termination of this Agreement. Each Party may use the other Party's name, address and/or telephone number if such use is necessary in order to fulfill its obligations under this Agreement. In addition, Capitol shall have the right to identify County in presentations or promotional materials provided to other employers or groups as Participants or as potential sponsors of a Plan or participants in a similar plan.

4.3 Health Insurance Portability and Accountability Act (HIPAA). The Parties to this Agreement are subject to all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009 (HITECH), Public Law 111-5, enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto. Capitol agrees to cooperate in accordance with the terms and intent of this Agreement for implementation of relevant law(s) and/or regulation(s) promulgated under HIPAA and HITECH. Capitol further agrees that it shall be in compliance, and shall remain in compliance with the requirements of HIPAA, HITECH and the laws and regulations promulgated subsequent hereto, as may be amended from time to time. The Parties shall adhere to all terms and conditions as outlined and specified in Exhibit B, Business Associate Agreement, attached hereto and incorporated herein by this reference.

ARTICLE V TERM AND TERMINATION

5.1 Term. The term of this Agreement shall become effective May 1, 2014, and shall continue in effect for through December 31, 2019, unless terminated as provided herein.

- 5.2 Termination for Material Cause – Either party, as appropriate, may terminate this Agreement immediately for cause as set forth herein upon written notice of termination stating the actions of the other party constituting cause for termination.
- 5.3 Breach. Notwithstanding anything in this Article V to the contrary, if (a) County fails to pay when due any payment to be made by it to Capitol under this Agreement and such failure continues for 10 days after notice by Capitol to County or (b) any other breach of this Agreement by either Party occurs and such breach continues for 60 days after notice by the non-breaching Party to the breaching Party, the non-breaching Party shall have the right to terminate this Agreement effective immediately upon notice to the breaching Party.
- 5.3 Effects of Termination. Upon termination of this Agreement as provided in this Article V, neither Party shall have any further obligations under this Agreement, except for: (a) obligations accruing prior to the date of termination, including without limitation payment of the amounts due but unpaid under Article IV; and (b) rights and obligations under § 1.6 or Articles IV, VI or VII, all of which shall survive the expiration or termination of this Agreement.
- 5.4 Retention of Records. Upon notice of termination by either Party, County may request Capitol in writing to return all records held by it regarding the Plan at County's expense and in accordance with reasonable instructions given by County, provided that if no such request is made to Capitol under this Agreement within 60 days from the date of termination of this Agreement, Capitol shall no longer be responsible for the safekeeping of such records and may destroy such records unless prohibited by applicable law.
- 5.5 Termination Without Cause. In the event either party desires to terminate this Agreement without cause, Capitol must provide written notice of termination to the County. The written notice must provide at least a ninety (90) calendar day notice of termination. The County reserves the right to terminate this Agreement, in whole or in part, with at least a thirty (30) calendar day written notice of termination.

ARTICLE VI
INSURANCE; INDEMNIFICATION; LIMITATION OF LIABILITY

- 6.1 Requirements of Capitol. Without limiting or diminishing Capitol's obligation to indemnify or hold the County harmless, Capitol shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement.
- 6.2 Workers' Compensation. If Capitol has employees as defined by the State of California, Capitol shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include County's Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.
- 6.3 Commercial General Liability. Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, cross liability coverage and employment practices liability, covering claims which may arise from or out of Capitol's performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.
- 6.4 Vehicle Liability. If vehicles or mobile equipment is used in the performance of the obligations under this Agreement, then Capitol shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured.

6.5 Professional Liability Insurance. Capitol shall maintain Professional Liability Insurance providing coverage for Capitol's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If Capitol's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and Capitol shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that Capitol has maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

6.6 General Insurance Provisions – All lines:

- A. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer, such waiver is only valid for that specific insurer and only for one policy term.
- B. Capitol's insurance carrier(s) must declare its self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence, such deductibles and/or retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of deductibles or self-insured retention's unacceptable to the County, and at the election of the County's Risk Manager, Capitol's carriers shall either; 1) reduce or eliminate such deductibles or self-insured retention's as respects this Agreement with the County, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- C. Capitol shall cause Capitol's insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or

reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *Capitol shall not commence operations until the County has been furnished original Certificate(s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*

- D. It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
 - E. The County's Reserved Rights—Insurance. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add to additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement including any extensions thereof exceeds five (5) years the County reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the Capitol has become inadequate.
 - F. Capitol shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
 - G. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the County.
 - H. Capitol agrees to notify County of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.
- 6.7 Limitation of Capitol Liability. The Parties acknowledge that, in performing its obligations under this Agreement, Capitol is acting only as an agent and not a Plan Administrator or underwriter. Capitol shall not be liable to advance any funds for the payment of Claims or expenses, and County shall have the final

responsibility and liability for such payment of Claims and expenses. Capitol shall not be liable in any proceeding at law or in equity for any failure or refusal by it to pay or honor any Claim or appeal made pursuant to this Agreement, except in the event of (and only to the extent of) its own negligence, gross negligence, willful misconduct, gross abuse of discretion or arbitrary and capricious denial.

6.8 Indemnification Obligation of Capitol. Capitol shall indemnify and hold harmless County (and its officers, employees, agents, and affiliates) from and against any and all claims, demands, damages, costs, expenses (including without limitation reasonable attorneys' fees) and liabilities (collectively, "Damages") directly or indirectly arising out of or in connection with any failure of Capitol to perform or observe the obligations and/or conditions to be performed by it under this Agreement.

6.9 Indemnification Obligation of County. County shall indemnify and hold harmless Capitol (and its officers, employees, agents, and affiliates) from and against any and all Damages directly or indirectly arising out of or in connection with any failure of County to perform or observe the obligations and/or conditions to be performed by it under this Agreement, including payment or denial of a Claim by Capitol in accordance with this Agreement.

ARTICLE VII MISCELLANEOUS

7.1 Relationship of Parties. The relationship of the Parties is and shall be that of independent contractors. Nothing in this Agreement shall be construed or deemed to create a relationship of employer and employee, partnership or joint venture.

7.2 Legal Requirement. If at any time any federal, state or local law requires agreements of this type to include any provision which is not already included in this Agreement, the Parties shall amend this Agreement to include such provision promptly following the request of either Party. In addition, if (a) there is (i) any change in any federal, state or local statute, law, regulation, legislation, rule, policy or general instruction or guideline, or (ii) any ruling, judgment, decree or interpretation by any court, agency or other governing body having jurisdiction over either Party (in any such case, for purposes of this section, a "Regulatory Matter"), and (b) such Regulatory Matter materially and adversely affects, or is reasonably likely so to affect, the manner in which either Party is to perform or be

compensated for its services under this Agreement or which shall make this Agreement unlawful, the Parties shall immediately use their best efforts to enter into a new arrangement that complies with such Regulatory Matter and approximates as closely as possible the position of the Parties under this Agreement, economically and otherwise, prior to such Regulatory Matter. If the Parties are unable to reach a new agreement within a reasonable period of time following the date upon which such Regulatory Matter arises or it becomes reasonably certain that such Regulatory Matter will arise, then either Party may terminate this Agreement pursuant to Section 5.5 (Termination without Cause). If termination is not feasible, either Party may submit the issue to binding arbitration before the American Arbitration Association (“AAA”) in accordance with the AAA’s then-current commercial arbitration rules for a single arbitrator. All arbitration hearings shall be held in the State of California. Arbitration proceedings shall be initiated with appropriate written notice to the other Party and to AAA. The decision of the arbitrator shall be final, and judgment on such decision may be entered in any state or federal court of competent jurisdiction within the State of California. All costs and expenses of arbitration shall be borne by the Parties as determined by the arbitrator.

- 7.3 Participants’ Freedom to Choose. Nothing in this Agreement shall be construed to interfere with Participants’ freedom to choose to receive services from any Provider or non-Provider.
- 7.4 Remedies. Each Party hereby acknowledges that: (a) the provisions of Article IV are fundamental for the protection of the other Party’s legitimate business interests; (b) such provisions are reasonable and appropriate in all respects; and (c) in the event it violates any of such provisions the other Party would suffer irreparable harm and its remedies at law would be inadequate. Accordingly, in the event either Party violates or attempts to violate any provision of Article IV, the other Party shall be entitled to a temporary restraining order, temporary and permanent injunctions, specific performance and other equitable relief, without any showing of irreparable harm or damage or the posting of any bond. All rights and remedies of each Party under this Agreement are cumulative and in addition to all other rights and remedies which may be available to that Party from time to time, whether under any other agreement, at law or in equity.
- 7.5 No Third Party Benefit. This Agreement is intended for the exclusive benefit of the Parties and their respective successors and assigns, and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any third party.

7.6 Assignment; Successors. Neither Party shall assign this Agreement, any interest in this Agreement, or any rights or obligations under this Agreement without the prior written consent of the other Party. Any purported assignment which does not comply with this provision shall be void. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the successors and assigns of each Party.

7.7 Notices. Any notice required to be given hereunder shall be in writing either delivered personally or sent by registered or certified mail, return receipt requested, to either County or Contractor at the addresses listed below, or at such other address as either County or Contractor may hereafter designate to the other:

County of Riverside:

4080 Lemon St, 7th Floor
Riverside, CA 92501
Attn: Stacey M. Beale,
HR Division Manager

Capitol Administrators:

2920 Prospect Park Drive, Suite 210
Rancho Cordova, CA 95670
Attn: Linda Ludwick,
Chief Operating Officer

All notices shall be deemed given on the date of delivery if delivered personally or on the fifth (5th) business day after such notice is deposited in the United States mail, addressed and sent as provided above.

7.8 Entire Agreement. This Agreement (including the attached Exhibits, the Plan, and the Summary Description, all of which are hereby incorporated herein by reference) constitutes the entire agreement between the Parties concerning its subject matter and supersedes any previous agreements or understandings, written or oral, between the Parties with respect to the subject matter. This Agreement shall not be changed or amended except by a writing signed by both Parties. Except as permitted by this Agreement or required by applicable law, the Plan, as in effect for purposes of this Agreement, shall not be changed or amended except with the written consent of both Parties.

7.9 Captions. The captions of the various articles and sections of this Agreement are not part of the context of this Agreement, are only labels to assist in locating and reading those sections, and shall be ignored in construing this Agreement.

- 7.10 Severability. The intention of the Parties is to comply fully with all applicable laws and public policies, and this Agreement shall be construed consistently with all laws and public policies to the extent possible. If and to the extent that any court of competent jurisdiction determines that it is impossible to construe any provision of this Agreement consistently with any law or public policy and consequently holds that provision to be invalid, such holding shall in no way affect the validity of the other provisions of this Agreement, which shall remain in full force and effect. With respect to any provision in this Agreement finally determined by such a court to be invalid or unenforceable, such court shall have jurisdiction to reform this Agreement (consistent with the intent of the Parties) to the extent necessary to make such provision valid and enforceable, and, as reformed, such provision shall be binding on the Parties.
- 7.11 Non-Waiver. No failure by either Party to insist upon strict compliance with any term of this Agreement, to exercise any option, enforce any right, or seek any remedy upon any default of the other Party shall affect, or constitute a waiver of, the first Party's right to insist upon such strict compliance, exercise that option, enforce that right or seek that remedy with respect to that default or any prior, contemporaneous or subsequent default; nor shall any custom or practice of the Parties at variance with any provision of this Agreement affect or constitute a waiver of, either Party's right to demand strict compliance with all provisions of this Agreement.
- 7.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.
- 7.13 Legal Provisions. Any provision required to be in this Agreement by any applicable federal or state law, and regulations thereto shall bind County and Capitol, whether or not expressly provided in this Agreement.
- 7.14 Governing Law; Venue. This Agreement shall be governed and construed by the laws of the State of California without regard to its conflict of law principles. All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state and federal courts located in the County of Riverside, State of California.
- 7.15 Conflict of Interest. The parties hereto and their respective employees or agents shall have no interest, and shall not acquire any interest, direct or indirect, which

shall conflict in any manner or degree with the performance of services required under this Agreement.

- 7.16 Government Claims Act. The provisions of the Government Claims Act (Government Code section 900 et seq.) must be followed first for any disputes arising under this Agreement.

[The remainder of this page was intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this Agreement as set forth below.

ATTEST:

COUNTY OF RIVERSIDE:

Clerk to the Board

Kecia Harper-Ihem

By _____

Deputy

By _____

Chairman, Board of Supervisors

Date _____

Date _____

Approved as to form:


Pamela J Walls

County Counsel

By:  _____

Deputy County Counsel

Capitol Administrators, Inc.

By:  _____

Printed Name: DAVID REYNOLDS

Title: CEO

Date: 4-14-14

EXHIBIT A

Reports

Capitol will send the County the following monthly reports:

- Cost Summary
- Claim Summary
- Claim Detail by Plan
- Claim Adjustments (if any)
- Administrative Fee

EXHIBIT B Performance Guarantee

Financial Dollar Accuracy - Capitol will achieve a quarterly 98.5% level of financial accuracy on claims paid. This will be determined by the total amount of claim dollars paid incorrectly divided by the total dollar amount of claims processed and will be expressed as a percentage. This ratio may be determined using a statistically-valid stratified random sample. Accuracy percentage is determined by subtracting the error ratio from 100%.

If Client determines, based on appropriate report or audit, that Capitol did not achieve said financial accuracy, Client shall be entitled to a penalty of a percentage of the monthly administrative fee for the audit period in which the errors occurred. The schedule shall be as follows:

<u>Financial Errors Ratio</u>	<u>Penalty of Admin Fee</u>
1.5% or less	0%
Greater than 1.5% and Less Than 2.5%	1%
Greater than 2.5% and Less Than 3%	2%
Greater than 3% and Less Than 3.5%	3%
Over 3.5%	4%

Claims Payment Accuracy – Capitol will achieve a quarterly 97.5% level of claims payment accuracy. This will be determined by the total number of claims processed containing payment errors divided by the total number of claims processed. Again, this ratio may be determined with the use of a statistically-valid stratified random sample.

If Client determines, based on appropriate report or audit, that Capitol did not achieve the payment accuracy performance objectives, Client shall be entitled to a penalty of a percentage of the monthly administration fees for the audit period in which the errors occurred. The schedule shall be as follows:

<u>Payment Accuracy Error Ratio</u>	<u>Penalty of Admin Fee</u>
2.5% or Less	0%
Greater than 2.5% and Less Than 4.5%	1%
Greater than 4.5% and Less Than 5%	2%
Greater than 5% and Less Than 5.5%	3%
Over 5.5%	4%

Timeliness of Claims Processing – Capitol will process 95% of all clean claims within ten (10) business days of receipt (processing involves either paying, denying or requesting additional data from the Participant or Provider). During any period of Force Majeure, timing requirements shall be waived. Timeliness may be determined with the use of stratified random samples.

If the appropriate report determines 95% of all clean claims have not been processed within ten (10) business days after receipt of such claims, Client shall be entitled to a penalty payment. Such penalty payment shall be based upon a percentage of the administration fees for the audit period in which the errors occurred. This schedule shall be as follows:

<u>Timeliness of Processing (Business Days)</u>	<u>Penalty of Admin Fee</u>
10 Days	0%
Over 10 Days But Less Than 15 Days	3%
Over 15 Days But Less Than 20 Days	5%
Over 20 Days	5%

Call Waiting Time – The percentage of calls answered within 30 seconds will be calculated by dividing the total number of calls answered within 30 seconds by the total number of calls received. Time spent on hold is included in wait time.

<u>Guarantee</u>	<u>Penalty of Admin Fee</u>
Average speed to answer within 30 seconds	0%
Average speed to answer within 45 seconds	1%
Average speed to answer greater than 45 seconds	2%

Abandoned Calls – The percentage of abandoned calls will be calculated by dividing the number of calls abandoned by the total number of calls placed in the queue. An abandoned call will be any call placed in the queue in which the caller hangs up before the call is answered by a customer service representative.

<u>Guarantee</u>	<u>Penalty of Admin Fee</u>
5% or less abandoned	0%
Over 5% but less than 7% abandoned	1%
More than 7% abandoned	2%

IMPLEMENTATION PERFORMANCE GUARANTEES

Eligibility – Eligibility will be loaded within 10 business days of receipt if received electronically and within 15 business days of receipt if received manually.

ID Card Production – ID Cards will be produced within 10 business days of the Eligibility Load finalization and mailed within 2 business days thereafter.

SPD Preparation – The initial draft of the SPD will be completed and submitted to the client for review within 30 business days of receipt of all information necessary to complete said SPD. Final draft will be

completed and submitted to the client within 10 business days of receipt of all final revisions and clarifications from client.

Penalty – Failure to meet any of the above Implementation Performance Guarantees will result in a penalty of 10% of the stated Implementation Fee.

REPORTING PERFORMANCE GUARANTEE

Reporting - Monthly reports to be produced to client and/or client’s designated representative in acceptable format by the 20th of the following month. Should the 20th fall on a weekend or holiday the deadline will be extended to the following Monday.

<u>Guarantee</u>	<u>Penalty of Admin Fee</u>
Produced to Client by the 20 th of the Following month	0%
Produced to Client after the 20 th of the Following month	1%

All of the above Performance Guarantees are subject to an overall aggregate maximum of 5% of the annual administrative fee. All Performance Guarantees are based upon averaged quarterly results. Payments are due the month following the end of the quarter in which the penalty occurred and will be sent to the County of Riverside.

EXHIBIT C
Health Insurance Portability and Accountability Act (HIPAA)

HIPAA Business Associate Agreement
Addendum to Agreement
Between the County of Riverside and Capitol Administrators, Inc.

This HIPAA Business Associate Agreement (the "Addendum") supplements, and is made part of the **Dental Plan Administration Agreement** (the "Underlying Agreement") between the County of Riverside ("County") and **Capitol Administrators, Inc.** ("Contractor") and shall be effective as of the date the Underlying Agreement is approved by both Parties (the "Effective Date").

RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which the Contractor provides services to County, and in conjunction with the provision of such services certain protected health information ("PHI") and/or certain electronic protected health information ("ePHI") may be created by or made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191 enacted August 21, 1996, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, as may be amended from time to time, are applicable to the protection of any use or disclosure of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, County is a covered entity, as defined in the Privacy Rule; and,

WHEREAS, to the extent County discloses PHI and/or ePHI to Contractor or Contractor creates, receives, maintains, transmits, or has access to PHI and/or ePHI of County, Contractor is a business associate, as defined in the Privacy Rule; and,

WHEREAS, pursuant to 42 USC §17931 and §17934, certain provisions of the Security Rule and Privacy Rule apply to a business associate of a covered entity in the same manner that they apply to the covered entity, the additional security and privacy requirements of HITECH are applicable to business associates and must be incorporated into the business associate agreement, and a business associate is liable for civil and criminal penalties for failure to comply with these security and/or privacy provisions; and,

WHEREAS, the parties mutually agree that any use or disclosure of PHI and/or ePHI must be in compliance with the Privacy Rule, Security Rule, HIPAA, HITECH and any other applicable law; and,

WHEREAS, the parties intend to enter into this Addendum to address the requirements and obligations set forth in the Privacy Rule, Security Rule, HITECH and HIPAA as they apply to Contractor as a business associate of County, including the establishment of permitted and required uses and disclosures of PHI and/or ePHI created or received by Contractor during the course of performing functions, services and activities on behalf of County, and appropriate limitations and conditions on such uses and disclosures;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.
 - A. "Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted under subpart E of the Privacy Rule which compromises the security or privacy of the PHI, and shall have the meaning given such term in 45 CFR §164.402.
 - (1) Except as provided below in Paragraph (2) of this definition, acquisition, access, use, or disclosure of PHI in a manner not permitted by subpart E of the Privacy Rule is presumed to be a breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following four factors:
 - (a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;
 - (b) The unauthorized person who used the PHI or to whom the disclosure was made;
 - (c) Whether the PHI was actually acquired or viewed; and
 - (d) The extent to which the risk to the PHI has been mitigated.
 - (2) Breach excludes:
 - (a) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.
 - (b) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.
 - (c) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.
 - B. "Business associate" has the meaning given such term in 45 CFR §164.501, including but not limited to a subcontractor that creates, receives, maintains, transmits or accesses PHI on behalf of the business associate.

- C. "Data aggregation" has the meaning given such term in 45 CFR §164.501.
- D. "Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.
- E. "Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.
- F. "Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).
- G. "Health care operations" has the meaning given such term in 45 CFR §164.501.
- H. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.
- I. "Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.
- J. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.
- K. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI.
- L. "Required by law" has the meaning given such term in 45 CFR §164.103.
- M. "Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").
- N. "Security incident" as defined in 45 CFR §164.304 means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
- O. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.
- P. "Subcontractor" as defined in 45 CFR §160.103 means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.
- Q. "Unsecured protected health information" and "unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized persons through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2).

2. Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI.

- A. Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule.
- B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:
- (1) Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,
 - (2) Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:
 - (a) The disclosure is required by law; or,
 - (b) Contractor obtains reasonable assurances, in writing, from the person to whom Contractor will disclose such PHI and/or ePHI that the person will:
 - (i) Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person, or as required by law; and,
 - (ii) Notify Contractor of any instances of which it becomes aware in which the confidentiality of the information has been breached; and,
 - (3) Use PHI to provide data aggregation services relating to the health care operations of County pursuant to the Underlying Agreement or as requested by County; and,
 - (4) De-identify all PHI and/or ePHI of County received by Contractor under this Addendum provided that the de-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.
- C. Notwithstanding the foregoing, in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA, including, but not limited to, prohibiting disclosure of mental health and/or substance abuse records, the applicable state and/or federal laws and/or regulations shall control the disclosure of records.

3. Prohibited Uses and Disclosures.

- A. Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.

- B. Contractor may neither use, disclose, nor access PHI and/or ePHI it receives from County or from another business associate of County, except as permitted or required by this Addendum, or as required by law.
- C. Contractor agrees not to make any disclosure of PHI and/or ePHI that County would be prohibited from making.
- D. Contractor shall not use or disclose PHI for any purpose prohibited by the Privacy Rule, Security Rule, HIPAA and/or HITECH, including, but not limited to 42 USC §17935 and §17936. Contractor agrees:
 - (1) Not to use or disclose PHI for fundraising , unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.514(f) or 45 CFR §164.508;
 - (2) Not to use or disclose PHI for marketing, as defined in 45 CFR §164.501, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.508(a)(3);
 - (3) Not to disclose PHI, except as otherwise required by law, to a health plan for purposes of carrying out payment or health care operations, if the individual has requested this restriction pursuant to 42 USC §17935(a) and 45 CFR §164.522, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; and,
 - (4) Not to receive, directly or indirectly, remuneration in exchange for PHI, or engage in any act that would constitute a sale of PHI, as defined in 45 CFR §164.502(a)(5)(ii), unless permitted by the Underlying Agreement and in compliance with the requirements of a valid authorization under 45 CFR §164.508(a)(4). This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.

4. **Obligations of County.**

- A. County agrees to make its best efforts to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.
- B. County agrees to make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.
- C. County agrees to make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI.
- D. County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.

- E. County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.
5. **Obligations of Contractor.** In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:
- A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.
 - B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI.
 - C. Use appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.
 - D. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.
 - E. Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410.
 - F. In accordance with 45 CFR §164.502(e)(1)(ii), require that any subcontractors that create, receive, maintain, transmit or access PHI on behalf of the Contractor agree through contract to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.
 - G. Make available to County or the Secretary, in the time and manner designated by County or Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.
 - H. Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).
 - I. Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI, which Contractor shall promptly notify County upon Contractor's receipt of such request from a third party.
 - J. Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan

administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.

- K. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.
- L. Obtain and maintain knowledge of applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.
- M. Comply with the requirements of the Privacy Rule that apply to the County to the extent Contractor is to carry out County's obligations under the Privacy Rule.
- N. Take reasonable steps to cure or end any pattern of activity or practice of its subcontractor of which Contractor becomes aware that constitute a material breach or violation of the subcontractor's obligations under the business associate contract with Contractor, and if such steps are unsuccessful, Contractor agrees to terminate its contract with the subcontractor if feasible.

6. **Access to PHI, Amendment and Disclosure Accounting.** Contractor agrees to:

- A. **Access to PHI, including ePHI.** Provide access to PHI, including ePHI if maintained electronically, in a designated record set to County or an individual as directed by County, within five (5) days of request from County, to satisfy the requirements of 45 CFR §164.524.
- B. **Amendment of PHI.** Make PHI available for amendment and incorporate amendments to PHI in a designated record set County directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from County, in accordance with 45 CFR §164.526.
- C. **Accounting of disclosures of PHI and electronic health record.** Assist County to fulfill its obligations to provide accounting of disclosures of PHI under 45 CFR §164.528 and, where applicable, electronic health records under 42 USC §17935(c) if Contractor uses or maintains electronic health records. Contractor shall:
 - (1) Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record in accordance with 45 CFR §164.528.
 - (2) Within fifteen (15) days of receiving a written request from County, provide to County or any individual as directed by County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.
 - (3) Make available for County information required by this Section 6.C for six (6) years preceding the individual's request for accounting of disclosures of PHI, and for three (3) years preceding the individual's request for accounting of disclosures of electronic health record.

7. **Security of ePHI.** In the event County discloses ePHI to Contractor or Contractor needs to create, receive, maintain, transmit or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Contractor shall:
 - A. Comply with the applicable requirements of the Security Rule, and implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County in accordance with 45 CFR §164.308, §164.310, and §164.312;
 - B. Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;
 - C. Protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;
 - D. Protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;
 - E. Ensure compliance with the Security Rule by Contractor's workforce;
 - F. In accordance with 45 CFR §164.308(b)(2), require that any subcontractors that create, receive, maintain, transmit, or access ePHI on behalf of Contractor agree through contract to the same restrictions and requirements contained in this Addendum and comply with the applicable requirements of the Security Rule;
 - G. Report to County any security incident of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410; and,
 - H. Comply with any additional security requirements that are applicable to covered entities in Title 42 (Public Health and Welfare) of the United States Code, as may be amended from time to time, including but not limited to HITECH.
8. **Breach of Unsecured PHI.** In the case of breach of unsecured PHI, Contractor shall comply with the applicable provisions of 42 USC §17932 and 45 CFR Part 164, Subpart D, including but not limited to 45 CFR §164.410.
 - A. **Discovery and notification.** Following the discovery of a breach of unsecured PHI, Contractor shall notify County in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery of a breach, except as provided in 45 CFR §164.412.
 - (1) **Breaches treated as discovered.** A breach is treated as discovered by Contractor as of the first day on which such breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person committing the breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).

- (2) **Content of notification.** The written notification to County relating to breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Contractor:
- (a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the breach;
 - (b) A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;
 - (c) A description of the types of unsecured PHI involved in the breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;
 - (d) Any steps individuals should take to protect themselves from potential harm resulting from the breach;
 - (e) A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,
 - (f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.
- B. **Cooperation.** With respect to any breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, prominent media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §164.404, §164.406 and §164.408.
- C. **Breach log.** To the extent breach of unsecured PHI involves less than 500 individuals, Contractor shall maintain a log or other documentation of such breaches and provide such log or other documentation on an annual basis to County not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.
- D. **Delay of notification authorized by law enforcement.** If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.
- E. **Payment of costs.** With respect to any breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary. This provision shall not be construed to limit or diminish Contractor's obligations to indemnify, defend and hold harmless County under Section 9 of this Addendum.

F. **Documentation.** Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Contractor shall maintain documentation sufficient to demonstrate that all notifications were made by Contractor as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a breach, including Contractor's completed risk assessment and investigation documentation.

G. **Additional State Reporting Requirements.** The parties agree that this Section 8.G applies only if and/or when County, in its capacity as a licensed clinic, health facility, home health agency, or hospice, is required to report unlawful or unauthorized access, use, or disclosure of medical information under the more stringent requirements of California Health & Safety Code §1280.15. For purposes of this Section 8.G, "unauthorized" has the meaning given such term in California Health & Safety Code §1280.15(j)(2).

(1) Contractor agrees to assist County to fulfill its reporting obligations to affected patients and to the California Department of Public Health ("CDPH") in a timely manner under the California Health & Safety Code §1280.15.

(2) Contractor agrees to report to County any unlawful or unauthorized access, use, or disclosure of patient's medical information without unreasonable delay and no later than two (2) business days after Contractor detects such incident. Contractor further agrees such report shall be made in writing, and shall include substantially the same types of information listed above in Section 8.A.2 (Content of Notification) as applicable to the unlawful or unauthorized access, use, or disclosure as defined above in this section, understanding and acknowledging that the term "breach" as used in Section 8.A.2 does not apply to California Health & Safety Code §1280.15.

9. **Hold Harmless/Indemnification.**

A. Contractor agrees to indemnify and hold harmless County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Addendum, including but not limited to property damage, bodily injury, death, or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Addendum. Contractor shall defend, at its sole expense, all costs and fees, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, of County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents or representatives in any claim or action based upon such alleged acts or omissions.

B. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set

forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

- C. The specified insurance limits required in the Underlying Agreement of this Addendum shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless County herein from third party claims arising from issues of this Addendum.
 - D. In the event there is conflict between this clause and California Civil Code §2782, this clause shall be interpreted to comply with Civil Code §2782. Such interpretation shall not relieve the Contractor from indemnifying County to the fullest extent allowed by law.
 - E. In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement of this Addendum, this indemnification shall only apply to the subject issues included within this Addendum.
10. **Term.** This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by County to Contractor, or created or received by Contractor on behalf of County, is destroyed or returned to County, or, if it is infeasible to return or destroy PHI and/ePHI, protections are extended to such information, in accordance with section 11.B of this Addendum.

11. **Termination.**

- A. **Termination for Breach of Contract.** A breach of any provision of this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement with or without an opportunity to cure the breach, notwithstanding any provision in the Underlying Agreement to the contrary. Either party, upon written notice to the other party describing the breach, may take any of the following actions:
 - (1) Terminate the Underlying Agreement and this Addendum, effective immediately, if the other party breaches a material provision of this Addendum.
 - (2) Provide the other party with an opportunity to cure the alleged material breach and in the event the other party fails to cure the breach to the satisfaction of the non-breaching party in a timely manner, the non-breaching party has the right to immediately terminate the Underlying Agreement and this Addendum.
 - (3) If termination of the Underlying Agreement is not feasible, the breaching party, upon the request of the non-breaching party, shall implement, at its own expense, a plan to cure the breach and report regularly on its compliance with such plan to the non-breaching party.

B. Effect of Termination.

- (1) Upon termination of this Addendum, for any reason, Contractor shall return or, if agreed to in writing by County, destroy all PHI and/or ePHI received from County, or created or received by the Contractor on behalf of County, and, in the event of destruction, Contractor shall certify such destruction, in writing, to County. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.
- (2) In the event that Contractor determines that returning or destroying the PHI and/or ePHI is not feasible, Contractor shall provide written notification to County of the conditions that make such return or destruction not feasible. Upon determination by Contractor that return or destruction of PHI and/or ePHI is not feasible, Contractor shall extend the protections of this Addendum to such PHI and/or ePHI and limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.

12. General Provisions.

- A. **Retention Period.** Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for 6 years from the date of its creation or as otherwise prescribed by law, whichever is later.
- B. **Amendment.** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.
- C. **Survival.** The obligations of Contractor under Sections 3, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.
- D. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.
- E. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.
- F. **Interpretation of Addendum.**
 - (1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.
 - (2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.

G. Notices to County. All notifications required to be given by Contractor to County pursuant to the terms of this Addendum shall be made in writing and delivered to the County both by fax and to both of the addresses listed below by either registered or certified mail return receipt requested or guaranteed overnight mail with tracing capability, or at such other address as County may hereafter designate. All notices to County provided by Contractor pursuant to this Section shall be deemed given or made when received by County.

County HIPAA Privacy Officer: HIPAA Privacy Manager

County HIPAA Privacy Officer Address: 4080 Lemon St. 7th floor, Riverside, CA 92502

County HIPAA Privacy Officer Fax: (951) 955-3479

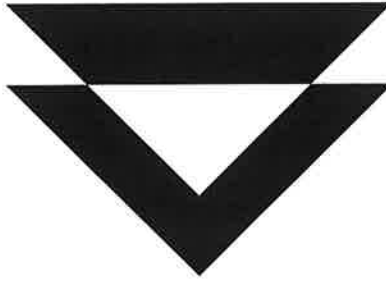
County Departmental Officer: Susan Birch

County Departmental Officer Title: Human Resources Services Manager

County Department Address: 4080 Lemon St. 7th floor, Riverside, CA 92502

County Department Fax Number: (951) 955-3479

EXHIBIT D
Summary Plan Document



***LOCAL ADVANTAGE PLUS
LOCAL ADVANTAGE BLYTHE
DENTAL PLANS***

SUMMARY PLAN DOCUMENT



Approved for May 1, 2014 – December 31, 2019

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INTRODUCTION

The plan is specifically designed by the County of Riverside for County of Riverside employees and their eligible dependents. This Dental Plan provides dental care services through a network of participating dentists and dental groups throughout the County of Riverside. The plan benefits include extensive coverage to meet your dental care needs such as preventative care, restorative services, specialty services, and orthodontia. This Summary Plan Document provides a detailed description of how this plan works and the coverage provided to you. Detailed benefit explanations are included along with an explanation of your responsibilities as a member of this plan.

The plan provides certain services at no charge to you. For other procedures, you pay a co-insurance or co-payment at the time the services are received.

Benefits/Coverage/Claims Questions

If you have any questions about your benefits under this plan, or how the plan works, a representative is available to answer your questions at the office of the plan's Claims Administrator. This office can be reached at: **(800) 331-5301**

Dental Provider/Network Questions

If you require information about a specific network dentist, or you wish to speak to someone about your network dentist, or you have questions about the network in general, a representative is available to answer your questions at the office of the plan's Claims Administrator. This office can be reached at: **(800) 331-5301**.

This Summary Plan Document will be the primary governing document for all plan coverage decisions and will be the basis for final determination for the provision of benefits. This plan is intended to comply with all laws and regulations that are applicable whether or not specifically described in this Summary Plan Document.

DENTAL PLAN ADDRESSES AND TELEPHONE NUMBERS

Dental Plan Claims Administrator/Member Services:

Capitol Administrators, Inc.
P.O. Box 2318
Rancho Cordova, CA 95741-2318
(800) 331-5301

DEFINITIONS

Annual Enrollment - a period of time established by County of Riverside during which eligible employees and retirees may enroll in a dental plan.

Benefits (Covered Services) - those services which a member is entitled to receive pursuant to the terms of the Dental Plan.

Calendar Year - a period beginning at 12:01 a.m. on January 1 and ending at 12:01 a.m. January 1 of the following year.

Categories of Benefits:

- Diagnostic - procedures to help the dentist evaluate your dental health to determine necessary treatment.
- Preventative - procedures to prevent dental disease (cleanings, for example).
- Restorative - procedures necessary to restore the teeth (other than crowns or cast restorations)
- Minor Restorative - oral surgery, endodontic (root canals), and periodontic (gum) procedures.
- Major Restorative - crowns and cast restorations (caps, veneers, inlays and onlays).
- Prosthodontic - procedures involving bridges and dentures to replace missing teeth.
- Orthodontic - procedures involving appliances (such as braces) or surgery to realign teeth and/or jaws which otherwise do not function properly.

Co-insurance – the percentage of the member's share of the cost to be paid at the time dental services are received.

Co-payment - the member's share of the costs to be paid for orthodontic benefits at the time services are received, in relation to the Plans Summary of Covered Services.

Covered Services - those dental services to which the Plan will apply benefit payments, according to the Summary Plan Document.

Dental Plan - Local Advantage Dental Plan.

Eligible Dependent - any of the dependents of an eligible employee who are eligible to enroll for benefits in accordance with the conditions of eligibility outlined in this booklet.

Eligible Employee - any group member or employee who is eligible to enroll for benefits in accordance with the conditions of eligibility outlined in this booklet.

Employer - County of Riverside.

Exclusion - any dental or other treatment for a condition for which the Plan provides no coverage.

Experimental or Investigational - any treatment, therapy, procedure, drug or drug usage, facility or facility usage, equipment or equipment usage, device or device usage, or supplies which are not recognized as being in accordance with generally accepted professional dental standards, or if safety and efficacy have not been determined for use in the treatment of a particular illness, injury or dental condition for which it is recommended or prescribed.

Maximum - the greatest dollar amount the Plan will pay for covered procedures in any calendar year, or lifetime orthodontic benefits.

Medicare - the programs of medical care coverage set forth in Title XVIII of the Social Security Act, as amended by Public Law 89-97, or as thereafter amended.

Member - an employee, retiree or family member enrolled under this Dental Plan.

Network - the dentists and dental groups which are contracting with the Plan to provide its members with treatment and services.

Participating Dentist/Dental Group - an independent provider who has an agreement to provide Plan benefits to Members.

Specialist - a dentist other than a network general dentist who has an agreement with the Plan to provide specialty services to members according to an authorized referral by a network general dentist.

Summary Plan Document - the approved summary description of entire benefits available, including Exclusions and Limitations, under this benefit program.

Services - dental care services and supplies.

ELIGIBILITY

Employee Eligibility

You are eligible to participate in the benefits program if you are a regular County employee scheduled to work at least 20 hours per week. Your bargaining unit determines which plan options are available to you. For more information about your benefit options, please review the information provided in the County of Riverside annual enrollment guide.

Dependent Eligibility

You may enroll your eligible dependents in your dental coverage. Your eligible dependents* include:

- Your legal spouse/registered domestic partner (as defined by the State of California), Your and/or your spouse/domestic partner's dependent natural children, adopted children, foster children, and stepchildren under age 26.
- An otherwise eligible child past age 26 if the child is incapable of self support because of a mental or physical handicap and you continue to claim the child as a dependent on your federal income tax return.

** Important notes about dependent eligibility:*

1. It is against the law to enroll ineligible family members. If you do, you may have to pay for all costs incurred by the ineligible dependent from the date the coverage began.
2. If you do not add newly eligible family members to your plan within the 60-day period of eligibility, you may enroll them during any future annual enrollment period.
3. Your former spouse, foster children, parents, parents-in-law, other relatives, and non-disabled children age 26 and over, are not eligible for coverage under this plan.
4. You must drop coverage for your enrolled spouse/domestic partner or dependent child when he/she loses eligibility (e.g., divorce, your child attains age 26).

ENROLLMENT

If you are a newly hired or newly eligible employee, you may elect to enroll within 60-days of your hire date or eligibility. All coverage will be effective the first day of the following month after County of Riverside receives and processes your election.

Making Mid-Year Changes

Each year your elections stay in effect from January 1 through December 31, as long as you remain eligible for benefits. During annual enrollment, you have the opportunity to change your coverage elections for the following plan year. However, after the close of annual enrollment you can make benefit changes **ONLY** if you have a qualified status change. Qualified status changes include:

- Marriage, or gaining a domestic partner
- Divorce, or separation from domestic partner
- Birth or adoption of a child
- Death of a spouse or a child
- Change in spouse's employment
- Significant changes in your spouse's employer's medical coverage
- Child's loss of eligibility due to age, student status, or marital status

- Full-time/part-time employment status change that results in an insurance eligibility change
- Commencement of or return from an unpaid leave of absence

If one of the above events occurs, and you want to make a benefit change consistent with the specific event, you must submit a new Election Form indicating your new coverage elections within 60-days of the event to the County of Riverside.

Remember, it is your responsibility to stay informed about your coverage. If you have any questions, or need additional information, please contact the County of Riverside Benefits Division.

Benefits Information Line (951) 955-4981, select option 1
Website: <http://benefits.rc-hr.com>
Email: Benefits@rc-hr.com

CHOOSING YOUR DENTIST

PLEASE READ THE FOLLOWING INFORMATION SO YOU WILL KNOW FROM WHOM OR WHAT GROUP OF PROVIDERS DENTAL CARE MAY BE OBTAINED.

The plan provides easy access to dental care services and there is virtually no paperwork. Members have access to a network of licensed dentists in your local community. The network dental provider listing is available by contacting County of Riverside Benefits Information Line or via the County's website. As a Member of this plan, you are entitled to visit any of these dental providers in the plan network when you need dental care services. You may switch to another network provider without pre-approval at any time.

YOU ARE NOT REQUIRED TO PRE-SELECT A DENTIST AT ENROLLMENT

ALWAYS CALL THE PROVIDER YOU CHOOSE TO VERIFY THE PROVIDER'S PARTICIPATION STATUS

SERVICES PROVIDED BY DENTISTS NOT AUTHORIZED BY LOCAL ADVANTAGE DENTAL PLAN ARE NOT COVERED BY THIS DENTAL PLAN.

Selection of Different Dentists by Enrolled Dependents

As a Member of the plan, you and each enrolled family member may choose to use different dentists within the plan's dental provider network.

Scheduling Appointments

Once you have selected your dentist from the list of participating dentists, simply call the dental office and make an appointment.

Broken Appointment Fees

Broken appointment fees may apply for short cancellation notice.

Referrals To Specialists

The dentist that you select to provide your dental care will refer you to a specialist when treatment by a specialist is appropriate. If the plan dentist refers you to a network specialist (e.g. Periodontist), the plan will pay benefits according to a separate specialist network fee schedule. Please call the plan administrator at **(800) 331-5301** for more information. In the event a referral to a specialist outside the network is necessary, a pre-authorization is required before the plan will coordinate the referral.

NOTE: Reimbursement to a non-network Specialist is limited to the amount the plan would have paid to a network Specialist. Any amount billed over this amount will be your financial responsibility, including any applicable co-payment.

Payment For Dental Services

The plan contracts with individual dentists and dental groups to provide dental services to Plan members. Participating dentists are paid on a discounted fee-for-service basis for each procedure. You are responsible for co-insurance and/or co-payments. For any services that are not covered under this Dental Plan, payment to the dentist for these services will be your financial responsibility.

For questions regarding covered procedures, please call:

Capitol Administrators, Inc.
P.O. Box 2318
Rancho Cordova, CA 95741-2318
(800) 331-5301

NOTE: Be sure to ask your dentist for a Pre-Treatment Estimate and/or a copy of the proposed treatment plan if extensive dental work is going to be undertaken. This will assist you in making your treatment decisions, and understanding what is covered and not covered under the plan.

LOCAL ADVANTAGE PLUS LOCAL ADVANTAGE BLYTHE

SUMMARY OF COVERED SERVICES

THE FOLLOWING SUMMARY IS ONLY A BRIEF DESCRIPTION. PLEASE REFER TO THE BENEFIT LIMITATIONS AND EXCLUSIONS SECTION OF THIS SUMMARY PLAN DOCUMENT FOR FURTHER INFORMATION.

Benefit Maximum: \$1,500 each Member per Calendar Year

Preventative

100%

Initial exam - twice per 12 months
Full mouth x-ray - once every 3 years
Bitewing x-ray - twice per calendar year
Cleanings - twice per calendar year

Sealants – Under age 14 to permanent posterior molars with no decay, restorations, and with occlusal surface intact. Does not include replacement or repair of any sealant on any tooth within 3 years of application.

Restorative

90% (1)

Restorative - Amalgam, synthetic, plastic, resin restorations for treatment of cavities. Posterior composite treatments.

Minor Restorative

90% (2)

Periodontics (2) - Treatment of gums and bones that support the teeth – periodontal cleanings are covered at twice per calendar year.

Extractions (2) - Pre and post operative care

Endodontics (2)- Treatment of tooth pulp

Major Restorative

65% (3) (*)

Crowns, jackets, inlays, onlays, cast restorations - Are benefits on the same tooth only once every 5 years.

Prosthodontics – Once every 5 years unless there is such extensive loss of remaining teeth that the existing appliance cannot be made satisfactory.

Orthodontic Treatment

Standard Case (4)

\$120.00 Down payment, \$120.00 per month for 24 months
Lab fees are not included

Cosmetic Dentistry

50%

Whitening, bonding, bleaching, veneers

1. Upgrade fee formula for posterior composite fillings are addressed elsewhere in the SPD.
 2. These benefits apply for procedures provided by a General Dentist. Specialist referrals are addressed elsewhere in the SPD.
 3. Precious metal costs are not included.
 4. This discount applies for Orthodontic Services provided by a Network Specialist.
- (*) Additional fee charges for porcelain on molar teeth.

DENTAL LIMITATIONS AND EXCLUSIONS

Limitations

The following limitations apply to certain procedures (identified below) under this Dental Plan:

1. You are responsible for any charges made by a non-network provider, including specialists, unless preauthorization is obtained and approved by the plan network service department or plan administrator (Capitol).
2. Cleanings of any kind are benefits no more than twice in any calendar year.
3. Periodontal scaling and root planning is limited to four (4) separate quadrants every two (2) years.
4. Sealant benefits are limited to eligible dependent children up to age fourteen (14). Sealant benefits include the application of sealants only to permanent posterior molars without caries (decay), without restorations, and with the occlusal surface intact. Sealant benefits do not include the repair or replacement of a sealant on any tooth within three years of its application. Sealants are limited to one (1) each tooth every three (3) years through age ten (10) on permanent first molars and up to age fourteen (14) on permanent molars.
5. Crowns, jackets, inlays, onlays and cast restorations are benefits on the same tooth only once every five (5) years while you are a patient under the plan unless the plan determines that replacement is required because restoration is unsatisfactory as a result of poor quality of care, or because the tooth involved has experienced extensive loss or changes to tooth structure or supporting tissue since the replacement of the restoration.
6. Full cast crowns, porcelain crowns, porcelain fused to metal or plastic processed to metal type crowns are not a benefit for children under 16 years of age. The plan covers an acrylic or stainless steel crown.
7. Referral for specialty care is limited to orthodontics, oral surgery, periodontics, and endodontics. Referral to an out-of-network pediatric dentist is specifically excluded. Oral surgery, periodontic and endodontic procedures performed by a specialist are covered at 50%.
8. Full mouth x-rays – one (1) set every three (3) years.
9. Two (2) sets of bitewing x-rays twice per calendar year.
10. Prosthodontic appliances are benefits only once every five (5) years, while you are eligible under this plan, unless the plan determines that there has been such an extensive loss of remaining teeth or a change in supporting tissues that the existing appliance cannot be made satisfactory. Replacement of a prosthodontic appliance not provided under the plan will be made if it is unsatisfactory and cannot be made satisfactory. Full or partial denture relines or rebasing are limited to one per arch per 12 consecutive months.

11. Optional treatment provisions: If you select a more expensive plan of treatment than is customarily provided, or specialized techniques, an allowance will be made for the least expensive, professionally acceptable, alternative treatment plan. The plan will pay the applicable percentage of the lesser fee for the customary or standard treatment and you are responsible for the remainder of the dentist's fee. *An example would be: When an enrollee receives a composite (white) filling in place of an alloy/amalgam filling when decay is present on a back tooth, the plan makes an allowance toward its cost. The allowance is based on the plan's fee for the equivalent alloy/amalgam filling and the enrollee pays the difference to the posterior composite fee. For cosmetic purposes to replace an alloy/amalgam filling, the plan coverage is 50%.*
12. You must remain on the plan during the period of time you or your eligible dependent(s) is/are undergoing orthodontic treatment. Any early termination will result in pro-rated charges for all unfinished work according to the Orthodontic contract signed at the start of treatment.
13. Implants and any associated abutments (appliances inserted into bone or soft tissue in the jaw, usually to anchor a crown, fixed bridge, partial or denture) are not covered by the plan. However, if implants are provided along with a covered prosthodontic appliance (examples noted above), the plan will allow the benefit for the covered standard prosthodontic appliance supported by the implant in conjunction with all other provisions, exclusions and limitations of the plan. You are responsible for the remainder of the dentist's fees less the plan's benefits

Exclusions – Services The Plan Does Not Cover

No benefits will be covered for expenses incurred:

1. For any procedure not specifically listed as a covered benefit.
2. For procedures that are (a) in the opinion of the dentist are not clinically necessary for your health; (b) services or charges which are necessitated as a result of you failing to follow a documented prescribed course of treatment; (c) services which are obtained outside the Plan network and services which are not pre-authorized by the plan (including specialty services); (d) services or supplies that do not meet accepted standards of dental practice, and/or which are experimental in nature.
3. Grafting tissue - from outside the mouth to tissue inside the mouth ("extraoral grafts"), implants (materials implanted into bone or soft tissue) or the removal of implants.
4. Services for any disturbances of the jaw joints (temporomandibular joints or "TMJ") or associated muscles, nerves or tissues.
5. For treatment that was started by any dentist prior to your eligibility under the plan, including, but not limited to, orthodontics, endodontics, crowns, bridges, inlays, onlays, dentures, and prior extractions.
6. Charges for replacement or repair of an orthodontic appliance paid in part or in full by the plan. See the Orthodontic contract for specific information on repairs and broken appliances.

7. Extractions of over-retained teeth are not covered.
8. Surgery necessary to correct skeletal imbalances and/or malformations (e.g., orthognathic surgery).
9. Procedures requiring appliances or restorations (except dentures) that are necessary for adult or pediatric full mouth rehabilitation or to alter, restore or maintain occlusion, a change of vertical dimension, restorative equilibration, kinesiology, or consultation for and/or treatment of disturbances of the temporomandibular joint (TMJ).
10. The following are not included as orthodontic benefits: replacement or repair of appliances, orthodontic extractions, special appliances (e.g., Herbst appliances, rapid palatal expanders), retreatment of orthodontic cases, changes in treatment necessitated by patient neglect, and treatment in excess of twenty-four (24) months. See the Orthodontic contract for specific information.
11. For consultation by a specialist for non-covered benefits.
12. Hospitalization costs (and associated fees) for any dental procedures.
13. The plan will not be financially responsible for services determined to be the responsibility of Workers' Compensation or Employees Liability, services for which benefits are payable under any Federal Government or any state program, or for services for treatment of any automobile related injury in which you are entitled to payment under an automobile insurance policy.
14. Prescriptions and medications not normally supplied or dispensed by a dental office (this includes home care items such as rotodents, peridex, tetracycline rinses, etc.).
15. Administration of general anesthesia (other than when administered for a covered oral surgery procedure), intravenous sedation, oral sedation, or the services of an Anesthesiologist.
16. Treatment of bone fractures or dislocations.
17. Treatment of cysts, malignancies, or neoplasms.
18. Treatment of congenital or developmental malformations NOT including deciduous teeth and supernumerary teeth.
19. Implants and associated services (e.g. abutments).
20. Replacement of dentures, appliances, crowns, or bridgework, due to loss or theft or any duplicate prosthetic device or appliance.
21. Precision attachments or stress breakers.

GENERAL PROVISIONS

Reimbursement Provisions

The plan is designed to eliminate claim forms and expenses other than required co-insurance and/or co-payments. In some circumstances, you may incur expenses for covered services (such as out-of-area emergency care). If this happens, any amount billed over this amount will be your financial responsibility, including any applicable co-insurance and/or co-payment.

If you receive a bill for covered services, please provide the plan with a copy of the bill within 90 days of the date the service was rendered. Please submit the bill to:

Capitol Administrators, Inc.
P.O. Box 2318
Rancho Cordova, CA 95741-2318

In the event such a claim is denied, you may resubmit within 90 days of the initial denial, explaining in writing why you believe your claim should be approved.

Complaint And Claims Appeal Procedures

If you have a question or concerns regarding eligibility, you may call the County of Riverside Benefits Information Line: **(951) 955-4981**, select option 1.

If you have any questions about the services you receive from a plan dentist, we recommend that you first discuss the matter with your dentist. If you continue to have concerns, call the plan's claims administrator: **(800) 331-5301**.

If you have a question or complaint regarding the denial of dental services or claims, the policies, procedures and operations of the quality of dental services performed by a plan dentist, you may call: **(800) 331-5301**.

You have 60 days after you receive notice of denial to appeal. If you write, you must include the name of the patient, the group name and social security number or identification number, and your telephone number on all correspondence. You should also include a copy of the treatment form, notice of payment and any other relevant information. Clearly explain your complaint and send it to the plan's claim administrator:

Capitol Administrators, Inc.
P.O. Box 2318
Rancho Cordova, CA 95741-2318

Arbitration

Arbitration is a vehicle for the resolution of any disputes concerning dental care services, benefits, or contract interpretation (except disputes concerning eligibility for enrollment, effective date of coverage, and malpractice or bad faith).

Arbitration resolves differences pertaining to any personal liability, tort claims, or contract disputes (excluding claims for professional malpractice or bad faith) originating from this agreement.

Pursuant to California law, any claim of up to \$200,000 must be decided by a single neutral arbitrator who shall be chosen by the parties and who shall have no jurisdiction to award more than \$200,000. However, the plan and the member may agree in writing to waive the requirement to use a single arbitrator and instead use a tripartite arbitration panel that includes the two-party appointed arbitrators or a panel of three neutral arbitrators, or another multiple arbitrator system mutually agreeable to the parties. The member shall have three (3) business days to rescind the waiver agreement unless the agreement has also been signed by the member's attorney, in which case the waiver cannot be rescinded. In cases of extreme hardship, the *Local Advantage Dental* plan may assume all or part of your share of the fees and expenses of the neutral arbitrator, provided you have submitted a hardship application to the American Arbitration Association. The approval or denial of a hardship application shall be determined by the American Arbitration Association. You may obtain a hardship application by contacting the American Arbitration Association in Los Angeles, or Orange County.

BY ENROLLING IN THIS PLAN YOU ARE AGREEING TO HAVE CERTAIN DISPUTES (MENTIONED ABOVE) DECIDED BY NEUTRAL BINDING ARBITRATION. THE LOCAL ADVANTAGE DENTAL PLAN AND MEMBERS WAIVE THEIR RIGHT TO A JURY OR COURT TRIAL FOR THESE DISPUTES.

The California Department of Insurance is responsible for regulating public agency self-funded health care service plans. The Department has a toll-free telephone number (800-927-4357) to receive complaints regarding dental plans. If you have a grievance against the plan, you should contact the plan and use the plan's grievance process. If you need the Department's help with a complaint involving an emergency grievance or with a grievance that has not been satisfactorily resolved by the plan, you may call the Department's toll-free telephone number.

Eligibility Issues

These issues must be referred directly to the County of Riverside Human Resources Department, Benefits Division.

Benefits Information Line (951) 955-4981, select option 1

Website: <http://benefits.rc-hr.com>

Email: Benefits@rc-hr.com

TERMINATION OF GROUP MEMBERSHIP - CONTINUATION OF COVERAGE

Termination of Benefits and Re-Enrollment

Coverage may be terminated for individual members if any of the following events occur:

- An employee, retiree or dependent ceases to be eligible for coverage.
- Voluntary cancellation of coverage by an employee, retiree or dependent.

All rights to coverage and care stop on the date you are no longer eligible. If for any reason the County of Riverside terminates the plan, your coverage will end on the day the plan terminates.

The plan will not terminate or refuse to renew the enrollment of any person because of his or her dental health status or need for dental care services.

Continuation of Coverage (COBRA)

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) requires that continued health care coverage be made available to "Qualified Beneficiaries" who lose health care coverage under the group plan as a result of a "Qualifying Event." You or your dependents may be entitled to continue coverage under this program, at the "Qualified Beneficiary's" expense, if certain conditions are met. The period of continued coverage depends on the "Qualifying Event." Coverage will be extended 18 months for the Subscriber and eligible family members. A dependent can be eligible for up-to 36 months depending on the qualified event.

The benefits of the continuation of coverage are identical to those provided by the plan and the cost of coverage may not exceed 102% of the applicable current group premium. This coverage may be extended for up to an additional eleven (11) months if you are recognized as disabled by Social Security. This extension of coverage is available at a cost not to exceed 150% of the applicable current group premium. An eligible employee or family member is entitled to elect this coverage provided an election is made within sixty (60) days of notification of eligibility and the premium is paid. No employer contribution is available to cover the premium required.

PAYMENT BY THIRD PARTIES

Third Party Recovery Process and Your Responsibilities

If you are ever injured through the actions of another (a third party) and receive compensation for your dental care, you will be required to reimburse the plan, or its nominee, for the reasonable value of dental services and benefits provided. The amount of reimbursement shall not exceed the amount of compensation you receive from the third party.

- You must obtain the plan's written consent prior to settling any claim or releasing any third party from liability, if such a release would limit the plan's right to reimbursement.
- Should you settle your claim against a third party and compromise the plan's **reimbursement** rights, the plan reserves the right to initiate legal action. Attorney fees will be awarded to the prevailing party.
- You are required to cooperate in protecting the interest of the plan by providing the *plan* with all liens, assignments or other documents. Failure to cooperate with the plan in this regard could result in membership termination.

Coordination of Benefits

If you or an eligible dependent are covered by the plan and another group dental plan, the plan will coordinate its benefits with those of the other plan only when the patient is seen by a provider within the Plan's provider network. The goal of this kind of coordination is to maximize coverage for allowable expenses, minimize out-of-pocket costs, and to prevent any payment duplication.

- In order to ensure proper coordination, you must inform the plan of any other dental coverage for which you or your dependent (s) may be eligible.

- If the plan pays more benefits than appropriate, the plan may recover excess benefit payments from you, the plan with primary responsibility, or any other person or entity that benefited from the overpayment.

Workers' Compensation

If you are receiving benefits because of Workers' Compensation, the plan will not duplicate those benefits. It is your responsibility to take whatever action is necessary to receive payment under Workers' Compensation laws, when such payments can reasonably be expected.

If the plan happens, for whatever reason, to duplicate benefits to which you are entitled under Workers' Compensation law, you are required to reimburse the plan, at prevailing rates, immediately after receiving monetary award, whether by settlement or judgment.

In the event of a dispute arising between you and your Workers' Compensation filing, the plan will provide the benefits described in this agreement until the dispute is resolved.

If you receive a settlement of Worker's Compensation that includes payment of future medical costs, you may be liable to reimburse the plan for those costs.

PRIVACY PRACTICES

County of Riverside and Capitol Administrator's (Capitol) is committed to respecting the privacy of our employees, retirees and customers. We are required by applicable federal and state law to maintain the privacy of your health information.

The Type of Information We May Collect

We collect nonpublic personal information about you from the following sources:

- Eligibility from your Employer
- Transactions with us or our affiliated companies
- Claims submission from dental providers

Information We May Disclose

We do not disclose any nonpublic personal information about our members or former members to anyone, except as permitted by law, unless you specifically request that we do so. We only make those disclosures needed to administer your dental program and as necessary to effect transactions in the ordinary course of business. Any disclosures are only made to our affiliates, agents, or third parties that perform services on our behalf such as account administration or marketing our services or products.

Confidentiality and Security of Your Nonpublic Personal Information

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Any questions or concerns regarding this privacy notice should be directed to our Customer Services Department at (800) 331-5301.

This document has been reviewed and approved by the County of Riverside’s Board of Supervisors, and is the official plan document.

COUNTY OF RIVERSIDE:

By: _____
Chairman, Board of Supervisors

Date: _____