

EXHIBIT I AMENDMENT NO. 1 TO FORM OF CONTRACT

Contractor: The Segal Company (Southeast), Inc. (**"Segal"**)

Contract No. 19RFP10172019C-BKJ – Health Benefits Consulting

Address: 2727 Paces Ferry Road SE, Building One, Suite 1400

City, State Atlanta, GA 30339-4053

Telephone: 678.306.3158

E-mail: gsander@segalco.com

Contact: Gina Sander
 Vice President, Senior Consultant

W I T N E S S E T H

WHEREAS, Fulton County ("County") entered into a Contract with The Segal Company (Southeast), Inc. ("Segal"), to provide Healthcare Benefit Consulting, effective upon BOC approval, on behalf of the Finance Department; and

WHEREAS, the original Healthcare Benefit Consulting scope of work is being amended to include benefit claims audit services for medical and pharmacy for the self-funded Anthem plans; and

WHEREAS, the Contractor has performed satisfactorily over the period of the contract; and

WHEREAS, this amendment was approved by the Fulton County Board of Commissioners on [Insert Board of Commissioners approval date and item number].

NOW, THEREFORE, the County and the Contractor agree as follows:

This Amendment No. 1 to Form of Contract is effective upon BOC approval, between the County and Segal, who agree that all Services specified will be performed in accordance with this Amendment No. 1 to Form of Contract and the Contract Documents.

1. SCOPE OF WORK TO BE PERFORMED:

Amendment to Scope of Work

This amendment adds claims audit services for the County's self-funded Anthem medical/Rx and Aetna dental PPO plans, and insured Kaiser medical plan. The

amendment to the scope of work includes the services outlined below. The time period of the audit will be based on the earliest timeframe allowed by the Administrators' claims audit policies. This is typically limited to the most recent 1 or 2 complete plan years within a contract period. Based on the most recent procurement, the County's vendor contracts have an effective date of January 1, 2020. Therefore, the audit(s) will evaluate claims paid during the January-December, 2020, plan year.

Medical and Dental

- a) **Adjudication Procedures Review** – A questionnaire will be sent to the administrator in advance of the audit, to collect details regarding administrative procedures that are an integral factor in the proper adjudication of plan benefits and have a potential impact on claims processing. Responses are compared to the plan document, administrative agreement provisions, and industry practices; Segal's electronic query analysis and review of sampled claims will ensure consistency in application.
- b) **Statistical and Target Sample Claim Review** – Combines stratified and random selection techniques in a fashion that provides statistical validity in both the financial accuracy and incidence (number) of claims processed without error. Anthem and Aetna will be asked to provide an expanded comprehensive claims data file that supports a number of in-house electronic analyses designed to identify potential deficiencies in the programming of variables between plan options as well as limitations in the plan.
- c) **Onsite/Virtual Claims Review** - Reference the Plan Documents, Summary of Benefits and Coverage (SBC) documents, established administrative procedures, and industry best practice, and manually recalculate each statistical sample. The intent of any variance between the Plan Documents and the vendors' benefit plan design documentation will be confirmed with the County and outlined in the draft report if an issue has been identified. Using the carriers' claims processing system and documentation (e.g., claim form, provider bill, case management documentation, etc.), Segal's auditor completes a worksheet for each sampled statistical claim as if the auditor was making the initial benefit determination, tracking the workflow of each claim from the time it is received in the office through each step of processing.
- d) **Report of Findings** - Results from our sample will be compared to industry standards for Claim Financial, Payment, Procedural, and Overall Accuracy; variances will be explored for explanation. Should repetitive errors be identified, we will request financial impact reports from the vendors that identify the cost for all similar payment errors.

Segal's written report documents the results of the audit process, summarizes the findings, offers recommendations for improvement, outlining areas we believe may be of interest to the Plan. Procedural and payment errors identified

through the stratified claims samples will be displayed in table format with root cause of each error (system or human). Our report will make comparison of our statistical findings to industry standards and/or existing performance guarantees.

Our qualitative analysis is based on conclusions drawn from information gathered throughout the audit, relying on contract requirements, auditor's experience, judgment, and acceptable industry practices. An important goal is to provide practical recommendations that address any problems uncovered in the audit that will be beneficial to the administrative efficiency and/or financial position of the County.

Note: The audit of Kaiser's insured HMO will focus on operations, procedures, processes, and benefit design. It will not include evaluation of billed, allowed, and paid claims, as liability for these financial items lie with Kaiser.

Pharmacy

- a) **Financial Claims Audit** –Review claims paid in order to ensure that all invoiced amounts paid by the County are accurate, the terms of the contract have been correctly applied, and that financial pricing guarantees have been achieved.
 - i. **Invoice Reconciliation:** Review these invoices and the electronic claims file to ensure that the bills paid by the County are accurate and all fees comply with the rates as stipulated in the pricing agreement
 - ii. **Contract Interpretation:** Review the County's contract to interpret network definitions, brand/generic drug definitions, drug classes excluded from pricing guarantees, specialty/non-specialty definitions, guarantee offsetting rules and logic
 - iii. **Financial Pricing Performance:** Review the pricing agreement between IngenioRx and the County and separately calculate the performance of each pricing guarantee stipulated in the Agreement
- b) **Plan design review** – review 100% of pharmacy claims in order to assure that the benefit designs have been accurately coded into the claims adjudication system and all major plan provisions have been properly administered
- c) **Report of Findings** - Audit findings will be presented in a final report summarizing the performance of each financial guarantee, audit methodology per the contract interpretation, any discrepancies in contract interpretation and recommended next steps. If necessary, Segal will provide up to two (2) negotiation assistance calls with IngenioRx (Anthem's PBM) to resolve findings and close/settle the audit. Segal will request any applicable audit recoveries owed to the plan based on the County's preferred reimbursement methodology and contract stipulations.

2. **COMPENSATION:** The services described under Scope of Work herein shall be performed by Contractor for a total amount not to exceed \$381,435.00*, comprised of the following components:

Original Scope of Work for 2021: \$201,435.00*

Additional Services *(to be completed during the 2021 and 2022 calendar years)*

Self-Funded Anthem Medical Audit:	<u>\$ 45,000.00</u>
Self-Funded Anthem/IngenioRx PBM Audit:	\$ 30,000.00
Self-Funded Aetna Dental PPO Audit:	\$ 50,000.00
<u>Insured Kaiser Medical Audit:</u>	<u>\$ 55,000.00</u>
Total Audit Services:	\$180,000.00

** Annual open enrollment communications work will be charged separately and in addition to the Scope of Work figure above, based on actual communication needs, which may vary from year to year.*

3. **LIABILITY OF COUNTY:** This Amendment No.1 to Form of Contract shall not become binding on the County and the County shall incur no liability upon same until such agreement has been executed by the Chair to the Commission, attested to by the Clerk to the Commission and delivered to Contractor.
4. **EFFECT OF AMENDMENT NO. 1 TO FORM OF CONTRACT:** Except as modified by this Amendment No. 1 to Form of Contract, the Contract, and all Contract Documents, remain in full force and effect.

[INTENTIONALLY LEFT BLANK]

IN WITNESS THEREOF, the Parties hereto have caused this Contract to be executed by their duly authorized representatives as attested and witnessed and their corporate seals to be hereunto affixed as of the day and year date first above written.

OWNER:

FULTON COUNTY, GEORGIA

CONSULTANT:

SEGAL

Robert L. Pitts, Chairman
Fulton County Board of Commissioners

ATTEST:

Gina T. Sander, FLMI
Vice President, Senior Consultant

ATTEST:

Tonya R. Grier
Clerk to the Commission

(Affix County Seal)

APPROVED AS TO FORM:

Secretary/
Assistant Secretary

(Affix Corporate Seal)

ATTEST:

Office of the County Attorney

APPROVED AS TO CONTENT:

Notary Public

County: _____

Hakeem Oshikoya, Finance Director
Finance Department

Commission Expires: _____

(Affix Notary Seal)

ITEM#: _____ RCS: _____ RECESS MEETING	ITEM#: _____ RM: _____ REGULAR MEETING
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