

## **PROFESSIONAL SERVICES AGREEMENT**

### **UTA CONTRACT #21-03531BM Medical Insurance Services Bargaining**

This Professional Services Agreement is entered into and made effective as of the date of last signature below (the “Effective Date”) by and between UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah (“UTA”), and Public Employees Health Program, a Salt Lake City based corporation (“Contractor”).

#### **RECITALS**

WHEREAS, UTA desires to hire professional services for Medical Insurance Services for Bargaining Employees

WHEREAS, On December 2, 2021, UTA issued Request for Proposal Package Number 21-03531BM (“RFP”) encouraging interested parties to submit proposals to perform the services described in the RFP.

WHEREAS, Upon evaluation of the proposals submitted in response to the RFP, UTA selected Contractor as the preferred entity with whom to negotiate a contract to perform the Work.

WHEREAS, Contractor is qualified and willing to perform the Work as set forth in the Scope of Services.

#### **AGREEMENT**

NOW, THEREFORE, in accordance with the foregoing Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the parties to be derived here from, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

#### **1. SERVICES TO BE PROVIDED**

- a. Contractor shall perform all Work as set forth in the Scope of Services (Exhibit A). Except for items (if any) which this Contract specifically states will be UTA-provided, Contractor shall furnish all the labor, material and incidentals necessary for the Work.
- b. Contractor shall perform all Work under this Contract in a professional manner, using at least that standard of care, skill and judgment which can reasonably be expected from similarly situated professionals.
- c. All Work shall conform to generally accepted standards in the transit industry. Contractor shall perform all Work in compliance with applicable laws, regulations, rules, ordinances, permit constraints and other legal requirements including, without limitation, those related to safety and environmental protection.
- d. Contractor shall furnish only qualified personnel and materials necessary for the

performance of the Work.

- e. When performing Work on UTA property, Contractor shall comply with all UTA work site rules including, without limitation, those related to safety and environmental protection.

## 2. **MANAGEMENT OF WORK**

- a. Contractor's Project Manager will be the day-to-day contact person for Contractor and will be responsible for all Work, as well as the coordination of such Work with UTA.
- b. UTA's Project Manager will be the day-to-day contact person for UTA, and shall act as the liaison between UTA and Contractor with respect to the Work. UTA's Project Manager shall also coordinate any design reviews, approvals or other direction required from UTA with respect to the Work.

## 3. **PROGRESS OF WORK**

- a. Contractor shall prosecute the Work in a diligent and continuous manner and in accordance with all applicable notice to proceed, critical path schedule and guaranteed completion date requirements set forth in (or developed and agreed by the parties in accordance with) the Scope of Services.
- b. Contractor shall conduct regular meetings to update UTA's Project Manager regarding the progress of the Work including, but not limited to, any unusual conditions or critical path schedule items that could affect or delay the Work. Such meetings shall be held at intervals mutually agreed to between the parties.
- c. Contractor shall deliver monthly progress reports and provide all Contract submittals and other deliverables as specified in the Scope of Services.
- d. Any drawing or other submittal reviews to be performed by UTA in accordance with the Scope of Services are for the sole benefit of UTA, and shall not relieve Contractor of its responsibility to comply with the Contract requirements.
- e. UTA will have the right to inspect, monitor and review any Work performed by Contractor hereunder as deemed necessary by UTA to verify that such Work conforms to the Contract requirements. Any such inspection, monitoring and review performed by UTA is for the sole benefit of UTA, and shall not relieve Contractor of its responsibility to comply with the Contract requirements.
- f. UTA shall have the right to reject Work which fails to conform to the requirements of this Contract. Upon receipt of notice of rejection from UTA, Contractor shall (at its sole expense and without entitlement to equitable schedule relief) promptly re-perform, replace or re-execute the Work so as to conform to the Contract requirements.
- g. If Contractor fails to promptly remedy rejected Work as provided in Section 4, UTA may (without limiting or waiving any rights or remedies it may have) perform necessary corrective action using other Contractor's or UTA's own forces. Any costs reasonably incurred by UTA in such corrective action shall be chargeable to Contractor.

4. **PERIOD OF PERFORMANCE**

This Contract shall commence as of the Effective Date. This Contract shall remain in full force and effect for an initial five year period expiring April 30, 2027. UTA may, at its sole election and in its sole discretion, extend the initial term for up to Five additional years option period, for a total Contract period not to exceed ten (10) years. Extension options may be exercised by UTA upon providing Contractor with notice of such election at least thirty (30) days prior to the expiration of the initial term or then-expiring option period (as applicable). This Contract may be further extended if the Contractor and UTA mutually agree to an extension evidenced in writing. The rights and obligations of UTA and Contractor under this Contract shall at all times be subject to and conditioned upon the provisions of this Contract.

5. **COMPENSATION**

- a. For the performance of the Work, UTA shall pay Contractor in accordance with the payments provisions described in Exhibit A. Payments shall be made in accordance with the milestones or other payment provisions detailed in Exhibit B. If Exhibit B does not specify any milestones or other payment provisions, then payment shall be made upon completion of all Work and final acceptance thereof by UTA.
- b. To the extent that Exhibit B or another provision of this Contract calls for any portion of the consideration to be paid on a cost-reimbursement basis, such costs shall only be reimbursable to the extent allowed under 2 CFR Part 200 Subpart E. Compliance with federal cost principles shall apply regardless of funding source for this Contract.
- c. To the extent that Exhibit B or another provision of this Contract calls for any portion of the consideration to be paid on a time and materials or labor hour basis, then Contractor must refer to the not-to-exceed amount, maximum Contract amount, Contract budget amount or similar designation (any of these generically referred to as the “Not to Exceed Amount”) specified in Exhibit B (as applicable). Unless and until UTA has notified Contractor by written instrument designated or indicated to be a Change Order that the Not to Exceed Amount has been increased (which notice shall specify a revised Not to Exceed Amount): (i) Contractor shall not be obligated to perform services or incur costs which would cause its total compensation under this Contract to exceed the Not to Exceed Amount; and (ii) UTA shall not be obligated to make payments which would cause the total compensation paid to Contractor to exceed the Not to Exceed Amount.
- d. UTA may withhold and/or offset from payment any amounts reasonably reflecting: (i) items of Work that have been rejected by UTA in accordance with this Contract; (ii) invoiced items that are not payable under this Contract; or (iii) amounts Contractor owes to UTA under this Contract.

6. **INCORPORATED DOCUMENTS**

- a. The following documents hereinafter listed in chronological order, with most recent document taking precedence over any conflicting provisions contained in prior documents (where applicable), are hereby incorporated into the Contract by reference and made a part hereof:

1. The terms and conditions of this Professional Services Supply Agreement (including any exhibits and attachments hereto).
2. UTA's RFP including, without limitation, all attached or incorporated terms, conditions, federal clauses (as applicable), drawings, plans, specifications and standards and other descriptions of the Professional Services;
3. Contractor 's Proposal including, without limitation, all federal certifications (as applicable);

b. The above-referenced documents are made as fully a part of the Contract as if hereto

7. **ORDER OF PRECEDENCE**

The Order of Precedence for this contract is as follows:

1. UTA Contract including all attachments, PEHP's contracts take precedence.
2. UTA Terms and Conditions
3. UTA Solicitation Terms
4. Contractor 's Bid or Proposal including proposed terms or conditions

Any Contractor /contractor proposed term or condition which is in conflict with a UTA contract or solicitation term or condition will be deemed null and void.

8. **CHANGES**

- a. UTA's Project Manager or designee may, at any time, by written order designated or indicated to be a Change Order, direct changes in the Work including, but not limited to, changes:
1. In the Scope of Services;
  2. In the method or manner of performance of the Work; or
  3. In the schedule or completion dates applicable to the Work.

To the extent that any change in Work directed by UTA causes an actual and demonstrable impact to: (i) Contractor 's cost of performing the work; or (ii) the time required for the Work, then (in either case) the Change Order shall include an equitable adjustment to this Contract to make Contractor whole with respect to the impacts of such change.

- b. A change in the Work may only be directed by UTA through a written Change Order or (alternatively) UTA's expressed, written authorization directing Contractor to proceed pending negotiation of a Change Order. Any changes to this Contract undertaken by Contractor without such written authority shall be at Contractor 's sole risk. Contractor shall not be entitled to rely on any other manner or method of direction.
- c. Contractor shall also be entitled to an equitable adjustment to address the actual and demonstrable impacts of "constructive" changes in the Work if: (i) subsequent to the Effective Date of this Contract, there is a material change with respect to any requirement

set forth in this Contract; or (ii) other conditions exist or actions are taken by UTA which materially modify the magnitude, character or complexity of the Work from what should have been reasonably assumed by Contractor based on the information included in (or referenced by) this Contract. In order to be eligible for equitable relief for “constructive” changes in Work, Contractor must give UTA’s Project Manager or designee written notice stating:

- A. The date, circumstances, and source of the change; and
- B. That Contractor regards the identified item as a change in Work giving rise to an adjustment in this Contract.

Contractor must provide notice of a “constructive” change and assert its right to an equitable adjustment under this Section within ten (10) days after Contractor becomes aware (or reasonably should have become aware) of the facts and circumstances giving rise to the “constructive” change. Contractor’s failure to provide timely written notice as provided above shall constitute a waiver of Contractor’s rights with respect to such claim.

- d. As soon as practicable, but in no event longer than 30 days after providing notice, Contractor must provide UTA with information and documentation reasonably demonstrating the actual cost and schedule impacts associated with any change in Work. Equitable adjustments will be made via Change Order. Any dispute regarding the Contractor’s entitlement to an equitable adjustment (or the extent of any such equitable adjustment) shall be resolved in accordance with Article 21 of this Contract.

## 9. **INVOICING PROCEDURES**

- a. Contractor shall invoice UTA after achievement of contractual milestones or delivery of all Goods and satisfactory performance of all Services. Contractor shall submit invoices to [ap@rideuta.com](mailto:ap@rideuta.com) for processing and payment. In order to timely process invoices, Contractor shall include the following information on each invoice:
  - i. Contractor Name
  - ii. Unique Invoice Number
  - iii. PO Number
  - iv. Invoice Date
  - v. Detailed Description of Charges
  - vi. Total Dollar Amount Due
- b. UTA shall have the right to disapprove (and withhold from payment) specific line items of each invoice to address non-conforming Goods or Services. Approval by UTA shall not be unreasonably withheld. UTA shall also have the right to offset (against payments) amounts reasonably reflecting the value of any claim which UTA has against Contractor under the Contract. Payment for all invoice amounts not specifically disapproved or offset by UTA shall be provided to Contractor within thirty (30) calendar days of invoice submittal.

10. **OWNERSHIP OF DESIGNS, DRAWINGS, AND WORK PRODUCT**

Any deliverables prepared or developed pursuant to the Contract including without limitation drawings, specifications, manuals, calculations, maps, sketches, designs, tracings, notes, reports, data, computer programs, models and samples, shall become the property of UTA when prepared, and, together with any documents or information furnished to Contractor and its employees or agents by UTA hereunder, shall be delivered to UTA upon request, and, in any event, upon termination or final acceptance of the Professional Services. UTA shall have full rights and privileges to use and reproduce said items. To the extent that any deliverables include or incorporate preexisting intellectual property of Contractor, Contractor hereby grants UTA a fully paid, perpetual license to use such intellectual property for UTA's operation, maintenance, modification, improvement and replacement of UTA's assets. The scope of the license shall be to the fullest extent necessary to accomplish those purposes, including the right to share same with UTA's Contractor s, agent, officers, directors, employees, joint owners, affiliates and contractor s.

11. **USE OF SUBCONTRACTOR S**

- a. Contractor shall give advance written notification to UTA of any proposed subcontract (not indicated in Contractor 's Proposal) negotiated with respect to the Work. UTA shall have the right to approve all subcontractor s, such approval not to be withheld unreasonably.
- b. No subsequent change, removal or substitution shall be made with respect to any such subcontractor without the prior written approval of UTA.
- c. Contractor shall be solely responsible for making payments to subcontractor s, and such payments shall be made within thirty (30) days after Contractor receives corresponding payments from UTA.
- d. Contractor shall be responsible for and direct all Work performed by subcontractor s.
- e. Contractor agrees that no subcontracts shall provide for payment on a cost-plus-percentage-of-cost basis. Contractor further agrees that all subcontracts shall comply with all applicable laws.

12. **KEY PERSONNEL**

Contractor shall provide the key personnel as indicated in Contractor 's Proposal (or other applicable provisions of this Contract), and shall not change any of said key personnel without the express written consent of UTA. The following individuals are concerned to be key personnel under this contract.

**PEHP**

Joel Sheppard  
Marketing Director PEHP Client Services  
801-366-3940 Office  
801-739-6915 Mobile  
[Joel.sheppard@pehp.org](mailto:Joel.sheppard@pehp.org)

If the contractor changed key personnel without the express written permission of UTA, it shall be in default of the contract and liable for default damages .

**13. SUSPENSION OF WORK**

- a. UTA may, at any time, by written order to Contractor , require Contractor to suspend, delay, or interrupt all or any part of the Work called for by this Contract. Any such order shall be specifically identified as a “Suspension of Work Order” issued pursuant to this Article. Upon receipt of such an order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of further costs allocable to the Work covered by the order during the period of Work stoppage.
- b. If a Suspension of Work Order issued under this Article is canceled, Contractor shall resume Work as mutually agreed to in writing by the parties hereto.
- c. If a Suspension of Work Order is not canceled and the Work covered by such order is terminated for the convenience of UTA, reasonable costs incurred as a result of the Suspension of Work Order shall be considered in negotiating the termination settlement.
- d. If the Suspension of Work causes an increase in Contractor ’s cost or time to perform the Work, UTA’s Project Manager or designee shall make an equitable adjustment to compensate Contractor for the additional costs or time, and modify this Contract by Change Order.

**14. TERMINATION**

a. **FOR CONVENIENCE:**

UTA shall have the right to terminate the Contract at any time by providing written notice to Contractor . If the Contract is terminated for convenience, UTA shall pay Contractor : (i) in full for Goods delivered and Services fully performed prior to the effective date of termination; and (ii) an equitable amount to reflect costs incurred (including Contract close-out and subcontractor termination costs that cannot be reasonably mitigated) and profit on work-in-progress as of to the effective date of the termination notice. UTA shall not be responsible for anticipated profits based on the terminated portion of the Contract. Contractor shall promptly submit a termination claim to UTA. If Contractor has any property in its possession belonging to UTA, Contractor will account for the same, and dispose of it in the manner UTA directs.

b. **FOR DEFAULT:**

If Contractor (a) becomes insolvent; (b) files a petition under any chapter of the bankruptcy laws or is the subject of an involuntary petition; (c) makes a general assignment for the benefit of its creditors; (d) has a receiver appointed; (e) should fail to make prompt payment to any subcontractor s or suppliers; or (f) fails to comply with any of its material obligations under the Contract, UTA may, in its discretion, after first giving Contractor seven (7) days written notice to cure such default:

- 1. Terminate the Contract (in whole or in part) for default and obtain the Professional Services using other Contractor s or UTA’s own forces, in which

- event Contractor shall be liable for all incremental costs so incurred by UTA;
2. Pursue other remedies available under the Contract (regardless of whether the termination remedy is invoked); and/or
  3. Except to the extent limited by the Contract, pursue other remedies available at law.

**CONTRACTOR 'S POST TERMINATION OBLIGATIONS:**

Upon receipt of a termination notice as provided above, Contractor shall (i) immediately discontinue all work affected (unless the notice directs otherwise); and (ii) deliver to UTA all data, drawings and other deliverables, whether completed or in process. Contractor shall also remit a final invoice for all services performed and expenses incurred in full accordance with the terms and conditions of the Contract up to the effective date of termination. UTA shall calculate termination damages payable under the Contract, shall offset such damages against Contractor 's final invoice, and shall invoice Contractor for any additional amounts payable by Contractor (to the extent termination damages exceed the invoice). All rights and remedies provided in this Article are cumulative and not exclusive. If UTA terminates the Contract for any reason, Contractor shall remain available, for a period not exceeding 90 days, to UTA to respond to any questions or concerns that UTA may have regarding the Professional Services furnished by Contractor prior to termination.

**15. INFORMATION, RECORDS and REPORTS; AUDIT RIGHTS**

Contractor shall retain all books, papers, documents, accounting records and other evidence to support any cost-based billings allowable under Exhibit B (or any other provision of this Contract). Such records shall include, without limitation, time sheets and other cost documentation related to the performance of labor services, as well as subcontracts, purchase orders, other contract documents, invoices, receipts or other documentation supporting non-labor costs. Contractor shall also retain other books and records related to the performance, quality or management of this Contract and/or Contractor 's compliance with this Contract. Records shall be retained by Contractor for a period of at least six (6) years after completion of the Work, or until any audit initiated within that six-year period has been completed (whichever is later). During this six-year period, such records shall be made available at all reasonable times for audit and inspection by UTA and other authorized auditing parties including, but not limited to, the Federal Transit Administration. Copies of requested records shall be furnished to UTA or designated audit parties upon request. Contractor agrees that it shall flow-down (as a matter of written contract) these records requirements to all subcontractors utilized in the performance of the Work at any tier.

**16. FINDINGS CONFIDENTIAL**

Any documents, reports, information, or other data and materials delivered or made available to or prepared or assembled by Contractor or subcontractor under this Contract are considered confidential and shall not be made available to any person, organization, or entity by Contractor without consent in writing from UTA. If confidential information is released to any third party without UTA's written consent as described above, contractor shall notify UTA of the data breach within 10 days and provide its plan for immediate mitigation of the breach for review and approval by UTA.

- a. It is hereby agreed that the following information is not considered to be confidential:
  - A. Information already in the public domain.
  - B. Information disclosed to Contractor by a third party who is not under a confidentiality obligation.
  - C. Information developed by or in the custody of Contractor before entering into this Contract.
  - D. Information developed by Contractor through its work with other clients; and
  - E. Information required to be disclosed by law or regulation including, but not limited to, subpoena, court order or administrative order.

#### **17. PUBLIC INFORMATION.**

Contractor acknowledges that the Contract and related materials (invoices, orders, etc.) will be public documents under the Utah Government Records Access and Management Act (GRAMA). Contractor's response to the solicitation for the Contract will also be a public document subject to GRAMA, except for legitimate trade secrets, so long as such trade secrets were properly designated in accordance with terms of the solicitation.

#### **18. GENERAL INDEMNIFICATION**

Contractor shall indemnify, hold harmless and defend UTA, its officers, trustees, agents, and employees (hereinafter collectively referred to as "Indemnitees") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs (hereinafter referred to collectively as "claims") related to bodily injury, including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of the failure of such Contractor to conform to federal, state, and local laws and regulations. If an employee of Contractor, a subcontractor, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable brings a claim against UTA or another Indemnitee, Contractor's indemnity obligation set forth above will not be limited by any limitation on the amount of damages, compensation or benefits payable under any employee benefit acts, including workers' compensation or disability acts. The indemnity obligations of Contractor shall not apply to the extent that claims arise out of the sole negligence of UTA or the Indemnitees.

#### **19. INSURANCE REQUIREMENTS**

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The Utah Transit Authority in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary. Notwithstanding this Section, PEHP has provided a Certificate of Coverage which has been deemed sufficient coverage.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those Stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a “following form” basis.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

- General Aggregate \$4,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Each Occurrence \$2,000,000

a. The policy shall be endorsed to include the following additional insured language: "The Utah Transit Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor ".

b. The policy must also contain the following endorsement, WHICH MUST BE STATED ON THE CERTIFICATE OF INSURANCE: “Contractual Liability Railroads” ISO from CG 24 17 10 01 (or a substitute form providing equivalent coverage) showing “Utah Transit Authority Property” as the Designated Job Site

2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$2,000,000

a. The policy shall be endorsed to include the following additional insured language: "The Utah Transit Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor , including automobiles owned, leased, hired or borrowed by the Contractor ".

3. Worker's Compensation and Employers' Liability

- Workers’ Compensation Statutory
- Employers' Liability
- Each Accident \$100,000
- Disease – Each Employee \$100,000
- Disease – Policy Limit \$500,000

a. Policy shall contain a waiver of subrogation against the Utah Transit Authority.

b. This requirement shall not apply when a Contractor or subcontractor is exempt under UCA, AND when such Contractor or subcontractor executes the appropriate waiver form.

4. Professional Liability (Errors and Omissions Liability)

The policy shall cover professional misconduct or lack of ordinary skill for those positions

defined in the Scope of Services of this contract.

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include the following provisions:

1. On insurance policies where the Utah Transit Authority is named as an additional insured, the Utah Transit Authority shall be an additional insured to the full limits of liability purchased by the Contractor . Insurance limits indicated in this agreement are minimum limits. Larger limits may be indicated after the Contractor ’s assessment of the exposure for this contract; for their own protection and the protection of UTA.
2. The Contractor 's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Contractor and their insurers shall endorse the required insurance policy(ies) to waive their right of subrogation against UTA. Contractor ’s insurance shall be primary with respect to any insurance carried by UTA. Contractor will furnish UTA at least thirty (30) days advance written notice of any cancellation or non-renewal of any required coverage that is not replaced.

C. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, or canceled except after thirty (30) days prior written notice has been given to the Utah Transit Authority, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to (Utah Transit Authority agency Representative's Name & Address).

D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers duly licensed or authorized to do business in the State and with an “A.M. Best” rating of not less than A-VII. The Utah Transit Authority in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: Contractor shall furnish the Utah Transit Authority with certificates of insurance (on standard ACORD form) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be sent to [insurancecerts@rideuta.com](mailto:insurancecerts@rideuta.com) and received and approved by the Utah Transit Authority before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to

maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be emailed directly to Utah Transit Authority's insurance email address at [insurancecerts@rideuta.com](mailto:insurancecerts@rideuta.com). The Utah Transit Authority project/contract number and project description shall be noted on the certificate of insurance. The Utah Transit Authority reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE UTAH TRANSIT AUTHORITY'S CLAIMS AND INSURANCE DEPARTMENT.**

- F. **SUBCONTRACTOR S:** Contractor s' certificate(s) shall include all subcontractor s as additional insureds under its policies or subcontractor s shall maintain separate insurance as determined by the Contractor , however, subcontractor 's limits of liability shall not be less than \$1,000,000 per occurrence / \$2,000,000 aggregate. Sub-Contractor s maintaining separate insurance shall name Utah Transit Authority as an additional insured on their policy. Blanket additional insured endorsements are not acceptable from sub-Contractor s. Utah Transit Authority must be scheduled as an additional insured on any sub-Contractor policies.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by Claims and Insurance Department or the Office of General Counsel, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

## 20. **OTHER INDEMNITIES**

- a. Contractor shall protect, release, defend, indemnify and hold harmless UTA and the other Indemnitees against and from any and all Claims of any kind or nature whatsoever on account of infringement relating to Contractor 's performance under this Contract. If notified promptly in writing and given authority, information and assistance, Contractor shall defend, or may settle at its expense, any suit or proceeding against UTA so far as based on a claimed infringement and Contractor shall pay all damages and costs awarded therein against UTA due to such breach. In case any portion of the Work is in such suit held to constitute such an infringement or an injunction is filed that interferes with UTA's rights under this Contract, Contractor shall, at its expense and through mutual agreement between the UTA and Contractor , either procure for UTA any necessary intellectual property rights, or modify Contractor 's services or deliverables such that the claimed infringement is eliminated.
- b. Contractor shall: (i) protect, release, defend, indemnify and hold harmless UTA and the other Indemnitees against and from any and all liens or Claims made or filed against UTA or upon the Work or the property on which the Work is located on account of any labor performed or labor, services, and equipment furnished by subcontractor s of any tier; and (ii) keep the Work and said property free and clear of all liens or claims arising from the performance of any Work covered by this Contract by Contractor or its subcontractor s of any tier. If any lien arising out of this Contract is filed, before or after Work is completed, Contractor , within ten (10) calendar days after receiving from UTA written notice of such

lien, shall obtain a release of or otherwise satisfy such lien. If Contractor fails to do so, UTA may take such steps and make such expenditures as in its discretion it deems advisable to obtain a release of or otherwise satisfy any such lien or liens, and Contractor shall upon demand reimburse UTA for all costs incurred and expenditures made by UTA in obtaining such release or satisfaction. If any non-payment claim is made directly against UTA arising out of non-payment to any subcontractor, Contractor shall assume the defense of such claim within ten (10) calendar days after receiving from UTA written notice of such claim. If Contractor fails to do so, Contractor shall upon demand reimburse UTA for all costs incurred and expenditures made by UTA to satisfy such claim.

21. **INDEPENDENT CONTRACTOR**

Contractor is an independent contractor and agrees that its personnel will not represent themselves as, nor claim to be, an officer or employee of UTA by reason of this Contract. Contractor is responsible to provide and pay the cost of all its employees' benefits.

22. **PROHIBITED INTEREST**

No member, officer, agent, or employee of UTA during his or her tenure or for one year thereafter shall have any interest, direct or indirect, including prospective employment by Contractor in this Contract or the proceeds thereof without specific written authorization by UTA.

23. **CLAIMS/DISPUTE RESOLUTION**

a. "Claim" means any disputes between UTA and the Contractor arising out of or relating to the Contract Documents including any disputed claims for Contract adjustments that cannot be resolved in accordance with the Change Order negotiation process set forth in Article 6. Claims must be made by written notice. The responsibility to substantiate claims rests with the party making the claim.

b. Unless otherwise directed by UTA in writing, Contractor shall proceed diligently with performance of the Work pending final resolution of a Claim, including litigation. UTA shall continue to pay any undisputed payments related to such Claim.

c. The parties shall attempt to informally resolve all claims, counterclaims and other disputes through the escalation process described below. No party may bring a legal action to enforce any term of this Contract without first having exhausted such process.

d. The time schedule for escalation of disputes, including disputed requests for change order, shall be as follows:

<b>Level of Authority</b>	<b>Time Limit</b>
UTA's Project Manager/Contractor's Project Manager	Five calendar days
UTA's Director of Supply Chain/Contractor's <b>[SECOND LEVEL]</b>	Five calendar days

UTA's Chief Financial Officer/Contractor's **[THIRD LEVEL]** Five calendar days

Unless otherwise directed by UTA's Project Manager, Contractor shall diligently continue performance under this Contract while matters in dispute are being resolved.

If the dispute cannot be resolved informally in accordance with the escalation procedures set forth above, then either party may commence formal mediation under the Juris Arbitration and Mediation (JAMS) process using a mutually agreed upon JAMS mediator. If resolution does not occur through Mediation, then legal action may be commenced in accordance the venue and governing law provisions of this contract.

24. **GOVERNING LAW**

This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of Utah. Any litigation between the parties arising out of or relating to this Contract will be conducted exclusively in state courts in the State of Utah and Contractor consents to the jurisdiction of such courts.

25. **ASSIGNMENT OF CONTRACT**

Contractor shall not assign, sublet, sell, transfer, or otherwise dispose of any interest in this Contract without prior written approval of UTA, and any attempted transfer in violation of this restriction shall be void.

26. **NONWAIVER**

No failure or waiver or successive failures or waivers on the part of either party in the enforcement of any condition, covenant, or article of this Contract shall operate as a discharge of any such condition, covenant, or article nor render the same invalid, nor impair the right of either party to enforce the same in the event of any subsequent breaches by the other party.

27. **NOTICES OR DEMANDS**

- a. Any formal notice or demand to be given by one party to the other shall be given in writing by one of the following methods: (i) hand delivered; (ii) deposited in the mail, properly stamped with the required postage; (iii) sent via registered or certified mail; or (iv) sent via recognized overnight courier service. All such notices shall be addressed as follows:

If to UTA:  
Utah Transit Authority  
ATTN: Brian Motes  
669 West 200 South  
Salt Lake City, UT 84101

with a required copy to:  
Utah Transit Authority  
ATTN: Legal Counsel  
669 West 200 South  
Salt Lake City, UT 84101

If to Contractor :

PEHP, 560 East 200 South, Salt Lake City, Utah 84102

Joel Sheppard PEHP Marketing Director

801-366-3940 Office

801-739-6915 Mobile

[Joel.sheppard@pehp.org](mailto:Joel.sheppard@pehp.org)

- b. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice. Either party may change the address at which such party desires to receive written notice by providing written notice of such change to any other party.
- c. Notwithstanding Section 27, the parties may, through mutual agreement, develop alternative communication protocols to address change notices, requests for information and similar categories of communications. Communications provided pursuant to such agreed means shall be recognized as valid notices under this Contract.

28. **CONTRACT ADMINISTRATOR**

UTA's Contract Administrator for this Contract is Brian Motes, or designee. All questions and correspondence relating to the contractual aspects of this Contract should be directed to said Contract Administrator, or designee.

29. **INSURANCE COVERAGE REQUIREMENTS FOR CONTRACTOR EMPLOYEES AND SUBCONTRACTORS UNDER DESIGN AND CONSTRUCTION CONTRACTS**

- a. The following requirements apply to the extent that the Contractor is providing design or construction services and (i) the initial value of this Contract is equal to or in excess of \$2 million; (ii) this Contract, with subsequent modifications, is reasonably anticipated to equal or exceed \$2 million; (iii) Contractor has a subcontract at any tier that involves a sub-contractor that has an initial subcontract equal to or in excess of \$1 million; or (iv) any subcontract, with subsequent modifications, is reasonably anticipated to equal or exceed \$1 million:
- b. Contractor shall, prior to the effective date of this Contract, demonstrate to UTA that Contractor has and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the Contractor's employees and the employee's dependents during the duration of this Contract.
- c. Contractor shall also demonstrate to UTA that subcontractors meeting the above-described subcontract value threshold have and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the subcontractor's employees and the employee's dependents during the duration of the subcontract.

30. **COSTS AND ATTORNEYS FEES**

If any party to this Agreement brings an action to enforce or defend its rights or obligations hereunder, the prevailing party shall be entitled to recover its costs and expenses, including mediation, arbitration, litigation, court costs and attorneys' fees, if any, incurred in connection with such suit, including on appeal

31. **NO THIRD PARTY BENEFICIARY**

The parties enter into this Contract for the sole benefit of the parties, in exclusion of any third party, and no third party beneficiary is intended or created by the execution of this Contract.

32. **FORCE MAJEURE**

Neither party to the Contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which are beyond that party's reasonable control. UTA may terminate the Contract after determining such delay or default will reasonably prevent successful performance of the Contract.

33. **UTAH ANTI-BOYCOTT OF ISRAEL ACT**

Contractor agrees it will not engage in a boycott of the State of Israel for the duration of this contract.

34. **TRAVEL COSTS**

Any travel costs charged against this contract and paid for with contract funds must be in compliance with UTA's Travel Policy (UTA .02.XX) and the U.S. General Services Administration (GSA) per diem rates

35. **SEVERABILITY**

Any provision of this Contract prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Contract.

36. **ENTIRE AGREEMENT**

This Contract shall constitute the entire agreement and understanding of the parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. The terms of the Contract supersede any additional or conflicting terms or provisions that may be preprinted on Vendor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of Vendor that may subsequently be used to implement, record, or invoice Goods and/or Services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of UTA. The terms of the Contract prevail in any dispute between the terms of the Contract and the terms printed on any such standard forms

or documents, and such standard forms or documents will not be considered written amendments of the Contract.

36. **AMENDMENTS**

Any amendment to this Contract must be in writing and executed by the authorized representatives of each party.

37. **COUNTERPARTS**

This Contract may be executed in any number of counterparts and by each of the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Any signature page of the Contract may be detached from any counterpart and reattached to any other counterpart hereof. The electronic transmission of a signed original of the Contract or any counterpart hereof and the electronic retransmission of any signed copy hereof shall be the same as delivery of an original.

38. **SURVIVAL**

Provisions of this Contract intended by their nature and content to survive termination of this Contract shall so survive including, but not limited to, Articles 5, 7, 8, 10, 14, 15, 17, 18, 19, 20, 23, 29 and 30.

IN WITNESS WHEREOF, the parties have made and executed this Contract as of the day, month and year of the last signature contained below.

**UTAH TRANSIT AUTHORITY:**

**PEHP:**

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_



By \_\_\_\_\_

Name Chet Loftis

Title PEHP Director

Date March 25, 2022

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

DocuSigned by:

*Michael L. Bell*

Michael L. Bell

**Exhibit A**

**Scope of Work**

Utah Assistant Attorney General <sup>3/28/2022</sup>

- Scope of service- Provide health insurance to UTA’s benefit eligible employees as outlined in PEHP Group Agreement to this Contract and the terms of the insurance are included in the PEHP Master Policy.
- Duration- 5 years with the ability to extend year to year for additional 5 years

UTA reserves the right to terminate the contract with 60 days’ notice. The terms and conditions are renewed or renegotiated on an annual basis.

Specific Terms. Specific terms shall be included in a yearly Supplemental Agreement to this Contract but shall stay within the above-established parameters.

PEHP Group Agreement is hereby attached and incorporated into this Exhibit A.



## **Exhibit B**

### **Pricing**

- Price- Bargaining insurance premiums not to exceed \$50,000,000
- Price- Admin insurance premiums not to exceed \$40,000,000

Specific Pricing and Terms. Specific pricing, coverage and other relevant terms will be included in a yearly Supplemental Agreement to this Contract but shall stay within the overall NTEs stated above. The above price amounts are not to be considered a rate or premium cap. While neither PEHP nor UTA contemplate insurance premiums exceeding those amounts, if premiums were to unexpectedly exceed the amounts listed, UTA may terminate this Agreement in accordance with the terms listed.

# Employer Health Insurance Agreement

Between UTA/ATU Joint Insurance Trust  
and  
Utah Retirement Systems Public Employees' Health Program  
May 1, 2022 through April 30, 2023

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## **SECTION 1 – INTRODUCTION**

### **1.1 Contract**

1.1.1 This Employer Health Insurance Agreement (“Agreement”) is made and entered into, pursuant to Utah Code Annotated Title 49, Chapter 20, by and between UTA/ATU Joint Insurance Trust (“Employer”), a body corporate and politic of the State of Utah, and the UTAH RETIREMENT SYSTEMS, by and through its Employer benefit and insurance division, the PUBLIC EMPLOYEES’ HEALTH PROGRAM (“PEHP”).

1.1.2 In exchange for Employer’s payment of Rates, PEHP provides defined healthcare Benefits to Members. Any payment of Rates will constitute Employer’s agreement to the terms of this Agreement, regardless of whether Employer has actually signed the Agreement.

1.1.3 NOW, THEREFORE, for and in consideration of the agreements and provisions hereinafter contained, the parties hereby agree and enter into this Agreement.

### **1.2 Scope of Agreement**

1.2.1 PEHP will make available to Employer’s Eligible Employees, , and Eligible dependents, the health and prescription drug plans listed in Appendix A. All terms, definitions, and conditions of the health and prescription drug plans are hereby incorporated into this Agreement.

1.2.2 Any and all other documents attached hereto are hereby made a part of this Agreement as fully as though detailed herein.

1.2.3 The parties acknowledge that for purposes of paying fees required by the Affordable Care Act, PEHP shall act as the plan sponsor of Employer’s benefit plans. All programs and plans offered by PEHP are subject to change in order to adapt to the changes and trends in the health care industry. Further, the Benefits in this Agreement are not necessarily the benefits of the Employer's previous insurance carrier. This contract does not guarantee benefits payable under the previous carrier will be payable under PEHP.

1.2.4 No Member of PEHP has a vested right to any Benefits. Changes to the Agreement may be made without notification, consultation or the consent of Members. However, material mid-plan year changes to the Benefits must be made with approval of the Employer and with 60 days notice to the Members. The rights and interest of Members at any particular time depend on the Agreement terms in effect at that time.

1.2.5 PEHP may adopt reasonable policies, rules and procedures to help in the administration of the Agreement. Employer agrees to abide by all such reasonable policies, rules, and procedures that are not inconsistent with the Agreement.

1.2.6 PEHP has discretion to determine Eligibility for Benefits and to interpret the terms and conditions of the Benefit plan(s). PEHP's determinations under this Section do not prohibit or prevent a Member from seeking an appeal of claims or an administrative review by following the appeals procedure established by the Master Policy and Utah Code Ann. § 49-11-613.

## **SECTION 2 – ELIGIBILITY AND ENROLLMENT**

### **2.1 Eligibility**

2.1.1 PEHP shall provide coverage to those Eligible Employees and their Eligible Dependents in accordance with the terms of the Employer Eligibility Standard in Appendix B

2.1.2 In consultation with PEHP and within PEHP's stated Eligibility parameters, if Employer has 100 Subscribers or more, Employer shall decide which categories of Employees and Dependents are Eligible to become Members and establish related Eligibility requirements. Employer agrees to implement standards that are nondiscriminatory and is solely liable if any standards are determined to be discriminatory.

2.1.3 Employer has provided PEHP with its Eligibility standards. Employees returning from a leave of absence who have waived coverage due to the leave of absence are eligible to be reinstated to coverage on the first day of the month following their return to work.

2.1.4 Eligibility standards (including termination standards) determined by Employer must be reported to and approved by PEHP each plan year, at least ninety (90) days prior to the start of the plan year. **Employer shall inform PEHP of its eligibility standards on the PEHP Benefit Selection Form.** If Eligibility standards vary from plan year to plan year, PEHP may revise Rates correspondingly, in accordance with sound actuarial principles.

2.1.5 Employer may not change, extend, expand, or waive the Eligibility criteria without first obtaining the advance, written approval of an officer of PEHP. Eligibility standards may not be changed mid-plan year.

2.1.6 Employer's Eligibility parameters must meet PEHP's criteria which include the following:

- Eligible Employees with other coverage may waive coverage with the Employer under the Plan;
- At least 80% of Eligible individuals, who have not demonstrated proof of other coverage, must participate in the Plan, or, if Employer employs fewer than five (5) individuals, 100% of individuals must participate in the Plan;
- Independent contractors are not Eligible;

Only individuals who continuously satisfy the Eligibility criteria of the Agreement may be enrolled and continue as Members. Employer, Subscribers, and their Dependents are responsible for obtaining and submitting to PEHP evidence of Eligibility.

2.1.7 Notwithstanding this Section 2, PEHP reserves the right to deny coverage to an otherwise Eligible Employee and/or their Eligible Dependent(s), in accordance with the PEHP Master Policy, if that individual commits fraud upon PEHP, forges prescriptions, commits criminal acts associated with coverage, misuses or abuses Benefits or breaches the conditions of the PEHP Master Policy. Notwithstanding any other provision of this Agreement, if such an individual retains Coverage with PEHP at the request of an Employer after a recommendation by PEHP to address either the fraud, criminal acts associated with coverage, or a breach of the PEHP Master Policy, Employer shall be solely and completely responsible for all claims incurred for this individual. In such a circumstance, the individual's claims shall be adjudicated separately from the Employer's experience, and no claims for this individual, either in specific or aggregate, shall be eligible for payment by PEHP reinsurance.

## **2.2 Enrollment Requirements**

2.2.1 In order for an Eligible individual to receive Benefits, Employer must enroll the individual, PEHP must accept the individual as a Member, and Employer must pay the applicable Rates. Employer agrees to limit enrollment to Eligible Employees and their Dependents.

2.2.2 Any Employee who does not enroll in the Employer Plan during their first 30 days of any applicable waiting period or during a special enrollment period through Employer's enrollment system, will not be Eligible to enroll until the next annual enrollment period.

2.2.3 Except as otherwise provided in this Agreement, enrollment and enrollment changes for existing Employees and their Dependents may only be made during an open enrollment period.

2.2.4 PEHP shall allow for a special enrollment period for specific circumstances listed in Section 2.2.5. The terms governing special enrollment for PEHP are also contained in the Master Policy attached hereto as part of Exhibit A.

2.2.5 Employer must notify PEHP within 60 days whenever there is a change in a Member's family and or employment status that may affect Eligibility or enrollment. Family or employment status includes the following events:

- a) Adoption of a child, birth of a child, or gaining legal guardianship of a child;
- b) Child loses Dependent status;
- c) Death;
- d) Divorce;
- e) Marriage
- f) Involuntary loss of other coverage;
- g) Member called to active military duty;
- h) Member receives a Qualified Medical Child Support Order (QMCSO);
- i) Reduction in employment hours;
- j) Member takes, returns from, or does not return from a leave of absence; and
- k) Termination of employment.

2.2.6 If Employer fails to notify PEHP within 30 days of a Member's termination from employment or other family and/or employment change that results in the loss of a Member's Eligibility, Employer agrees to promptly pay PEHP any amounts paid as Benefits for such Member after the Member became ineligible and before PEHP was notified.

2.2.7 PEHP agrees to supply certification of creditable coverage to all terminated Subscribers and their Eligible Dependents losing coverage in accordance with federal law. The terms governing certification and disclosure are contained in the Master Policy attached hereto as part of Exhibit A.

2.2.8 Employer hereby agrees the Effective Date for new Employees is based upon the Employer's enrollment polices as stated on the Group Renewal Form.

2.2.9 PEHP will enroll Dependents as a result of a valid court order. Any requirement for the Plan to comply with court orders, including Qualified Medical Child Support Orders (QMCSOs) and/or Divorce Decrees is Employer's responsibility. When Employer directs PEHP to enroll an individual on the basis of a court order, PEHP reserves the right to review and confirm that the order is qualified.

2.2.10 PEHP may decline to enroll Employees, former Employees, or Dependents who do not satisfy the Eligibility criteria of the Agreement. Also, PEHP may initially decline to issue coverage if Employer fails to meet the minimum enrollment or minimum contribution requirements.

### **2.3 Continuation of Coverage (COBRA / Mini-COBRA) and Conversion Coverage**

2.3.1 Employer's Members who lose coverage under a Plan made available by PEHP may be permitted to continue such Coverage in accordance with the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), or Utah mini-COBRA, Utah Code Ann. § 31A-22-722 (collectively, "Continuation Coverage").

2.3.2 Employer agrees to administer Continuation Coverage according to state and federal law.

2.3.3 PEHP and Employer agree that if this Agreement is terminated, Continuation Coverage with PEHP will terminate. Employer will be responsible for obtaining alternate coverage for those Members who are receiving Continuation Coverage.

2.3.4 PEHP agrees to bill and collect Rates from Members for Continuation Coverage.

2.3.5 PEHP agrees to provide COBRA Coverage for the minimum time and only to the minimum extent required by applicable state and federal law. PEHP will not provide Continuation Coverage if Employer or the Member fails to strictly comply with all applicable notice and other requirements and deadlines.

## **SECTION 3 – RESPONSIBILITIES OF EMPLOYER**

### **3.1 In General**

3.1.1 In addition to the responsibilities addressed throughout this Agreement, Employer agrees to the following responsibilities and obligations.

### **3.2 Rate Payments**

3.2.1 Employer is responsible to collect and remit Rates to PEHP. By remitting Rates to PEHP, Employer certifies to PEHP that the Employer/Employee Rate share complies with the affordability standards of PPACA. Other than as required by state or federal law, nothing contained in this Agreement shall obligate the Employer to contribute any specific percentage of the contribution, nor to provide any specified credits for sick leave conversion, etc. to any Employee.

3.2.2 To the extent Employer requires its Employees to contribute to Rates, Employer agrees to collect those contributions from its Employees and remit the same to PEHP together with a copy of a remittance report. Such contributions and report will be submitted to PEHP monthly following the appropriate payroll dates. By remitting Rates, Employer certifies that all Employees meet the Eligibility requirements agreed upon under this Agreement.

3.2.3 Employer's obligation to pay the full Rates to PEHP is not contingent upon Employer's ability to collect any percentage of the Rates that Employer requires to be paid by Subscribers.

3.2.4 Rates will be considered late if received more than forty (40) days after the date of the corresponding invoice from PEHP.

3.2.5 Notwithstanding any other provision of this Agreement, if Employer is late in any required payment to PEHP, PEHP shall assess Employer a 5% penalty on late payments.

3.2.5 Notwithstanding any other provision of this Agreement, if Employer fails to pay a required invoice to PEHP within sixty (60) days after the date of the corresponding invoice from PEHP, PEHP shall immediately suspend payment of claims until payment is made in full; in such case, the Employer shall be responsible for any payment to Providers, including any late fees, as applicable; or immediately terminate this Agreement in accordance with Section 7.2.

### **3.3 Employment Verification and Status**

3.3.1 To the extent Employer is responsible to determine Eligibility standards under this Agreement, Employer agrees to provide those standards to PEHP at least ninety (90) days prior to the start of the Plan Year, as provided in Section 2.1.

3.3.2 Employer agrees to verify employment status and date of employment information contained in any new applications filed by Employees, and Employer agrees to inform PEHP of any change in Employee or Dependent status or of the termination of coverage of any Employee or Dependent, including any COBRA Qualifying Events, on a semi-monthly basis, in accordance with Section 2.4.

3.3.3 It is the responsibility of the Employer to obtain and maintain updated, accurate records specifying enrollment information, Member files, Eligibility information, Effective Dates, and Employee status information. Employer agrees, to the extent requested by PEHP, to provide PEHP with current and updated copies of all completed enrollment forms and other documentation as deemed necessary by PEHP.

3.3.4 Payment of Rates shall constitute Employer's certification that Employer and all its Members meet the Eligibility standards as outlined in Utah Code Annotated Title 49, Chapter 20, and as established under this Agreement.

### **3.4 Compliance**

3.4.1 Employer is responsible for its own compliance with applicable laws, rules, and regulations, including requirements to provide information to Members about their coverage. This includes all applicable requirements under PHSa, HIPAA, PPACA, COBRA, and any other state and federal requirements that apply to the Plan.

3.4.2 Employer agrees to notify PEHP when Employer receives Medicare secondary payer information.

3.4.3 Employer shall distribute to Employees all forms, documents, and notices as required by law (i.e. Summary of Benefits and Coverage, Benefit Summaries). In accordance with Section 4.4, PEHP may assist Employer in the production of such forms, documents and notices. Employer maintains sole responsibility to ensure compliance with federal law.

### **3.5 Miscellaneous**

3.5.1 Employer certifies it is a political subdivision of the State of Utah and that both Employer and its Eligible Employees qualify to participate with PEHP, and Employer agrees to notify PEHP prior to its losing Eligibility to participate with PEHP.

3.5.2 It is Employer's responsibility to provide Subscribers a 30-day written notice of the Agreement's termination.

3.5.3 Except as modified in this Agreement, Employer shall be responsible for all tax consequences or penalties resulting from participation in the PEHP plans or programs.

## **SECTION 4 – RESPONSIBILITIES OF PEHP**

### **4.1 Plan Services**

4.1.1 Employer hereby agrees that it is the sole responsibility and right of PEHP to contract with, negotiate policies, procedures, and plan provisions, in reference to physicians, hospitals, facilities, corporations, or other service Providers. PEHP agrees to establish and maintain its usual hospital and physician relations activities, Subscriber service activities, investigative and claim review procedures, legal review and defense services, and shall take all reasonable measures to prevent the allowance and payment of improper claims for Employer.

4.1.2 PEHP shall provide Employer with all administrative services provided by PEHP to its other policy holders. A monthly fee for administrative services shall be included in the Rate amount, on a Per Member Per Month (“PMPM”) basis, at the Rate specified in Appendix A.

4.1.3 PEHP shall provide Reinsurance coverage as provided for in Section 5. PEHP will charge a monthly reinsurance fee, on a PMPM basis, at the Rate specified in Appendix A. The reinsurance fee is included in the Employer Rate.

4.1.4 At Employer’s request, PEHP may facilitate an on site medical clinic for Employer’s employees in accordance with the terms in Appendix B.

4.1.5 PEHP shall make available to Members an electronic enrollment process via the [www.pehp.org](http://www.pehp.org) website. PEHP shall also furnish to the Employer appropriate enrollment forms for distribution to new Eligible Employees. Upon receipt and processing of enrollment information, PEHP will distribute identification/prescription cards and Benefit brochures to Subscribers.

### **4.2 Reporting**

4.2.1 These reporting provisions are subject to the confidentiality provisions of Section 6.

4.2.2 PEHP shall provide Employer with regular reports of the total amount paid to Providers in Employer’s risk pool.

4.2.3 If Employer employs over 100 Subscribers, PEHP shall provide Employer with Employer-specific quarterly utilization reports. These Employers may request additional ad hoc reports as needed. However, to the extent that any specific requested reports may be unique and costly to produce, Employer agrees to pay PEHP the reasonable cost of assembling and preparing such additional information and reports, so long as the cost of any such report has been made available to Employer in advance and Employer has agreed in writing to pay such costs. PEHP may decline to produce reports if PEHP determines that doing so would violate state or federal law.

4.2.4 If Employer employs over 100 Subscribers, Employer and/or its designated Business Associates, as defined by HIPAA, shall be entitled, upon written request from Employer, to receive a copy of individual data pertaining to Employer in accordance with Utah Code Ann. § 49-11-618 and applicable Board resolutions for the sole purpose of reviewing claims and utilization experience for individuals covered by the program. PEHP shall not provide diagnosis information unless specifically requested by Employer, and Employer has demonstrated to the satisfaction of PEHP that the individual diagnosis is essential to the review process, in which case, PEHP may require a separate release statement. Employer hereby agrees to never share or otherwise divulge this individual data to any other person or unit of government, unless subpoenaed by a court or governmental entity having proper jurisdictional authority. When requesting this data, Employer will designate an officer or employee responsible for receipt and custody of the data and hereby agrees to indemnify and hold PEHP harmless against any claims, loss, damage, injury or other liability resulting from the disclosure of confidential medical data by any officer or employee of Employer.

4.2.5 Subject to the foregoing provisions, PEHP may provide specialized or additional reports to Employer, at Employer's request. PEHP may charge a fee to Employer for such special reporting requests as negotiated between the parties.

#### **4.3 Record Retention and Review**

4.3.1 PEHP shall maintain, or cause to be maintained, records covering claims submitted to PEHP hereunder as well as payment disbursed by it. The records shall be maintained for the same period of time that PEHP retains like records in connection with its claims administration.

#### **4.4 Claims Payment, Customer Service and Appeals**

4.4.1 PEHP shall adjudicate claims within forty-five (45) days upon receipt of all information necessary to accurately make a claim determination pursuant to PEHP's policies and procedures. Necessary information to adjudicate claims shall include, but is not limited to, information regarding coordination of benefits ("COB") from the primary insurance carrier, if applicable.

4.4.2 PEHP shall notify Members of paid or rejected claims and the reason for the rejection through an explanation of benefits, which shall be sent within one (1) week of PEHP's adjudication of the claim.

4.4.3 PEHP shall advise and aid claimants in meeting requirements for additional information and proper completion of claim forms.

4.4.4 PEHP shall maintain customer service staff and telephone numbers to provide information and response to inquiries of Members regarding program coverage and Benefits as well as specific information concerning claims, such as: status of claim, date paid/denied, amount, and Provider.

4.4.5 PEHP shall provide a website with general Plan information, specific claims information, and cost tools for evaluating and finding Providers.

4.4.6 PEHP shall discuss claims, where applicable, with physicians and other Providers of services.

4.4.7 PEHP shall obtain and furnish information, as necessary, regarding non-duplication of payment or COB.

4.4.8 PEHP will correct payment of claim errors for up to 12 months following the adjudication of a claim. For claims involving COB, PEHP will have up to 15 months following the adjudication of such claims to make adjustments. These time frames will not apply in instances where PEHP determines that the claims were paid due to fraud.

4.4.9 PEHP shall provide a claims adjudication and appeals process to resolve any disputes regarding Benefits under this Agreement. Members and Providers are required to cooperate with this process in any dispute with PEHP as outlined in the Master Policy attached in Appendix A.

4.4.10 PEHP shall provide additional Member Services, including Case Management, Disease Management, and Wellness Programs.

4.4.11 If Employer requests for correctly-paid claims to be reprocessed, Employer agrees to pay the administrative costs of reprocessing in accordance with PEHP's policies and procedures.

#### **4.5 Information for Members**

4.5.1 Employer, with cooperation from PEHP, shall produce any required forms or documents required by law to be distributed to Employees. Employer shall bear the responsibility to distribute such documents, in accordance with Section 3.4. PEHP may assist Employer with creation and production of documents, as specified in this Section.

4.5.2 PEHP shall assist Employer in its distribution by making available Plan-specific Benefits Summaries, Master Policies, Rates, forms and documents online at [www.pehp.org](http://www.pehp.org), which will include the ability for Members to check status of claims and other information.

### **SECTION 5 – FUNDING**

#### **5.1 Self-Funded Status**

5.1.1 Employer acknowledges and agrees that through this Agreement Employer participates in a self-insured plan, and that plan is part of a self-insured risk pool. Employer maintains the financial risk associated with that plan and the risk pool. Such risk includes, but is not limited to claims expenses for covered Benefits and any interest required to be paid.

5.1.2 Risk pool reserves held by PEHP are owned by, returned to, and credited for interest earnings to Employer in accordance with Section 5.3 and Appendix A.

## **5.2 Establishment of Rates**

5.2.1 PEHP shall have sole discretion to determine Rates, which are set forth in Appendix A. The Rates will remain the same until the end of the plan year. However, upon notice to Employer, PEHP may reasonably modify the Rates mid-year if federal or state laws or regulations mandate an adjustment of Benefits under the Agreement, or if contingency reserves fall below the level required by the PEHP actuary.

5.2.2 It is understood and agreed that Appendix A outlines the Rates to be paid by Employer for the Plan(s) in which Employer participates during the current term. Rates include administrative fees and reinsurance fees as determined necessary by PEHP, and as listed in Appendix A. The PEHP rate setting process takes into account all of the health experience of the Employer, including but not limited to, the health experience of Employees, Dependents, Early Retirees, LTD Participants, and other Members covered under active, early retiree, and/or COBRA Coverage.

5.2.3 It is further understood and agreed that PEHP will provide notice to Employer of estimated regular Rate changes ninety (90) days prior to the end of the contract term, with the Rate change to be effective on the date of renewal of the plan year.

5.2.4 Notice of Rate increases relating to Medicare Supplement programs offered by PEHP will be provided by PEHP unless Medicare benefits change information has not yet been made available to PEHP by the Medicare authorities. All changes will become effective on January 1 of each year.

## **5.3 Reserves**

5.3.1 Pursuant to Utah Code Annotated § 49-20-301, PEHP plans “shall be maintained on a financially and actuarially sound basis by payments from covered employers and covered individuals.” Utah Code Annotated § 49-20-402(1) provides, “The reserves in a risk pool in a given fiscal year shall be maintained at the level recommended by the program’s consulting actuary and approved or ratified by the Board. If the reserves drop below that level, covered employers in the risk pool are required to cure any deficiency in the reserve.”

5.3.2 PEHP shall provide Employer with reserve recommendations from its consulting actuary upon request from Employer. PEHP shall provide Employer with financial statements regarding the level of reserves in Employer’s risk pool.

5.3.3 If the reserves in Employer’s risk pool drop below the recommendation of the consulting actuary, Employer shall be responsible to pay the difference (or the pro-rata difference if Employer is in a multi-Employer risk pool) to PEHP within fifteen (15) days following the request. In the case of a deficit in reserves, Employer agrees to pay PEHP interest of 1% per month for each month after the end of the month in which Employer maintains a deficit.

5.3.4 PEHP, upon recommendation of its consulting actuary, shall determine when “substantial excess reserves” have been accrued in accordance with Utah Code Annotated § 49-20-402. In such a case, and upon Board approval, PEHP shall refund reserves to Employer (on a pro-rata basis if Employer is in a multi-Employer risk pool) in a manner approved by the Board.

#### **5.4 Claims Reinsurance**

5.4.1 All Employers participating in PEHP health plans shall participate in a self-funded PEHP Reinsurance Risk Pool governed by the Utah State Retirement Board (the "Board"), as described in Appendix A.

5.4.2 The reinsurance fee associated with the PEHP Reinsurance Risk Pool is included within the Employer’s Rate and includes both a specific stop loss and aggregate reinsurance cost. The Reinsurance fee is set forth in Appendix A. Reinsurance fees are not self-insured, and the Employer shall have no recourse to recover any of these amounts paid.

#### **5.5 Administrative Costs**

5.5.1 Employer is responsible to pay its share of administrative costs on a PMPM basis. The administrative fee is included in the Employer Rate, according to the schedule in Appendix A. Administrative fees are not self-insured, and Employer shall have no recourse to recover any of these amounts paid.

### **SECTION 6 – CONFIDENTIALITY**

**6.1 HIPAA.** The parties agree that the acts, duties and obligations required by this Agreement shall be performed in compliance with the Privacy and Security Rules as promulgated under HIPAA.

**6.2 Utah Law.** Employer understands that under Utah Code Annotated § 49-11-618, “All data in the possession of [PEHP] is confidential, and may not be divulged by [PEHP] except as permitted by board action.” Employer acknowledges and agrees that this Agreement is subject to this rule of confidentiality.

**6.3 Definition of Data.** For the purpose of this Agreement, "data" means any information pertaining to Employer’s participation with PEHP, Plan Rates, this Agreement, PEHP or its business practices, or the personal health information (as defined by federal law) of any individual participating in the Plan administered by PEHP.

### **SECTION 7 – TERM AND TERMINATION**

#### **7.1 Term of Agreement**

7.1.1 Unless sooner terminated as herein provided, this Agreement shall be effective for a one year term and pertain to claims incurred during the period May 1, 2022 through April 30, 2023.

7.1.2 This Agreement shall be renewed automatically for one year terms unless Employer notifies PEHP of its intent to terminate as provided herein.

## 7.2 Termination

7.2.1 This Agreement, and coverage for all Members under this Agreement, can terminate for the reasons listed below.

7.2.2 This Agreement may be terminated by Employer by providing PEHP with written notice prior to the Employer's open enrollment period for the next one year term. PEHP will not accept retroactive termination dates.

7.2.3 PEHP may immediately terminate Employer's coverage upon written notice if PEHP determines that Employer is in breach of this Agreement. The following circumstances constitute a breach:

- a. Employer fails to pay the required Rates in accordance with this Agreement;
- b. Partial payment will be treated as nonpayment unless PEHP, at its sole discretion, indicates otherwise in writing;
- c. Employer performs an act or practice that constitutes fraud or makes an intentional misrepresentation of material fact under the terms of the coverage;
- d. Employer's status changes to an entity that is not a political subdivision of the State of Utah;
- e. Employer's membership in an entity through which this Agreement was made available ceases; or
- f. Employer fails to satisfy the minimum Employer participation requirements in Section 2.1.6 of this Agreement.

7.2.4 Employer agrees that if proper written notice of termination is not given within the designated time parameters, a penalty of up to one percent (1%) of total annual Rate may be assessed on Employer at the sole discretion of PEHP.

7.2.5 It is Employer's responsibility to provide Subscribers a 30-day written notice of the Agreement's termination. PEHP will provide a sample notice upon request.

7.2.6 Upon termination or expiration of this Agreement, PEHP shall continue to process and pay claims for services obtained or charges incurred by Employer's Members prior to the date of termination or expiration of this Agreement for a period of 12 months after the date of termination ("Run-Out Period"). PEHP shall not pay for Services obtained or charges incurred after the date of termination, regardless of when a condition arose and despite care or treatment anticipated or already in progress.

7.2.7 If Employer breaches this Agreement in accordance with Section 7.2.3 of this Agreement, which results in termination of this Agreement, PEHP shall pay no further claims, regardless of the date incurred. Employer shall be responsible for any such claims. Employer shall be responsible to pay

PEHP for all reinsurance and administrative costs due prior to the date of termination, regardless of any other provision in this Agreement.

7.2.8 Upon termination of this Agreement, Employer shall be responsible for any deficits in the risk pool as determined by PEHP.

## **SECTION 8 – GENERAL TERMS**

**8.1 Interpretation.** The attached Appendices are complementary to this Agreement and what is called for by any one of them shall be binding as if called for by all. In the event of any inconsistency between the provisions of the Agreement and the documents accompanying this Agreement, the inconsistency shall be resolved by giving precedence first to the Appendices and then to this Agreement. This Agreement will be interpreted and enforced according to the laws and regulations of the State of Utah and any applicable federal laws or regulations. If an inconsistency exists between the Agreement and any applicable law, this Agreement will be construed to include the minimum requirements of the applicable law.

**8.2 Indemnification.** PEHP agrees to indemnify Employer from and against any claims or other liability, including attorney fees, based upon PEHP's failure to comply with its obligations under the Agreement. Employer agrees to indemnify PEHP from and against any claims or other liability, including attorney fees, based upon Employer's failure to comply with its obligations under the Agreement.

**8.3 Amendment and Assignment.** As benefits under this Agreement may be modified from year to year, this Agreement may be modified or amended unilaterally by PEHP within 30 days prior to a new plan year by providing Employer with written notice of the Amendment. If Employer objects to any unilateral amendments, Employer shall inform PEHP in writing to its objection within 30 days of receipt of the amendment. At all other times of the plan year, and for all other amendments or modifications to this Agreement, this Agreement shall be amended only by a written instrument executed by duly authorized officers of the parties hereto. This Agreement may not be assigned by either party without the written consent of the other party.

**8.4 Default.** If either party defaults in the performance of this Agreement or any of its obligations hereunder, the defaulting party shall pay all costs and expenses, including reasonable attorney's fees, which may arise or accrue from enforcing the Agreement or from pursuing any remedy provided hereunder.

**8.5 Force Majeure.** Neither party will be responsible for a delay in performing its obligations under the Agreement due to circumstances reasonably beyond its control, such as natural disaster, epidemic, riot, war, terrorism, or nuclear release.

**8.6 Dispute Resolution.** This Agreement is entered into in the State of Utah and shall be governed by the laws of said state, notwithstanding any conflicts of laws principles. Any dispute arising out of this

Agreement will be subject to the exclusive jurisdiction of the administrative hearing process found in Utah Code Annotated § 49-11-613.

**8.7 Conflict of Interest.** PEHP represents that it has not knowingly influenced, and hereby promises that it will not knowingly influence, an Employer officer or employee, or former Employer officer or employee, to breach any ethical standards applicable to Employer. Employer represents that it has not knowingly influenced, and hereby promises that it will not knowingly influence any PEHP officer or employee or former PEHP officer or employee to breach any ethical standard applicable to PEHP.

**8.8 Severance.** In the event any portion of this Agreement is determined to be unconstitutional, unlawful or otherwise unenforceable in the State of Utah, only the unconstitutional portion of the Agreement will be severed and the remaining portion of the Agreement will continue in effect and be binding on the Parties, provided that such holding of invalidity or unenforceability does not materially affect the essence of the Agreement.

**8.9 Notice.**

8.9.1 Any notice required herein of PEHP shall be addressed to Employer at the address listed in Appendix A, and when required of Employer, shall be addressed to PEHP, Marketing Department, Public Employees' Health Program, 560 East 200 South, Salt Lake City, Utah 84102-2004, or kurt.murray@pehp.org (or current Marketing Manager).

8.9.2 All required notices shall be sent by at least first class mail or electronic mail.

8.9.3 Any notice PEHP is required to send will be sufficient if:

- a. For notice to Employer, notice is sent to the address listed in Appendix A;
- b. For notice to a Subscriber, notice is sent to the address PEHP has on record; and
- c. For notice to a Dependent, notice is sent to the Subscriber.

8.9.4 Any notice Employer is required to send will be sufficient if sent to the address listed above.

**8.10 Waiver.** Failure by either party to insist upon strict compliance with any part of this Agreement or with any procedure or requirement will not result in a waiver of its right to insist upon strict compliance in any other situation.

**8.11 Workers' Compensation Insurance.** The Agreement does not provide or replace workers' compensation coverage for Employer's Employees. Employment-related injuries are not covered under the Agreement.

**8.12 Relationship of the Parties.** This Agreement is a contract for services and does not create an agency relationship. Employer does not have the authority to act as PEHP's agent. PEHP is not Employer's agent for any purpose.

## SECTION 9 – DEFINITIONS

**9.0 In General.** This Agreement contains certain defined terms that are capitalized in the text and described in this Section. Words that are not defined have their usual meaning in everyday language.

**9.1 Adult Designee.** If Employer accepts Adult Designees as Dependents, the qualifications agreed upon by Employer and PEHP will be included in Appendix A.

**9.2 Agreement.** This Employer Health Insurance Agreement, including the Employer Application and all other documents expressly referred to and incorporated by reference.

**9.3 Benefit(s).** The payments and privileges to which Members are entitled by this Agreement.

**9.4 Continuation or COBRA Coverage.** Coverage required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and/or coverage allowed under Utah Code Annotated § 31A-22-722 (Mini-COBRA).

**9.5 Conversion Coverage.** Coverage provided under Utah Code Annotated § 31A-22-723.

**9.6 Dependent(s).** An Employee's lawful spouse (or Adult Designee if allowed by Employer) and any child who meets the Eligibility criteria under this Agreement.

**9.7 Effective Date.** The date on which coverage for a Member begins.

**9.8 Employee.** An individual employed by Employer.

**9.9 Employer Plan (or "Plan(s)").** The group health and/or other Benefit plan(s) elected and sponsored by Employer under this Agreement and attached in Appendix A.

**9.10 Eligible, Eligibility.** The criteria or standards, established by Employer and/or PEHP under this Agreement and Appendix A, in order to participate in a PEHP health plan.

**9.11 HIPAA.** The Health Insurance Portability and Accountability Act found at 45 C.F.R. §§ 160 and 164, as amended.

**9.12 Master Policy.** The document(s), considered part of this Agreement, which describe(s) the terms and conditions of the health insurance Benefits with PEHP, including the Benefit Summary, and which is available online at the address listed in Appendix A, or by request.

**9.13 Member.** As defined in the Master Policy attached in Appendix A, a Subscriber, including an Employee, Early Retiree, LTD Participant, COBRA Participant, Conversion Coverage Participant, and any Dependent, when properly enrolled in the Plan and accepted by PEHP.

**9.14 PHSa.** The Public Health Service Act of 1944, codified in United States Code, Title 42, as amended.

**9.15 PPACA.** The Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended, including the Health Care Education Reconciliation Act of 2010, Pub. L. No. 111-152, as amended.

**9.16 Provider.** A vendor of healthcare Services as defined in the Master Policy.

**9.17 Rate(s).** The amount paid periodically by Employer and/or Subscribers to PEHP as consideration for providing Benefits under the Plan. The Contribution rate is specified in Appendix A.

**9.18 Service(s).** Services provided by a Provider, including medical practices or care, treatment, tests, supplies, equipment, devices, or drugs.

**9.19 Subscriber.** An Employee that enrolls with PEHP, as defined in the Master Policy.

# SECTION 10 – SIGNATURE PAGE

EXECUTED this 22<sup>nd</sup> day of March 2022.

UTAH RETIREMENT SYSTEMS  
PUBLIC EMPLOYEES HEALTH PROGRAM



By \_\_\_\_\_  
Chet Loftis  
Director, Public Employees Health Program

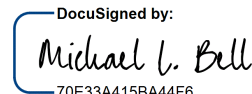
EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[Employer Name]

By \_\_\_\_\_  
[UTA/ATU Joint Insurance Trust]  
[Title]

By \_\_\_\_\_  
[Name]  
[Title]

By \_\_\_\_\_  
[Name]  
[Title]

DocuSigned by:  
  
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Michael L. Bell

Utah Assistant Attorney General  
3/28/2022

## APPENDIX A

**Plan Year:** May 1, 2022 to April 30, 2023

### A-1 Benefits

#### **A Employer Plans/Programs**

Master Policy & Benefit Grid – members can access at [www.pehp.org](http://www.pehp.org) or on Employer’s website. Benefit Grids are attached.

Summary of Benefits & Coverage (SBC) – members can access at [www.pehp.org](http://www.pehp.org) or on Employer’s website.

Provider Directory - Provider directories for the Employer plans are found online at [www.pehp.org](http://www.pehp.org). Provider directories are subject to change without notice. PEHP shall make reasonable efforts, as determined by PEHP, to inform Employer and Members if a material disruption shall occur to provider networks during the term of this Agreement.

#### Wellness Programs

PEHP offers the Healthy Utah wellness program for Employer. If Employer elects to offer additional wellness programs to employees, Employer shall be solely responsible for any federal law compliance related to such additional program, included taxability of rebates and tracking applicable wellness limits for employees.

By participating in PEHP’s Healthy Utah wellness program, Employer understands that PEHP will provide incentives and rebates to Member in conjunction with that program. PEHP will withhold taxes from those rebates in accordance with federal law requirements. These Member incentives are paid as claims from the Local Governments Risk Pool.

In addition to Member incentives, PEHP Healthy Utah may also incentivize Employers to encourage worksite wellness programs and activities through mini-grants and work well-being awards. These employer incentives are provided by PEHP through PEHP’s administrative costs, and not funded through the Local Governments Risk Pool reserves. While PEHP makes every effort to ensure these Employer incentives comply with Utah and federal law, Employer maintains sole responsibility regarding the appropriation and disbursement of these funds, and PEHP shall maintain no liability regarding these funds once provided to the Employer.

#### Legal Guardianship

Employer has elected to allow children under guardianship to remain covered by PEHP between ages 19-26 like natural born children. In order to continue enrollment, the guardian child must have been enrolled on the Employer’s coverage prior to being 18 years of age and otherwise have met the qualifications for coverage as a guardian

child. PEHP shall inform the Employer if a guardian child over the age of 19 has enrolled with PEHP on the monthly bill to Employer. The Employer understands that it may need to impute income to the employee if the guardian child does not qualify as a tax dependent under federal law. Employer acknowledges that it shall be solely liable for any tax consequences related to coverage of a guardian child over the age of 19, and that PEHP maintains no responsibility of any kind for any taxes which may be owed as a result of this coverage.

LTD Premium Waiver or Stipend

Employer has elected not to provide this benefit.

**B Vesting Standards for LGRP**

1. Employer hereby acknowledges that it participates in the Local Governments Risk Pool (“LGRP”) sponsored by PEHP, which is a multi-employer self-funded risk pool. Participation in the LGRP requires meeting PEHP’s vesting requirement, which include:
  - a. An Employer is vested with PEHP when either:
    - i. the Employer provides two years of specific plan benefits and claims costs to PEHP to appropriately determine rates; or
    - ii. the Employer continuously participates with PEHP in the LGRP for three years.
  - b. If an Employer is vested with PEHP, the Employer may terminate this agreement with no further obligation to LGRP. At the time of termination, the Employer shall not receive any LGRP reserve funds, and shall not pay any deficits incurred or paid by Employer to LGRP.
  - c. If Employer is not vested with PEHP and terminates this Agreement before becoming vested, Employer will immediately pay PEHP for any deficits incurred during its participation with LGRP. Deficits mean the difference between claims paid by PEHP, including administrative costs, and the rates paid by Employer, including all Employer allocated investment earnings or deficits. Deficits shall be solely determined by PEHP. Any calculations regarding deficits will include Employer's claims presented and paid by PEHP over the 12 months following Employer's termination of this Agreement.
  - d. Any surpluses attributable to the Employer (when rates exceed premiums), whether vested or non-vested, will remain with PEHP for the benefit of the Employers participating in the LGRP.
2. Employer IS deemed vested by PEHP.

## **C Reinsurance**

1. Each Employer shall participate in the PEHP Reinsurance Risk Pool and pay the applicable fees for such services. Reinsurance fees are included in the Employer's Rate, as outlined in Appendix Section A-2. The PEHP Reinsurance Risk Pool covers for the Employer:
  - a. Medical and pharmacy claims eligible under this Agreement and the Master Policy, according to the following limits and subject to the exclusions herein;
  - b. Large claims exceeding \$100,000 annually, calculated on an incurred in 12 months and paid in 15 months basis (specific stop loss coverage);
  - c. Aggregate risk pool claims that total between 120% to 135% of expected risk pool claims (aggregate stop loss coverage); and
  - d. Other purposes that PEHP and the Board may approve.
  
2. The PEHP Reinsurance Risk Pool specifically excludes coverage for any claims incurred:
  - a. Outside of the eligibility standards of this agreement or the Master Policy;
  - b. For benefits not specifically covered by the Master Policy;
  - c. That are excluded by PEHP's commercial reinsurance carrier;
  - d. By an Employee or Eligible Dependent who has committed fraud, criminal acts, or other breach of the Master Policy, as described in Section 2.1.7 of this Agreement; or
  - e. That are approved by Employer for processing and payment, despite being ineligible for payment under this Agreement, the Master Policy or the Employer plan benefit documents that have been approved by PEHP.
  
3. If the Employer approves claims or benefits not covered by this Agreement or the Master Policy, the Employer shall be responsible for all claims expenses associated with such charges. Notwithstanding any other provision of this Agreement, PEHP shall have no liability to pay any claims, benefits or make other payments that are not specifically stated in this Agreement or the Master Policy.
  
4. PEHP shall evaluate claims and pay reinsurance amounts on a monthly basis. PEHP shall pay claims which are paid under the Employer's plan year in accordance with the PEHP Master Policy.

## **D. IRS Reporting**

1. Employer has determined to calculate and file ACA reports as required by federal law.

## A-2 Rates

Summit Exclusive Traditional	<u>SINGLE</u>	<u>DOUBLE</u>	<u>FAMILY</u>
	\$654.03	\$1,612.98	\$2,289.31

## A-3 Additional Terms

- A Following termination of this Agreement, PEHP shall pay claims incurred prior to termination of this Agreement for 12 months.
- B Conflict of Interest – Employer acknowledges that PEHP is a public employer, and that no employee or officer is related to any employee or officer of PEHP within two degrees of consanguinity except as has been previously disclosed to PEHP.
- C Additional Reporting Requests - PEHP shall provide regular reports to Employer as described in the Agreement. PEHP may provide additional reports to Employer as negotiated between Employer and PEHP. If such additional reports are agreed upon and authorized by PEHP, Employer agrees to pay PEHP the reasonable costs of producing such reports at the rate of \$20/hour and \$.10/page for printed reports. In accordance with Section 4.2.4, PEHP may provide personal health information of Employees or Dependents to another Covered Entity at the written request of the Employer as allowed by HIPAA. PEHP may provide personal health information of Employees or Dependents to Employer’s Business Associates at Employer’s written request in accordance with Section 4.2.4 of this Agreement.

Notwithstanding the payment schedule above, Employer has requested and PEHP has agreed to provide identifiable claims data to Employer’s medical data warehouse vendors for health care and on-site clinic predictive modeling and utilization review. Such data shall be provided on a monthly basis by the 5<sup>th</sup> day of each month for the previous month. For such reports, vendor shall provide specific data parameters to PEHP at least 30 days prior to the first report being provided. PEHP shall notify Employer of the data parameters. Upon PEHP’s receipt of a valid Business Associate Agreements between Employer and vendors, PEHP will begin to prepare the data reports to send to vendors .

- D Notice to Employer – Address: 669 W. 200 S. SLC, UT 84101

## A-4 Employer Portal

The PEHP Employer Portal through the website [pehp.org](http://pehp.org) if available for Employers 24 hours per day, seven days a week at no additional administrative charge to Employer. PEHP may

temporarily suspend PEHP Employer Portal access and services at its discretion for maintenance or other quality control issues.

Employer will use PEHP Employer Portal in a manner consistent with applicable laws. Employer is solely responsible for all use of Employer's PEHP Portal website account and for any violation of the terms of this section.

For purposes of this section, Employer's "use"

(a) means

- (i) use by Employer's employees, agents or contractors;
- (ii) use by Employer's employees, agents or contractors, who following their separation from employment or engagement from Employer were enabled by the use of Employer's signature obtained in their employment or engagement;
- (iii) use by any person who obtains Employer's signature because of Employer's negligence; and
- (iv) use by any person who obtains Employer's signature from any person described in (i), (ii) or (iii) above; and

(b) specifically excludes the unauthorized use of Employer's PEHP Employer Portal website account by any person who is not described in (a)(i) – (iv) above or who accesses or uses Employer's signature without authorization from Employer."

## **Appendix B**

The Effective Date is the first day of the month following the Employer Waiting Period. Employees classified as Operators have a 30-day orientation period. Upon completion of the orientation period, the Employer Waiting Period begins and lasts for 30 days.