SCHEDULE A-Renewal Term (Effective January 2018 through December 2018) Administrative Services Contract (ASC)

Blue Cross Blue Shield of Michigan

Line(s) of Business: [X] Facility	hly Wire						
ASC Funding Arrangement: Quarterly Settled Monti	hly Wire						
Line(s) of Business: [X] Facility	hly Wire						
[X] Facility			Quarterly Settled Monthly Wire				
	[X] Professional		[] Dental				
[] Facility Foreign	[] Prescription Drugs		[] Vision				
[] Facility Domestic							
Administrative Fees: The below administrative fees co	over the Lines of Business ch	necked in Section 5 ab	ove, unless otherwise				
indicated.		F-6	F-1:				
	Administrative Fee Day	Estimated	Estimated				
	Administrative Fee Per	Monthly	Monthly				
	Contract Per Month	<u>Contracts</u>	Administrative Fee				
A. Administrative Fee (Full Fixed)	\$58.55	1,497	\$87,667				
B. Additional Wellness Fees	not applicable	not applicable	not applicable				
C. Online Visits	not applicable	not applicable	not applicable				
D. Prescription Drug Accumulator Fee	not applicable	not applicable	not applicable				
E. Third-Party Stop Loss Vendor Fee	not applicable	not applicable	not applicable				
Total Administrative Fee	\$58.55	1,497	\$87,667				
This Schedule A does not include any fees payable by	Group to an Agent. If Group	has an Agent Fee Prod	cessing Agreement on				

8 . Late Payment Charges/Interest:

A. Late Payment Charge 2%
B. Yearly Statutory Interest Charge (Simple Interest) 12%

C. Provider Contractual Interest

If Group's payment is more than one business day late, Group shall pay a late fee of the lesser of two percent (2%) of any outstanding amount due or the maximum amount permitted by law.

9 . BCBSM Account: <u>1840-09397-3</u> <u>Comerica</u> <u>0720-00096</u>

Wire Number Bank American Bank Assoc

- 10 . Amounts billed for out-of-state claims may include BlueCard access fees and any value-based provider reimbursment negotiated by a Host Blue with out-of-state providers. See Schedule B to ASC and Exhibit 1 for additional information.
- 11 . If your group contains Medicare contracts and they are being separated from the current funding arrangement, all figures within the current funding arrangement will be adjusted.
- 12 . The Group acknowledges that BCBSM or a Host Blue may have compensation arrangements with providers in which the provider is subject to performance or risk-based compensation, including but not limited to withholds, bonuses, incentive payments, provider credits and member management fees. Often the compensation amount is determined after the medical service has been performed and after the Group has been invoiced. The Claims billed to Group include both service-based and value-based reimbursement to health care providers. Group acknowledges that BCBSM's negotiated reimbursement rates include all reimbursement obligations to providers including provider obligations and entitlements under BCBSM Quality Programs. Service-based reimbursement means the portion of the negotiated rate attributed to a particular health care service. Value-based reimbursement is the portion of the negotiated reimbursement rate attributable to BCBSM Quality Programs, as described in Exhibit 1 to Schedule A. BCBSM negotiates provider reimbursement rates and settles provider obligations on its own behalf, not Group. Group receives the benefit of BCBSM provider rates, but it has no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims. See Exhibit 1 to Schedule A and Schedule B to ASC for additional information.

- 13 . BCBSM will charge an additional administrative fee if an ASC customer obtains stop-loss coverage from a third-party stop-loss vendor. The additional fee will be \$6.00 per contract per month.
- 14. If you have a Consumer-Directed Health (CDH) spending account, you may be billed a separate fee for the applicable contracts.
- 15 . The rebate administration fee charged and retained by Rebate Administrator is up to 5.5% of gross rebates for medical benefit drug Claims.
- 16 . If there is more than a 10 percent (10%) change in the number of Enrollees from the number stated above during any month of the Contract Year or a change in Coverages, BCBSM may immediately revise any affected pricing terms in this Schedule A to reflect such changes in Enrollment and/or Coverages. Any revisions will be effective beginning with the next invoice following thirty (30) day notification by BCBSM to the Group. The revised Schedule A will be treated as executed by Group and effective as of the date it is received by Group.
- 17 . BCBSM has implemented a program to enhance the savings realized by its customers through additional pre-payment and post-payment recovery efforts. As stated below, **BCBSM will retain** as administrative compensation **30% of the recoveries or cost avoidance** identified below:
 - A. <u>Pre-Payment Forensic Billing Review</u>. Cost avoidance of improper hospital billing identified by third party vendor(s) through forensic pre-payment billing review.
 - B. <u>Advanced Payment Analytics</u>. Recoveries of claims overpayments identified by third party vendor(s) using proprietary data mining analytics and enhanced reviews .
 - C. Subrogation. Recoveries of claims overpayments from subrogation.
 - D. <u>Provider Credit Balance Recovery</u>. <u>Recoveries of claims overpayments obtained by third party vendor(s) through enhanced review of hospital patient accounting systems</u>.

Administrative compensation retained by BCBSM through the Shared Savings Program will be itemized on Group's invoices, with detail available to the Group on e-Bookshelf in a report entitled Shared Savings Value Report. Group will be notified of the Effective Date of each component of the Shared Savings Program at least 30 days in advance ("Notice"). The Shared Savings Program is Effective as of the later of the Renewal Date or the date stated in the Notice received by Group disclosing the Effective Date of the Shared Savings Program.

BCBSM:			THE GROUP:	
BY:		-	BY:	
	(Signature)			(Signature)
NAME:		_	NAME:	
	(Print)			(Print)
TITLE:		-	TITLE:	
DATE:			DATE:	
BY:		-	BY:	
	(Signature)			(Signature)
NAME:		_	NAME:	
	(Print)			(Print)
TITLE:		-	TITLE:	
DATE:		_	DATE:	

Blue Cross Blue Shield of Michigan is an independent licensee of the Blue Cross and Blue Shield Association.

City of Ann Arbor

Group Number - 007000981

REV 10/9/2017