AMENDMENT NO. 1
INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT NO. 24-67

This **AMENDMENT NO. 1** ("Amendment") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Blue Cross and Blue Shield of New Mexico, A Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association,** ("Contractor" or BCBSNM"), which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, (the "Association"), permitting BCBSNM to use the Blue Cross and Blue Shield Service Marks in the State of New Mexico, and that BCBSNM is not contracting as the agent of the Association, collectively (the "Parties"), to be effective for all purposes January 1, 2026 ("Effective Date").

WHEREAS, County and Contractor entered into Services Agreement No. AGR24-67 dated January 1, 2025, for Medical Insurance Benefits for Los Alamos County Employees; and

WHEREAS, parts of this Agreement are up for renewal, and rate negotiations with Contractor as allowed for annually under the original terms and conditions of the Agreement; and

WHEREAS, County Council approved this Amendment at a public meeting held on October 28, 2025; and

WHEREAS, both Parties wish to renew the term of this Agreement.

NOW, THEREFORE, for good and valuable consideration, County and Contractor agree as follows:

I. To delete **SECTION B. TERM** in its entirety and replace it with the following:

SECTION B. TERM:

1. The term of this Agreement, for claims administration, shall commence January 1, 2025, and shall continue through December 31, 2027, unless sooner terminated, as provided herein. At County's sole option, the County Manager may renew this Agreement for up to four (4) consecutive one-year period(s), unless sooner terminated, as provided therein.

2. The term of this Agreement, for Stop Loss Insurance Coverage, as defined in the Stop Loss Application (Exhibit B), shall commence January 1, 2025, and shall continue through December 31, 2025, unless sooner terminated, as provided herein. At County's sole option, the Agreement may be renewed for up to six (6) consecutive one-year periods, unless sooner terminated, as provided therein.

3. The term of this Agreement, for Stop Loss Insurance Coverage, as defined in the Stop Loss Application (Exhibit B-1), shall commence January 1, 2026, and shall continue through December 31, 2026, unless sooner terminated, as provided

herein. At County's sole option, the Agreement may be renewed for up to five (5) consecutive one-year periods, unless sooner terminated, as provided therein.

II. To delete **SECTION C. COMPENSATION** in its entirety and replace it with the following:

SECTION C. COMPENSATION:

1. County shall pay compensation for performance of the Services for the term of this Agreement, including agreed-upon compensation defined in Amendment No. 1, but not including any subsequent renewal periods, in an amount not to exceed THREE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS ($3,150,000.00), which amount shall include applicable New Mexico gross receipts taxes ("NMGRT"). For any subsequent renewal periods as set forth in Section B, "Term" above, compensation will be strictly based upon rate negotiations with Contractor and upon Council approval of said negotiations.

2. **Monthly Invoices.** Contractor shall submit weekly invoices to County's Human Resources Division showing claims paid for covered employees, as well as monthly invoices for administrative services, showing amount of compensation due, amount of any NMGRT, and total amount payable. Payment shall be due and payable thirty (30) days after County's receipt of the invoice.

III. To delete **Paragraphs 1 and 2 only of Section 6.1, Term and Termination, in Exhibit A, Administrative Services Agreement** and replace it in its entirety with the following:

6.1 <u>Term and Termination.</u> The term of this Agreement, for Administrative Services, shall commence January 1, 2025, and shall continue through December 31, 2027, unless sooner terminated, as provided herein. At Employer's sole option, the Agreement may be renewed for up to four (4) consecutive one-year periods, unless sooner terminated, as provided therein.

The Term of this Agreement, for Stop Loss Insurance Coverage, as defined in the Stop Loss Application (Exhibit B), shall commence January 1, 2025, and shall continue through December 31, 2025, unless sooner terminated, as provided herein. At Employer's sole option the Agreement may be renewed for up to six (6) consecutive one-year periods, unless sooner terminated, as provided therein.

The Term of this Agreement, for Stop Loss Insurance Coverage, as defined in the Stop Loss Application (Exhibit B-1), shall commence January 1, 2026, and shall continue through December 31, 2026, unless sooner terminated, as provided herein. At Employer's sole option the Agreement may be renewed for up to five (5) consecutive one-year periods, unless sooner terminated, as provided therein.

IV. To delete **Section 6.3, Entire Agreement, in Exhibit A, Administrative Services Agreement,** and replace it in its entirety as shown below to (i) delete Exhibit 6, Recovery Litigation Authorization, which was erroneously included in the list of Exhibits in the original Agreement; (ii) add a new Exhibit 7, Performance Guarantees, to be incorporated in its entirety with this Amendment and Exhibit A to AGR26-37, the Administrative Services Agreement; and (iii) add Exhibits for calendar year 2026, to be incorporated in their entirety with this Amendment and Exhibit A to AGR26-37, the Administrative Services Agreement, to reflect renewal dates, terms, and rates:

Entire Agreement. Service Agreement AGR24-67 and this Agreement, including all Exhibits and Addenda of this Agreement, represents the entire agreement and understandings of the Parties with respect to the subject matter of this Agreement. All prior or contemporaneous agreements, understandings, representations, promises, or warranties, whether written or oral, in regard to the subject matter of this Agreement, (collectively, the "Prior Communications") are superseded, except as otherwise expressly incorporated into this Agreement. The provisions of this Agreement shall prevail in the event of a conflict with any Prior Communications that either Party or a third party asserts to be a component of the Agreement between the Parties.

The Exhibits and Addenda of this Agreement are:

1. Exhibit A – Administrative Services Agreement
    - Exhibit 1 – Claim Administrator Services
    - Exhibit 2 – Fee Schedule and Financial Terms
    - Exhibit 3 – Notices/Required Disclosures
    - Exhibit 4 – ASO BPA (1/1/2025 – 12/31/2025)
        (i) BPA Addendum – Pharmacy Benefit Fee Schedule (1/1/2025 – 12/31/2025)
    - Exhibit 4-1 – ASO BPA (1/1/2026 – 12/31/2026)
        (i) BPA Addendum – Pharmacy Benefit Fee Schedule (1/1/2026 – 12/31/2026
    - Exhibit 5 – Blue Cross and Blue Shield Association Disclosures and Provisions
    - Exhibit 6 – Pharmacy Benefit Management ("PBM") Services
    - Exhibit 7 – Addendum PG - Performance Guarantees
        (i) Exhibit PG Medical Preferred Provider Organizations
    - (ii) Exhibit PG Prescription Drug Program
2. Exhibit B – Stop Loss Application (1/1/2025 – 12/31/2025)
3. Exhibit B-1 – Stop Loss Application (1/1/2026 – 12/31/2026)
4. Exhibit C – Sample Benefits Booklet
5. Exhibit D – Confidential Information Disclosure Statement
6. Exhibit E – Business Associate Agreement

Except as expressly modified by this Amendment, the terms and conditions of the Agreement remain unchanged and in effect.

(This section intentionally left blank)

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

_____
MICHAEL D. REDONDO
COUNTY CLERK

Approved as to form:

_____
J. ALVIN LEAPHART
COUNTY ATTORNEY

INCORPORATED COUNTY OF LOS ALAMOS

BY: _____
ANNE W. LAURENT **DATE**
COUNTY MANAGER

BLUE CROSS AND BLUE SHIELD OF NEW MEXICO, A DIVISION OF HEALTH CARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE COMPANY, AN INDEPENDENT LICENSEE OF THE BLUE CROSS AND BLUE SHIELD ASSOCIATION

BY: _____
MARLENE BACA **DATE**
VICE PRESIDENT OF SALES

Exhibit A.4-1
ASO BPA
(1/1/2026 – 12/31/2026)
AGR24-67-A1

Benefit Program Application ("ASO BPA")

Applicable to Administrative Services Only (ASO) Group Accounts[₮]

administered by Blue Cross and Blue Shield of New Mexico, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association, hereinafter referred to as the "Claim Administrator" or "BCBSNM"

Group Status: Renewing ASO Account

Employer Account Number (6-digits): 251305 Group Number(s): 251307

Section Number(s): All

Legal Employer Name: Incorporated County of Los Alamos

(Specify the Employer or the employee trust applying for coverage. Names of subsidiary or affiliated companies to be covered must also be named below. AN EMPLOYEE BENEFIT PLAN *MAY NOT* BE NAMED.)

ERISA Regulated Group Health Plan*: ☐ Yes ☒ No

Is your ERISA Plan Year* a period of 12 months beginning on the Effective Date of Coverage specified below? ☐ Yes
If not, please specify your ERISA Plan Year*: Beginning Date __/__/__ End Date __/__/__ (month/day/year)

ERISA Plan* Administrator*: _____

Plan Administrator's Address: _____

If you maintain that ERISA is not applicable to your group health plan, give legal reason for exemption:
Select from Drop Down ; if applicable, specify other: _____

Is your Non-ERISA Plan Year* a period of 12 months beginning on the Anniversary Date specified below? ☐ Yes
If not, please specify your Non-ERISA Plan Year*: Beginning Date __/__/__ End Date __/__/__ (month/day/year)

For more information regarding ERISA, contact your Legal Advisor.
*All as defined by ERISA and/or other applicable law/regulations

Effective Date of Coverage: (Month/day/Year) 01 / 01 / 2026

Anniversary Date: (Month/Day/Year) 01 / 01 / 2027

Retiree-Only Plan(s) Identification:
For more information regarding Retiree-only plans, contact your Legal Advisor.

Do you have one or more Retiree-only plan(s)? ☐ Yes ☒ No

If yes, please provide Benefit Agreement number, or group and section numbers of the Retiree-only plan(s):

_____

[₮] NOTE – **This Group plan does not include the individual pharmaceutical drug cost-sharing protections included in a fully insured plan as provided for in § 59A-23-12.3 NMSA. Please confer with your Producer about options to purchase a fully-insured plan with pharmaceutical drug cost-sharing protections for individuals.**

Account Information	☐ **NO CHANGES** ☐ **SEE ADDITIONAL PROVISIONS**	
Standard Industry Code (SIC): 9111	Employer Identification Number (EIN): 856000679	
Address: 1000 Central Ave, Suite 230		
City: Los Alamos	State: NM	ZIP: 87544
Administrative Contact: Victoria Pacheco	Title: Benefits & Pension Manager	
Email Address: victoria.pacheco@losalamosnm.gov	Phone Number: 505-662-8045	Fax Number: 505-662-8000
Wholly Owned Subsidiaries to be covered:		

Affiliated Companies to be covered: Employer Identification Number (EIN):

(Affiliated Companies must be required or permitted to be aggregated per IRS Guidelines. Employer hereby confirms that Employer, Subsidiaries and Affiliates are treated as a single employer under Internal Revenue Code Section 414(b), or (c), or (m) or (o), or under applicable law.)

Blue Access for Employers℠ ("BAE℠") Contact: Victoria Pacheco

(The BAE Contact is the Employee authorized by the Employer to access and maintain the Employer's account in BAE.)

Email Address: victoria.pacheco@losalamosnm.gov Phone Number: 505-662-8045 Fax Number: 505-662-8000

Producer of Record Information ☐ NO CHANGES ☐ SEE ADDITIONAL PROVISIONS

Effective: _____

If applicable, the below-named producer(s) or agency(ies) is/are recognized as Employer's Producer of Record (POR) to act as a representative in negotiations with and to receive commissions from BCBSNM, or Claim Administrator's corporate subsidiaries, as applicable, for procuring Claim Administrator's claims administration services for the Employer's employee benefit program(s). This statement rescinds any and all previous POR appointments for the Employer. The POR is authorized to perform membership transactions on behalf of the Employer. This appointment will remain in effect until withdrawn or superseded in writing by the Employer.

Producer/Consultant Compensation:
The Employer acknowledges that if its POR acts on its behalf for purposes of purchasing services in connection with the Employer's Plan under the Administrative Services Agreement to which this ASO BPA is attached, the Claim Administrator may pay the Employer's POR a commission and/or other compensation in connection with such services under the Administrative Services Agreement. If the Employer desires additional information regarding commissions and/or other compensation paid to the POR by the Claim Administrator in connection with services under the Administrative Services Agreement, the Employer should contact its POR.

Producer, Agency, or Consultant: Aon Consulting, Inc. Commission to be paid: ☐Yes* ☒ No

New Mexico Producer/Consultant #: 900001881

Address: 6501 America's Parkway NE, Suite 650

City: Albuquerque State: NM ZIP: 87110

Phone: 303-639-4117 Fax: 847-956-0916 Email: charlene.fairchild@aon.com

Is Producer/Agency appointed with BCBSNM in New Mexico? ☒Yes ☐ No

Commissions:

☐ PCPM $_____ Does a Monthly Cap Apply ☐ Yes ☐ No $_____ (If cap is annual, divide by twelve)

☐ Flat $_____ Does a Monthly Cap Apply ☐ Yes ☐ No $_____ (If cap is annual, divide by twelve)

☐ Percentage of Stop Loss:_____%

ADDITIONAL COMMISSIONS: _____

*The Producer or agency name(s) above to whom commissions are to be paid must exactly match the name(s) on the appointment application(s).

Schedule of Eligibility ☐ NO CHANGES ☐ SEE ADDITIONAL PROVISIONS

Employer has made the following eligibility decisions:

1. **Eligible Person means:**
   - ☒ A full-time employee of the Employer.
   - ☐ A full-time employee of the Employer who is a member of: _____ (*name of union*)
   - ☐ A part-time employee of the Employer.

☐ A retiree of the Employer. Define criteria: _____
☐ Other: _____
Are any classes of employees to be excluded from coverage? ☐ Yes ☐ No
If yes, please identify the classes and describe the exclusion: _____

2. **Employee definition**:
Full-Time Employee means:
☒ A person who is regularly scheduled to work a minimum of 20 hours per week and who is on the permanent payroll of the Employer.
☐ Other: _____

Part-Time Employee means:
☐ A person who is regularly scheduled to work a minimum of _____ hours per week and who is on the permanent payroll of the Employer.
☐ Other: _____

3. **The Effective Date of termination for a person who ceases to meet the definition of Eligible Person**:
☐ The date such person ceases to meet the definition of Eligible Person.
☒ The last day of the calendar month in which such person ceases to meet the definition of an Eligible Person.
☐ Other: _____

4. Select an effective date rule for a person who becomes an Eligible Person after the Effective Date of the Employer's health care plan (the effective date must not be later than the 91st calendar day after the date that a newly eligible person becomes eligible for coverage, unless otherwise permitted by applicable law).
☐ The date of employment.
☐ The _____ day of employment.
☐ The _____ day of the month following _____ month(s) of employment.
☐ The _____ day of the month following _____ days of employment.
☒ The 1st day of the month following the date of employment.
☐ Other: _____
Is the waiting period requirement to be waived on initial group enrollment? ☐ Yes ☐ No

Are there multiple new hire waiting periods? ☐ Yes ☐ No
If yes, please attach eligibility and contribution details for each section.

5. **Domestic partners covered**: ☐ Yes ☒ No
If yes, a domestic partner is eligible to enroll for coverage.
If yes, are domestic partners eligible for continuation of coverage? ☐ Yes ☐ No
If yes, are dependents of domestic partners eligible to enroll for coverage? ☐ Yes ☐ No
If yes, are dependents of domestic partners eligible for continuation of coverage? ☐ Yes ☐ No
The Employer is responsible for providing notice of possible tax implications to those Covered Employees with coverage for domestic partners and/or dependents of domestic partners.

6. **Limiting Age for covered children**: Twenty-six (26) years, regardless of presence or absence of a child's financial dependency, residency, student status, employment status, marital status, eligibility for other coverage, or any combination of those factors. Other: _____

7. **Termination of coverage upon reaching the Limiting Age**:
☐ The last day of coverage is the day prior to the birthday.
☒ The last day of coverage is the last day of the month in which the limiting age is reached.
☐ The last day of coverage is the last day of the billing month.
☐ The last day of coverage is the last day of the year (12/31) in which the limiting age is reached.
☐ The last day of coverage is the day prior to the Employer's Anniversary Date.
Automatically cancel dependents when they reach the day their coverage terminates? ☒ Yes ☐ No
**Automatically canceling dependents is not recommended for accounts with automated eligibility*

Will coverage for a child who is medically certified as disabled and dependent on the employee terminate upon reaching the Limiting Age even if the child continues to be both disabled and dependent on the employee?

☐ Yes ☒ No

However, such coverage shall be extended in accordance with any applicable federal or state law and the Disabled Dependent provisions of this BPA. The Employer will notify BCBSNM of any instance where the continuation of disabled dependent coverage is required.

8. **Disabled dependent:** A disabled dependent means a dependent child who is medically certified as disabled and dependent upon the Employee or his/her spouse. A child is a disabled child when the child is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, per Internal Revenue Code Section 22(e)(3).

   To administer medical certification of disabled dependents, you may select option (a) Standard Rules or (b) Custom Rules. BCBSNM will administer its standard process for administration of disabled dependent coverage if (a) below is selected by Employer, or at the Employer's direction memorialized below, BCBSNM will follow a customized process if Employer selects (b). If (b) is selected there are additional selections regarding age, proof of prior coverage, certification review, forms, and previous medical certification approvals.

(a) ☒ Disabled dependent administration will follow **Standard Rules.**

A disabled dependent is eligible to ***continue*** coverage beyond the limiting age, provided the disability began before the child attained the age of 26. A disabled dependent is eligible to ***be added to*** coverage beyond the limiting age, provided the disability began before the child attained the age of 26, and proof of coverage as a disabled dependent is provided. Administration of certification review is administered by BCBSNM; a disabled dependent certification form must be submitted to BCBSNM.

(b) ☐ Disabled dependent Administration will follow **Custom Rules**. Please make the following sections:

Age: *Please select one option regarding age of when the disability began.*
☐ The disability must have begun before the child attained the age of 26.
☐ All disabled dependents are covered regardless of when the disability began.

Proof of prior coverage: *Please select required or not required below:*
When ***adding*** coverage, proof of prior coverage as a disabled dependent is ☐ required ☐ not required.

Certification review: *Please select one option regarding the administration of certification review.*
☐ Certification review is administered by BCBSNM; a disabled dependent certification form must be submitted to BCBSNM.
☐ Certification review is administered by the Employer; there are no disabled dependent certification form requirements.

If certification review is administered by BCBSNM, *please select one option regarding forms:*
☐ Utilize BCBSNM disabled dependent certification forms.
☐ Utilize custom/other disabled dependent certification forms.

If Certification Review is administered by BCBSNM, please *select allowed or not allowed below:*
A disabled dependent approved certification from a prior insurance carrier is ☐ allowed ☐ not allowed.
A disabled dependent approved certification from a prior BCBS policy is ☐ allowed ☐ not allowed.

9. Will extension of benefits due to temporary layoff, disability or leave of absence apply?
☐ Yes (specify number of days below) ☒ No
Temporary Layoff: days Disability: days Leave of Absence: days
However, benefits shall be extended for the duration of an Eligible Person's leave in accordance with any applicable federal or state law. The Employer will notify BCBSNM in any instance where an extension of benefits is to be provided due to a temporary layoff, disability, or leave of absence.

10. Enrollment:

Special Enrollment: An Eligible Person may apply for coverage, family coverage or add dependents within thirty-one (31) days of a Special Enrollment qualifying event if he/she did not previously apply prior to his/her Eligibility Date or when otherwise eligible to do so. Such person's Coverage Date, family Coverage Date, and/or dependent's Coverage Date will be the effective date of the qualifying event or, in the event of Special Enrollment due to marriage or termination of previous coverage, then no later than the first day of the Plan Month following the date of receipt of the person's application of coverage.

An Eligible Person may apply for coverage within sixty (60) days of a Special Enrollment qualifying event in the case either of a loss of coverage under Medicaid or a state Children's Health Insurance program, or eligibility for group coverage where the Eligible Person is deemed qualified for group coverage assistance under a state Medicaid or CHIP premium assistance program.

Open Enrollment: An Eligible Person may apply for coverage, family coverage or add dependents if he/she did not apply prior to his/her Eligibility Date or did not apply when otherwise eligible to do so, during the Employer's annual Open Enrollment Period. Such person's Coverage Date, family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by the Claim Administrator and the Employer. Such date shall be subsequent to the Open Enrollment Period. Specify Open Enrollment Period:

Late Enrollment: An Eligible Person may apply for coverage, family coverage or add dependents if he/she did not apply prior to his/her Eligibility Date or did not apply when otherwise eligible to do so. Such person's Coverage Date, family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by the Claim Administrator and the Employer.

Select one of the provisions below:

☒ Open Enrollment – Late applicants may only apply during Open Enrollment.
☐ Late Entrant – Late applicants may apply at any time – coverage effective date is determined by the receipt date and the rules governing off-cycle enrollments.

11. * Does COBRA Auto Cancel apply? ☒ Yes ☐ No
Member's COBRA/Continuation of coverage will be automatically cancelled at the end of the member's eligibility period.
**Not recommended for accounts with automated eligibility*

CURRENT EMPLOYEE ELIGIBILITY INFORMATION

☐ **NO CHANGES** **Current number of Employees enrolled** 570 ☐ **SEE ADDITIONAL PROVISIONS**

Current Employee Eligibility Information only applies to new accounts. If your account is renewing, please just indicate the current number of enrolled employees (above).

Total number of Employees:

1. on payroll: _____
2. presently eligible for coverage: _____
3. serving new hire probationary period: _____
4. with other coverage (i.e., other group coverage, Medicare, Medicaid, TRICARE/Champus): _____
5. total number of individuals currently covered under COBRA: _____
6. with retiree coverage (if applicable):_____

Lines of Business (Check all applicable services)	☐ NO CHANGES ☐ See Additional Provisions

Medical Plan Services:

☐ PPO: Plan Name
☒ Dual Option
Plan Name: Blue PPO 35
Plan Name: Blue PPO 45
☐ EPO
☐ POS
Consortium Pricing (National Groups) ☐ Yes ☒ No
Other:

Additional Services:

☒ Wellbeing Management
☐ Wellness Incentives
☐ Health Advocacy Solutions
☐ Mercer Health Advantage
☐ Custom Care Management Unit
☐ Blue Directions℠ (Private Exchange) *(If selected, the Blue Directions Addendum is attached and made a part of the parties' Administrative Services Agreement.)*

☒ Limited Fiduciary Services for Claims and Appeals
☐ Other Select Product
☐ Other Select Product
☐ Other Select Product
☐ Other Select Product
☐ Other
☐ Other

Consumer Driven Health Plan:

☐ BlueEdge℠ HCA Administrative Services *(if selected, complete separate HCA BPA)*
☐ BlueEdge℠ HSA: (Integrated Vendor: Select Vendor)* If HealthEquity, Inc. is selected, BCBSNM to send HSA enrollment to HealthEquity, Inc ☐ Yes ☐ No
Non-Integrated Vendor:
☐ FSA (Integrated Vendor: Select Vendor)*
Non-Integrated Vendor:
☐ HRA (vendor: Select Vendor)*
Non-Integrated Vendor:

Traditional Coverage:

☐ Out-of-Area (Indemnity)

Prescription Drugs:

☒ Covered under a pharmacy benefit *(If selected, the PBM Fee Schedule Addendum must be attached and is part of this BPA)*
☐ Covered under the medical benefit

Pharmacy Network (Select one):

☒ Traditional Select Network
☐ Advantage Network
☐ Preferred Network
☐ Network on PBM Fee Schedule Addendum
Drug List: Basic Drug List
Other (please specify):
PPO/HSA Preventive Drug List:
Please specify: Select Option
Other RX programs: Select Program

Ancillary Services:

☐ Dental Plan Services
☐ Vision Insurance *(if selected, complete a separate application)*
☒ Stop Loss *(if selected, complete separate Application and Policy Schedule for Stop Loss Coverage)*
☒ Life, Disability, Critical Illness, Accident or Hospital Indemnity Insurance *(if selected, complete a separate application for those coverages)*
☐ COBRA Administrative Services *(Please provide name of entity administering COBRA:)*

*An HSA must be paired with a qualified high deductible health plan (HDHP) and follow strict requirements set forth by the Internal Revenue Service (IRS). Employer Groups should seek advice from their independent tax advisor, legal counsel, or other professional counselor, to ensure their proposed benefit strategy with respect to HSAs, FSAs, HRAs, or other benefit arrangements does not conflict with current IRS requirements.

FEE SCHEDULE

Employer shall pay amounts Claim Administrator bills Employer for benefit claims Claim Administrator processes on Employer's behalf as well as administrative fees as set forth in this Fee Schedule.

Payment Specifications ☐ NO CHANGES ☐ SEE ADDITIONAL PROVISIONS

Employer Payment Method: ☐ Online Bill Pay ☒ Electronic ☐ Auto Debit ☐ Check

Employer Payment Period: ☒ **Weekly** (cannot be selected if Check is selected as payment method above)

☐ **Semi Monthly** (cannot be selected if Check is selected as payment method above)

☐ **Monthly**

Run-Off Period: Employer payments are to be made for 12 months following end of Fee Schedule Period. *Standard is twelve (12) months.*

Fee Schedule Period: To begin on Effective Date of Coverage and continue for 12 months. If other than 12 months, please specify: months.

Administrative Per Employee Per Month (PEPM) Charges ☐ NO CHANGES ☐ SEE ADDITIONAL PROVISIONS

	Medical			
Administrative Fee	$67.68	$	$	$
Dental	$	$	$	$
Claims Fiduciary	$	$	$	$
Advanced Payment Review	25% $	% $	% $	% $
*Medical Drug Rebate Credit	$(2.50)	$( )	$( )	$( )
*Rebate Credit for the Prescription Drug Program	$(77.44)	$( )	$( )	$( )
Telehealth (Virtual Visits)	$Included	$	$	$
Wellbeing Management	$Included	$	$	$
Health Advocacy Solutions	$	$	$	$
Commissions: _____	$	$	$	$
Commissions: _____	$	$	$	$
Commissions: _____	$	$	$	$
Other: Select Service Category List Service:	$	$	$	$
Other: Select Service Category List Service:	$	$	$	$
Other: Select Service Category List Service:	$	$	$	$
Miscellaneous:	$	$	$	$
Miscellaneous:	$	$	$	$
Total	$(12.26)	$	$	$

*The Rebate Credit is a per Covered Employee per month credit applied to the monthly billing statement. The Employer and Claim Administrator have agreed to the Rebate Credit and Employer agrees that it and its group health plan have no right to, or legal interest in, any portion of the rebates, either under the pharmacy benefit or the medical benefit, actually provided by the Pharmacy Benefit Manager ("PBM") or a pharmaceutical manufacturer to Claim Administrator and consents to Claim Administrator's retention of all such rebates. The Rebate Credit will be provided from Claim Administrator's own assets and may or may not equal the entire amount of rebates actually provided to Claim Administrator by the PBM or expected to be provided. Rebate Credits shall not continue after termination of the Prescription Drug Program. Employer agrees that any Rebate Credit provision in the governing Administrative Services Agreement to the contrary is hereby superseded.

Administrative Line Item Charges ☐ **SEE ADDITIONAL PROVISIONS**	**Frequency**	**Amount**
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	_____%
	Total:	$_____

Other Service and/or Program Fee(s) ☒ **NO CHANGES** ☐ **SEE ADDITIONAL PROVISIONS**

NSA Fees

In connection with the claims, items, and services that are subject to the No Surprises Act ("NSA") and disputed by a Provider, Employer agrees to pay Claim Administrator the following fees:

- Fifty dollars ($50) for each claim that is the subject of informal negotiation with a Provider (this fee will be charged in the event the Provider, in its sole discretion, determines that it will not accept the initial payment amount); and
- An additional seventy-five dollars ($75) per claim for each independent dispute resolution process ("IDR") where Claim Administrator represents Plan (this fee will be charged in the event the Provider, in its sole discretion, determines that it will initiate IDR after the informal negotiation period); and

All costs imposed by the IDR entity or any state, federal or local government entity in connection with an IDR.

External Review Coordination: ☒ Yes ☐ No

If yes, coordination fee: $700 for each external review requested by a Covered Person that the Claim Administrator coordinates for the Employer in relation to the Employer's Plan.
Employer elects for external reviews to be performed under the Affordable Care Act external review process.

If no, provide name and address of administrator(s) of external review coordination and indicate if administrating medical claims and/or pharmacy claims:

Administrator: Medical claims: ☐ Pharmacy claims: ☐ Name: Mailing Address:
Administrator: Medical claims: ☐ Pharmacy claims: ☐ Name: Mailing Address:

Advanced Payment Review (APR): ☒ Yes ☐ No

APR is a suite of payment integrity offerings. Refer to the Matrix. If Employer elects APR, indicate APR Savings Program or PEPM below:

☒ APR Savings Program

☐ PEPM

For APR capabilities other than Reimbursement Services: If Employer elects APR Savings Program, Claim Administrator will invoice the percentage indicated in the Fee Schedule of any savings amounts identified by Claim Administrator or third-party vendor.

Reimbursement Services: ☒ Yes ☐ No If yes, Claim Administrator will retain twenty-five percent (25%) of any recovered amounts made on third-party liability claims other than recovery amounts received as a result of or associated with any Workers' Compensation Law.

FlexAccess™: ☐ Yes ☒ No

As part of its plan design, Employer has directed Claim Administrator to administer claims, copay and coinsurance requirements for Covered Persons enrolled in the FlexAccess program, including (i) adjusting Covered Persons' copayment amounts to the amount of the manufacturer copay assistance, (ii) applying such manufacturer assistance to reduce Covered Persons' out of pocket costs, and (iii) not applying the manufacturer assistance to Covered Persons' deductibles and/or out of pocket maximum accumulators. Employer agrees that FlexAccess is a plan design decision of Employer and is consistent with Employer's plan design and supported by plan documents. Employer further agrees it is solely responsible for, and will hold Claim Administrator harmless from, the legal and regulatory compliance of the Plan and its plan design, to the extent permitted by law.

Claim Administrator will assess a program fee equal to 20% of the total shared savings. Total shared savings is calculated as the difference between Employer responsibility without the FlexAccess Program and Employer responsibility with the FlexAccess Program. The Employer responsibility without the FlexAccess Program is the cost of the drug minus the Covered Person's cost share if the Covered Person was not enrolled in the program. The Employer responsibility with the FlexAccess Program is the cost of the drug minus: (1) the manufacturer copay assistance dollars that are allocated to the cost of the drug and (2) the cost share for the Covered Persons enrolled in the program.

FLEXACCESS™ QUALIFIED HDHP: ☐ Yes ☒ No

As part of its plan design, Employer has directed Claim Administrator to administer claims, copay and co-insurance requirements for Covered Persons enrolled in FlexAccess Qualified HDHP, including applying such manufacturer copay assistance to reduce Covered Persons' out of pocket costs, and not applying the manufacturer assistance to Covered Persons' deductibles and/or out of pocket maximum accumulators. Employer agrees that FlexAccess Qualified HDHP is a plan design decision of Employer and is consistent with its plan design and supported by the Employer's plan documents. Employer further agrees it is solely responsible for, and will hold Claim Administrator harmless from, the legal and regulatory compliance of the Plan and its plan design, to the extent permitted by law.

Claim Administrator will assess a fee equal to 20% of program savings for administrative fees. Program savings (shared savings) will be calculated based on the manufacturer copay assistance dollars that are allocated to the cost of the drug minus the Covered Persons' estimated cost share (copay or coinsurance) that would have been paid if they were not enrolled in the program.

The difference between Employer Responsibility for claims utilizing FlexAccess Qualified HDHP and not utilizing FlexAccess Qualified HDHP includes as follows:

WITH FLEXACCESS QUALIFIED HDHP: Cost of drug – amount manufacturer copay assistance used – Covered Persons' out-of-pocket cost (if any) up to Deductible... Copay assistance reversed from deductible. Plan pays no portion.

WITHOUT FLEXACCESS QUALIFIED HDHP: Cost of drug – Covered Persons' out-of-pocket cost - Non-FlexAccess Qualified HDHP coupon… Copay assistance applied to Deductible. Plan may pay portion of claim after deductible met

Third-Party Law Firms Provisions (other than Reimbursement Services):

Employer will pay no more than 35% of any recovered amount made by Claim Administrator's third-party law firm or up to 35% of any recovered amount will be deducted from the amount distributed according to established allocation processes.

Alternative Compensation Arrangements: Employer acknowledges and agrees that Claim Administrator has Alternative Compensation Arrangements with contracted Providers, including but not limited to Accountable Care Organizations and other Value Based Programs. Further information concerning Employer's payment for Covered Services under such Arrangements is described in the Administrative Services Agreement between the Claim Administrator and the Employer.

Virtual Visits Program: ☒ Yes ☐ No
If yes, Covered Persons would be able to obtain certain Covered Services remotely via interactive video and/or interactive audio/video (where available) capability from Virtual Visits powered by MDLIVE.

MDLIVE® is a separate company that operates and administers Virtual Visits for persons with coverage through Blue Cross and Blue Shield of New Mexico. MDLIVE is solely responsible for its operations and for those of its contracted providers. MDLIVE® and the MDLIVE logo are registered trademarks of MDLIVE, Inc., and may not be used without permission.

Termination Administrative Charge

The Termination Administrative Charge applicable to the Run-Off Period shall be equal to the sum of the amounts obtained by multiplying the total number of Covered Employees by category (*per Covered Employee per individual or family composite)* during the three (3) months immediately preceding the date of termination by the appropriate factor shown below. In the event of a partial termination, the Termination Administrative Charge shall be the sum of the amount obtained by multiplying three (3) times the total number of terminated Covered Employees by the appropriate factors shown below.

Service	Medical			
Medical Run-off Administration Charge	$23.68	$_____	$_____	$_____
Dental Run-off Administration Charge	$_____	$_____	$_____	$_____
Miscellaneous	$_____	$_____	$_____	$_____
Miscellaneous	$_____	$_____	$_____	$_____
Total:	$23.68	$_____	$_____	$_____

Other Provisions ☒ **NO CHANGES** ☐ **SEE ADDITIONAL PROVISIONS**

1. **Summary of Benefits & Coverage**:
   a. Will Claim Administrator create Summary of Benefits and Coverage (SBC)?
      ☒ Yes. Please answer question b. The SBC Addendum is attached.
      ☐ No. If No, then skip question b and refer to the Administrative Services Agreement for further information.
   b. Will Claim Administrator distribute the (SBC) to Covered Persons?
      ☒ No. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Administrative Services Agreement) and provide SBC to Employer in electronic format. Employer will then distribute SBC to Covered Persons (or hire a third party to distribute) as required by law.
      ☐ Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Administrative Services Agreement) and distribute SBC to Covered Persons via regular hardcopy mail or electronically. Distribution Fee for hardcopy mail is one dollar and fifty cents ($1.50) per package.

2. **Massachusetts Health Care Reform Act**:
   Does the Employer direct Claim Administrator to provide written statements of creditable coverage to its Covered Employees who reside, or have enrolled dependents who reside, in Massachusetts and file electronic reports to the Massachusetts Department of Revenue in a manner consistent with the requirements under the Massachusetts Health Care Reform Act? ☒ Yes ☐ No
   If no: The Employer acknowledges ☐ it will provide written statements and electronic reporting to the Massachusetts Department of Revenue if required by the Massachusetts Health Care Reform Act or ☐ that it does not believe it is subject to the notification and reporting requirements of the Massachusetts Health Care Reform Act.

Please note Employer will be responsible for conducting or otherwise performing creditable coverage eligibility testing. By electing Claim Administrator to disseminate the above written statements, Employer is representing that any such coverage qualifies as creditable coverage under the applicable Massachusetts Health Care Reform Act requirements.

3. **Alternative Care Management Program** (applicable to the purchased medical management program):
☒ Yes ☐ No
The undersigned representative authorizes provision of alternative benefits for services rendered to Covered Persons for Utilization Management, Case Management, including but not limited to Behavioral Health, and other health care management programs.

4. **Prior Authorization** (applicable to the purchased medical management program): Employer acknowledges and agrees to utilize Claim Administrator's standard list of services and supplies for which Prior Authorization (also called pre-notification or preauthorization) is required.

5. **Essential Health Benefits ("EHB") Election**:
Employer elects EHBs based on the following:
1. ☒ EHBs based on a Claim Administrator state benchmark:
☐ Illinois ☐ Montana ☒ New Mexico ☐ Oklahoma ☐ Texas
2. ☐ EHBs based on benchmark of a state other than IL, MT, NM, OK and TX
If so, indicate the state's benchmark that Employer elects: ___
3. ☐ Other EHB, as determined by Employer

In the absence of an affirmative selection by Employer of its EHBs, then Employer is deemed to have elected the EHBs based on the New Mexico benchmark plan.

6. This ASO BPA is binding on both parties and is incorporated into and made a part of the Administrative Services Agreement between the parties with both such documents to be referred to collectively as the "Administrative Services Agreement" unless specified otherwise.

7. **Independent Dispute Resolution Process**:
Employer authorizes and directs Claim Administrator to offer an amount not to exceed the greater of the Qualifying Payment Amount (QPA) or the amount allowed on the initial notice of payment or denial of a claim on behalf of the Employer during negotiations under the federal IDR process.

Additional Provisions: 1. Claim Payments are settled within 10 days.
2. Claims incurred outside HCSC service areas through the BlueCard program may be assessed a BlueCard access fee of no more than 3.79% of the discount applied, not to exceed $2,000 per claim. An estimate of this access fee is included in our projected claim figures.
3. Administrative services includes performance guarantees for services and discounts. The PG Exhibit, Network Discount Exhibit and PG Addendum are part of this BPA.

Signature

Martha E. Jarrett	
Sales Representative	Signature of Authorized Purchaser
NM 505-816-2635	
District Phone & FAX Numbers	Print Name
Charlene Fairchild	
Producer Representative	Title
Aon Consulting, Inc.	
Producer Firm	Date
6501 America's Parkway NE Suite 650 Albuquerque, NM 87110	
Producer Address	
303-639-4117 847-956-0916	
Producer Phone & FAX Numbers	
charlene.fairchild@aon.com	
Producer Email Address	
95-3252415	
Tax I.D. No.	

PROXY

The undersigned hereby appoints the Board of Directors of Health Care Service Corporation, a Mutual Legal Reserve Company, or any successor thereof ("HCSC"), with full power of substitution, and such persons as the Board of Directors may designate by resolution, as the undersigned's proxy to act on behalf of the undersigned at all meetings of members of HCSC (and at all meetings of members of any successor of HCSC) and any adjournments thereof, with full power to vote on behalf of the undersigned on all matters that may come before any such meeting and any adjournment thereof. The annual meeting of members is scheduled to be held each year in the HCSC corporate headquarters on the last Tuesday of October at 12:30 p.m. Special meetings of members may be called pursuant to notice provided to the member not less than thirty (30) nor more than sixty (60) days prior to such meetings. This proxy shall remain in effect until either revoked in writing by the undersigned at least twenty (20) days prior to any meeting of members or by attending and voting in person at any annual or special meeting of members.

From time to time, HCSC pays indemnification or advances expenses to its directors, officers, employees or agents consistent with HCSC's bylaws then in force and as otherwise required by applicable law.

☐ Intentionally left blank by the Employer

Group No.: 251307

By: _____
Print Signer's Name Here

➡ _____
Signature and Title

Group Name: Incorporated County of Los Alamos

Address: 1000 Central Ave, Suite 230

City: Los Alamos State: NM ZIP: 87544

Dated this _____ day of _____
Month Year

Exhibit A.4-1(i)
BPA Addendum – Pharmacy Benefit Fee Schedule
(1/1/2026 – 12/31/2026)
AGR24-67-A1

PBM Fee Schedule Addendum to the Benefit Program Application

County of Los Alamos	
Term: 01/01/2026-12/31/2026	Employees: 569
Guaranteed Traditional Aggregate Pricing Arrangement C1*	
Traditional Select Network and Basic Drug List	
RETAIL	
Brand	Generic
AWP minus	AWP minus
19.45%	83.45%
DISPENSING FEE	
Brand	Generic
$0.75	$0.75
MAIL	
Brand	Generic
AWP minus	AWP minus
23.70%	85.90%
DISPENSING FEE:	$0.00
EXTENDED SUPPLY NETWORK ("ESN") (If Applicable)	
Brand	Generic
AWP minus	AWP minus
22.70%	85.90%
DISPENSING FEE:	$0.00
Aggregate Specialty Discount	
Pricing based on Employer's use of the Prime Specialty network	AWP minus: 21.65%
DISPENSING FEE:	$0.00

Rebate Credits to Employer:	
PEPM Rebate Credits to Employer:	xxx

Employer Administration Fees:	
PBM Administration Fees PEPM:	$0.00

Consulting Fee/Commission:	xxx Please select

Additional Provisions:

[1] Employer will be billed for retail brand and retail generic prescriptions, mail brand and mail generic prescriptions, ESN brand and ESN generic, and Specialty pharmacy claims (excluding compound prescriptions) based on the lesser of (a) U&C or (b) PBM's adjudication rate schedule(s) that is/are intended to achieve, on an aggregate calendar-year basis, the AWP discounts and Dispensing Fees shown above for all of Claim Administrator's group customers that have purchased the above specific pricing arrangement ("Groups with the Pricing Arrangement") and use the above Network (the "Employer's Contract Rates").

For purposes of setting Employer's Contract Rates and calculating whether the AWP discounts and Dispensing Fees have been achieved:

a. Brand drugs are defined as all drugs that have a Medi-Span multisource code field equal to "M", "N", or "O".

b. Generic drugs are defined as all drugs available in sufficient supply that have a Medi-Span multisource code field equal to "Y".

Employer acknowledges and agrees that Employer's Contract Rates may vary based on market influences and as necessary to achieve the AWP discounts and Dispensing Fees shown above, on an aggregate calendar year basis, for Groups with the Pricing Arrangement that use the above Network. However, such variation for Brand products in each of the Retail, Mail, and ESN categories (on an aggregate annual basis) may only vary by +/-1.5% from the applicable AWP discount shown above.

Employer will be billed the above Dispensing Fee (such Fee may be included in the amount billed to Employer) unless the Employer is billed based on the U&C price. If the Employer is billed based on the U&C price, then the Dispensing Fee is included in such U&C price.

Employer will be billed for Compound Drug claims based on the applicable discounted rate in the Network Contract.

Employer will be billed for Foreign Claims based on an amount equal to the amount billed by the pharmacy.

Employer will be billed for out-of-network claims based on the pricing set forth in the Administrative Services Agreement and/or PBM Exhibit, as applicable.

If the AWP discounts and Dispensing Fees shown above are not achieved for a particular calendar year, for Groups with the Pricing Arrangement that use the above Network, then Employer will be credited, 120 days after the end of each calendar year during the Term, an amount calculated as follows:

- First, the total aggregate shortfall dollar amount for the calendar year for Groups with the Pricing Arrangement that use the above Network will be calculated by comparing the actual performance of each of the above categories (Retail, Mail, ESN, and Specialty) with the corresponding AWP discounts and Dispensing Fees shown above for each category. The amount of any performance in any category that exceeds the above AWP discounts and Dispensing Fees will be used to offset any and all shortfall(s) in any or all categories. The above aggregate shortfall, if any, is then divided by total claims for Groups with the Pricing Arrangement that use the above Network, and did not terminate their Addendum prior to their anniversary date, for the calendar year ("Per Claim Amount"). Then the Per Claim Amount will be multiplied by Employer's total claims for that calendar year to calculate the reconciliation credit. However, if Employer terminates this Addendum prior to its anniversary date and the above Guaranteed Traditional Aggregate Pricing Arrangement is not achieved, then Employer will not be eligible to receive such credit.

- For purposes of determining if a shortfall exists, claims billed to Employer based on the U&C price will be considered to have $0.00 Dispensing Fees.

- Compound Drug, Foreign, reversed, member submitted, long term care (LTC), home infusion, veterans affairs, Indian/tribal/urban pharmacy, 340B eligible, Medicare/Medicaid, coordination of benefits (COB), subrogation, paper, invalid, usual and customary (U&C), Direct Member Submitted, Covid related, and out-of-network claims are excluded from the calculation of whether the AWP discounts and Dispensing Fees shown above have been achieved and also are excluded from the calculation of any shortfall credit for Employer.

- Non-specialty discount and dispensing fees also exclude specialty (as defined by the BCBS specialty drug pricing file).

- If the AWP discounts and Dispensing Fees shown above are exceeded for Groups with the Pricing Arrangement that use the above Network, then Employer will not receive any credit, and there will not be a year-end settlement.

- Under the Guaranteed Traditional Aggregate Pricing Arrangement any particular group customer's experience relative to the pricing guarantees will not determine its eligibility for a credit. Group customer's eligibility for a credit is determined based on the aggregate experience of all group customers that have purchased the Pricing Arrangement and use the above Network. As such, an individual group customer may have experience that does not meet, or exceeds, the AWP discounts and Dispensing Fees shown above. In addition, when there is a reconciliation credit, it is allocated in a manner described above and not based on any particular group's experience (other than number of claims).

- MedsYourWay program claims will be included in calculation of the discount and Dispensing Fee pricing guarantees. MedsYourWay is the embedded drug discount card comparison program utilized where available and applicable to Employer, Network Pharmacy, and the Covered Drug

PBM uses Medi-Span as the pricing source to establish AWP, for purposes of calculating whether the above AWP discounts have been achieved.

Members' cost share is the applicable copayment, deductible, and/or coinsurance, which coinsurance is calculated based on the Employer's Contract Rate or the applicable out-of-network pricing. Zero balance logic is not employed.

AWP discounts are based on the actual NDC-11 dispensed.

AWP discounts do not include savings from drug utilization review or other clinical or medical management programs.

The above Guaranteed Traditional Aggregate Pricing Arrangement, Rebate Credits and Administrative Fees may be subject to change if the Employer's claims include 340B pricing.

In addition to the rights of the parties under the PBM Exhibit, if changes occur within the pharmacy benefit management marketplace which lead to a significant deviation from the current economic environment, both parties agree to engage in good faith negotiations to amend this Addendum to make impact on both parties commercially reasonably economically neutral. If the parties cannot agree on the terms of the amendment, either party shall be allowed to (a) proceed to dispute resolution, as set forth in the Administrative Services Agreement or (b) terminate this Addendum with 90 days' prior written notice to the other party. Failure to reach agreement on the amendment shall not be a breach of contract.

The above Guaranteed Traditional Aggregate Pricing Arrangement, Rebate Credits and Administrative Fees are based on the Network and Drug List shown above.

Unless otherwise specified in this Addendum, capitalized terms used in this Addendum shall have the meanings set forth in the Administrative Services Agreement or the PBM Exhibit, as applicable.

Aggregate Specialty Discount and Dispensing Fee guarantees include limited distribution drugs (LDD) and new to market specialty drugs.

* Employer Payments to Claim Administrator for Covered Services provided by Network Participants are calculated based on the pricing terms set forth in this Addendum which shall remain in effect for the term of this Addendum to the extent described in the Administrative Services Agreement. Such pricing may or may not equal the amounts actually paid to the Network Participants or received from drug manufacturers (e.g., rebates), or the amounts paid or received between Claim Administrator and the PBM. As a result, the PBM or Claim Administrator may realize positive margin on prescriptions filled at retail, mail order, ESN or specialty pharmacies or prescription drug rebates. Employer acknowledges that it has negotiated for the specific traditional pricing terms set forth in this Addendum, and that it and its group health plan have no right to, or legal interest in, any portion of any positive margin retained by Claim Administrator or PBM and consents to Claim Administrator's and PBM's retention of all such amounts.

_____

Signature of Authorized Purchaser

_____

Print Name

_____

Title

_____

Date

Exhibit A.7
Addendum PG – Performance Guarantees
AGR24-67-A1

ADDENDUM PG
PERFORMANCE GUARANTEES

The Performance Guarantees described herein shall apply to the Administrative Services Agreement (the "Agreement") to which this Addendum is attached and have the same force and effect as the Agreement's most current Fee Schedule, unless amended, replaced, or terminated by the parties to the Agreement in writing.

All obligations, definitions, terms, conditions, promises, agreements, and language in the Agreement and its most current Fee Schedule apply equally to the obligations, terms, conditions, promises, agreements, and language in this Addendum PG and its most current Exhibit-PG.

SECTION I
TIMING

A. The period for which the Claim Administrator's performance will be measured and for which Employer may receive a refund is referred to as the Settlement Period and is indicated on the most current Exhibit-PG.

B. The measurement of Performance Guarantees will begin on the date indicated on the most current Exhibit-PG provided all of the requirements listed below are completed. The requirements are as follows:

1. Benefit information and claims administrative procedures have been provided by Employer to the Claim Administrator,

2. All accumulation totals, if applicable, have been received from the prior carrier and have been loaded onto the Claim Administrator's claims processing system,

3. Accurate and complete membership information has been received and loaded onto the Claim Administrator's claims processing system, and

4. Transfer Payment procedures have been established in accordance with the Agreement.

SECTION II
DETERMINATION

A. The Claim Administrator agrees to guarantee performance levels as indicated on the most current Exhibit-PG. In the event that the Claim Administrator's level of performance is determined to be less than any of the standards described in the most current Exhibit-PG during a Settlement Period for which the Claim Administrator's performance shall be evaluated for any reason, except any disaster or epidemic which substantially disrupts the Claim Administrator's normal business operation, the Claim Administrator will be responsible for reimbursing Employer a portion of the Administrative Charge.

B. The Claim Administrator will measure Performance Guarantees and report the measurement results to Employer, and any refund amounts due in accordance with this Addendum PG within 120 days following the close of all measurement periods necessary to finalize Performance Guarantee results for the Settlement Period.

C. The Claim Administrator will not be obligated to measure Performance Guarantees and will not be obligated to refund Employer based thereon until the Administrative Services Agreement (including the most current Exhibit-PG) has been executed and is on file with the Claim Administrator by the close of the applicable Settlement Period.

D. The Claim Administrator will not be obligated to measure Performance Guarantees and will not be obligated to refund Employer based thereon for any portion of the Settlement Period in which the Employer:

1. Fails to provide the Claim Administrator with Timely changes in enrollment or membership information or any other reports or information as may be necessary for the Claim Administrator to perform its administrative duties, including but not limited to identification or certification of claimants eligible for benefits, dates of eligibility, number of employees and dependents covered under the Plan; or

2. Fails to pay Administrative Charges in accordance with the terms of the Agreement or comply with all established Transfer Payment procedures.

E. The Claim Administrator will not be obligated to measure any Performance Guarantee impacted by changes requested in writing by Employer during the time period required to modify the Claim Administrator's system and to complete all other tasks necessary to achieve the same qualitative standard of execution that existed before the change was requested. All changes or amendments to the Plan must be submitted to the Claim Administrator in accordance with the Agreement.

F. If for any reason there is a significant change in the benefit structure or the administrative procedures of the benefit coverage administered by the Claim Administrator, Medicare payment systems, or if the enrollment of the Plan's benefit coverage administered by the Claim Administrator varies in number of enrolled Covered Employees as indicated in the most current Exhibit-PG attached to and made a part of this Addendum during any Settlement Period, the Claim Administrator reserves the right to re-evaluate and renegotiate the level of performance and/or the Administrative Charges at risk in this Addendum PG and the attached Exhibit-PG.

G. If for any reason the Agreement is terminated prior to the end of any Settlement Period, the Performance Guarantees will not be measured and Employer will not receive any refund, based on that part of the Settlement Period in which the Administrative Services Agreement was in effect.

H. If (i) changes to the formula, methodology or manner in which a third-party benchmark (such as AWP) is calculated or reported take effect, or (ii) such third party ceases to publish such benchmark, then the performance guarantees and/or standards based on such benchmark in this Agreement, if any, shall be re-evaluated and adjusted or converted to an alternative benchmark by Claim Administrator or its designee at the time of such change to return the parties to their respective economic positions with respect to such guarantees and/or standards as they existed under the Agreement immediately prior to such change.

Exhibit A.7(i)
Exhibit PG Medical Preferred Provider Organizations
AGR24-67-A1

EXHIBIT-PG
EMPLOYER NAME: COUNTY OF LOS ALAMOS
Employer Account Number: 251305
Employer Group Number: 251307
Effective for the Settlement Period beginning January 1, 2025, and ending December 31, 2025
Effective for the Settlement Period beginning January 1, 2026, and ending December 31, 2026
Effective for the Settlement Period beginning January 1, 2027, and ending December 31, 2027

Performance guarantees are contingent upon adherence to the terms and conditions of Addendum-PG to which this Exhibit is attached and maintaining an enrollment in the Plan medical benefit coverage administered by Claim Administrator of not less than **503** Covered Employees, based on a total of **559** contracts. Performance measurement will begin **January 1, 2025.** Performance Guarantees are measured and settled annually.

SERVICE - Medical	Defined Performance Guarantees	Performance Guarantee	Percentage of the Administrative Charge at Risk
Claims Processing Turnaround Time – All Claims	**Claims Processing Turnaround Time** means the period beginning on the date the Claim Administrator or Host Blue Plan receives a Claim for processing through the date the Claim passes all system edits and benefits are approved or denied by the Claim Administrator. The performance guarantee is measured as a percent of all Claims processed within 30 calendar days. Method of Measurement: The number of Claims processed in 30 calendar days divided by the total number of claims. Measurement is based on claims processed for those customers assigned to the Unit.	97.0% - 100% 95.0% - 96.9% 0% - 94.9%	0% 1% 2%
Claim Processing Accuracy	**Claim Processing Accuracy** is defined as the percent of Claims processed accurately in accordance with the provisions of the medical benefit coverage administered by the Claim Administrator. Claim Processing Accuracy refers to Claims without processing errors such as: 1. Coding - incorrect claim data entry. 2. Failure to adhere to the Employer's health care benefit program design. 3. Failure to adhere to the administrative procedures. 4. System generated errors, benefit programming errors, calculation errors. 5. Excluding: a. Any administrative inaccuracies that do not impact claims disposition or customer reporting; b. Errors entered by providers of service; c. Benefits provided to an ineligible claimant due to the Employer's failure to provide timely and accurate eligibility information to the Claim Administrator. Method of measurement: The accuracy rate is determined from a statistically valid random stratified sample audit of all Claims processed during the settlement period. A Claim Processing Accuracy percentage is calculated for each stratum by dividing the number of accurately processed Claims by the number of Claims selected in the stratum. Each accuracy	95.0% - 100% 93.0% - 94.9% 0% - 92.9%	0% 1% 2%

SERVICE - Medical	Defined Performance Guarantees	Performance Guarantee	Percentage of the Administrative Charge at Risk
	percentage is then weighted according to the total claim population. The Claim Processing Accuracy rate is determined by summing the weighted accuracy from each stratum. Measurement is based on an audit of claims processed for those customers assigned to the Unit.		
Claim Financial Accuracy	**Claim Financial Accuracy** means the percent of dollars paid accurately in accordance with the provisions of the medical benefit coverage administered by the Claim Administrator. Method of measurement: The accuracy rate is determined from a statistically valid random stratified sample audit of all Claims paid during the Settlement Period. Total dollars overpaid and total dollars underpaid are projected over each stratum. Claim Financial Accuracy is computed by summing the projected overpayments and the projected underpayments (*absolute value*) from each stratum and dividing by the total dollars paid in the population. The end result is subtracted from one for the accuracy rate. Measurement is based on an audit of claims processed for those customers assigned to the Unit.	98.0% - 100% 96.0% - 97.9% 0% - 95.9%	0% 1% 2%
Customer Service	**Average Speed of Answer of Telephone Calls,** calculated over the complete business day, is defined as the time a caller spends on hold until a customer advocate becomes available. Method of measurement: The average speed of answer will be calculated by dividing the total length of time for all calls, measured from the time a call is queued by the automated telephone system for the next available customer advocate until the time the caller is connected with a customer advocate, by the total number of calls connected with a customer advocate during the Settlement Period. The Average Speed to Answer is provided by telephone reports that compute the average number of seconds that Callers spend on hold waiting for their Call to be answered. Standard is measured using member calls for those customers assigned to the Unit. **Abandoned Calls** are defined as calls, calculated over the complete business day, that reach the facility and are placed in a queue, but are not answered because the caller hangs up before a customer advocate becomes available. Any calls abandoned or terminated by the caller prior to 30 seconds will not be counted as Abandoned Calls. Standard is measured using member calls for those customers assigned to the Unit.	0 - 30 seconds 31 - 60 seconds 61 seconds or more 0% - 3.0% 3.1% - 5.0% 5.1% - 100%	0% 1% 2% 0% 1% 2%
Total Medical			**10%**

FINANCIAL	Defined Performance Guarantees	Performance Guarantee	Percentage of the Administrative Charge at Risk
Network Discount Savings 1/1/2025 – 12/31/2025	**Network Discount Savings** is defined as the percentage of total eligible provider billed charges saved due to Network Provider discounts. Method of measurement: See Exhibit for sample calculation.	See Attached Financial Exhibit	See Attached Financial Exhibit

IN WITNESS WHEREOF, the parties have executed this Exhibit-PG to remain in effect for the indicated period of time.

BLUE CROSS AND BLUE SHIELD OF NEW MEXICO, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company

By: Kathy M. Selck

Kathy Selck
Please Print Name

Title: Vice President & Chief Underwriter

Date: November 5, 2024

COUNTY OF LOS ALAMOS

By: Anne W. Laurent

Anne W. Laurent
Please Print Name

Title: County Manager

Date: 2/13/2025

Exhibit A.7(ii)
Exhibit PG Prescription Drug Program
AGR24-67-A1

PRESCRIPTION DRUG PROGRAM EXHIBIT-PG
EMPLOYER NAME: COUNTY OF LOS ALAMOS
Employer Account Number: 251305
Employer Group Number: 251307
Effective for the Settlement Period beginning January 1, 2025, and ending December 31, 2025
Effective for the Settlement Period beginning January 1, 2026, and ending December 31, 2026
Effective for the Settlement Period beginning January 1, 2027, and ending December 31, 2027

Performance guarantees are contingent upon adherence to the terms and conditions of Addendum-PG to which this Exhibit is attached and maintaining an enrollment in the Plan prescription drug program benefit coverage administered by Claim Administrator of not less than **503** Covered Employees, based on a total of **559** contracts. Performance measurement will begin **January 1, 2025**. Performance Guarantees are measured annually unless otherwise noted. Performance Guarantees are reported and settled on an annual basis only.

SERVICE - PRESCRIPTION DRUG	Defined Performance Guarantees	Performance Guarantee	Dollars at Risk
Implementation Activities (Initial Year Only)	**ID Card Production Turn Around** means that 95% of new participants will be mailed ID cards within ten (10) business days if complete and accurate eligibility data is received on or before November 30, 2024. Measurement: BlueSTAR ID Card Statistical Report. Measured annually on an Employer specific basis.	95% - 100% 94% or less	$0 $2,000
Ongoing Service	**Eligibility Processing** is defined as processing updates within an average of 5 business days from receipt of complete and accurate electronic information. Note: Open enrollment activities are excluded from this measure.	Average 0-5 Business Days = Met Average >5 Business Days = Not Met	$0 $2,000
	Eligibility Error Report is an error report on eligibility file updates that will be provided within five (5) business days of receiving updates. Measured quarterly on an Employer specific basis.	0 - 5 days 6 days or greater	$0 $2,000
	Plan Administration Accuracy means new and revised benefits shall be setup without issue. Setup issues are defined as production variance against BET submissions as identified via audit activity. Prime guarantees an accuracy rate for all Benefit Plan setups. Excluded from PG are benefit setup issues that are a result of erroneous or misinformed client direction or BET submissions. Member benefit setup errors will be counted in the month and year they are confirmed to be an error. The percent accuracy will be measured by using member impact. Measured quarterly at the Blue Plan book of business basis.	98% - 100% 96% - 97% 95% or less	$0 $1,000 $2,000

SERVICE - PRESCRIPTION DRUG	Defined Performance Guarantees	Performance Guarantee	Dollars at Risk
Retail Network Program	**Average Speed of Answer** is defined as the time a Caller spends on hold, after being placed in queue, until a service representative becomes available. Standard is measured by determining the average number of seconds the Caller spends waiting for a service representative, calculated over the complete workday. Measurement is based on calls from those customers assigned to the Unit. Note – This guarantee does not apply to HMO populations.	0 - 30 seconds 31 seconds or greater	$0 $2,000
	Abandoned Calls are defined as Calls, calculated over the complete workday, that reach the facility and are placed in a queue, but are not answered because the Caller hangs up before a service representative becomes available. Measurement is based on calls from those customers assigned to the Unit. Note – This guarantee does not apply to HMO populations.	0% - 3% 4% or greater	$0 $2,000
	RxClaim System Availability 99.75% measured 24 hours a day, 7 days a week based on Prime's book of business. Reports of unplanned downtime (planned downtime is excluded) from Prime's service management ticketing system will be utilized for reporting the availability of key systems. Excludes any occurrence of power outages; downtime occurring during the scheduled maintenance window; hardware, software, network or communications failure beyond Prime's control; and downtime/availability experienced by HCSC.	99.75% - 100% 99.74% or less	$0 $2,000
	Claims Processing Accuracy - 99% of Claims will be adjudicated accurately. A random audit of adjudicated claims will occur monthly and will be validated against the Benefit Edit Tool submissions and test claims. Measured annually at the Blue Plan book of business basis.	99% - 100% 98% or less	$0 $2,000
	Paper Claim Turn Around Time means that within fourteen (14) business days, 99% of all paper claims not requiring clarification shall be processed. Measurement does not include payment. Measured annually at the Blue Plan book of business basis.	99% - 100% 98% or less	$0 $2,000
	Geographic Access – Network Members will have access to Network Participants for covered prescription drug services. Measured at the Blue Plan book of business level. Geographic Access means the Claims Administrator guarantees that a Network Participant will be within two (2) miles of a Member in an urban area 90% of the time. Note – These networks do not apply to limited networks, only broad networks.	90% - 100% 89% or less	$0 $2,000
	Geographic Access – Network Members will have access to Network Participants for covered prescription drug services. Measured at the Blue Plan book of business level. Geographic Access means the Claims Administrator guarantees that a Network Participant will be within five (5) miles of a Member in a suburban area 90% of the time. Note – These networks do not apply to limited networks, only broad networks.	90% - 100% 89% or less	$0 $2,000

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SERVICE - PRESCRIPTION DRUG	Defined Performance Guarantees	Performance Guarantee	Dollars at Risk
	Geographic Access – Network Members will have access to Network Participants for covered prescription drug services. Measured at the Blue Plan book of business level. Geographic Access means the Claims Administrator guarantees that a Network Participant will be within fifteen (15) miles of a Member in a rural area 70% of the time. Note – These networks do not apply to limited networks, only broad networks.	70% - 100% 69% or less	$0 $2,000
Mail Service Program ESI	**Turnaround time for routine prescriptions** is defined as the processing time for mail service prescriptions. Measurement is based on the processing time from the date received to the date shipped. The performance guarantee will be measured as a percent of clean prescriptions processed within 2 business days. Measured at the Blue Plan book of business.	96% - 100% 95% or less	$0 $2,000
	Turnaround time for non-routine prescriptions is defined as the processing time for mail service prescriptions. Measurement is based on the processing time from the date the order was received to the date the order was shipped. The performance guarantee will be measured as a percent of prescriptions requiring intervention processed within 5 business days. Intervention means additional information is required before the document claim or prescription can be processed. Measured at the Blue Plan book of business.	98% - 100% 97% or less	$0 $2,000
	Prescription (Mail) Dispensing Accuracy Overall mail service pharmacy accuracy rate of 99.99%. An error will include incorrect patient, incorrect directions, incorrect strength, or incorrect medication in the container. Notwithstanding the foregoing, an error will not include immaterial matters such as generic substitution not addressed, incorrect spelling of a plan member's name on the label, or incorrect spelling of a physician's name. Accuracy is determined by dividing the total number of errors by the total number of prescriptions shipped for its book of business. Measured annually at Prime's book of business.	99.99% - 100% 99.98% or less	$0 $2,000
	Mail Service Member Satisfaction - A survey of Prime Members who have received Covered Drugs from ESI Mail Pharmacy will be completed quarterly by Pharmacy specific to Prime on a Prime Book of Business basis. Pharmacy guarantees a Prime Member satisfaction rate of 90% based on overall satisfaction. Guarantee assumes the number of responses is statistically significant provided Pharmacy makes commercially reasonable efforts to obtain responses from a statistically significant number of Prime Members. The survey will focus on the end-to-end Home Delivery experience. Measured annually at Prime's book of business.	90% - 100% 89% or less	$0 $2,000
Specialty Service Program Accredo	**Delivery Success Rate for Specialty Medications** means that 99.8% of Specialty Drug orders will be delivered to the Prime Member within the agreed upon delivery date (i.e., Need by Date). Includes Clean Orders but excludes orders where the Prime Member and/or the physician requested that Pharmacy change the date. Measured at the Blue Plan book of business. If minimum volume of 20k specialty prescriptions per year is not met, measured at Prime's book of business.	99.8% - 100% 99.7% or less	$0 $2,000

Exhibit B-1
Stop Loss Application
(1/1/2026 – 12/31/2026)
AGR24-67-A1

BlueCross BlueShield of New Mexico

APPLICATION AND POLICY SCHEDULE FOR STOP LOSS COVERAGE

Employer Group Name:	Incorporated County of Los Alamos
Employer Group Address:	1000 Central Avenue, Suite 230
City:	Los Alamos **State of Situs:** NM **Zip Code:** 87544
Account Number:	251305
Employer Group Number(s):	251307
Original Effective Date of Stop Loss Policy	01/01/2018
Current Policy Effective Date:	01/01/2026
Current Policy Period	These specifications are for the Policy Period commencing on 01/01/2026 and ending on 12/31/2026

The specifications below shall become effective on the first date of the Policy Period specified above and shall continue in full force and effect until the earliest of the following dates: (1) The last day of the Policy Period; (2) The date the Policy terminates; or (3) The date this Application is superseded in whole or in part by a later executed Application.

A. Covered Employees:

Number of Single Coverage Units:	254
Number of Family Coverage Units:	315

B. Individual Stop Loss Coverage:

1. New Coverage ☐ Renewal of Existing Coverage ☒

2. Stop Loss coverage during the Current Policy Period

   ☐ Choose an item
   Coverage for Claims incurred from _____ to _____ and Claims paid from _____ to _____.

   For new coverage only, if a run-in contract as explained in the policy is purchased, claims paid by the Employer Group's prior claim administrator will be settled at the time of the annual stop loss settlement and must be reported by the Employer Group to the Company (Blue Cross and Blue Shield of New Mexico, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) by the end of the Employer Group's Current Policy Period or stop loss coverage for these run-in claims will be forfeited.

   ☒ (Paid Renewal Only) Claim Administrators Claims: Claims incurred on or after the Original Effective Date of Policy and paid during the Policy Period.

3. Covered Expenses includes:

   ☒ Medical Claims:
   ☒ Prescription Drug Claims with: Prime _____
   ☐ For **Hospital Employer Groups only:** Excludes_____% of Home Hospital Medical claims
   ☐ Other (for example Dental/Vision): _____.

4. Individual Stop Loss Provisions

a. Individual Stop Loss Deductible: $165,000
Applies per Covered Person for the Employer Group's Current Policy Period.

b. Aggregating Specific Deductible (if applicable): $_____

c. Lasered Individuals with Individual Stop Loss Deductible (if applicable):
Individual identifier, alternate Individual Stop Loss Deductible:

_____

d. Lasered Individuals excluded from Stop Loss Coverage (if applicable):
Individual identifier:

_____

e. If a run-in contract is purchased, per Item 2. above, run-in claims are covered with a maximum liability of: $_____ per Covered Person.

5. Terminal Liability Option (TLO) (does not apply to Employer Groups with Run-Out contracts):
☒ Yes ☐ No

The following applies if the answer to item above is "Yes" (Terminal Liability Option):

Must be elected at Policy inception or renewal. Premium cost is calculated by taking the average enrollment for the last two months multiplied by three times pre-termination Individual Stop Loss rate(s). Premium is due at the time of termination, payable by lump sum within 10 days of receipt of bill. Claims will accumulate and be combined under one Individual Stop Loss Deductible specified in item B.4.a above for the Current Policy Period and Terminal Period. The Settlement for the Final Accounting Period will be described in the section of the Policy entitled SETTLEMENTS.

6. Individual Stop Loss Premium
Monthly Individual Stop Loss Premium shall be equal to the amounts obtained by multiplying the number of Covered Employees for a particular Month by:

$242.17 Composite; or
$_____for each Single Coverage Unit
$_____ for each Family Coverage Unit

C. **Aggregate Stop Loss Coverage**: Yes ☒ No ☐
If yes, complete Items 1. through 5. Below:

1. New Coverage ☐ Renewal of Existing Coverage ☒

2. Stop Loss Coverage during the current Policy Period

☐ Choose an item
Coverage for Claims incurred from _____ to _____ and Claims paid from _____ to _____.

For new coverage only, if a run-in contract as explained in the policy is purchased, claims paid by the Employer Group's prior claim administrator will be settled at the time of the annual stop loss settlement and must be reported by the Employer Group to the Company (Blue Cross and Blue Shield of New Mexico, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) by the end of the Employer Group's Current Policy Period or stop loss coverage for these run-in claims will be forfeited.

☒ (Paid Renewal Only) Claim Administrators Claims: Claims incurred on or after the Original Effective Date of Policy and paid during the Policy Period.

3. Covered Expenses:

☒ Medical Claims
☒ Prescription Drug Claims with: Prime _____
☐ For **Hospital Employer Groups only:** Excludes _____% of Home Hospital Medical claims
☐ Other (for example Dental/Vision): _____

4. Aggregate Claim Liability

a. Attachment Factor 125% of the Average Claim Value
b. Aggregate Claim Factors:

Group Number:	251307			
Composite; or	$1,716.39	$_____	$_____	$_____
For each Single Coverage Unit	$_____	$_____	$_____	$_____
For each Family Coverage Unit	$_____	$_____	$_____	$_____

c. Minimum Aggregate Point of Attachment: $10,547,544

5. Terminal Liability Option (TLO) (does not apply to Employer Groups with Run-Out contracts):
☒ Yes ☐ No

The following applies if the answer to item above is "Yes" (Terminal Liability Option):

Must be elected at Policy inception or renewal. Premium cost is calculated by taking the average enrollment for the last two months multiplied by three times pre-termination Aggregate Stop Loss rate(s). Premium is due at the time of termination, payable by lump sum within 10 days of receipt of bill.

The Final Settlement Point of Attachment shall equal the sum of the Employer's Aggregate Claim Liability amount for the Policy Period plus 15% of the Aggregate Claim Factor multiplied by 12, and then multiplied by the average enrollment for the last two (2) months immediately preceding termination. Furthermore, for the Final Settlement Period, the Minimum Aggregate Point of Attachment shall be the Minimum Aggregate Point of Attachment in item C.4.c. above increased by 15%. The Settlement for the Final Accounting Period will be described in the section of the Policy entitled SETTLEMENTS.

6. Aggregate Stop Loss Premium:
☒ Monthly Premium
Monthly Aggregate Stop Loss Premium shall be equal to the amounts obtained by multiplying the number of Covered Employees for a particular Month by:
$2.60 Composite; or
$_____ for each Single Coverage Unit
$_____ for each Family Coverage Unit

☐ Annual Premium (Due on the first day of the Current Policy Period): $_____

D. Additional Provisions (if elected):

1. Retirees Covered (select if included):
Pre-65: ☐ or Post-65: ☐

2. Reserved

3. Monthly Aggregate Accommodation: ☐ Yes ☒ No

4. Additional information: _____

NM-SL-APP-REV-03-25
A Division of Health Care Service Corporation, a Mutual Legal Reserve Company
an Independent Licensee of the Blue Cross and Blue Shield Association

Fraud Notice: Any person who knowingly, with intent to injure, defraud or deceive any insurance company submits an application containing any false, incomplete, or misleading information, is guilty of a felony and is subject under state law to prosecution and punishment, including fines and/or imprisonment. Submission of false information in connection with this application may also constitute a crime under federal laws. All appropriate legal remedies will be pursued in the event of insurance fraud, including prosecuting under Federal Mail Fraud, Federal Wire Fraud, and/ or the Federal Racketeer Influenced and Corrupt Organizations Act Statutes. Any false statements made herein may be reported to state and federal tax and regulatory authorities as is appropriate.

The undersigned person represents that they are authorized and responsible for purchasing Stop Loss Coverage on behalf of the Employer Group. It is understood that the actual terms and conditions of coverage are those contained in this Application and the Stop Loss Coverage Policy into which this Application shall be incorporated at the time of acceptance by Blue Cross and Blue Shield of New Mexico, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company ("HCSC"). Upon acceptance, HCSC shall issue a Stop Loss Coverage Policy to the Employer Group. Upon acceptance of this Application and issuance of the Stop Loss Coverage Policy, the Employer Group shall be referred to as the "Employer Group".

Martha E. Jarrett
Sales Representative

Signature of Authorized Purchaser

Title of Authorized Purchaser

Date