

**NOTIFICATION AND COLLECTION SERVICES AGREEMENT**

This Agreement, herein "the Agreement" entered into between Aetna Life Insurance Company, herein "Aetna" and Lee County Board of County Commissioners, herein the "Employer".

**WHEREAS:**

1. The Employer, in connection with its Employer Group Health Benefit Plan, herein "Plan or Plans if more than one", has purchased a group insurance policy, or has entered into an Administrative Service Contract (ASC) and/or has entered into an arrangement with a service/provider organization.
2. The Employer, in connection with the Federal Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), is providing or may be required to provide certain employees and dependents, (herein "Qualified Beneficiaries"), with continuation of health benefits under its Plan or Plans; and
3. The Employer desires to contract with Aetna for certain notification, collection and direct payment services on its behalf in connection with the COBRA continuation of health benefits under the Employer's Plan or Plans (underwritten by HMOs, other health insurance carriers or Aetna or any other company admitted for health coverage of employees).

**NOW THEREFORE**, Aetna and the Employer agree as follows:

**1. Obligations of the Employer:** The Employer shall:

- 1.1. Furnish Aetna with a weekly listing, in a form acceptable to Aetna, of all Qualified Beneficiaries to whom notice is to be provided and from whom collection of premiums will be performed, including such information as name, address, social security number, date and type of qualifying event, date of termination of coverage, control, suffix, account and plan. This information shall be 100% accurate. If Aetna comes to the conclusion that 2% or more of the data on any Qualifying Beneficiary is incorrect Aetna may reject the information in its totality or request a correction of the information with errors. Employer will be able to send all the information of that group again without the errors and/or request an immediate revision with Aetna of the data that Aetna indicated to have a 2% or more of errors.
 

[1.1. **For EZLink Customers:** Employer has opted to submit eligibility of its Health Plan through EZLink and shall continue submitting eligibility through EZLink. The information submitted through EZLink shall be 100 % accurate. If Aetna comes to the conclusion that 2% or more of the data on any Qualifying Beneficiary is incorrect Aetna may reject the information in its totality or request a correction of the information with error. Employer will be able to send all the information of that group again without the errors and/or request an immediate revision with Aetna of the data that Aetna indicated to have a 2% or more of error.]
- 1.2. Notify each affected Entity (HMO, other health insurance carriers or any other company admitted for health coverage) of the existence of this Agreement; secure from each of the Entities mentioned above in this provision, written acceptance of all of the provisions of this Agreement; send as soon as possible to the address included in provision entitled 7.3. Notice in this Agreement, but no later than ninety (90) days after signing this Agreement, copies of such acceptances from the Entities mentioned above in this provision.

**2. Obligations of AETNA:** Aetna shall:

- 2.1. Notify Qualified Beneficiaries, within 14 days of receipt of Employer's listing, of continuation rights upon termination of coverage and specify the monthly amounts to be paid as premium required to continue the coverage under the Plan;
- 2.2. Request Qualified Beneficiaries who elect continued coverage, (a) to notify Aetna directly using a specially prepared Aetna form (or one that is acceptable to Aetna) and (b) to include a payment with such form to cover the amount due based on the number of full months from the date of coverage termination that results from the qualifying event (as defined in COBRA) to the date of such election by the Qualified Beneficiary.
- 2.3. Commence billing Qualified Beneficiaries on a monthly basis following proper notification of their election of continuation and collect the appropriate amounts due for coverage under the Plan on a monthly basis from Qualified Beneficiaries. A thirty one (31) day grace period will be allowed for payment of the amount due.
- 2.4. Furnish the Employer the following regular reports:
  - (i) Notification Report: A monthly statement of the names of all Qualified Beneficiaries to whom notice was provided based upon information provided by the Employer.
  - (ii) Eligibility and Payment Status Report: A monthly statement of all Qualified Beneficiaries for whom coverage is continued, including such information as name, Social Security Number, date of birth, effective date of coverage and benefit information, amounts and dates of payments made, date through which paid, current coverage status, "family" status; i.e., employee only, employee and dependents, etc.
  - (iii) Activity List: A statement of all qualified Beneficiaries enrolled, changed or terminated, including the effective dates of such events.
- 2.5. Bill the eligible Qualified Beneficiaries once a month (using individual billing dates based on their coverage effective dates in accordance with Aetna's regular practice for this business. The first payment of premium shall be made by Qualified Beneficiaries 45 days after the election to continue the COBRA coverage.
- 2.6. Aetna will report the amounts actually collected (not due) once a month in the report described in 2.4 (ii) above. Aetna will deposit such amount in a general account for COBRA payments. Aetna will remit to the Employer the full amount collected for any non-insured portion of the plan involving an ASC. For an Aetna Insured portion of the plan, appropriate collected amounts will be transferred as an advance against premium. For alternate funded arrangements, Aetna will remit to the Employer funds for claim payments (plus any administrative surcharge), and credit the remainder toward premiums.
- 2.7. Furnish Employer with address labels for Qualified Beneficiaries on request for use in advising Qualified Beneficiaries of specific plan revisions, rate changes, open enrollments, or the like.
- 2.8. Furnish to Qualified Beneficiaries general information informing them of possible state conversion to individual conversion plans and availability and referring them to published details of the Plan at the end of the maximum continuation periods (e.g., 18, 29 or 36 months).

2.9. Furnish, in the event of termination of this Agreement, a general notice to all Qualified Beneficiaries advising them to make contact with the Employer for further continuation information.

**3. Payment of Fees for this Agreement:**

3.1. Employer shall pay Aetna for the performance of the services detailed in this Agreement the required service fees, as detailed in provision 3.2 on a timely and accurate basis.

3.2. The initial service fees are shown in the separate attachment to this Agreement.

3.3. The fees described in provision 3.2 will not be modified by Aetna unless it provides the Employer with 30 days advance written notice of such modification. Such notice will be sent to the address indicated in provision entitled 7.3. Notice in this Agreement.

3.4. The fees detailed in 3.2 will be in addition to any other premiums or charges due Aetna by the Employer under any other Agreements.

**4. Other Obligations of Aetna and Employer:**

4.1. Aetna-produced reports of Qualified Beneficiaries will be based on pertinent information given to and processed by Aetna as of the date of such reports. Aetna will include Qualified Beneficiaries on such reports if the amount owed was still in the grace period and the Qualified Beneficiaries had not been terminated for any other reason on the date the reports were prepared.

4.2. Employer accepts and agrees that Aetna will rely on the Employer for the collection rates to be used for the Employer's plan of coverage in preparing monthly billed amounts.

4.3. Aetna will be responsible for use of new rates only after sixty (60) days advance written notice from Employer.

4.4. Employer agrees and accepts that COBRA regulations mandate the mirroring of the group health plans for active employees with those for COBRA Qualified Beneficiaries. One of the features that Employer accepts as to be necessary to demonstrate mirroring among health group plans for active employees and for COBRA qualified Beneficiaries is that of the premiums and that of the rate increases in the active employees and thus be reflected in the collection of Premium.

4.5. Aetna will not be responsible for accepting amounts sent by Qualified Beneficiaries, which are less than the amounts billed. Such partial payments may be returned with a request for full payment understanding from Employer and Aetna that in some cases the amounts, if significant even though not total, will have to be accepted by Aetna and Employer.

4.6. Aetna will not be considered the Plan Administrator or the Named Plan Fiduciary, as those terms are understood under ERISA, for the purposes of this Agreement. Aetna assumes responsibility for all of the services to be rendered and performed by Aetna according to this Agreement.

4.7. The Employer will assume responsibility for compliance with its obligations, and Aetna will assume responsibility for compliance with its obligations under this agreement.

- 4.8. Aetna does not warrant, represent nor imply that the continued coverage provided by the Employer constitutes compliance with any legal obligations of the Employer but assumes responsibility for the eligibility decisions made under the data furnished by Employer.
- 4.9. The Employer will have final authority to decide all questions, including matters of clerical error, arising out of Qualified Beneficiaries' eligibility for continued coverage.

**5. Indemnification:**

- (i) Employer will indemnify Aetna and hold Aetna harmless against any and all loss, liability, damage, expense (including reasonable attorney fees), or other cost or obligation which Aetna may incur or be required to pay as a result of any claim, demand, or lawsuit arising out of, or in any way connected with the services provided under this Agreement ("Losses") to the extent such Losses are caused by Employer.
- (ii) Aetna will indemnify the Employer and hold the Employer harmless against any and all loss, liability, damage, expense (including reasonable attorney fees), or other cost or obligation which Employer may incur or be required to pay as a result of any claim, demand or lawsuit arising out of, or in any way connected with, the services provided under this Agreement ("Losses") to the extent such Losses are caused by Aetna.

**6. Term and Termination:**

- 6.1. This Agreement will be effective January 1, 2008 and constitutes the entire Notification and Collection Services Agreement between Aetna and the Employer. Also, nothing herein will modify, amend or revoke any group policy or ASC Aetna has with the Employer.
- 6.2. This Agreement will continue in effect after execution until terminated by the earliest of the following events to occur:
- (i) Upon written notice by either Aetna or the Employer to the other 30 days before the date termination is to be effective. Such right to terminate upon written notice may be exercisable by either party without cause and at any time
  - (ii) Employer's failure to pay any required fees
  - (iii) Termination of Employer's ASC with Aetna
  - (iv) Termination of Employer of all of its group health plans (not offering group health plans)
- 6.3. Upon Termination:
- (i) Employer will assume sole and immediate responsibility for all the functions and responsibilities herein.
  - (ii) Aetna will return all amounts collected up to the date of termination, or received subsequently, to the Employer.
  - (iii) All service fees accrued and/or owed to the date of termination will be payable immediately upon Aetna's request.
  - (iv) Both parties recognize the need of a transition period after the termination of this Agreement. This transition will include the need of dealing with the new COBRA members. Agreeing in the need for such transition Employer shall notify Aetna in writing as soon as possible, but no later than 5 business days from the termination date. Employer will indicate whether or not Employer

is going to be in charge of such transition or if Employer will want Aetna to do so. If Employer decides to request Aetna to work on the transition, what ever this transition will be, it agrees to continue paying the fees as described in provision 3 and Attachment of this Agreement plus an additional 2 % administrative cost. Such Transitional Fees will have to be paid at the moment of requesting Aetna's work on the transition.

**7. Miscellaneous:**

7.1. Collaboration: Aetna and Employer will furnish each other with such records and other information that is in the possession of or under the control of either which is needed to perform the functions under this Agreement.

7.2. Amendments: All modifications and/or amendments to this Agreement must be agreed upon by both parties to this Agreement and must be in writing and signed by an appropriate officer of each party hereto.

7.3. Notice: Any notice required to be given pursuant to this Agreement shall be in writing and shall be sent to:

*Aetna at:* Aetna Life Insurance Company  
151 Farmington Avenue, MB52  
Hartford, CT 06156-3124

Attention:

*Employer at:* Lee County Board of County Commissioners  
2115 Second Street  
Fort Myers, Fl. 33901

Attention: Jay Light

The above addresses may be changed at any time by either party upon written notice.

7.4. No waiver of provisions of this Agreement: Failure by the Employer or Aetna to insist upon compliance with any provision of this Agreement at any given time or under any given set of circumstances shall not operate to waive or modify such provision or in any manner render to unenforceable, as to any other time or as to any other occurrence, whether the circumstances are, or are not the same. Further, no waiver of any of the terms or conditions of this Agreement shall be valid or of any force or effect unless contained in a written memorandum specifically expressing such waiver and signed by a person duly authorized to sign such a waiver.

7.5. Subcontract and Delegation of Aetna: The functions to be performed by Aetna under this Agreement may, at Aetna's discretion, be performed wholly or in part by or through any other organization which is a subsidiary or affiliate of Aetna. Aetna may subcontract or delegate its functions with thirty (30) days advance written notice to Employer.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their respective officers duly authorized to do so.

**[EMPLOYER]**

Dated at: Fort Myers, Florida

6/15/09  
(DATE)

By: *Ray Jones*  
Chair  
(Official Title)

APPROVED AS TO FORM:

*Andrew R. Fraser*  
County Attorney's Office

Dated at Hartford, Connecticut, 8/27/08  
(DATE)

**AETNA LIFE INSURANCE COMPANY**

By: *Denise Stefan*  
Manager of Sales & Service  
(Official Title)

**Individual Billing Administration**

COBRA Administrative Fees

**Installation or Restructure Fee** Waived

For a direct billing arrangement setup within a control number. Payable only in the first year. A full or partial charge may also be applied for restructures after the initial setup, e.g., whenever new records must be established for existing continuees who are being moved to a new or revised control, suffix, plan or account structure.

**Fee Per COBRA Participant Per Month:** **PPPM Fee**  
 Monthly fee charged for each primary participant enrolled in COBRA \$12.75

**2% COBRA Administration Fee**

Aetna returns the 2% COBRA administration fee. This represents a significant savings; for example, if an annual medical premium is \$3,600 for a COBRA continuee, then \$72 is returned (\$6.00 per participant). This reduces the \$12.75 PPPM to \$6.75 PPPM.

*Services Include:*

- ✓ Billing and collection
- ✓ Delinquent monitoring
- ✓ Member record maintenance
- ✓ Funds distribution
- ✓ Dedicated processing center
- ✓ Dedicated account service representative
- ✓ Dedicated customer call center with toll-free number
- ✓ Account maintenance
- ✓ Electronic management reports
- ✓ Twice weekly eligibility

**Initial Notification Statement** *(First Class Mail)* \$3.00

The plan sponsor requests that Aetna send out notification to each newly hired employees detailing COBRA rights in the event that they or a covered family member experience a COBRA event.

**COBRA Notification** *(First Class Mail)*

After the qualifying event has occurred, the plan sponsor requests that Aetna send out enrollment notification materials to each Qualified Beneficiary. Fees vary based on method of Aetna receiving source information from plan sponsor.

Electronic File (Secure Web Transfer) - standard format \$9.35  
 Paper - standard format \$12.00

**Specialized Services (For ASC plan sponsors only)** **PPPM Fee**  
 Members maintained in the Individual Billing System for eligibility only \$3.10

**HIPAA Certification Notices (For ASC plan sponsors only)**

Cost per certificate mailed \$3.25  
 Overnight Mailing (per mailing) \$14.00

*Individual Billing Administration fees are billed directly to the Plan Sponsor on a quarterly basis. The quarter commences with the administration effective date.*

*Information provided may not be used or disclosed for any purpose other than the evaluation of Aetna's proposal.*

*Proposal Prepared on April 25, 2007.*

*Denise Stefan*  
*Manager of Sales & Service*