



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

Date: OCT 12 2007

Anthem Health Plans of Virginia
3800 Concorde Parkway, Suite 2000
Chantilly, VA 20151

Attention: Thomas H. Anthony

Reference: XX08-948440-11A, Secondary Healthcare Claims Administration Services
(Anthem Health Plans of Virginia Contract No. 41841000)

Acceptance Agreement

This acceptance agreement signifies a contract to Anthem Health Plans of Virginia from date of award through June 30, 2008 with five (5) one (1) year renewal periods. The Contractor shall provide Secondary Healthcare Claims Administration Services.

The contract number is XX08-948440-11A and shall be in accordance with:

- 1) This Acceptance Agreement
- 2) Anthem's Medical Plan Group Agreement #41841000
- 3) Exhibit A - Fairfax County Short Form Contract as modified.

Please note that this is not an order to proceed. A Purchase Order, which constitutes your notice to proceed, will be issued to your firm.

Sincerely,


Cathy A. Muse, CPPO
Director/County Purchasing Agent

Department of Purchasing & Supply Management
12000 Government Center Parkway, Suite 427
Fairfax, VA 22035-0013

Website: www.fairfaxcounty.gov/dpsm
Phone 703-324-3201, TTY: 1-800-828-1140, Fax: 703-324-3228

10-12-07
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Fairfax County

Medical Plan Group Agreement(s)

Take Control of Your Health

Your Anthem Plan

SEP 26 '07 10:12 AM

ADMINISTRATIVE SERVICES AGREEMENT

Contract No: 41841000

THIS ADMINISTRATIVE SERVICES AGREEMENT ("Agreement") is made between Anthem Health Plans of Virginia, Inc., d/b/a **Anthem Blue Cross and Blue Shield** ("Claims Administrator"), a Virginia corporation, and the entity named on Attachment 1 to Annex A to this Agreement and referred to herein as "Plan Administrator."

INTRODUCTION:

Plan Administrator is responsible for arranging for the provision of medically necessary health care services to inmates of Plan Administrator. This arrangement is hereinafter referred to as the "Program".

Plan Administrator has engaged Claims Administrator to provide services with respect to the Program. These services are limited to: (1) claim processing and payment of Covered Services; and (2) certain general administrative services named in this Agreement.

Claims Administrator agrees to provide the services enumerated in this Agreement.

This Agreement is a preferred provider network agreement. (The applicable networks being described in Schedule A to this Agreement)

AGREEMENT:

I. RESPONSIBILITIES OF PLAN ADMINISTRATOR

A. COMPLIANCE RESPONSIBILITIES

Plan Administrator has ultimate responsibility for fulfilling the requirements of federal and state laws regulating the operation of the Program.

B. CLAIM RESPONSIBILITIES

1. Plan Administrator has ultimate responsibility for arranging for Covered Services and payments made under the Program.
2. Plan Administrator will facilitate claim administration by performing the functions listed below. Claims Administrator will not be held liable for a delay in claim payments or failure to pay claims caused by the failure of Plan Administrator to fulfill one or more of these obligations in a timely manner.

Plan Administrator will:

- a. certify the eligibility of participants to receive Covered Services under the Program.
- b. interpret and clarify the provisions of the Program upon request by Claims Administrator.

- 3 . Plan Administrator will make an identification card available for use in connection with the arrangement for an inmate to receive Covered Services. Plan Administrator will whenever possible refer inmates to PPO I facilities and PPO providers when services are to be rendered outside Plan Administrator facilities.

C. FINANCIAL RESPONSIBILITIES

- 1 . Plan Administrator has ultimate responsibility for all Program expenses.
- 2 . Plan Administrator will establish a method for funding claim payments.
 - a. Plan Administrator will make sufficient funds available to cover Claims Expenses under the Program in accordance with Annex A to this Agreement.
 - b. If Plan Administrator fails to make sufficient funds available, Claims Administrator will incur no liability for any resulting damage or loss to any person. Plan Administrator must remedy the insufficiency. If Plan Administrator fails to do so, Claims Administrator will have no further duty to process claims or issue payments until the problem is resolved.
- 3 . Plan Administrator has ultimate responsibility for all funding decisions, banking arrangements, and other financial processes necessary for the operation of the Program.

D. RESPONSIBILITY TO MAINTAIN CONFIDENTIALITY

Plan Administrator acknowledges that all information about Claims Administrator's business is confidential and proprietary. "Confidential and proprietary information" does not include information generally known to the public or information known to Plan Administrator prior to the execution of this Agreement. Plan Administrator will not permit the duplication, use, or disclosure of any confidential and proprietary information unless specifically authorized to do so by Claims Administrator or unless required to do so by a subpoena or other court order. However, before any disclosure of confidential and proprietary information is made by Plan Administrator pursuant to subpoena or court order, Plan Administrator must give prompt notice of its receipt of the subpoena or court order to Claims Administrator. All confidential and proprietary information shall be marked as such in accordance with the Freedom of Information Act.

II. RESPONSIBILITIES OF CLAIMS ADMINISTRATOR

A. RESPONSIBILITY FOR CLAIM ADMINISTRATION SERVICES

1. Claims Administrator will perform the following standard claim administration services:

- a. Provision of standard claim forms, identification cards, and other administrative forms for use by participants.
- b. Processing of claims and determination of amounts payable under the Program, including determining allowable charges for covered services.
 - 1) If Claims Administrator is notified that it has paid any person less than the amount to which he is entitled under the Program, Claims Administrator will promptly adjust the underpayment.
 - 2) If Claims Administrator is notified that it has (i) overpaid any person entitled to payment under the Program or (ii) paid any person not entitled to payment, Claims Administrator will seek to recover the overpayment. Claims Administrator will not be required to initiate legal proceedings to make recovery. In the event that Claims Administrator is unable to recover the overpayment amount within 60 days after notice of overpayment, and if the overpayment resulted from the negligence of the Claims Administrator, Claims Administrator will reimburse the Plan Administrator the overpayment amount.

Claims Administrator will cooperate with Plan Administrator and outside counsel employed by Plan Administrator, if any, in order to effect recovery of overpayments not reimbursed by the Claims Administrator pursuant to this subparagraph 2).
- c. Notification of health care providers regarding claim decisions and payment via a written explanation of claims processed.
- d. Maintenance of claim records.
- e. Provision of customer service to Plan Administrator via toll-free telephone lines and written correspondence. Coverage verification via telephone will not be construed as a guarantee of payment of any specific claim.
- f. Provision of assistance to Plan Administrator in the identification and analysis of claim issues, to the extent that such assistance does not constitute legal advice.
- g. Access to Anthem Blue Cross and Blue Shield's facility, provider and pharmacy networks for the purpose of reducing costs to the Program. A description of the networks accessed is set forth in Schedule A of this agreement.

B. RESPONSIBILITY TO MAINTAIN CONFIDENTIALITY AND FILE SECURITY

Claims Administrator acknowledges that all information about Plan Administrator's business is confidential and proprietary. "Confidential and proprietary information" does not include information generally known to the public or information known to Claims Administrator prior to the execution of

this Agreement. Claims Administrator will not permit the duplication, use, or disclosure of any confidential and proprietary information unless specifically authorized to do so by Plan Administrator or unless required to do so by a subpoena or other court order. However, before any disclosure of confidential and proprietary information is made by Claims Administrator pursuant to subpoena or court order, Claims Administrator must give prompt notice of its receipt of the subpoena or court order to Plan Administrator. Claims Administrator will take reasonable security precautions to protect Program files in Claims Administrator's possession from unauthorized access by third parties. Plan Administrator may make security inspections of the location at which these files are stored, upon reasonable advance notice to Claims Administrator.

III. SERVICES AND MONTHLY ADMINISTRATION FEE

- A. Plan Administrator will pay amounts due the Claims Administrator as set forth in Annex A of this Agreement.
- B. During the period of this Agreement, Claims Administrator may receive discounts in the form of rebates from drug manufacturers based upon the volume of drug claims administered under prescription drug card coverage for all insurance policies and benefit plans that Claims Administrator administers. The portion of such rebates that is attributable to prescription drug card coverage under the benefit plan which is administered by Claims Administrator under this Agreement shall hereinafter be referred to as the "Plan Specific Rebate". The Plan Specific Rebate will be calculated based on the prescription drug claims paid. The Claims Administrator will credit the Operating Account with the amount of the Plan Specific Rebate.

If prescription drug card services are not provided under this Agreement, the Claims Administrator's compensation may also include certain financial credits and fees paid to Claims Administrator by drug manufacturers on account of claims processed for drugs and other supplies covered as medical benefits under this Agreement.

IV. GENERAL PROVISIONS

A. EFFECTIVE DATE AND TERM

The effective date of this Agreement is 10/01/07. This Agreement may be renewed on each July 1 for five (5) successive years unless earlier terminated by Claims Administrator or Plan Administrator pursuant to the provisions of Section IV.B.

B. TERMINATION OF THIS AGREEMENT

- 1 . This Agreement may be terminated upon 30 days' written notice by either party to the other.
- 2 . Either party may terminate this Agreement if the other party is in default of any obligation under the Agreement. Termination of the Agreement will occur only if the default is not remedied within ten business days after written notice to the defaulting party by the other party.
- 3 . This Agreement will be terminated without written notice upon:
 - the dissolution or insolvency of Claims Administrator; or
 - termination of the Program.
- 4 . Upon termination of this Agreement, Claims Administrator will assist Plan Administrator in effecting an orderly assumption of services by a replacement administrator.
 - a. All claims and data furnished by Plan Administrator under this Agreement remain the exclusive property of Plan Administrator.
 - b. Upon request of Plan Administrator, Claims Administrator will deliver all files to Plan Administrator or to the new administrator when Claims Administrator's other obligations under this Agreement are completed. Files will be delivered in the format in which they are maintained by Claims Administrator unless Plan Administrator reimburses Claims Administrator for the reasonable cost of delivering the files in a different format.
 - c. Claims Administrator will continue to process claims after the date of termination of this Agreement for a period of up to 2 years following the date of termination. Plan Administrator will continue to fund the Claims Expense made by the Claims Administrator during this period as set forth in Annex A to this Agreement.

C. DISCLAIMER

- 1 . This Agreement is not a contract of insurance or prepaid health care.

D. TRANSFER OF AGREEMENT OR OBLIGATIONS

No party to this Agreement may assign, subcontract, or otherwise transfer this Agreement or its obligations under this Agreement without the prior written consent of the other party. The provisions of the preceding sentence notwithstanding, Claims Administrator may assign any or all of its rights and obligations under the Agreement to a corporate subsidiary or affiliate of Claims Administrator with written notice to or consent of Plan Administrator, provided that Claims Administrator remains the guarantor of, and primarily liable for all obligations relating to provision of services under this Agreement.

E. TERMS OF THIS AGREEMENT

- 1 . This Agreement is the complete understanding between the parties. It supersedes all proposals and other communications with respect to its subject matter.
- 2 . This Agreement may be modified only in writing. Any modification must be signed by the authorized representatives of the parties. The parties agree that the Plan Administrator's Purchasing Document, attached as Exhibit A, will be incorporated and shall be made an integral part of this Agreement.

F. CONSEQUENTIAL OR PUNITIVE DAMAGES

In no event shall either party be liable to the other or the other's employees or agents for the payment of any consequential or punitive damages resulting from a default in the performance of obligations under this Agreement. The preceding sentence does not limit either party's obligation to indemnify and hold harmless an Indemnified Party under Sections I. or II. with respect to consequential or punitive damages that the Indemnified Party may be required to pay to a third party on account of the default in the performance of the indemnifying party's obligations under this Agreement.

G. LIMITATION ON ACTION

Any action resulting from this Agreement brought by one party against the other must commence within two years after the occurrence of the event giving rise to the action.

H. EMPLOYMENT OF COUNSEL AND RESOLUTION OF LITIGATION AND LEGAL FEES

- 1 . In the event of litigation (including any judicial dispute or administrative proceeding involving a dispute with a person (other than a party to this Agreement) arising under the Program or this Agreement), Plan Administrator and Claims Administrator each:
 - a. reserve the right to select and retain counsel to protect their interests;
 - b. will promptly notify each other after learning of such litigation;
 - c. will cooperate fully by providing each other with all relevant information and documents within their control; and
 - d. will reasonably assist each other in the defense of such litigation.

- 2 . In the event that Claims Administrator is the sole named defendant in litigation, it shall have discretion to defend, settle, compromise, or otherwise resolve such litigation consistent with the terms of this Agreement and of the Program. In the event Claims Administrator and Plan Administrator are codefendants in litigation, the parties will cooperate fully with each other to defend, settle, compromise, or otherwise resolve such litigation consistent with the terms of this Agreement and the Program.
- 3 . Whichever party retains counsel and exercises its discretion to settle, compromise, or otherwise resolve litigation will be liable for the payment of attorney's fees and other costs of litigation. There is one exception. If the attorney's fees and other costs of litigation are subject to reimbursement by the other party under the provisions of Sections I. or II. , those provisions will control which party is responsible for such fees and costs.
- 4 . The provisions of this Paragraph will survive termination of this Agreement.

I. RIGHT OF AUDIT

Plan Administrator shall have the right to audit and inspect all records pertaining to claims processed by the Claims Administrator which are necessary to determine if the claims were processed by the Claims Administrator consistent with the terms of this Agreement. Such right shall exist for a three year period following the date the applicable claims were processed. Plan Administrator shall bear the expense of any such audit and inspection. The Claims Administrator shall bear any expenses incurred by the Claims Administrator in supporting its own audit or inspection, if any.

J. SEVERABILITY

If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, the rest of the Agreement will remain in full force and effect.

K. NOTICES

All notices provided in this Agreement shall be directed to the parties at the following addresses, until any such party shall notify the other party hereto in writing of any change in address:

If to Plan Administrator, at the address indicated on Attachment 1 to Annex A of this Agreement.

If to Claims Administrator:

Sales
Anthem Health Plans of Virginia, Inc.
P.O. Box 27401
Richmond, VA 23279

L. APPLICABLE LAW

This Agreement is governed by federal laws regulating health care plans, and to the extent not pre-empted by these laws, the laws of the Commonwealth of Virginia.

M. INDEPENDENT CORPORATION

By accepting this Agreement, Plan Administrator, on behalf of itself and its inmates, agrees to the following statements:

- 1 . This agreement constitutes a contract solely between Plan Administrator and Claims Administrator.
- 2 . The Claims Administrator 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").
- 3 . The Claims Administrator is permitted to use the Blue Cross and Blue Shield Service Marks in a portion of the Commonwealth of Virginia.
- 4 . The Claims Administrator is not contracting as the agent of the Association.
- 5 . Plan Administrator acknowledges that it has not entered into this Agreement based upon representations by any person other than the Claims Administrator and that no person, entity, or organization other than Plan Administrator is accountable or financially liable for claims. The Claims Administrator provides only administrative claims payment services to the Plan Administrator under this agreement.
- 6 . This paragraph shall not create any additional obligations whatsoever on the part of the Claims Administrator other than those obligations created under other provisions of this Agreement.

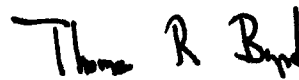
N. CONFIDENTIALITY OF DATA

Plan Administrator shall comply with all applicable confidentiality and privacy laws invoked or impacted by the operation of the Program. Plan Administrator shall obtain any and all releases or consents required by law to enable itself and Claims Administrator to receive and utilize the patient-specific claims, medical and eligibility information, data and files (all of which are hereinafter referred to as "Data") which is required in order to perform the services contemplated by this Agreement. Plan Administrator does not convey and Claims Administrator does not acquire any ownership right to patient-identifying Data that Claims Administrator receives during the course of performing its obligations hereunder. However, during and after the term of this Agreement, Claims Administrator may use the patient-identifying Data (a) to provide the services contemplated by this Agreement and (b) as necessary and as allowed by law to further Claims Administrator's or its affiliates' business activities. Furthermore, Claims Administrator may retain copies of all patient-identifying Data for a period of time it deems necessary for its business purposes. Other than as set forth in this Paragraph or in applicable laws and regulations, patient-identifying Data shall be the exclusive property of Plan Administrator.

Claims Administrator shall have exclusive ownership of non-patient-identifying Data that it collects during and after the term of this Agreement.

The authorized representatives of Claims Administrator and Plan Administrator have executed this Agreement by signing and dating it as follows:

ANTHEM HEALTH PLANS OF VIRGINIA, INC.
d/b/a ANTHEM BLUE CROSS AND BLUE SHIELD



President

Plan Administrator:

By: Patricia Innocenti
FOR CATHY A. MUSE

Title: DIRECTOR

Date: 10-12-2007

Name: Fairfax County

Contract No: 41841000

Effective Date: 10/01/2007

**ANNEX A TO CONTRACT NUMBER 41841000
PAYMENTS TO THE CLAIMS ADMINISTRATOR FOR SERVICES**

A. Definitions

1. **Claims Expenses** shall mean the sum of:
 - a. The retail charges for services and supplies that are covered under the Program which are rendered or furnished by Covered Facilities, less the Facility Network Savings with respect to such charges obtained by the Claims Administrator through its contracts with Covered Facilities; and
 - b. The amounts paid by the Claims Administrator for services and supplies that are covered under the Program which are rendered or furnished by Providers or suppliers of covered services other than Covered Facilities or Providers; and
 - c. The amounts billed to the Claims Administrator by Participating Plans for services and supplies that are covered under the Program.
2. **Claim** shall mean each written or electronic submission by a hospital, facility, professional provider, or pharmacy, or other Plan Administrator authorized provider of services of a request for reimbursement for health care services. Each line item on a claim form submitted by a provider other than a hospital or facility shall represent one Claim, such that a single claim form may contain multiple Claims. Each claim form document submitted by a hospital or facility shall represent a single Claim.
3. **Claim Transaction** shall mean payment of a Claim.
4. **Claim Transaction Fee** shall mean (a) a fee, as specified on Attachment 1, per Claim Transaction when such Claim Transaction is with respect to a Claim for a Covered Service other than a prescription drug dispensed by a pharmacy; and (b) a fee, as specified on Attachment 1, per Claim Transaction when such Claim Transaction is with respect to a Claim for a prescription drug dispensed by a Contracting Pharmacy.
5. **Facility Network Savings** shall mean the difference between (1) Covered Facilities' retail charges for services and supplies that are covered under the Program, and (2) the amount negotiated by the Claims Administrator for payment of such services and supplies under the Claims Administrator's contracts with Covered Facilities.
6. **Incurred Costs** shall mean the sum of:
 - a. Claims Expenses;
 - b. Claim Transaction Fees;
 - c. Additional administrative charges of Participating Plans (see Paragraph G.);
 - d. A network access fee as specified on Attachment 1;
7. **Operating Account** shall mean the accounting established by the Claims Administrator to which Payments and Incurred Costs are posted.
8. **Participating Plan** shall mean another Blue Cross or Blue Shield entity that provides administrative services or network access with respect to claims processed under this Agreement.

9. **Payments** shall mean all amounts payable by the Plan Administrator to the Claims Administrator under this Annex.

10. **Professional Network Savings** shall mean the difference between (1) the retail charges for services and supplies that are covered under the Program (other than those charges for dental services, prescription drugs obtained from Pharmacies or capitated services, if applicable), and which are rendered or furnished by Providers or suppliers of covered services other than Covered Facilities or Providers, and (2) the amount negotiated by the Claims Administrator for payment of such services and supplies, if any, under any applicable contract.

B. Operating Account

1. Claims Expenses which are paid by the Claims Administrator in accordance with its performance of claims administration services shall be debited from the Operating Account. If a Participating Plan processes claims arising under the Program, the Claims Administrator will reimburse the Participating Plan the Claims Expenses and the associated administrative charges from the Operating Account as those expenditures are reported to the Claims Administrator. All other administrative fees will be deducted from the Operating Account on a monthly basis.
2. At monthly intervals while this Agreement is in force, the Claims Administrator shall provide Plan Administrator with accountings. Each such monthly accounting shall set forth Incurred Costs and Payments posted for the monthly period covered by such accounting and the accumulated excess of Payments over Incurred Costs or Incurred Costs over Payments as of the end of the previous month. Claims Expenses pertaining to claims paid in each monthly period shall be included in Incurred Costs in the accounting for such monthly period.

C. Payments by Plan Administrator

1. **Total Payments.** Plan Administrator will pay the Claims Administrator, at the times and in the manner hereinafter described, Payments in an amount equal to Incurred Costs for the entire period from the beginning of this Agreement to the final settlement of this Agreement referred to in Paragraph E.2. of this Annex.
2. **Method of Payment.** Applications and enrollment transmittals must be received by Claims Administrator by the 10th of the current month. Payments must be made to Claims Administrator via ACH Debit, wire transfer or check. Claims Administrator will establish an estimated up front deposit for Plan Administrator. Settlements would be made monthly. This method will offset negative cash flow.
3. **Annual Settlement.** Not later than 90 days after the end of each Agreement Year, the Claims Administrator shall conduct and submit to Plan Administrator an accounting to determine the amount of Incurred Costs and the amount of Payments posted for such Agreement Year. In computing Incurred Costs for any Agreement Year, Claims Expenses for such year shall be the Claims Expenses pertaining to claims paid by the Claims Administrator in such Agreement Year. If the accounting for any Agreement Year shows that Incurred Costs for such year exceed Payments posted for such year, then Plan Administrator shall pay the amount of such excess to the Claims Administrator. If the accounting for any Agreement Year shows that Payments posted for such year exceed Incurred Costs for such year, then the Claims Administrator shall pay the amount of such excess to Plan Administrator. The accounting for any Agreement Year hereunder shall include any excess of Incurred Costs over Payments or excess of

Payments over Incurred Costs for prior periods under this Agreement which have not been paid to the Claims Administrator or to Plan Administrator, respectively, as of the date of such accounting, and any such unpaid amounts shall be included in the amounts owing hereunder for such Agreement Year. Any payment required by this Paragraph C.3. shall be made within 30 days of submission of the accounting to Plan Administrator. If this Agreement is terminated as of the end of any Agreement Year, then in lieu of conducting an annual settlement for such year as provided in this Paragraph C.3. , the provisions of Paragraph E. of this Annex shall control.

D. Revisions to Annex A

1. The Claims Administrator may revise the terms, conditions, and amounts set forth in this Annex for any Agreement Year by notifying Plan Administrator in writing of such revisions at least 40 days before the beginning of such Agreement Year. If such revisions are unacceptable to Plan Administrator, this Agreement may be terminated by Plan Administrator, effective at the commencement of the Agreement Year for which such revisions are proposed by giving the Claims Administrator written notice at least 10 days prior to the beginning of such Agreement Year.
2. The Claims Administrator may revise the terms, conditions, and amounts set forth in this Annex effective on the first of the month following 30 days prior written notice to Plan Administrator of the revisions upon the occurrence of any one of the following events:
 - (i) if there is a change in federal or state law, statute, or regulation which changes the Claims Administrator's duties, obligations, or rights to compensation contemplated under this Agreement; or
 - (ii) if there is a change in the taxes or fees owed by the Claims Administrator to either the federal government or a state or local government which, in either case, are calculated on the basis of amounts paid or payable by Plan Administrator or the Claims Administrator under this Agreement;

E. Termination

1. **Monthly Settlements.** If this Agreement is terminated, then the Claims Administrator, until submission of the final accounting referred to in Paragraph E.2. of this Annex, shall continue to conduct and submit to Plan Administrator monthly accountings as provided in Paragraph C. above. If the accounting for any monthly period ending on or after the effective date of termination shows that Incurred Costs from the beginning of this Agreement until the end of such period exceed Payments posted from the beginning of this Agreement until the end of such period, then Plan Administrator shall pay the amount of such excess to the Claims Administrator within 30 days of submission of the monthly accounting. If any monthly accounting shows that Payments posted from the beginning of this Agreement until the end of such period exceed Incurred Costs from the beginning of this Agreement until the end of such period, then such excess will be carried forward and reflected in the accounting for the subsequent month.
2. **Final Settlement.** The Claims Administrator shall within 2 years of the effective date of termination conduct a final accounting. The final accounting shall set forth the amount of Incurred Costs and Payments posted since the end of the period covered by the most recent monthly accounting and the accumulated excess of Incurred Costs over Payments or Payments over Incurred Costs since the beginning of this Agreement. If the final accounting shows an accumulated excess of Payments over Incurred Costs since the beginning of this Agreement, then the Claims Administrator shall pay the amount of such excess to Plan Administrator. If the final accounting shows an accumulated excess of Incurred Costs over Payments since the beginning of this Agreement, then Plan Administrator shall pay

the amount of such excess to the Claims Administrator. Any payment required by this Paragraph E.2. shall be made within 30 days of submission of the final accounting and shall constitute final settlement of this Agreement.

F. Interest

1. If any payment required of the Plan Administrator is not made by its due date, Interest will be charged on the next monthly accounting's ending balance. The rate used will be the previous month's posted prime rate of Wachovia Corporation or its successor plus 2% per annum.

G. Charges of Participating Plans

Participating Plans that provide administrative services by virtue of Plan Administrator's Request for services in the Participating Plan's service area charge fees for claims administration services through billings to the Claims Administrator. These fees vary depending on the level of services being provided by the Participating Plan.

H. Prescription Drug Rebates

During the period of this Agreement, Claims Administrator may receive discounts in the form of rebates from drug manufacturers based upon the volume of drug claims administered under prescription drug card coverage for all insurance policies and benefit plans that Claims Administrator administers. The portion of such rebates that is attributable to prescription drug card coverage under the benefit plan which is administered by Claims Administrator under this Agreement shall hereinafter be referred to as the "Plan Specific Rebate". The Plan Specific Rebate will be calculated based on the prescription drug claims paid. The Claims Administrator will credit the Operating Account with the amount of the Plan Specific Rebate.

If prescription drug card services are not provided under this Agreement, the Claims Administrator's compensation may also include certain financial credits and fees paid to Claims Administrator by drug manufacturers on account of claims processed for drugs and other supplies covered as medical benefits under this Agreement.

Effective 10/01/2007

**ATTACHMENT 1 TO ANNEX A
CONTRACT NUMBER 41841000**

Plan Sponsor and Plan Administrator: Fairfax County
1200 Government Center Parkway
Suite 427
Fairfax, Va. 22035

Annex A Fees :

A. Claim Transaction Fees	\$19.05 per Claim Transaction (medical and dental claims administration)
	\$2.87. per script (drug claims administration)
B. Virginia network access fees	20% of Facility Network Savings.

SCHEDULE A

PPO NETWORK DESCRIPTION

This Schedule is a part of the agreement to which it is attached. It describes the network of hospitals and providers for which in-network benefits are applicable under the PPO option of the Program.

Plan Administrator has contracted with Claims Administrator for inmate's access to Claims Administrator's:

1. PPO 1 Network of hospitals and providers for those enrollees under the PPO option of the Program who receive covered medical services;
 2. Participating Network of hospitals and providers for those enrollees under the non-PPO options of the Program who receive covered medical services; and
 3. Contracting Network of skilled nursing facilities and home health care agencies for all enrollees under the Program who receive covered medical services.
- A.** When an inmate receives Covered Services from a participating hospital, a PPO 1 network hospital, contracting skilled nursing facility, or contracting home health care agency, Claims Administrator will make payment for these services directly to the facility. As a part of their obligations under network agreements, these facilities will file claims for inmates. Payment by Claims Administrator will relieve it and the Program of any further liability to the facility for the facility's services.
- B.** Claims Administrator's payment to a facility referred to in paragraph **A.** above will be based on a negotiated payment arrangement that satisfies Claims Administrator's payment obligation under this agreement for the facility's services. The dollar value of the resulting payment to the facility may be greater than or less than the amount payable under the Program for allowable charges. Claims Administrator's payment will discharge Claims Administrator and the Program's obligation to the facility for the stated percentage of the allowable charge.
- C.** Claims Administrator will make payment directly to participating and PPO1 network providers for covered services under the Program. A PPO 1 network provider and participating providers will file claims for inmates as a part of their obligations under network agreements. A PPO 1 network provider and participating providers will accept Claims Administrator's allowance for a covered service as payment in full for that service. Payment by Claims Administrator will relieve it and the Program of any further liability to the provider for the service.
- D.** Payments made by Claims Administrator under paragraphs **A.** through **C.** above are the basis upon which Claims Administrator Claims Expenses are calculated and, in turn, reimbursed by the Program Administrator under this agreement.

Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Virginia, Inc. •An independent licensee of the Blue Cross and Blue Shield Association.

® Registered marks Blue Cross and Blue Shield Association.

01/01/2007
Date Created 9/20/07 14:26:44

EXHIBIT A
CONTRACT NO. XX08-948440-11A
(ANTHEM Contract No. 41841000)

THE PARTIES TO THIS CONTRACT, between the Fairfax County Board of Supervisors (FAIRFAX COUNTY) AND Anthem Health Plans of Virginia, Inc., d/b/a Anthem Blue Cross and Blue Shield (CONTRACTOR), MUTUALLY AGREE THAT:

1. **FAIRFAX COUNTY engages the CONTRACTOR to provide the following goods and or / services:**

2. **AUTHORITY:**

- 2.1. The Purchasing Agent has the sole responsibility and authority for negotiating, placing and when necessary modifying every contract and purchase order (except for capital construction projects) issued by the County of Fairfax. In the discharge of these responsibilities, the Purchasing Agent may be assisted by assigned contract administrators. Specifically delegated employees are authorized to order supplies or services, and obligate the government of the County of Fairfax for indebtedness. Any purchase ordered or contract made which is contrary to these provisions and authorities shall be of no effect and void and shall not be binding on the County.
- 2.2. Certain provisions of this agreement may not be applicable to specific contracts for either goods or services and may be waived at the discretion of the Purchasing Agent.
- 2.3. Multiyear contracts may be continued each fiscal year only after funding appropriations and program approval have been granted by the Fairfax County Board of Supervisors. In the event that the Fairfax County Board of Supervisors does not grant necessary funding appropriation/program approval, then the affected multiyear contract becomes null and void, effective July 1 of the fiscal year for which such approvals have been denied.

3. **DEFINITIONS:**

- 3.1. **AGENCY:** Any Department, Agency, Authority, Commission, Board or other unit in the administrative service of the County.
- 3.2. **CONTRACTOR:** Anthem Health Plans of Virginia, Inc., d/b/a Anthem Blue Cross and Blue Shield.
- 3.3. **COUNTY:** County of Fairfax.
- 3.4. **PURCHASING AGENT:** The Director of the Department of Purchasing and Supply Management, appointed by the Board of Supervisors of Fairfax County, Virginia.
- 3.5. **SERVICES:** Any work performed by Anthem Blue Cross and Blue Shield where the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.
- 3.6. **STATE:** Commonwealth of Virginia.

4. **INTERPRETATION OF CONTRACT:**

- 4.1. Any questions pertaining to this contract shall be directed to:

Ed Londres, Contract Specialist
Department of Purchasing & Supply Management
12000 Government Center Parkway, Suite 427
Fairfax, Virginia 22035-0014
Telephone Number: (703) 324-3291
Email: eduardo.londres@fairfaxcounty.gov

EXHIBIT A
CONTRACT NO. XX08-948440-11A
(ANTHEM Contract No. 41841000)

5. PERIOD OF CONTRACT:

- 5.1. The initial period of this Contract shall be from October 1, 2007 through June 30, 2008. The term of the Contract may be renewed for five (5) successive years unless sooner terminated by either party as specified under the Termination of Agreement Provisions.

6. METHOD OF ORDERING:

- 6.1. As requirements arise, authorized individuals will place orders for specific quantities of items covered herein.
- 6.2. The County may use four different methods of placing orders from the contract: Purchase Orders (PO); Blanket Purchase Orders (BP); Small Orders (SO); and, approved County procurement cards.
- 6.3. A Blanket Purchase Order may be issued to the Contractor on behalf of each County Agency who will be ordering items or services covered in the contract. The BP indicates that sufficient funds have been obligated as required by Title 15 of the Code of the Commonwealth of Virginia. Each BP will cite a specific period of time, and will indicate an agency authorization order code to be used when ordering to identify those employees authorized to place calls. No specific dollar limitation will be indicated on the BP.
- 6.4. Orders may be placed orally by authorized employees of the County identifying themselves with their agency authorization order code, BP call number, and their name. The Contractor may contact agency personnel listed on the Purchase Order to verify the authorization of the employee placing the call.
- 6.5. A Purchase Order or Small Purchase Order may be issued to the contractor on behalf of the County agency ordering the items/services covered under this contract. An issued PO or SO will become a part of the resulting contract. The purchase order indicates that sufficient funds have been obligated as required by Title 15 of the Code of the Commonwealth of Virginia.
- 6.6. Credit card orders and payments may also be made by the use of a Fairfax County or Fairfax County Public Schools "Procurement" Card. The Procurement card is currently under contract with JP Morgan Chase/Master Card. Contractors are encouraged to accept this method of receiving orders. Questions regarding establishing an account with Master Card should be referred to: MC/Master Card Merchant Services at 1-800-999-5189.
- 6.7. Regardless of the method of ordering used, the contract and any subsequent modifications determine performance time and dates.
- 6.8. Performance under this contract is not to begin until receipt of the purchase order, Procurement Card order, or other notification to proceed by the County Purchasing Agent and/or County agency to proceed. Purchase requisitions shall not be used for placing orders.

7. CANCELLATION OF ORDERS:

- 7.1. Purchases made under this contract are for readily available services and supplies; time is of the essence in furnishing the items ordered. The County reserves the right to cancel the order and/or to refuse delivery if the items ordered are not furnished within the period of time specified in this contract. Should public necessity demand it, the County reserves the right to use or consume articles delivered or services performed which are substandard in quality, subject to an adjustment in price to be determined by the Purchasing Agent.

8. INSPECTION AND ACCEPTANCE:

- 8.1. For determining acceptance of supplies or services for the purpose of eligibility for a prompt payment discount, inspection and acceptance shall be accomplished only after examination (including testing) to determine conformance with the contract requirements. Inspection, as appropriate, shall be

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accomplished within a reasonable time.

- 8.2. Inspection and acceptance of materials or supplies will be made after delivery at specified destinations unless otherwise stated. The County will bear the expense of inspection except for the value of samples used in case of rejection. Final inspection shall be conclusive except in regard to latent defects, fraud or such gross mistakes as to amount to fraud. Final inspection and acceptance or rejection of the materials or supplies will be made in a reasonable time, but failure to inspect and accept or reject materials or supplies shall not impose liability on the County for such materials or supplies as are not in accordance with the specifications.

9. COMPENSATION:

- 9.1. Fairfax County agrees to pay the Contractor for services provided at the rates specified on Attachment 1 to Annex A of the Contractor's Contract Document. As the Contractor is not a bonafide County employee the parties agree that no deductions for withholding taxes, workman's compensation, insurance, or other fringe benefits will be made and will be the sole responsibility of the Contractor.

10. SALES/DELIVERY TICKETS:

- 10.1. Orders placed under this contract for delivery or for pick up by an authorized representative, shall be supported by the contractor's sales/delivery ticket, signed by a Fairfax County representative. The contractor's sales/delivery ticket shall contain the following information:

1. Contractor's Name
2. Purchase Order, BP (Call Order Number) or SO number
3. Date of Purchase
4. Itemized list of supplies furnished
5. Quantity, unit price and extension of each item, and total, less any applicable trade discount in accordance with the Contract.
6. Name of authorized representative ordering the supplies
7. Name of Fairfax County Agency receiving the supplies.

11. INVOICING PROCEDURE:

- 11.1. The Contractor shall submit an invoice listing the sales/delivery ticket numbers covering deliveries made during the billing period and submitted to the BILL TO address shown on the PO, BP (Call Order Number) or the SO. The invoice must be accompanied by one copy of each signed sales/delivery ticket. The invoice shall contain the applicable Purchase Order number, BP (call order number) or SO number, and the name of the department receiving the supplies.

12. PAYMENT:

- 12.1. Payment shall be made after satisfactory performance of the contract, in accordance with all of the provisions thereof, and upon receipt of a properly completed invoice. Fairfax County reserves the right to withhold any or all payments or portions due to Contractor's failure to perform in accordance with the provision of the contract, including failure of goods delivered to satisfactorily pass inspection or acceptance testing.
- 12.2. Unless otherwise specified, partial payments will be made upon acceptance of materials or services so invoiced if in accordance with completion date. However, up to 5 percent of the value of the entire order may be retained until completion of contract.
- 12.3. When equipment requires installation and test, and where installation or testing is delayed, payment may be made on the basis of 50% of the contract price when such equipment is delivered on the site. A further allowance of 25% may be made when the equipment is installed and ready for test. The balance shall be paid after the equipment is tested and found to be satisfactory.

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If the equipment must be tested, but installation is not required to be made by the Contractor or if the equipment must be installed but testing is not required, payment may be made on the basis of 75% at the time of delivery and the balance shall be paid after satisfactory test or installation is completed.

13. SHIPPING:

- 13.1. All materials shipped to the County must be shipped F.O.B. destination unless otherwise stated in a subsequent purchase order. The materials must be delivered to the "ship to" address indicated on the purchase order.
- 13.2. Unless bought F.O.B. "shipping point" and Contractor prepays transportation, no delivery charges shall be added to invoices except when express delivery is authorized. In such cases, difference between freight or mail and express charges may be added to invoice.

14. TAX EXEMPTION:

- 14.1. The County is exempt from the payment of any federal excise or any Virginia sales tax. Contract prices must be net, exclusive of taxes. However, when under established trade practice any federal excise tax is included in the list price, a contractor may quote the list price and shall show separately the amount of federal tax, either as a flat sum or as a percentage of the list price, which shall be deducted by the County. Fairfax County's Federal Excise Tax Exemption Number is 54-74-0127K. Contractors located outside the Commonwealth of Virginia are advised that when materials are picked up by the County at their place of business, they may charge and collect their own local/state sales tax. Materials used in the performance of construction contracts are subject to Virginia Sales/Use Tax as described in Section 630-10-27J of the Virginia Retail Sales and Use Tax Regulations.

15. CONTRACT INSURANCE PROVISIONS:

- 15.1. The Contractor shall be responsible for its work and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all description used in connection therewith. The Contractor assumes all risk of direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the contract.
 - a. The Contractor shall, during the continuance of all work under the contract provide the following:
 - b. Maintain statutory Workers' Compensation and Employer's Liability insurance in limits of not less than \$100,000 to protect the contractor from any liability or damages for any injuries (including death and disability) to any and all of its employees, including any and all liability or damage which may arise by virtue of any statute or law in force within the Commonwealth of Virginia.
 - c. The Contractor agrees to maintain Commercial General Liability insurance in the amount of \$500,000 per occurrence/aggregate, to protect the Contractor, its subcontractors, and the interest of the County, its officers and employees against any and all injuries to third parties, including bodily injury and personal injury, wherever located, resulting from any action or operation under the Contract or in connection with the contracted work.

The General Liability insurance shall include the Broad Form Property Damage endorsement, in addition to coverages for explosion, collapse, and underground hazards, where required. Completed operations liability endorsement shall continue in force for three years following completion of the contract.

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- d. The Contractor agrees to maintain owned, non-owned, and hired Automobile Liability insurance, in the amount of \$500,000 per occurrence/aggregate, including property damage, covering all owned, non-owned, borrowed, leased, or rented vehicles operated by the contractor. In addition, all mobile equipment used by the contractor in connection with the contracted work, will be insured under either a standard Automobile Liability policy, or a Commercial General Liability policy. The Garage Keeper's Liability coverage shall also be maintained where appropriate.
- e. Contractor agrees to maintain Contractors Liability insurance in the amount of \$500,000 per occurrence/aggregate to insure against loss due to liability imposed upon an owner/contractor for acts arising out of the operations of independent contractors/subcontractors or out of an owner's/contractor's supervisory activity.

f. Liability Insurance "Claims Made" basis:

If the liability insurance purchased by the contractor has been issued on a "claims made" basis, the contractor must comply with the following additional conditions. The limit of liability and the extensions to be included as described previously in these provisions, remain the same. The Contractor must either:

- 1. Agree to provide certificates of insurance evidencing the above coverage for a period of two years after final payment for the contract. This certificate shall evidence a "retroactive date" no later than the beginning of the Contractor's or sub-contractor's work under this contract, or
 - 2. purchase the extended reporting period endorsement for the policy or policies in force during the term of this contract and evidence the purchase of this extended reporting period endorsement by means of a certificate of insurance or a copy of the endorsement itself.
- g. Liability insurance may be arranged by General Liability and Automobile Liability policies for the full limits required, or by a combination of underlying Liability policies for lesser limits with the remaining limits provided by an Excess or Umbrella Liability policy.
- h. The Contractor agrees to provide insurance issued by companies admitted within the Commonwealth of Virginia, with the Best's Key Rating of at least A:VI.
 - i. European markets including those based in London, and the domestic surplus lines markets that operate on a non-admitted basis are exempt from this requirement provided that the Contractor's broker can provide financial data to establish that a market is equal to or exceeds the financial strengths associated with the A.M. Best's rating of A:VI or better.
- i. The contractor will provide an original, signed Certificate of Insurance citing the contract number and such endorsements as prescribed herein.
- j. The contractor will secure and maintain all insurance certificates of its subcontractors, which shall be made available to the County on demand.
- k. The contractor will provide on demand certified copies of all insurance policies related to the contract within ten business days of demand by the County. These certified copies will be sent to the County from the contractor's insurance agent or representative.
 - 1. No change, cancellation, or non-renewal shall be made in any insurance coverage without a 45 day written notice to the County. The contractor shall furnish a new certificate prior to any change or cancellation date.

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The failure of the contractor to deliver a new and valid certificate will result in suspension of all payments until the new certificate is furnished.

2. Compliance by the contractor and all subcontractors with the foregoing requirements as to carrying insurance shall not relieve the contractor and all subcontractors of their liabilities provisions of the contract.
3. Contractual and other liability insurance provided under this contract shall not contain a supervision, inspection or engineering services exclusion that would preclude the County from supervising and/or inspecting the project as to the end result. The contractor shall assume all on-the-job responsibilities as to the control of persons directly employed by it and of the subcontractors.
4. Nothing contained in the specifications shall be construed as creating any contractual relationship between any subcontractor and the County. The Contractor shall be as fully responsible to the County for the acts and omissions of the subcontractors and of persons employed by them as it is for acts and omissions of person directly employed by it.
5. Precaution shall be exercised at all times for the protection of persons (including employees) and property.
6. The Contractor and all subcontractors are to comply with the Occupational Safety and Health Act of 1970, Public Law 91-596, as it may apply to this Contract.

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7. The County, its officers and employees shall be named as an "additional insured" in the Automobile and General Liability policies and it shall be stated on the Insurance Certificate that this coverage "is primary to all other coverage the County may possess."
8. If an "ACORD" Insurance Certificate form is used by the Contractor's insurance agent, the words, "endeavor to" and "...but failure to mail such notice shall impose no obligation or liability of any kind upon the company" in the "Cancellation" paragraph of the form shall be deleted or crossed out.

16. FUNDING:

- 16.1. A contract shall be deemed binding only to the extent of appropriations available to each agency for the purchase of goods and services.

17. CONTRACT ALTERATIONS:

- 17.1. No alterations in the terms of the contract shall be valid or binding upon the County unless made in writing and signed by the Purchasing Agent or his or her authorized agent. Should it become proper or necessary in the execution of this contract to make any change in design or to make any alterations which will increase the expense, the Purchasing Agent shall determine an equitable adjustment.
- 17.2. No payment shall be made to the contractor for any extra material or services, or of any greater amount of money than stipulated to be paid in the contract, unless some changes in or additions to the contract requiring additional outlay by the contractor shall first have been expressly authorized and ordered in writing by contract amendment or otherwise furnished by the Purchasing Agent.
- 17.3. The County reserves the right to add similar items/services or delete items/services specified in the resultant contract as requirements change during the period of the contract.

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Fairfax County and the contractor will mutually agree to prices for items/services to be added to the contract. Contract amendments will be issued for all additions or deletions.

18. SUBLETTING OF CONTRACT OR ASSIGNMENT OF CONTRACT FUNDS:

- 18.1. The contractor shall not assign, transfer, convey, sublet or otherwise dispose of his or her contractual duties to any other person, firm or corporation, without the previous written consent of the Purchasing Agent. If the contractor desires to assign his or her right to payment of the contract, contractor shall notify the Purchasing Agent immediately, in writing, of such assignment of right to payment. In no case shall such assignment of contract relieve the Contractor from his or her obligations or change the terms of the contract.

19. TERMINATION FOR CONVENIENCE:

- 19.1. The contract will remain in force for the full period specified and/or until all articles ordered before date of termination shall have been satisfactorily delivered and accepted and until all requirements and conditions shall have been met, unless:
- a. Terminated prior to expiration date by satisfactory deliveries of entire contract requirements, or upon termination by the County for Convenience or Cause.
 - b. Extended upon written authorization of the Purchasing Agent and accepted by Contractor, to permit ordering of unordered balances or additional quantities at contract prices and in accordance with contract terms.
- 19.2. A contract may be terminated in whole or in part by the County in accordance with this clause whenever the County Purchasing Agent shall determine that such a termination is in the best interest of the County. Any such termination shall be effected by delivery to the Contractor at least five working days prior to the termination date of a Notice of Termination specifying the extent to which performance shall be terminated and the date upon which termination becomes effective. An equitable adjustment in the contract price shall be made for completed service, but no amount shall be allowed for anticipated profit on unperformed services.

20. TERMINATION OF CONTRACT FOR CAUSE:

- 20.1. If, through any cause, the Contractor fails to fulfill in a timely and proper manner his or her obligations under this contract, or if the Contractor violates any of the covenants, agreements, or stipulations of this contract, the County shall have the right to terminate, specifying the effective date, at least five (5) days before the effective date of such termination. In such event all finished or unfinished documents, data, studies, surveys, drawings, maps, models, and reports prepared by the Contractor under the contract shall, at the option of the County, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents.
- 20.2. Notwithstanding the above, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of contract by the Contractor for the purpose of set off until such time as the exact amount of damages due to the County from the Contractor is determined.

21. GUARANTIES & WARRANTIES:

- 21.1. All guarantees and warranties required shall be furnished by the Contractor and shall be delivered to the Purchasing Agent before final payment on the contract is made. Unless in conflict with this contract or as otherwise stated, manufacturer's standard warranty applies.

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22. GENERAL GUARANTY:

22.1. Contractor agrees to:

- a. Save the County, its agents and employees harmless from liability of any nature or kind for the use of any copyrighted or uncopyrighted composition; secret process, patented or unpatented; invention; article or appliance furnished or used in the performance of a contract for which the Contractor is not the patentee, assignee, licensee or owner.
- b. Protect the County against latent defective material or workmanship and to repair or replace any damages or marring occasioned in transit or delivery.
- c. Furnish adequate protection against damage to all work and to repair damages of any kind to the building or equipment, to his or her own work or to the work of other contractors, for which his or her workers are responsible.
- d. Pay for all permits, licenses and fees and give all notices and comply with all laws, ordinances, rules and regulations of the County.
- e. Protect the County from loss or damage to County owned property while it is in the custody of the Contractor.

23. SERVICE CONTRACT GUARANTY:

23.1. Contractor agrees to:

- a. Furnish services described in the contract at the times and places and in the manner and subject to conditions set forth provided that the County may reduce the said services at any time.
- b. Enter upon the performance of services with all due diligence and dispatch, assiduously press to its complete performance, and exercise therein the highest degree of skill and competence.
- c. All work and services rendered in strict conformance to all laws, statutes, and ordinances and the applicable rules, regulations, methods and procedures of all government boards, bureaus, offices and other agents.
- d. Allow services to be inspected or reviewed by an employee of the County at any reasonable time and place selected by the County. Fairfax County shall be under no obligation to compensate Contractor for any services not rendered in strict conformity with the contract.
- e. Stipulate that the presence of a County Inspector shall not lessen the obligation of the Contractor for performance in accordance with the contract requirements, or be deemed a defense on the part of the Contractor for infraction. The Inspector is not authorized to revoke, alter, enlarge, relax, or release any of the requirements of the contract documents. Any omission or failure on the part of the Inspector to disapprove or reject any work or material shall not be construed to be an acceptance of any such defective work or material. Notification of an omission or failure will be documented by the Purchasing Agent.

24. OFFICIALS NOT TO BENEFIT:

- 24.1. Upon acceptance of this contract, the Contractor certifies that to the best of his or her knowledge no Fairfax County official or employee having official responsibility for the procurement transaction, or member of his or her immediate family, has received or will receive any financial benefit of more than nominal or minimal value relating to the award of this contract. If such a benefit has been received or will be received, this fact shall be disclosed as soon as it appears that such a benefit will be received.

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Failure to disclose the information prescribed above may result in suspension or debarment, or rescission of the contract made, or could affect payment pursuant to the terms of the contract.

- 24.2. Whenever there is reason to believe that a financial benefit of the sort described in above paragraph has been or will be received in connection with a contract, and that the contractor has failed to disclose such benefit or has inadequately disclosed it, the County Executive, as a prerequisite to payment pursuant to the contract, or at any other time, may require the Contractor to furnish, under oath, answers to any interrogatories related to such possible benefit.
- 24.3. In the event the contractor has knowledge of benefits as outlined above, this information should be submitted to the Fairfax County Purchasing Agent. The contract number should be referenced in the disclosure.

25. LICENSE REQUIREMENT:

- 25.1. All firms doing business in Fairfax County shall obtain a license as required by Chapter 4, Article 7, of The Code of the County of Fairfax, Virginia, as amended, entitled "Business, Professional and Occupational Licensing (BPOL) Tax." Questions concerning the BPOL Tax should be directed to the Department of Tax Administration, telephone (703) 222-8234 or visit: http://www.fairfaxcounty.gov/dta/business_tax.htm.

26. REGISTERING OF CORPORATIONS:

- 26.1. Any foreign corporation transacting business in Virginia shall secure a certificate of authority as required by Section 13.1-757 of the Code of Virginia, from the State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23209. The Commission may be reached at (804) 371-9733. The consequences of failing to secure a certificate of authority are set forth in Virginia Code Section 13.1-758.

27. COVENANT AGAINST CONTINGENT FEES:

- 27.1. The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For violation of this warranty, the County shall have the right to terminate or suspend this contract without liability to the County or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

28. VENDOR RELATIONS DIVISION:

- 28.1. It is the policy of the County of Fairfax as declared by the Fairfax County Board of Supervisors' adoption of a Small and Minority Business Enterprise Program, April 6, 1981, that Fairfax County and its employees undertake every effort to increase opportunity for utilization of small or minority businesses in all aspects of procurement to the maximum extent feasible. PLEASE COMPLETE THE ATTACHED BUSINESS CLASSIFICATION SCHEDULE.
- 28.2. In connection with the performance of this contract, the Contractor agrees to use his or her best effort to carry out this policy and to insure that small and minority businesses shall have the maximum practicable opportunity to compete for subcontract work under this contract consistent with the efficient performance of this contract.
- 28.3. Contractors may rely on oral or written representations by subcontractors regarding their status as small and/or minority business enterprises in lieu of independent investigation.

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- 28.4. Where Federal grants or monies are involved it is the policy of Fairfax County, through its agents and employees, to comply with the requirements set forth in the U.S. Office of Management and Budget Circular No. A-102, uniform administrative requirements for Grants and Cooperative Agreements with State and Local Governments, as they pertain to small and minority business utilization.

29. INELIGIBILITY:

- 29.1. Any person or firm suspended or debarred from participation in County procurement shall be notified in writing by the Purchasing Agent.
- 29.2. The Notice of Suspension shall state the reasons for the actions taken and such decision shall be final unless the person or firm appeals within 30 days of receipt of the Notice by instituting legal action as provided in the Code of Virginia.
- 29.3. The Notice of Debarment shall state the reasons for the actions taken and the decision shall be final unless the person or firm appeals within 30 days of receipt of the notice by instituting legal action as provided in the Code of Virginia.
- 29.4. The Purchasing Agent shall have the authority to suspend or debar a person or firm from bidding on any contract for the causes stated in the Fairfax County Purchasing Resolution.
- 29.5. If, upon appeal, it is determined that the action taken by the Purchasing Agent was arbitrary or capricious, or not in accordance with the Constitution of Virginia, statutes or regulations, the sole relief available to the person or firm shall be restoration of eligibility. The person or firm may not institute legal action until all statutory requirements have been met.

30. ORDER OF PRECEDENCE:

- 30.1. In the event of a conflict between the provisions of this Contract and the Contractor's Contract Document, the provisions of this Contract shall take precedence over any other Contract document.

31. CONTRACTUAL DISPUTES:

- 31.1. Any dispute concerning a question of fact as a result of a contract with the County which is not disposed of by agreement shall be decided by the County Purchasing Agent, who shall reduce his decision to writing and mail or otherwise forward a copy to the contractor within 30 days. The decision of the County Purchasing Agent shall be final and conclusive unless the contractor appeals within six months of the date of the final written decision by instituting legal action as provided in the Code of Virginia. A contractor may not institute legal action, prior to receipt of the County's decision on the claim, unless the County fails to render such decision within the time specified.
- 31.2. Contractual claims, whether for money or other relief, shall be submitted in writing no later than 60 days after final payment; however, written notice of the contractor's intention to file such claim shall have been given at the time of the occurrence or beginning of the work upon which the claim is based. The contractor may be required to submit an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

32. LEGAL ACTION:

- 32.1. All terms and conditions of this contract are subject to the laws of the Commonwealth of Virginia and other local laws, policies, resolutions, and regulations, as applicable. No contractor shall institute any legal action until all statutory requirements have been met.

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33. HIPAA COMPLIANCE:

- 33.1. Fairfax County Government has designated certain health care components as covered by the Health Insurance Portability and Accountability Act of 1996. The contractor shall be designated a business associate pursuant to 45 CFR part 164.504(e) of those agencies identified as health care components of the County, including the Fairfax-Falls Church Community Services Board, upon award of contract. The contractor shall be required to execute a Fairfax County Business Associate Agreement and must adhere to all relevant federal, state, and local confidentiality and privacy laws, regulations, and contractual provisions of that agreement. These laws and regulations include, but are not limited to: (1) HIPAA – 42 USC 201, et seq., and 45 CFR Parts 160 and 164; and (2) Va Code – Title 32.1, Health, § 32.1-1 et seq. The contractor shall have in place appropriate administrative, technical, and physical safeguards to ensure the privacy and confidentiality of protected health information.

Further information regarding HIPAA compliance is available on the County's website at <http://www.fairfaxcounty.gov/HIPAA>.

34. NON-DISCRIMINATION:

- 34.1. Fairfax County does not discriminate against faith-based organizations, in accordance with the Code of Virginia, § 2.2-4343.1, or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment in the performance of its procurement activity.
- 34.2. During the performance of this contract, the Contractor agrees as follows:
- a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
 - b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such Contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
 - d. The Contractor will include the provisions of the foregoing paragraphs a, b, and c above in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or vendor.
 - e. Contractor and Subcontractor shall, throughout the term of this contract, comply with the Human Rights Ordinance, Chapter 11 of the Code of the County of Fairfax, Virginia, as reenacted or amended.

35. **DRUG FREE WORKPLACE:**

- 35.1. During the performance of a contract, the contractor agrees to (1) provide a drug-free workplace for the contractor's employees; (2) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (3) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (4) include the provisions of the foregoing clauses in every subcontract of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purposes of this section, "drug-free workplace" means a site for the performance of work done in conjunction with a specific contract awarded to a contractor in accordance with this section, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

36. **AMERICANS WITH DISABILITIES ACT REQUIREMENTS:**

- 36.1. Fairfax County Government is fully committed to the Americans with Disabilities Act (ADA), which guarantees non-discrimination and equal access for persons with disabilities in employment, public accommodations, transportation, and all County programs, activities and services. Fairfax County government contractors, subcontractors, vendors, and/or suppliers are subject to this ADA policy. All individuals having any County contractual agreement must make the same commitment. Your acceptance of this contract acknowledges your commitment and compliance with ADA.

ACCEPTED BY:

Thomas H. Anthony
Anthem Blue Cross and Blue Shield
CONTRACTOR

Sep 27 2007
DATE

Patricia Innocenti
for Cathy A. Muse, CPPO
Director/County Purchasing Agent

10-12-2007
DATE

BUSINESS CLASSIFICATION SCHEDULE

DEFINITIONS

Small Business/Organization – is an independently owned and operated business which, together with affiliates, has 250 or fewer employees or average annual gross receipts of \$10 million or less averaged over the previous three years..

Minority Business – is a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company, or other entity, at least 51% of the equity ownership interest in the corporation, partnership or limited company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals. Such individuals shall include Asian American, African American, Hispanic American, Native America, Eskimo or Aleut.

Woman-Owned Business – A business concern that is at least 51% owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership or limited company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women who are U.S. citizens or legal resident aliens.

YOU MUST CLASSIFY YOUR BUSINESS/ORGANIZATION BY MARKING ONE (1) OF THE SIX (6) BOXES IN THE CHART BELOW. This designation is required of all business/organizations including publicly traded corporations, non-profits, sheltered work shops, government organizations, partnerships, sole proprietorships, etc.

Examples:

A small business, Asian woman owned, would mark box C on line 2.

A large business, African-American owned, would mark box V on line 3.

A small non-profit would mark box B on line 1.

A large business, publicly traded on NYSE or NASDAQ, would mark box Y on line 1.

Line	SMALL BUSINESS	LARGE BUSINESS	OWNERSHIP
1.	___ B	☒ Y	Regardless of Ownership
2.	___ C	___ A	Women-Owned
3.	___ X	___ V	Minority-Owned

NAME OF FIRM:

Anthem Blue Cross and Blue Shield