

Blue Cross and Blue Shield of Kansas City

COST-PLUS ADDENDUM

This Cost-Plus Addendum amends and is incorporated into and made a part of the Group Contract(s) entered into by and between Blue Cross and Blue Shield of Kansas City, on behalf of itself and its subsidiary, Good Health HMO, Inc., d/b/a Blue-Care, if applicable (collectively, “BCBSKC”) and RAYTOWN C2 SCHOOL DIST (“Employer”). This Addendum shall be effective July 1, 2021 (the “Effective Date”).

WHEREAS, the parties have entered into the Group Contract(s) numbered 33060000 and the associated Health and, if applicable, Dental Benefit Certificate(s) (collectively, the “Group Contract(s)”), pursuant to which BCBSKC has agreed to arrange for the provision of certain health care services and/or dental care to Employer’s eligible Employees and their covered Dependents in accordance with the terms, conditions, limitations and exclusions specified in the Group Contract(s);

WHEREAS, the parties desire to implement an alternative funding arrangement for the Group Contract(s), as set forth herein; and

WHEREAS, this Addendum, while implementing an alternative funding arrangement, does not alter any terms or conditions of the benefits covered under the Group Contract(s).

NOW, THEREFORE, in consideration of the foregoing, the mutual promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Article 1 **Employer’s Obligations**

- 1.1 **Funding under Group Contracts**. Employer agrees that the funding for coverage under the Group Contract(s) shall be determined as set forth in this Addendum.
- 1.2 **Fixed Premium**. Employer shall pay BCBSKC, on a monthly basis, the Fixed Premium in accordance with Article 3.2.
- 1.3 **Employer’s Claims Obligations**. In order to fulfill the Employer’s total financial obligations under the terms of this Addendum, the Employer shall make payments to BCBSKC as set forth herein and in accordance with Article 3.1. For each month that this Addendum is in effect, Employer shall pay to BCBSKC an amount set forth in (a) and (b) below:
 - (a) the lesser of:
 - i. the Cumulative Paid Claims; or
 - ii. the Cumulative Monthly Claims Limit.

LESS

- (b) the Cumulative Prior Payment Amount.

Example:

	January	February	March	April
Paid Claims	70	80	110	90
Cumulative Paid Claims	70	150	260	350
Monthly Claims Limit	100	100	100	100
Cumulative Monthly Claims Limit	100	200	300	400
Cumulative Prior Payment Amount	0	70	150	260
Actual Payment Owed	70	80	110	90

Notwithstanding the foregoing: (1) Paid Claims in excess of the Individual Pooling Limit for any Covered Person will not be counted as Paid Claims for the purposes of the calculation set forth above; and (2) the Cumulative Monthly Claims Limit for the full Contract Period shall not be less than the Minimum Annual Claims Limit set forth in Exhibit A (Cost Plus Provisions).

1.4 Statutory Assessments. To the extent BCBSKC is required to pay any Statutory Assessments, Employer will pay BCBSKC an amount equal to the Statutory Assessments based upon BCBSKC’s determination of such amounts. BCBSKC shall bill the Employer the applicable portion of these Statutory Assessments on the Monthly Settlement Report, and the Employer shall pay such Statutory Assessments in accordance with Article 3. If BCBSKC determines, in its sole and reasonable discretion, that its methodology for paying the Health Insurance Providers Fee (aka HIT Tax) was incorrect (e.g., BCBSKC required Employer to pay the HIT Tax on all amounts paid by Employer to BCBSKC, but BCBSKC subsequently determines that a portion of the amounts paid by Employer are not subject to the HIT Tax, or vice versa), resulting in an underpayment or overpayment by Employer of the HIT Tax, then BCBSKC shall notify Employer of the shortfall or excess, and: (a) Employer shall promptly pay to BCBSKC such shortfall; or (b) BCBSKC shall reimburse Employer for such excess (which may include, at BCBSKC’s option, applying a credit to subsequent Employer invoices), as applicable. Notwithstanding the foregoing, BCBSKC’s determination of the HIT Tax percentage set forth in Exhibit B (Rate Exhibits) is not subject to this Article 1.4.

1.5 Collateral. Upon BCBSKC’s request, Employer shall procure a letter of credit (in such form as is reasonably acceptable to BCBSKC) from a financial institution reasonably acceptable to BCBSKC that evidences a commitment by the financial institution of funds payable to BCBSKC upon demand (without any further or additional action or authorization by Employer). Employer shall maintain such letter of credit until the end of the Runout Period. Alternatively, upon BCBSKC’s request, Employer shall deliver to BCBSKC an amount reasonably requested by BCBSKC as collateral (“Collateral”) for Employer’s obligations under this Agreement. In the event Employer fails to pay amounts due to BCBSKC hereunder, BCBSKC may use as much or all of the Collateral as is needed to satisfy Employer’s obligations. Any unused Collateral will be returned to Employer at the end of the Runout Period.

Article 2 **BCBSKC Rights and Obligations**

2.1 Benefit Determinations. For the purpose of this Addendum, BCBSKC shall have the right to determine the amount of Benefits, if any, payable for any Covered Person. Employer delegates to

BCBSKC discretionary authority to construe, interpret and apply the Plan for purposes of processing claims and appeals. BCBSKC, as claims fiduciary, has the full, final, binding and exclusive discretion to construe, interpret and apply the terms of the Plan as may be necessary in order to process claims and make determinations on appeal of claims. BCBSKC shall determine the extent of the benefits (if any) to which any Participant is entitled under the Plan. Decisions by BCBSKC shall be complete, final and binding on all parties. Such determination shall be on the same basis as would be applicable under the Group Contract(s) in the absence of this Addendum. In the event of legal action against BCBSKC, by or on behalf of a Covered Person for Benefits under the Group Contract(s) with respect to a denied claim, BCBSKC, at its own expense, shall undertake the defense of such action and shall pay any judgment rendered therein. BCBSKC shall have the right to settle any such action. The Employer shall reimburse BCBSKC for the portion of any such judgment or settlement which is for a Paid Claim under the Group Contract(s), and such Paid Claim shall be administered in accordance with the terms of this Addendum, including Articles 1 and 3.

Article 3

Payment Due Dates, Grace Periods and Payment Changes

3.1 **Monthly Settlement.** Monthly payments for Paid Claims, Access Fees, Statutory Assessments and related charges, as indicated on the Monthly Settlement Report, are due and payable by the Employer within 31 calendar days following delivery to Employer by BCBSKC of the Monthly Settlement Report. The Employer shall have no grace period for such monthly payment.

3.2 **Fixed Premium.** The Fixed Premium is due and payable by the Employer the first day of each month; provided, that any Statutory Assessments and Access Fees will be due and payable by Employer with the Monthly Settlement as set forth in Article 3.1. The Employer shall have a grace period of 31 calendar days for such monthly Fixed Premium.

3.3 **Changes in Employer's Obligation.** BCBSKC reserves the right to change any and all fees, charges and factors upon a 31 calendar day written notice prior to the end of a Contract Period, to be effective for the following Contract Period.

3.4 **Late Payment Charge.** BCBSKC reserves the right to charge a late payment fee of \$9,500 in each instance in which Employer fails to timely pay any amount due to BCBSKC in accordance with this Article 3.

Article 4

Amendments

4.1 **General.** Except as provided in Article 3.3, BCBSKC may amend any other term or condition of this Addendum upon 60 calendar days written notice to conform to statutes of the state in which this Addendum is issued for delivery.

4.2 **Notice.** Notice of an amendment may be in the form of a new Addendum, a rider, or an amendment to this Addendum or otherwise as BCBSKC may elect.

Article 5
Termination

5.1 Term. The term of this Addendum shall begin on the Effective Date and shall continue until terminated as set forth in this Article 5.

5.2 Termination by Either Party. This Addendum may be terminated by BCBSKC or the Employer provided such party gives the other party written notice of its election to terminate the Addendum at least 30 calendar days prior to the end of the then current Contract Period. This Addendum and the underlying Group Contract(s) shall automatically terminate on the date of termination of the Group Contract(s).

5.3 Termination Due to Material Default. Except as provided in Article 5.4 below, either party may terminate this Addendum for cause upon written notice if the other party materially defaults in the performance of a provision of this Addendum and such default continues for a period of 60 calendar days after written notice to the defaulting party from the aggrieved party stating the specific default.

5.4 Termination Due to Non-Payment. Notwithstanding anything to the contrary herein, if Employer fails to pay BCBSKC in accordance with Article 3, this Addendum and the underlying Group Contract(s) may be terminated by BCBSKC, effective retroactively to the last day of the month in which all amounts owed to BCBSKC for such month were paid by the Employer.

5.5 Runout.

(a) Runout Claims and Services. Upon termination of this Addendum, and except in the event of Employer's material breach of this Addendum (including Employer's non-payment), BCBSKC shall provide Runout Services for Runout Claims.

(b) Runout Services Fee and Claims Obligation. Monthly payments for Runout Claims and the Runout Services Fee are due and payable by Employer for each month during the Runout Period within 31 calendar days following delivery to Employer by BCBSKC of the Monthly Settlement Report. The Employer shall have no grace period for such payments. Unless Employer purchases Terminal Liability Coverage as set forth in Article 5.6 below, Employer shall have the total obligation for Runout Claims.

(c) Statutory Assessments for Runout Claims and/or Runout Services. To the extent that any Statutory Assessments apply to Employer's payment obligations under Article 5.5 and/or 5.6, as determined by BCBSKC in its sole and reasonable discretion, then Employer shall pay to BCBSKC an amount equal to such Statutory Assessments.

5.6 Terminal Liability Coverage. Employer may choose to purchase, at the time of execution of this Addendum, Terminal Liability Coverage; provided, that there is no Individual Pooling Limit with respect to Runout Claims. If Employer purchases Terminal Liability Coverage, the following shall apply:

(a) Terminal Liability Coverage Charges. Terminal Liability Coverage Charges will be included with the Pooling Charges and paid by the Employer in accordance with Article 3.2.

(b) Terminal Liability Factors. The Employer's obligation for Runout Claims is limited to the amounts set forth in the "Terminal Liability Factors" section of Exhibit B (Rate Exhibits) for each Coverage Class and Product Type combination, multiplied by the number of such Coverage Class and Product Type combinations, based on the greater of:

1. enrollment during the last month of the final Contract Period; or
2. the average enrollment during the last three (3) months of the final Contract Period.

5.7 Late Payment. BCBSKC reserves the right to charge a late payment fee of \$9,500 in each instance in which Employer fails to timely pay any amount due to BCBSKC in accordance with this Article 5.

Article 6 **General Provisions**

6.1 Modification of Group Contracts. The provisions of the Group Contract(s) are amended to the extent necessary to be consistent with the provisions set forth in this Addendum and to that extent the provisions of this Addendum shall govern notwithstanding anything in the Group Contract(s) to the contrary.

6.2 Waiver. Neither the failure nor any delay by either party to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. In the event that a party does waive any breach of any provision of this Addendum, such waiver shall not be deemed or construed as a continuing waiver of any breach of the same or different provision.

6.3 Assignment. BCBSKC shall have the right to assign or delegate its duties and obligations under this Addendum to its affiliated companies. Any other assignment of this Addendum or, of any rights contained in this Addendum, by either party, will be void and of no force or effect, unless agreed upon in writing by the parties.

6.4 BlueCard Fees. Employer understands and agrees: (a) to pay certain fees and compensation to BCBSKC which BCBSKC is obligated under BlueCard to pay to Licensees, to the Blue Cross and Blue Shield Association, or to the BlueCard vendors; and (b) that fees and compensation under BlueCard may be revised from time to time without Employer's prior approval in accordance with the standard procedures for revising fees and compensation under BlueCard. Some of these fees and compensation are charged each time a claim is processed through BlueCard and include, but are not limited to, access fees, administrative expense allowance fees, Central Financial Agency Fees, and ITS Transaction Fees. Other fees include, but are not limited to, an 800 number fee and a fee for provider directories. Employer may contact BCBSKC if Employer would like an updated listing of these types of fees. These fees are included in the Fixed Costs Fees and are guaranteed for the term of this Addendum.

6.5 BlueCard Recoveries. Under BlueCard, recoveries from a Licensee or from participating providers of a Licensee can arise in several ways, including, but not limited to, anti-fraud and abuse audits, provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Licensee will engage third parties to assist in discovery or collection of recovery

amounts. The fees of such a third party are netted against the recovery. Recovery amounts, net of fees, if any, will be applied in accordance with applicable BlueCard policies, which generally require correction on a claim-by-claim or prospective basis. Unless otherwise agreed to by the Licensee, BCBSKC may request adjustments from the Licensee for full provider refunds due to the retroactive cancellation of membership only for one year after the Inter-Licensee financial settlement process date of the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if the recovery conflicts with the Licensee's state law, provider contracts or jeopardizes its relationship with its providers.

6.6 BCBSKC Recoveries. BCBSKC may pursue recoveries of Paid Claims in accordance with its rules and procedures (including via the use of third parties acting on BCBSKC's behalf), which may arise in several ways, including but not limited to, anti-fraud and abuse audits, provider/hospital audits, utilization review refunds, and class action settlement, mass tort, or other litigation recoveries from health care providers and manufacturers of health care or other products or services. Any recovery will be credited to the Employer, subject to the terms of this Addendum, as described in 6.6.1; provided, that BCBSKC may charge the Employer a fee of up to 30% of the gross recovery including any third party fees and expenses for such recoveries, which will be netted against any such recovery. The recovery fee may exceed 30% if the applicable recovery vendor's fee exceeds that percentage. BCBSKC shall have the right to retain any net recovery not exceeding \$500 if 3 years have elapsed since this Addendum terminated.

6.6.1 In the event the BCBSKC obtains, directly or through a third party, recoveries that relate to Paid Claims, the following will apply:

- a. Employer shall first reimburse BCBSKC directly a pro rata portion of such recovery;
- b. Such portion shall not exceed the amount BCBSKC has paid under the Agreement;
- c. Such portion will be net of BCBSKC's portion of recovery fees;
- d. Allocation of the recovery fees will be based upon the amount related to such recovery that was paid by BCBSKC and Employer; and
- e. Employer will retain or receive the remaining portion of such recovery net of its portion of recovery fees.

6.6.2 Any amounts recovered by BCBSKC shall not apply to and shall not be used to satisfy the Individual Pooling limit.

6.7 Medical Value Payments. Employer acknowledges that BCBSKC may have value-based payment arrangements with providers participating in certain health care delivery programs, including but not limited to patient-centered medical homes, accountable care organizations or episode-based provider payments. These providers are known as "Total Care" providers. Pursuant to such health care delivery programs, Total Care providers may be eligible for alternative payments, in lieu of or in addition to, traditional fee-for-service reimbursement, including but not limited to, withholds, bonuses, incentive payments, provider credits and member management fees (collectively, "Medical Value Payments"). The amount of Medical Value Payments Total Care providers receive is specific to the Total Care program and/or provider and may or may not be directly related to Employer, any Covered Person, or any other group or individual. Employer acknowledges that Medical Value Payments payable to any one or more Total Care providers (a) will be included in Paid Claims, (b) may include compensation for services that are related to Covered Services, including, but not limited to, coordination of care, and (c) may include compensation in recognition of Total Care provider's

achievement of stated performance objectives, including, but not limited to, quality of care, patient outcomes or cost.

6.8 BCBSKC Prescription Drug Program BCBSKC contracts with a pharmacy benefit manager (“PBM”) for certain prescription drug administrative services, including prescription drug rebate administration and pharmacy network contracting services.

Under the agreement, PBM obtains rebates from drug manufacturers based on the utilization of certain prescription products by Covered Persons, and PBM retains the benefit of the rebate funds prior to disbursement. In addition, pharmaceutical manufacturers may pay administrative fees to PBM in connection with PBM’s services of administering, invoicing, allocating, and/or collecting rebates, and the PBM retains the benefit of such amounts prior to disbursement. PBM may also receive other service fees or discounts from manufacturers as compensation for various services unrelated to rebates or rebate-associated administrative fees.

In addition, BCBSKC and PBM also contract with pharmacies to provide prescription products at discounted rates for BCBSKC members. The discounted rates paid by PBM and BCBSKC to these pharmacies differ among pharmacies within a network, as well as between networks. For pharmacies that contract with the PBM, the amount paid by BCBSKC pays a uniform discount rate to PBM under the BCBSKC contract with the PBM may vary from regardless of the various discount rates PBM pays to the pharmacies. Thus, where the BCBSKC rate exceeds the rate the PBM negotiated with a particular pharmacy, the PBM will realize a positive margin on the applicable prescription. The reverse may also be true, resulting in negative margin for the PBM. In addition, when the PBM receives payment from BCBSKC before payment to a pharmacy is due, the PBM retains the benefit of the use of these funds between these payments. BCBSKC is guaranteed a minimum level of discount whether through the PBM or where BCBSKC directly contracts with network pharmacies, which could result in the amount paid by Employer being more or less than the amount PBM and/or BCBSKC pay to pharmacies.

Employer acknowledges and agrees for itself and its Covered Persons that BCBSKC is not acting as a fiduciary with respect to rebate administration, pharmacy network management, or the prescription drug plan. Employer further acknowledges for itself and its Covered Persons that BCBSKC receives rebates from the PBM and may receive positive margin in connection with the pharmacy network, as well as other financial credits, administrative fees and/or other amounts from network pharmacies, drug manufacturers or the PBM (collectively “Financial Credits”). Employer acknowledges and agrees for itself and its Covered Persons that, except as specifically provided in section 6.8.1 for certain pharmacy carve-in credits, BCBSKC shall retain sole and exclusive right to all Financial Credits, which constitute BCBSKC property (and are not plan assets), and BCBSKC may use such Financial Credits in its sole and absolute discretion, including without limitation to help stabilize BCBSKC’s overall rates and to offset expenses, and BCBSKC does not share Financial Credits with the Employer.

Without limitation to the foregoing, Employer acknowledges and agrees to the following (“Financial Credit Rules”) for itself and its Covered Persons that: (1) Employer and/or Covered Persons shall have no right to receive, claim or possess any beneficial interest in any Financial Credits, except as specifically provided in section 6.8 ; (2) Applicable drug benefit copayments, coinsurance, outpatient prescription drug deductible, deductible and/or maximum allowable benefits (including without limitation Calendar Year Maximum and Lifetime Maximum benefits) shall in no way be adjusted or otherwise affected as a result of any Financial Credits, except as may be required by law; (3) Any deductible and/or coinsurance required for prescription drugs shall be based upon the allowable charge at the pharmacy, and shall not change as a result of any Financial Credits, except as may be required by

law; and (4) Amounts paid to pharmacies or any prices charged at pharmacies shall in no way be adjusted or otherwise affected as a result of any Financial Credits.

6.8.1 Pharmacy Carve-In Credits. BCBSKC agrees to provide Employer with pharmacy carve in-credits as provided in this section. The carve-in credit shall be \$14.00 per member per month, and shall be paid on a quarterly basis through a credit against amounts invoiced and due from Employer. The number of members shall be determined from the actual enrollment in the health plans with prescription drug coverage.

BCBSKC has the right, upon notice, to make an equitable adjustment to the carve-in credit amount in the event there is:

- (a) a material change in the conditions or assumptions utilized in providing the carve-in credit;
- (b) a material change in the size or demographic's of the Employer's membership;
- (c) Employer takes an action that has the effect of lowering the amount of Financial Credits available to BCBSKC; or
- (d) A material change in law or the pharmacy benefit industry that adversely impacts BCBSKC's ability to obtain Financial Credits.

In order to be eligible for and receive the carve-in credits, Employer's Addendum must be in effect at the time payment of such carve-in credits are to be made.

Employer agrees to fully and accurately disclose and report pharmacy carve-in credits and any other discount, rebate, or other credit received by Employer or retained by BCBSKC and/or its PBM, as required by law.

6.9 Audit of BCBSKC. During the term of this Addendum, Employer may, without charge by BCBSKC, perform an audit once during a Contract Period for the sole purpose of auditing BCBSKC's performance of certain of its obligations under this Addendum. To the extent an audit occurs, BCBSKC agrees only to the following two audit methodologies: (a) testing up to a statistically valid random sample, based upon a 95% confidence level (plus or minus 3% precision) and 97% expected performance; or (b) testing a targeted sample, up to a number of sample items equivalent to that which would result from the above random sample approach. Whether the audit is performed during the term of the Agreement or following termination and regardless of the methodology used, referenced in (a) and (b) above, such samples may only include those claims that were processed by BCBSKC no more than six months prior to the effective date for which the Employer requested the sample. For example, if a sample is requested to be drawn effective as of June 30 of a given year, it could only include claims processed between June 30 and January 1 of the same year. Employer may not request a retroactive effective date for the sample.

Employer may engage a third party to perform any or all of the audit on its behalf upon BCBSKC's prior written consent, not to be unreasonably withheld. Any such third party may not be reimbursed by Employer on a contingency or other method based on identification or value of errors. If Employer engages a third party to perform all or any part of an audit, such third party shall, upon BCBSKC's request (and Employer shall cause such third party to), enter into a data extraction agreement with BCBSKC prior to, and as a condition of, conducting any function of the audit. BCBSKC shall provide BCBSKC with at least thirty (30) business days' notice of its desire to conduct an audit, and the parties (including the third party engaged by Employer, as applicable) shall execute a Records Audit

Agreement, which will set forth in detail the terms and conditions of the audit. Notwithstanding anything to the contrary in this Addendum or the Records Audit Agreement, in no event will provider reimbursement or other proprietary information under the control of BCBSKC be subject to audit unless BCBSKC, in its sole discretion, permits access to such information.

6.10 Entire Agreement. This Addendum and the Group Contract(s) constitute the entire Agreement between the parties concerning this subject matter and supersede all other agreements, representations or communications, oral or written, between the parties or their predecessors relating to the transactions contemplated by or which are the subject matter of this Addendum, and both parties understand and agree that prior agreements, practices or statements inconsistent with the language, terms and conditions of this Addendum are of no force or effect.

6.11 Mindful by Blue KC: Mindful initiatives include improved network access to providers trained in crisis support, employer education focused on mental health first aid, and resources to support behavioral health integration into our primary care provider practices. The Mindful by Blue KC initiative provides a set of tools and resources to promote whole person wellness, including a limited number of well-being resource visits and access to Mindful Advocates. The well-being resource visits help with major life events (divorce, adoption, loss), stress, financial issues, childcare, and other everyday challenges through lifestyle coaching. These visits are limited to 3 per issue for each Blue KC member every calendar year. Well-being resource visits are not considered Covered Services and will not be billed (or paid) as claims. Mindful Advocates are licensed clinicians and social workers who match members to providers and guide care plans. They act as a single point of contact for listening, connecting, crisis management, benefits guidance, navigating care, and follow-up.

Article 7 Definitions

Access Fee The amount paid by Employer to BCBSKC for network management and access, determined as set forth in Exhibit B (Rate Exhibit) for each Coverage Class and Product Type combination, multiplied by the number of such Coverage Class and Product Type combinations in effect as of the first day of such month.

Contract Period The current contract term specified in the Group Contract(s) (which may be referred to in the Group Contract(s) as “Contract Year”).

Coverage Class The level of coverage selected by an Employee as set forth in Exhibit B (Rate Exhibits) (e.g., “Individual”, “Family”, etc.).

Covered Person(s) Those individuals as defined in the Group Contract(s).

Covered Services Those services, supplies, equipment and care as defined in the Group Contract(s).

Cumulative Monthly Claims Limit The amount of Paid Claims for all Covered Persons’ Covered Services for a Contract Period at which Employer has no further obligation, calculated as the sum of the Monthly Claims Limit for each month of the Contract Period to date.

Cumulative Paid Claims The sum of Paid Claims for each month of the Contract Period to date.

Cumulative Prior Payment Amount The sum of the amounts paid by Employer under Article 1.3 for each prior month (i.e., excluding the current month in question) of the Contract Period to date.

Fiduciary as used in this Addendum means fiduciary as defined in ERISA at 29 U.S.C. 1002 (21)(A).

Fixed Cost Fees The amount of money to be paid by the Employer to BCBSKC for services under the Group Contract including such services as claims processing and investigation, utilization management, claims management, production and distribution of member identification cards, wellness services, web-based member services, brokerage fees, BlueCard fees and other general services. For any month during the Contract Period, Fixed Cost Fees shall equal the amounts set forth in the Fixed Cost Fees section of Exhibit B (Rate Exhibit) for each Coverage Class and Product Type combination, multiplied by the number of such Coverage Class and Product Type combinations in effect as of the first day of such month.

Fixed Premium The Fixed Cost Fees, Pooling Charges, Access Fees and Statutory Assessments as set forth in Exhibit A (Cost-Plus Provisions) and/or Exhibit B (Rate Exhibits), as applicable; provided, that the Access Fees and any Statutory Assessments shall be billed with the Monthly Settlement Report.

Group Contract(s) Those Group Contract(s) identified in Exhibit A (Cost Plus Provisions).

Individual Pooling Limit The amount at which any Paid Claims for a Covered Persons' Covered Services in excess of such amount during a Contract Period are not counted as Paid Claims for purposes of determining Employer's claims obligations under Article 1.3 during such Contract Period. The Individual Pooling Limit does not include any capitated payments associated with any Paid Claims or Covered Services. Capitated payments include, but are not limited to, Medical Value and Value-Based and Payments. Medical Value and Value-Based and Payments are value-based payment arrangements with providers participating in certain health care delivery programs, including patient-centered medical homes, accountable care organizations or episode-based medical management.

Monthly Claims Limit For any month during the term of this Addendum, the amounts set forth in the Monthly Claims Limit section of Exhibit B (Rate Exhibit) for each Coverage Class and Product Type combination, multiplied by the number of such Coverage Class and Product Type combinations in effect as of the first day of such month.

Monthly Settlement Report The Employer claims, network access and other obligations as reported for a given month by BCBSKC. The Monthly Settlement Report may include Paid Claims, Access Fees and Statutory Assessments, and, during the Runout Period, Runout Services Fee, as applicable.

Paid Claims All payments for Covered Services during the Contract Period and the Runout Period for claims that were incurred between 7/1/2020 and 6/30/2022 for the Monthly Claims Limit, or for claims that were incurred under this Addendum between the parties for the previous Contract Period, if applicable; including Medical Value Payments and other provider charges, such as capitation, when applicable. Paid Claims are those amounts paid to a provider, which the provider has agreed to accept as payment in full at the time of claim payment for Covered Services provided to Covered Persons. Paid Claims are not reduced by any administration fees, network management fees, provider and pharmaceutical rebates, incentive arrangements, or any other reductions or credits a provider may periodically give BCBSKC, or any other amounts that a provider may pay BCBSKC for services such as administration, marketing, managed care or quality improvement programs performed by BCBSKC for the provider. BCBSKC retains these amounts and they do not reduce the amount of Paid Claims. All

services are deemed to be incurred on the date the service was actually rendered. A claim shall be deemed to be paid when a valid draft for payment of such benefit has been issued to the person or persons authorized for such purpose by agreement of the Employer and BCBSKC.

Plan as used in as used in this Addendum means plan as defined in ERISA at 29 U.S.C. 1002(3).

Pooling Charges The amount payable by the Employer to BCBSKC for limiting the Employer's claims obligation under the terms of the Cumulative Monthly Claims Limit and Individual Pooling Limit, and, if applicable, for Terminal Liability Coverage. For any month during the Contract Period, Pooling Charges shall equal the amounts set forth in the Pooling Charges section of Exhibit B (Rate Exhibit) for each Coverage Class and Product Type combination, multiplied by the number of such Coverage Class and Product Type combinations in effect as of the first day of such month.

Product Type The type of product(s) offered by Employer to Covered Persons, as set forth in Exhibit B (Rate Exhibits) (e.g., Blue Advantage, Blue Care, Dental, etc.).

Runout Claims Claims for Covered Services incurred by Covered Persons prior to the termination of this Addendum but paid by BCBSKC during the Runout Period. For purposes of clarification, Runout Claims do not include claims incurred after termination of this Addendum.

Runout Period The first twelve (12) months following termination of this Addendum.

Runout Services The services provided by BCBSKC for Runout Claims after termination of this Addendum.

Runout Services Fee The fee payable by Employer to BCBSKC for Runout Services, which is equal to the sum of: (a) ten percent (10%) of Runout Claims during the month; and (b) ten percent (10%) of the difference between billed charges and the Allowable Charge for all Runout Claims (i.e., 10% of network discounts) during the month.

Statutory Assessments Governmental entities assess a variety of fees, taxes, surcharges and/or assessments on employer-sponsored health coverage. These include, but are not limited to, state premium taxes, Affordable Care Act (ACA) assessments, as well as miscellaneous state or local assessments.

Terminal Liability Coverage Coverage for Runout Claims exceeding a specified maximum at termination of this Addendum.

Terminal Liability Coverage Charges The cost associated with the purchase of Terminal Liability Coverage.

Other Defined Terms Any other capitalized term used in this Addendum and not specifically defined herein, shall have the meaning ascribed to it in the Group Contract(s).

IN WITNESS WHEREOF, BCBSKC and Employer have caused this Addendum to be executed effective as of the Effective Date.

RAYTOWN C2 SCHOOL DIST

Blue Cross and Blue Shield of Kansas City

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DATE _____

DATE: _____

Exhibit A
Cost Plus Provisions

1. This Addendum shall be applicable to:

 X Employer's Group Health Contract: Group Number(s) 33060000

2. The Individual Pooling Limit per Covered Person shall be \$250,000

3. The Access Fee is due and payable with the Monthly Settlement Report and shall be:

\$15.76 per Employee

4. Minimum Annual Claims Limit:

The greater of: (a) \$9,215,250; or (b) 90% of the amounts set forth in the Monthly Claims Limit section of Exhibit B (Rate Exhibit) for each Coverage Class and Product Type combination, multiplied by the number of such Coverage Class and Product Type combinations for the first month of the Contract Period, times the number of months of the Contract Period as defined in Article 7.

Exhibit B
Rate Exhibits

See attached