

- 12 . The Group acknowledges that BCBSM or a Blue Cross and Blue Shield Plan 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 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 the Exhibit 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 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 . Prescription drug rebate administration fees are \$0.25 per BCBSM Clinical Formulary claims that are administered by Express Scripts and up to 5.5% of gross rebates for BCBSM's Custom Formulary, Custom Select Formulary, Part D formularies, specialty drugs and other medical benefit drugs that are administered by Highmark. The administrative fee is withheld from the rebate payments received from BCBSM's rebate administrators.
- 16 . If the number of monthly contracts varies by +/- 10% from the estimate stated in 6(A), BCBSM reserves the right to change the administrative fee.

BCBSM:

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

THE GROUP:

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

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