

CITY OF HOUSTON
MANAGED CARE DENTAL AGREEMENT

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GROUP APPLICATION

Name of Contractor
Address

This Group Application is for a Managed Care Dental Agreement by and between the **CITY OF HOUSTON, TEXAS** ("Group" or "City") a home-rule city of the State of Texas principally situated in Harris County, acting by and through its governing body, the City Council, and _____ ("Contractor").

By accepting this Group Application, _____ (*Name of Contractor*) and **THE CITY OF HOUSTON** agree to be bound by this Group Application and the Managed Care Dental Agreement (the "Agreement"), together with the Exhibits attached thereto, and any riders or amendments thereto. Coverage will be for eligible Members of Group and their Dependents who enroll in this Plan. Eligible Members of Group are those persons who appear on the eligibility lists provided by Group and eligible Dependents as defined in Article III of the Agreement.

The effective date of coverage for new eligible Members and Dependents and of termination of coverage will be (check appropriate blank):

Coverage Effective Date

____ Date of hire
____ First of month
following date

X The 1st or 16th of the month
following 30 DAYS of
employment as a full-time employee
(average of 30 or more hours per week
and classified as PT/30 in the City of
Houston Payroll System)

X Other (Refer to Article III)

Termination Effective Date

____ Date employment ends
X 15th or last day of Plan
Month for which the Employee
has made the required contribution

X Other (Refer to Article VIII)

This Agreement shall be in effect for an initial period of three (3) years beginning at 12:01 a.m. on May 1, 2016 and ending at 11:59 p.m. on April 30, 2019 (the "Initial Term").

The Agreement is renewable for two additional one year terms at the sole option of the Director of Human Resources of the City of Houston.

The following Employee Contributions/Premiums shall apply for the period May 1, 2016 through April 30, _____. Employee Contributions/Premiums for the two optional terms shall be as calculated in Exhibit "F" to the Managed Care Dental Agreement.

\$____ per employee per month for Employee Only coverage;
per employee per month for Employee plus One Dependent coverage;
\$____ per employee per month for Employee plus Two or More Dependents
coverage;
\$____ per retiree per month for Retiree Only coverage;
\$____ per retiree per month for Retiree plus One Dependent coverage; and
\$____ per retiree per month for Retiree plus Two or More Dependents coverage.

IN WITNESS HEREOF, the CITY OF HOUSTON, TEXAS and _____
have made and executed this Agreement in multiple copies, each of which is an original.

CONTRACTOR:

ATTEST/SEAL:

By: _____
Name:
Title:

By: _____
Name:
Title:

ATTEST/SEAL:

CITY OF HOUSTON, TEXAS
Signed by:

City Secretary

Mayor

APPROVED:

COUNTERSIGNED BY:

Director, Human Resources Department

City Controller

City Purchasing Agent

APPROVED AS TO FORM:

DATE COUNTERSIGNED:

Sr. Assistant City Attorney
L.D. File No. _____

MANAGED CARE DENTAL AGREEMENT

This Managed Care Dental Agreement ("Agreement") is made by and between the **CITY OF HOUSTON, TEXAS** ("Group" or "City"), a home-rule city of the State of Texas principally situated in Harris County, acting, by and through its governing body, the City Council, and _____ ("Contractor") a corporation incorporated under the laws of the State of Texas and doing business in Texas as a licensed Health Maintenance Organization whose principal office is located at _____.

ARTICLE I – DEFINITIONS

Unless otherwise required by the context, the following definitions shall control:

1.1 ACCIDENTAL BODILY INJURY means only bodily injury sustained accidentally and independently of all other causes by an outside traumatic event or due to exposure to the elements.

1.2 ACTIVE EMPLOYEE means:

- a. A person who, as an Employee or an Elected Official, is regularly scheduled to work not less than an average of thirty (30) hours per week in the service of the Group, who is classified as a PT30 employee in the City's Payroll System, and who is compensated for such services by salary, wages or emoluments of office; or
- b. A person who, for a period of time not to exceed twelve (12) months, is on leave of absence approved by the Group.

1.3 AGREEMENT means this Managed Care Dental Agreement together with any exhibits, amendments, endorsements or riders attached hereto or subsequently agreed to by the parties and attached hereto.

1.4 CHILD OR CHILDREN means a child born to you, foster child, stepchild, or a child legally adopted by you or a grandchild who is considered your Dependent for federal income tax purposes and is Primarily Dependent upon You. It also includes a child whose adoption is anticipated and for whom you have legal support obligations, a child for whom you are legal guardian, a child for whom you have been ordered to assume dental responsibility by a court of law.

1.5 COPAYMENT means the amount required to be paid by a Member at the time of treatment in connection with the services set forth in the Schedule of Benefits, Copayments, Exclusions & Limitations attached hereto as Exhibit "A".

1.6 COVERED EXPENSE(S) means charges for dental services or appliances that are necessary, meaning that they are broadly accepted professionally as essential to the treatment of the Member's condition, provided such charges are reasonable in amount. The reasonable charge for a service or appliance is the lesser of (a) the charge usually made for it by the provider who furnished it, and (b) the prevailing charge made for it, in the same geographic area by those of similar professional standing. In determining whether a charge is reasonable, Contractor will also consider unusual circumstances or complications arising in connection with the service performed to the extent that they required additional time, skill and experience. Charges incurred outside the United States or its territories will be calculated based on the usual and prevailing fees applicable in Houston, Texas. If the usual and prevailing charges for a service or supply cannot be determined because of the unusual nature of the service or supply, Contractor will determine to what extent the charge is reasonable, taking into account (a) the complexity involved, (b) the degree of professional skill required, and (c) any other pertinent factors.

1.7 DEFERRED RETIRED EMPLOYEE means an Employee of the Group who as a member of one of the various State statutory pension plans that are offered to the Group's employees:

- a. Has completed sufficient service time and/or met any other applicable requirements to be eligible to receive a deferred pension under the terms of the pension plan; and
- b. Will attain the age necessary to commence actually receiving benefit payments under the pension plan on or before the fifth anniversary of the Employee's severance from active service with the Group; and
- c. Has continually paid premiums for Group's dental plan from the date employment terminated to commencement of benefit payments under one of the city's pension plans.

1.8 DEPENDENT means:

- Your lawful spouse; and
- Any child of yours who is
 - less than 26 years old.
 - 26 or more years old, unmarried, and primarily supported by you and incapable of self-sustaining employment by reason of mental or physical disability which arose while the child was covered as a Dependent under this Plan, or while covered as a dependent under a prior plan with no break in coverage. Proof of the child's condition and dependence must be submitted to the dental carrier within 31 days after the date the child ceases to qualify above. From time to time, but not more frequently than once a year, the dental carrier may require proof of the continuation of such condition and dependence.
 - Disabled; provided that in the case of a Child who is twenty-six (26) years of age or older but incapable of self-sustaining employment because of mental retardation or physical handicap and Primarily Dependent upon the Employee for support and maintenance, such Dependent Child must have been a Member prior to attaining twenty-six (26) . Employee shall furnish Contractor proof of such incapacity and dependency within thirty one (31) days before the Dependent Child's attainment of the limiting age and from time to time thereafter as Contractor deems appropriate.

The term **DEPENDENT** shall not be held to include (1) a legally separated spouse or (2) a spouse or Child on active military duty for any country.

Contractor reserves the right to require documentation it determines to be reasonably necessary to establish to its satisfaction that any claimed Dependent meets all applicable requirements of this definition.

An Employee may elect to be covered only as an Employee or as a Dependent, but not both simultaneously. If and when a Member terminates coverage under this Policy as an Employee or Dependent, such person shall have a right to continue coverage under either definition that continues to apply, if any. If a Member ceases to be an Employee and could also be covered as a Dependent then such Member must comply with Article 3.1(e)(iii).

1.9 DEPENDENT COVERAGE means an Employee's coverage under this Plan with respect to his Dependents.

1.10 DIRECTOR means the Human Resources Director of the City of Houston or his or her designee.

1.11 DISABLED means any medically determinable physical or mental condition that prevents a person from engaging in self-sustaining employment.

1.12 ELECTED OFFICIAL means any of the Mayor, City Council Members, and City Controller of the City of Houston.

1.13 EMERGENCY CARE means bona fide emergency services provided after the sudden onset of a dental condition manifesting itself by acute symptoms of sufficient severity, including severe pain such that the absence of immediate medical attention could reasonably be expected to result in:

- a. Placing the Members' health in serious jeopardy;
- b. Serious impairment to bodily function; or
- c. Serious dysfunction of any bodily organ or part.

1.14 EMPLOYEE means any Active Employee, Deferred Retired Employee or Retiree, or Survivor who resides in the Service Area.

1.15 GROUP means the City of Houston.

1.16 GROUP CONTRIBUTIONS mean the payment of Employee payroll deductions and other manual premiums made by Group in accordance with Article 4.1 herein.

1.17 INCURRED DATE means the date on which a particular service or supply that gives rise to an expense or charge rendered or obtained.

1.18 INJURY (or non-occupational injury) means only an Accidental Bodily Injury that does not arise, and that is not caused or contributed to by, or as a consequence of, any injury that arises out of or in the course of any employment or occupation for compensation or profit.

1.19 MEMBER means any Employee or Dependent as described in Article III herein.

1.20 OPT-OUT RETIREE means an individual who meets the Employee eligibility requirements set forth in this Agreement, who has retired from the service of the Group and is receiving retirement benefit payments under one of the several pension plans offered by the Group, and who opts to not continue coverage in the Plan for himself/herself and his/her then covered Dependents at the time when such person assumed Retiree status and opts out of the Plan, such person and his or her Dependents were continuously enrolled in the Plan or an Alternative Dental Plan. Notwithstanding the foregoing, new Dependents of such Retiree,

acquired after such Retiree opted out and after Retiree opts to re-enroll as a Member in the Plan shall be permitted to enroll.

1.21 OPT-IN RETIREE means an Opt-Out Retiree who is eligible to re-enroll himself/herself, his/her newly acquired dependents and his/her previously covered Dependents in the Plan at a later date in accordance with normal enrollment guidelines under Plan provisions.

1.22 PARTICIPATING DENTIST means a duly licensed doctor of dentistry who is under contract with Contractor to provide dental services to Group's Members and such other doctors of dentistry who may be added or deleted as Participating Dentists by Contractor from time to time.

1.23 PERSONAL COVERAGE means a Member's coverage under this Plan with respect to himself.

1.24 PLAN means the fully insured dental program of prepaid benefits created under this Agreement except as set forth in Article VIII.

1.25 PLAN MONTH means a period commencing on the first day of any calendar month and continuing until the same day of the next succeeding month.

1.26 PRIMARILY DEPENDENT means receiving more than fifty percent (50%) of support from the Employee, meeting the requirements to be claimed as a Dependent on the Employee's federal income tax return and being a Child of the Employee.

1.27 RETIREE means a person who has retired from the service of the Group on or after 07/01/93 and is receiving retirement benefit payments under one of the several pension plans offered by the Group.

1.28 RETIRED DISABLED FOLLOWING CATASTROPHIC INJURY ON DUTY (RDFCID) means an individual who meets the Active Employee eligibility requirements set forth in Article I, 1.2 of this Agreement, who is catastrophically injured in the course and scope of performing his or her job; and, as a result, is totally and permanently disabled; and, is receiving retirement benefit payments under one of the several pension plans offered by the Group; and, is receiving or is eligible to receive Lifetime Income Benefits according to provisions of §408.161 of the Texas Labor Code, provided that between the time when such person first assumes Retiree status and when such person seeks to enroll in the Plan, such person and his or her dependents were continuously enrolled in the Plan or an Alternative Dental Benefits Plan. Notwithstanding the foregoing, new Dependents of such Retiree, acquired after

such Retiree enrolled as a Member in the Plan, shall be permitted to enroll in accordance with Plan provisions.

1.29 SERVICE AREA means Harris, Brazoria, Liberty, Fort Bend, Montgomery, Galveston and Waller counties and such other areas as may be included in the Service Area by Contractor from time to time.

1.30 SURVIVOR means any person who becomes a Member under this definition. In the event of termination of an Employee's coverage due to death of the Employee, coverage of his surviving covered Dependents may be continued following the date of death, provided that the Employee's surviving spouse or, in the absence of a surviving spouse, the Employee's eldest Dependent, shall be deemed to be the Employee for purposes of this Plan, and further provided that the Contributions required with respect to all such Dependents of the deceased Employee are made. Coverage for such Dependents shall terminate on the earliest of the following dates:

- a. The last day of the month in which the Dependent attains age 26; (but this event shall only terminate coverage of the Dependent who is attaining age 26, and not the coverage of the other Dependents);
- b. As to a Dependent Child of the deceased Employee, the last day of the month in which such Dependent Child ceases to be a Dependent as defined in this Plan.
- c. The last day of the month in which the Dependent becomes eligible for coverage hereunder as an eligible Employee, or under any other employer-sponsored policy, plan or program of group dental coverage; or
- d. Upon the date of termination of this Agreement.

Coverage under this definition shall be limited to Dependents who were covered at the time of the Employee's death, except that coverage may also be extended to any newborn natural Child of the deceased Employee in accordance with the provisions of Article III of this Plan that pertain to newborn children.

Notwithstanding the foregoing, if any provisions of the Revised Civil Statutes of Texas would entitle a Survivor under this definition to expanded eligibility under the Plan, then such Survivor shall be eligible for expanded eligibility in accordance with the provisions of the Revised Civil Statutes of Texas for so long as they apply to that Survivor.

ARTICLE II - SERVICES OF CONTRACTOR

2.1 Engagement of Contractor. Group hereby engages Contractor to perform for and on behalf of Group the services specified in this Agreement. Contractor hereby agrees to perform such services and to provide the performance guarantees set out in Exhibit "C".

2.2 Obligations of Contractor. In addition to such other duties as are hereinafter set forth, Contractor agrees to do the following:

- a. Arrange for services of qualified licensed dentists to provide and perform all dental services required to fulfill the provisions of this Agreement as specifically set forth in Exhibit "A" and subject to all limitations set forth therein. Provide for the credentialing process set forth in Exhibit "G" attached hereto. It is expressly understood that Contractor shall not perform any dental services or do anything that would, under applicable laws and regulations, constitute the practice of dentistry;
- b. Assume supervisory responsibility to assure that the dental services are available and performed by qualified professionals as required by this Agreement;
- c. Prepare or provide the necessary data processing, educational materials, printed materials, identification cards, as set forth in the attached Exhibit "C"- Performance Guarantees, and directories. Directories shall be updated and reprinted at least annually;
- d. Prescribe such procedures, rules and regulations as it shall deem necessary or proper for the efficient administration of this Agreement, except if such procedures, rules and regulations are found to be in violation of this Agreement, then this Agreement will govern;
- e. Assist in answering all questions arising in the administration of this Agreement;
- f. Keep the books and records and do all the clerical record keeping in connection with its management and administration of this Agreement and make same available to Group for its inspection;
- g. Assist in the preparation and distribution as required by law and in such manner as Contractor may determine to be appropriate, of information and reports concerning this Agreement;

- h. Submit to Group a monthly statistical report on the services rendered to Group Members;
- i. Maintain a Houston office with a toll-free telephone number available for Members; and
- j. Provide a copy of this Agreement to each Member upon his or her written request.

ARTICLE III - ELIGIBILITY AND EFFECTIVE DATE

3.1 Eligibility.

a. Eligibility for Coverage

- i. **Active Employee** - An Active Employee is eligible for coverage under this Plan for himself and his eligible Dependents on the first or sixteenth of the month after completion of thirty (30) days of continuous employment as a full-time (regularly scheduled to work an average of thirty (30) hours or more per week and classified as PT/30 in the City of Houston Payroll System) employee of the Group. A Deferred Retired Employee or Retiree is eligible for coverage for himself and his eligible Dependents on the date that he assumes deferred retired employee or retired status, as applicable, with the Group, subject to the limitation of Item iii of this Subsection.
- ii. **Dependent** - Any Dependent acquired after the effective date of the Employee's coverage shall become eligible for coverage on the date he becomes a Dependent. Coverage of the Employee shall be a condition precedent to coverage of his eligible Dependents. However, the Employee is not required to cover all of his eligible Dependents.
- iii. **Deferred Retired Employee or Retiree** - A Deferred Retired Employee (and his Dependents) shall be eligible for coverage under this Plan only to the extent that the Deferred Retired Employee (and his Dependents, if applicable) were Members hereunder when the Deferred Retired Employee ceased to be an Active Employee. A Retiree (and his Dependents) shall be eligible for coverage under this Plan only to the extent that the Retiree (and his Dependents, if applicable) were Members when the Retiree ceased to be an Active Employee or a Deferred Retiree.

Newly acquired Dependents of a covered Deferred Retired Employee or Retiree shall be eligible for coverage in the same manner as newly acquired Dependents of Active Employees.

- iv. **Survivor** - A Survivor becomes eligible for Personal Coverage on the first or sixteenth day of the month following the submission of an application for coverage provided such application was submitted within 31 days of the person becoming a Survivor.
- b. **Notification of Ineligibility** - A condition of participation in the Plan is Member's agreement to notify Contractor of any changes in status that affect the eligibility of the Member or any of his Dependents hereunder.
- c. **Clerical Error**
 - i. Clerical error by Contractor or Group shall not deprive any Member of coverage under this Plan, provided that the Member's application and any related materials (such as evidence of insurability or proof of financial dependence) have been submitted on a timely basis, Contractor has accepted the application and related material as satisfactory, and all required contributions have been made.
 - ii. Clerical error by Contractor or Group shall not extend coverage beyond the date it would otherwise terminate pursuant to the terms of this Plan.
- d. **Application For Coverage** - Coverage of each eligible Employee or Dependent shall be contingent upon the Employee's making application therefore in accordance with the approved procedures established by the Group; thereupon, subject to acceptance by the Group, coverage shall become effective in accordance with Subsection 3.1(e) of this Article. Prematurely submitted applications for coverage, unless returned by the Group to the Employee, shall be deemed to have been made on the date that all eligibility requirements applicable thereto have been met.
- e. **Effective Dates** - The effective date of coverage for Employees and Dependents shall be determined on the basis of the following provisions:
 - i. If the application is for coverage of an Employee or of an Employee and his eligible Dependents, and if the application is made before the date of eligibility, then:

- a. If the Employee is classified by the Group as an Active Employee, the coverage shall become effective on the first day or sixteenth day of the Plan Month next following his date of eligibility; or
 - b. If the Employee is classified by the Group as a Deferred Retired Employee or a Retiree, the coverage shall become effective on the first day or sixteenth day of the Plan Month next following his date of eligibility.
- ii. If the application is for coverage of an Employee or of an Employee and his eligible Dependents, and if the application is made after the eligibility date, then no coverage shall be available or provided under this Plan except as provided in 3.3 and 3.4 below.
- iii. If the application is for coverage of a Dependent acquired after an Employee commences coverage under this Plan, then:
 - a. If the application is made within the first thirty-one (31) days following the Dependent's date of eligibility, coverage shall become effective on the Dependent's date of eligibility, subject to the tender of any applicable retroactive contributions for the coverage.
 - b. If the application is made more than thirty-one (31) days following the Dependent's date of eligibility, no coverage shall be available or provided under this Plan except as provided in 3.3 and 3.4 below. However, certain Dependent Children may be added to this Plan as provided in part iv, below.
- iv. An Employee already having coverage under this Plan may add a Dependent Child by making application during an authorized enrollment period for the Plan on or before that Child's fourth birthday. Coverage shall become effective as specified in the terms of the enrollment, or, if no terms are otherwise specified, on the first day or sixteenth (16th) day of the Plan Month next following the thirty-first (31st) day after the date of filing of the application.

3.2 Special Circumstances Enrollment. Notwithstanding the other provisions of the preceding subsections, an Employee who loses eligibility as a result of moving outside the

Service Area will be allowed to drop coverage under this Plan, and to elect coverage under the other employer-sponsored dental program, provided such notice and application are given to Group within thirty-one (31) days of losing eligibility.

3.3 Late Enrollment. All Active Employees who are eligible for coverage on May 1, 2016, and who have not made application for coverage as required under the preceding subsections shall not be entitled to coverage under this Plan unless and until the Group permits such Active Employees to make application for coverage.

3.4 Enrollment. There will be an annual authorized period of time during which all covered Employees and their covered Dependents may switch from this Plan to the other employer-sponsored dental program.

3.5 Plan Effective Date. Initial coverage under this Agreement shall become effective at 12:01 a.m. on May 1, 2016.

3.6 Open Enrollment. There will be an annual open enrollment period of at least thirty-one (31) days during which any Employee or Dependent may be enrolled without penalty.

ARTICLE IV - PAYMENTS

4.1 Contributions. During the Initial Term of this Agreement, Group will forward to Contractor the amounts specified in the Group Application and in Exhibit "G" attached hereto. Contractor has the right to change the rates and Copayments charged after the initial thirty-six (36) month term by notifying the Director in writing no later than November 15 of the proposed rate or Copayment change to be effective on May 1 of the same year. It is the Group's intent that this Plan be funded by Employee Contributions only, and the Group shall have no obligation to provide funding for this Plan.

4.2 Due Date. Contributions will be payable to Contractor on the first (1st) day of each Plan Month based upon the number of Employees determined by Group to be covered for benefits during such month by coverage category. It is understood that such number shall include those Employees who have elected to participate in the Plan. Contractor shall be permitted access during reasonable business hours to the records of Group for the purpose of verifying such number of Employees. Each payment by Group shall be verified by an electronic eligibility file showing the name and social security number of all Employees covered for benefits during such month and any additions to or deletions from the preceding month. The electronic eligibility file

shall be accurately loaded by Contractor in accordance with the standards established in Exhibit "C".

4.3 Grace Period. Contributions are due to Contractor on the first day of each Plan Month, however, Contributions are considered timely if received within forty-five (45) days of such due date.

4.4 Member Copayments. All Copayments as specified in Exhibit "A" shall be paid by the Member directly to the Participating Dentists rendering professional services.

ARTICLE V - PROFESSIONAL SERVICES

5.1 Independent Nature. Any Participating Dentists who provide professional services to Members shall be independent contractors and not employees of, nor under the control, supervision or management of Contractor, except to the extent required by Article 2.2(b) of this Agreement and as otherwise provided herein. Each Participating Dentist shall be duly licensed and qualified to perform the services to be rendered to Members.

5.2 Dentist-Patient Relationship. Notwithstanding anything in this Agreement to the contrary, it is understood that each Participating Dentist shall provide professional services for Members and shall at all times maintain the ethical standards and duties required in the care and treatment of the Member. Nothing in this Agreement shall be deemed to affect, in any manner whatsoever, the dentist-patient relationship between any Participating Dentist and Member, and at all times such relationship shall be maintained.

5.3 Patient Records. Contractor shall cause records to be maintained by Participating Dentists for each Member to the extent and degree professionally required. Such records shall indicate the date of each visit by such Member, the diagnosis, the treatment, the name of the Participating Dentist performing such treatment, and any other vital and pertinent data deemed by him to be necessary for the proper treatment and care of such Member. Any charges made to the Member shall be recorded on such Member's records. Records pertaining to a particular Member shall be made available, when reasonably requested, for inspection by that Member and those authorized by such Member to inspect such records. All information not privileged or confidential from the Participating Dentists' records of Members shall be made available to Contractor, as and when requested, to enable it to fulfill its obligations under this Agreement.

5.4 Confidentiality of Records. Notwithstanding anything herein to the contrary, the dental records of each Member shall be kept confidential and shall not be disclosed to anyone unless the Member shall authorize, in writing, in form and content acceptable to the Participating Dentist treating such patient, the release or disclosure of such information, except as otherwise required by law.

5.5 Pre-existing Conditions. Contractor agrees that services to be provided by the Participating Dentists will be performed irrespective of the time of inception of the dental defect.

ARTICLE VI - CLAIMS, COMPLAINTS AND APPEALS PROCEDURES

6.1 A "Complaint" is a Member's written or oral dissatisfaction about any aspect of Contractor's operation, including, but not limited to dissatisfaction with Contractor's Plan administration; procedures, denial, reduction, or termination of a service for reasons not related to medical necessity; disenrollment decisions, or the way a service is provided.

6.2 A "Complaint" does not include (a) a misunderstanding or problem of misinformation that can be promptly resolved by Contractor by clearing up the misunderstanding or by supplying the correct information to a Member's satisfaction; or (b) a Member or a Member's provider's dissatisfaction or disagreement with an adverse determination.

6.3 If a Member or an eligible Dependent has a complaint with Contractor or such Member's Selected General Dentist, the Member may register a complaint by calling Contractor's Member Services at _____.

6.4 Or the Member may submit a completed Written Inquiry Complaint Form (available by calling the Member Services number) or a detailed summary of the complaint to Contractor.

Contractor

6.5 Include the Member's Name (Employee's /Retiree's name, if different, Social Security Number, Facility (or Selected General Dentist) Name and Number on all written correspondence.

6.6 Contractor agrees, subject to its Complaint Procedure, to duly investigate and endeavor to resolve any and all complaints received from Members regarding the Plan. Contractor will confirm receipt of Member's complaint in writing within five (5) business days of receipt of a

complaint. Contractor will resolve the complaint and communicate the resolution in writing within thirty (30) days.

6.7 Appeals to Contractor

If Contractor does not resolve a Member's complaint to his or her satisfaction, the Member has the right to appeal Contractor's decision, either verbally or in writing, to Contractor's complaint appeal panel. A Member may appeal by: (a) appearing in person before the complaint appeal panel in a location where the Member normally receives denial services, or at a different location to which the Member agrees; or (2) presenting a written appeal to the complaint appeal panel. When the Member appeals his complaint:

- a. Contractor will send an acknowledgment letter within five (5) business days after the date Contractor receives the Member's request for an appeal. Such acknowledgment letter will contain an explanation of the appeal process and copy of "Member Rights and Plan Responsibilities."
- b. Contractor will appoint members to the complaint appeal panel, which advises Contractor on the resolution of the appeal. The members of the complaint appeal panel cannot have been involved with the Member's complaint in the past. The complaint appeal panel will include an equal number of Contractor's staff, dentists, and enrollees.
- c. Not later than the 5th business day before the complaint appeal panel meets, Contractor will provide to the Member or the Member's designated representative:
 - i. any documentation that will be presented by Contractor's staff to the complaint appeal panel;
 - ii. the specialization of any Dentist consulted during the investigation of the Member's appeals; and
 - iii. the name and affiliation of each of the members of the complaint appeal panel.

The Member or the Member's designated representative, if the Member is a minor or is disabled, has the right to:

- a. appear in person before the complaint appeal panel;
- b. present alternative expert testimony; and
- c. request the presence of, and to question any person that was involved in making the prior determination that resulted in the Member's appeal.

Contractor will complete the appeals process not later than the 30th calendar day after Contractor receives the Member's appeal. Contractor's final decision on the appeal will include a statement of the specific dental determination, clinical basis, and contractual criteria used to reach the final decision.

If the appeal request involves a presently occurring dental care emergency, Contractor will investigate and resolve such appeal in accordance with the degree of emergency of the case, but no later than one (1) business day after the Member has made his request for appeal. At the Member's request, Contractor will provide, instead of a complaint appeal panel, a review by a Dentist who has not previously reviewed the case and who is of the same or similar specialty as ordinarily manages the procedure or treatment under appeal. The Dentist reviewing the appeal may interview the Member or the Member's designated representative and will make a decision on the appeal. Initial notice of the decision on the appeal may be delivered orally to the Member but will be followed by a written notice of the determination within three (3) days.

The Member's failure to comply with these procedures, and the procedures outlined in the "Member Rights and Plan Responsibilities" provided with the acknowledgment letter will result in the original decision being upheld, with no further action on such complaint.

Any person, including persons who have attempted to resolve complaints through Contractor's complaint system process and who are dissatisfied with the resolution, may file a complaint with the Texas Department of Insurance at P. O. Box 149091, Austin, TX 78714-9091. The Department's telephone number is (800)252-3439.

The commissioner will investigate a complaint against Contractor to determine its compliance with insurance laws within sixty (60) days after the Department receives the Member's complaint and all information necessary for the Department to determine compliance. The commissioner may extend the time necessary to complete an investigation in the event any of the following circumstances occur: a) additional information is needed; b) an on-site review is necessary, c) Contractor, the dentist or provider, or the Member do not provide all documentation necessary to complete the investigation, or d) other circumstances beyond the control of the Department occur.

ARTICLE VII - COORDINATION OF BENEFITS

7.1 Benefits Subject To This Provision. All of the benefits provided under this Agreement are subject to this Article.

7.2 Definitions. For the purposes of this Article:

"Plan" means any plan providing benefits or services for or by reason of medical or dental care or treatment, which benefits or services are provided by (i) group, blanket or franchise insurance coverage, (ii) any coverage under labor-management trustee plans, union welfare plans, or employee benefit organization plans, (iii) any coverage under governmental programs, and (iv) any coverage required or provided by any statute.

The term "Plan" shall be construed separately with respect to each policy, contract, or other arrangement for benefits or services and separately with respect to that portion of any such policy, contract, or other arrangement under which is reserved the right to take the benefits or services of other Plans into consideration in determining its benefits and that portion that does not.

"This Plan" means that portion of this Agreement that provides the benefits that are subject to this Provision.

"Allowable Expense" means any necessary, reasonable, and customary item of expense at least a portion of which is covered under at least one of the Plans covering the person for whom claim is made. When a Plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be deemed to be an Allowable Expense and a benefit paid.

"Claim Determination Period" means the plan year.

7.3 Effect on Benefits

- a. This provision shall apply in determining the benefits as to a Member covered under this Plan for any Claim Determination Period, if, for the Allowable Expenses incurred as to such person during such period, the sum of
 - i. The benefits that would be payable under this Plan in the absence of this provision, and
 - ii. the benefits that would be payable under all other Plans in the absence therein of provisions similar to this provision would exceed such Allowable Expenses.

b. As to any Claim Determination Period with respect to which this provision is applicable, the benefits that would be payable under this Plan in the absence of this provision for the Allowable Expenses incurred as to such person during such Claim Determination Period shall be reduced to the extent necessary so that the sum of such reduced benefits payable for such Allowable Expenses under all other Plans, except as provided in item (c) of this Section 7.3 shall not exceed the total of such Allowable Expenses. Benefits payable under Plan include the benefits that would have been payable had claim been duly made therefor.

c. If:

- i. Another Plan that is involved in item (b) of this Section 7.3 and that contains a provision coordinating its benefits with those of this Plan would, according to its rules, determine its benefits after the benefits of this Plan have been determined, and
- ii. The rules set forth in item (b) of this Section 7.3 would require this Plan to determine its benefits before such other Plan, then the benefits of such other Plan will be ignored for the purposes of determining the benefits under this Plan.

d. If another Plan that is involved in item (b) of this Section 7.3 does not contain a provision coordinating its benefits with those of this Plan, then the benefits of such other Plan shall be determined before the benefits of this Plan.

e. For the purpose of item (c) of this Section 7.3, the rules establishing the order of benefit determination are:

- i. The benefits of a Plan that covers the person on whose expenses claim is to be based other than as a Dependent shall be determined before the benefits of a Plan that covers such person as a Dependent;
- ii. (a) Except for cases of a person for whom claim is made as a Dependent Child whose parents are separated or divorced, the benefits of a plan that covers the person on whose expenses claim is based as a Dependent of a person whose date of birth, excluding year of birth, occurs earlier in a calendar year, shall be determined before the benefits of a Plan that covers such person as a Dependent of a person whose date of birth, excluding year of birth, occurs later in a calendar year. If the other Plan

does not have the provisions of this paragraph ii (a) regarding Dependents, which results either in each Plan determining its benefits before the other or in each Plan determining its benefits after the other, the provisions of this paragraph ii (A) shall not apply, and the rule set forth in the Plan that does not have the provisions of this paragraph ii (a) shall determine the order of benefits;

(b) In the case of a person for whom claim is made as a Dependent Child whose parents are separated or divorced and the parent with custody of the Child has not remarried, the benefits of a Plan that covers the Child as a Dependent of the parent with custody of the Child will be determined before the benefits of a Plan that covers the Child as a Dependent of the parent without custody.

(c) In the case of a person for whom claim is made as a Dependent Child whose parents are divorced and the parent with custody of the Child has remarried, the benefits of a Plan that covers the Child as a Dependent of the parent with custody shall be determined before the benefits of a Plan that covers that Child as a Dependent of the stepparent, and the benefits of a Plan that covers that Child as a Dependent of the stepparent will be determined before the benefits of a Plan that covers that Child as a Dependent of the parent without custody.

(d) In the case of a person for whom claim is made as a Dependent Child whose parents are separated or divorced, where there is a court decree that would otherwise establish financial responsibility for the medical, dental or other health care expenses with respect to the Child, then, notwithstanding paragraphs (b) and (c) above, the benefits of a Plan that covers the Child as a Dependent of the parent with such financial responsibility shall be determined before the benefits of any other Plan that covers the Child as a Dependent Child.

iii. When rules (i) and (ii) do not establish an order of benefit determination, the benefits of a Plan that has covered such person on whose expenses claim is based for the longer period of time shall be determined before the benefits of a Plan that has covered such person the shorter period of time, provided that: (A)

The benefits of a Plan covering the person as an employee other than a laid-off or retired employee, or as a Dependent of a laid-off or retired employee, shall be determined before the benefits of any other Plan covering such person as a laid-off or retired employee, or as a Dependent of a laid-off or retired employee; and (B) If either Plan does not have a provision regarding laid-off or retired employees, which results in each Plan determining its benefits after the other, then the provisions of (A) above shall not apply.

f. When this provision operates to reduce the total amount of benefits otherwise payable as to a person covered under this Plan during any Claim Determination Period, each benefit that would be payable in the absence of this provision shall be reduced proportionately and such reduced amount shall be charged against any applicable benefit limit of this Plan.

7.4 Right to Receive and Release Necessary Information. For the purpose of determining the applicability of and implementing the terms of this Article or procedures promulgated hereunder or any provision of similar purpose of any other plan, Contractor may, without the consent of or notice to any person, release to or obtain from any other insurance company or other organization or individual, any information, with respect to any person, that Contractor deems to be necessary for such purposes. Any person claiming benefits under this Plan shall furnish to Contractor such information as may be necessary to implement this Article.

7.5 Facility of Payment. Whenever payments that should have been made under this Plan in accordance with this provision have been made under any other Plan(s), Contractor shall have the right, exercisable alone and in its sole discretion, to pay over to any organizations making such other payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision, and amounts so paid shall be deemed to be benefits paid under this Plan.

7.6 Right of Recovery. Whenever payments have been made by Contractor with respect to Allowable Expenses in a total amount, at any time, in excess of the maximum amount of payment necessary at that time to satisfy the intent of this provision, Contractor shall have the right to recover such payments, to the extent of such excess, from among one or more of the following, as Contractor shall determine: any persons to or for or with respect to whom such payments were made, any other insurance companies, any other organizations.

7.7 Responsibility of Member. Any Member claiming benefits under this Agreement must furnish to Contractor all information deemed necessary by it to implement this Article.

7.8 Direct Services. None of the above rules as to coordination of benefits will serve as a barrier to the Member receiving dental services from Contractor that are covered under this Agreement.

7.9 Subrogation. Contractor shall have all rights of recovery acquired by a Member against any person or organization for negligence or any willful act resulting in illness or injury covered by Contractor benefits, but only to the extent of the Allowable Expense for such benefits. Upon receiving such benefits from Contractor, the Member is considered to have assigned such rights of recovery to Contractor and to have agreed to give Contractor any reasonable help required to secure the recovery.

ARTICLE VIII - TERMINATION OF MEMBER COVERAGE

8.1 Termination of Member Coverage. No Member's coverage shall be terminated by Contractor due to his health status or his dental care needs. No eligible person shall be refused enrollment or re-enrollment because of his health status or dental care needs. Coverage under this Plan for a Member will terminate if any of the following occurs:

- a. A Member fails to pay Copayments as required under Exhibit "A". Contractor shall provide at least thirty-one (31) days written notice of termination to the Member. Coverage will end unless those who delivered the service receive the Copayments due within the thirty-one (31) day period.
- b. A Member uses another Member's identification card or allows someone else to use a Member's identification card. Contractor will provide a fifteen (15) days written notice of termination to the Member. Contractor is entitled to collect payment from the Member for the benefits that were falsely obtained.
- c. A Member gives fraudulent information on an enrollment application or commits any other fraudulent act in relation to this Plan. The coverage will be terminated immediately.
- d. A Member cannot establish a satisfactory relationship with any Participating Dentist. Contractor will provide at least thirty-one (31) days written notice that it considers the relationship to be unsatisfactory and will specify changes necessary, including the opportunity to select another Participating Dentist, in order to avoid

termination. If the Member fails to make such changes, termination will take effect at the end of the thirty-one (31) day period.

- e. A Member at any time threatens the physical safety of a Participating Dentist or any person in the Participating Dentist's office or threatens to cause physical damage to furniture, fixtures, appliances, or the physical office of a Participating Dentist. The coverage will be terminated immediately.
- f. A Member repeatedly refuses to follow the recommended treatment of the Participating Dentist. Contractor will provide at least thirty-one (31) days written notice of termination to the Member.
- g. A Member fails to make the monthly contribution for a Member's coverage. However, a Member shall have a thirty (30) day grace period during which the Member may make payment of non-payroll deducted premiums. Members will be held liable for the cost of services received during the grace period.
- h. A Member fails to sign or submit any consents, releases, assignments, or other documents or to turn over any payments due under this Agreement. Contractor will provide sixty (60) days written notice of termination to the Member. Coverage may be continued provided that the required documents or payments are signed and submitted to Contractor within the sixty (60) day period.
- i. The Group commits fraud and this Agreement is terminated in accordance with Article IX.

8.2 Continuation of Benefits. Upon the expiration or termination of this Agreement or the termination of eligibility of a Member, Participating Dentists shall complete any dental procedures initiated prior to said expiration or termination date as though this Agreement remained in effect for such procedure.

8.3 Termination of Plan. The Group reserves the right to terminate the Plan at any time. After the termination of the Plan, benefits payable under the Plan in connection with any claim that arose prior to the date of termination shall be paid in accordance with the terms of the Plan as in existence at the time of termination.

8.3 Incontestability. In the absence of fraud, all statements made by a Member are considered representations and not warranties. During the first two years, coverage can be voided for a material misrepresentation, as defined by the TEXAS INSURANCE CODE and 28 TEXAS ADMINISTRATIVE CODE, contained in the written application. Coverage can be voided at any

time in the event of a fraudulent misstatement contained in the written application. A copy of the written application must have been furnished to the Member if the terms of the application or enrollment form are to be applied.

ARTICLE IX - TERM AND TERMINATION OF AGREEMENT

9.1 Initial Term. This Agreement shall be in effect for an initial period of three (3) years beginning at 12:01 a.m. on May 1, 2016, and ending at 11:59 p.m. on April 30, 2019 (“Initial Term”).

9.2 Renewal Term(s). This Agreement is renewable for two additional one-year terms at the sole option of the Director, provided that the Director gives written notice of such renewal to Contractor no later than (60) sixty days before the end of the Initial Term or before the anniversary of any Renewal period.

9.3 The Group may terminate this Agreement for its convenience during the Initial Term or any Renewal Term by providing Contractor at least ninety (90) days written notice of such termination.

9.4 Contractor shall cooperate with Group upon termination of this Agreement to provide any records and data that will assist with the smooth transition of Group's Members to a succeeding provider.

9.5 Events of Default. Contractor cannot terminate coverage for the Group during the first thirty-six (36) months unless a default has occurred as defined hereafter:

The following are events of default under this Agreement.

- a. The commission of any materially fraudulent act by the Group;
- b. Failure to pay sums contracted for;
- c. Breach of any terms of this Agreement that materially interfere with Contractor's ability to perform its duties under this Agreement:

Notwithstanding any provisions to the contrary, the City shall have the opportunity to cure any event of default within thirty (30) days after Contractor notifies the City in writing of the event of default under Item a or c and within ten days after notice for event of default under Item b.

ARTICLE X – RELEASE, INDEMNIFICATION AND INSURANCE

10.1 RELEASE

CONTRACTOR AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE “CITY”) FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY’S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY’S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

10.2. INDEMNIFICATION

CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE “CITY”) HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS’ FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

- (1) CONTRACTOR’S AND/OR ITS AGENTS’, EMPLOYEES’, OFFICERS’, DIRECTORS’, CONTRACTORS’, OR SUBCONTRACTORS’ (COLLECTIVELY IN NUMBERED PARAGRAPHS 1-3, “CONTRACTOR”) ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;**

- (2) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND
- (3) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. CONTRACTOR'S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. CONTRACTOR SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

10.3. RELEASE AND INDEMNIFICATION, (COPYRIGHT, TRADEMARK, AND TRADE SECRET INFRINGEMENT)

CONTRACTOR AGREES TO AND SHALL RELEASE AND DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL CLAIMS OR CAUSES OF ACTION BROUGHT AGAINST THE CITY BY ANY PARTY, INCLUDING CONTRACTOR, ALLEGING THAT THE CITY'S USE OF ANY EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS CONTRACTOR FURNISHES DURING THE TERM OF THIS AGREEMENT INFRINGES ON A PATENT, COPYRIGHT, OR TRADEMARK, OR MISAPPROPRIATES A TRADE SECRET. CONTRACTOR SHALL PAY ALL COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS, AND INTEREST) AND DAMAGES AWARDED.

CONTRACTOR SHALL NOT SETTLE ANY CLAIM ON TERMS WHICH PREVENT THE CITY FROM USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS WITHOUT THE CITY'S PRIOR WRITTEN CONSENT. WITHIN 60 DAYS AFTER BEING NOTIFIED OF THE CLAIM, CONTRACTOR SHALL, AT ITS OWN EXPENSE, EITHER (1) OBTAIN FOR THE CITY THE RIGHT TO CONTINUE USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS OR, (2) IF BOTH PARTIES AGREE, REPLACE OR MODIFY THEM WITH COMPATIBLE AND FUNCTIONALLY EQUIVALENT PRODUCTS. IF NONE OF THESE ALTERNATIVES IS REASONABLY AVAILABLE, THE CITY MAY RETURN THE EQUIPMENT, SOFTWARE, OR DOCUMENTS, OR DISCONTINUE THE PROCESS, AND CONTRACTOR SHALL REFUND THE PURCHASE PRICE.

10.4 INDEMNIFICATION – SUBCONTRACTOR’S INDEMNITY

CONTRACTOR SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

10.5 INDEMNIFICATION PROCEDURES

(1) Notice of Claims. If the City or Contractor receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 30 days. The notice must include the following:

- (a) a description of the indemnification event in reasonable detail,
- (b) the basis on which indemnification may be due, and
- (c) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 30 day period, it does not waive any right to

indemnification except to the extent that Contractor is prejudiced, suffers loss, or incurs expense because of the delay.

(2) Defense of Claims

(a) Assumption of Defense. Contractor may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Contractor shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Contractor must advise the City as to whether or not it will defend the claim. If Contractor does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

(b) Continued Participation. If Contractor elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Contractor may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Contractor does not fund in full, (iii) would not result in the City’s full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

10.6 Insurance

(a) **Risks and Limits of Liability.** Contractor shall maintain the following insurance coverages in the following amounts:

<u>COVERAGE</u>	<u>LIMIT OF LIABILITY</u>
Workers' Compensation	<ul style="list-style-type: none"> • Statutory for Workers' Compensation
Employer's Liability	<ul style="list-style-type: none"> • Bodily Injury by Accident \$100,000 (each accident) • Bodily Injury by Disease \$100,000 (policy limit) • Bodily Injury by Disease \$100,000 (each employee)
Commercial General Liability: Bodily and Personal Injury; Products and Completed Operations Coverage	<ul style="list-style-type: none"> • Bodily Injury and Property Damage, Combined Limits of \$1,000,000 each Occurrence, and \$1,000,000 aggregate
Automobile Liability	<ul style="list-style-type: none"> • \$1,000,000 combined single

	limit for (1) Any Auto or (2) All Owned, Hired, and Non-Owned Autos
Professional Liability	<ul style="list-style-type: none"> • \$1,000,000 per occurrence; \$1,000,000 aggregate
Excess Liability applicable each to CGL, and Auto	<ul style="list-style-type: none"> • \$1,000,000
Aggregate Limits are per 12-month policy period unless otherwise indicated.	

(b) **Insurance Coverage.** At all times during the term of this Agreement and any extensions or renewals, Contractor shall provide and maintain insurance coverage that meets the Agreement requirements. Prior to beginning performance under the Agreement, at any time upon the Director’s request, or each time coverage is renewed or updated, Contractor shall furnish to the Director current certificates of insurance, endorsements, all policies, or other policy documents evidencing adequate coverage, as necessary. Contractor shall be responsible for and pay (a) all premiums and (b) any claims or losses to the extent of any deductible amounts. Contractor waives any claim it may have for premiums or deductibles against the City, its officers, agents, or employees. Contractor shall also require all subcontractors or consultants whose subcontracts exceed \$100,000 to provide proof of insurance coverage meeting all requirements stated above except amount. The amount must be commensurate with the amount of the subcontract, but no less than \$500,000 per claim.

(c) **Form of insurance.** The form of the insurance shall be approved by the Director and the City Attorney; such approval (or lack thereof) shall never (a) excuse non-compliance with the terms of this Section, or (b) waive or estop the City from asserting its rights to terminate this Agreement. The policy issuer shall (1) have a Certificate of Authority to transact insurance business in Texas, or (2) be an eligible non-admitted insurer in the State of Texas and have a Best's rating of at least B+, and a Best's Financial Size Category of Class VI or better, according to the most current Best's Key Rating Guide.

(d) **Required Coverage.** The City shall be an Additional Insured under this Agreement, and all policies, except Professional Liability and Worker's Compensation, shall explicitly name the City as an Additional Insured. The City shall enjoy the same coverage as the Named Insured without regard to other Contract provisions. Contractor waives any claim or right of subrogation to recover against the City, its officers, agents, or employees, and each of Contractor's insurance policies except professional liability must contain coverage waiving such claim. Each policy, except Workers' Compensation and Professional Liability, must also contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Contract.

All certificates of insurance submitted by Contractor shall be accompanied by endorsements for 1) Additional Insured coverage in favor of the City for Commercial General Liability and Automobile Liability policies, and 2) Waivers of Subrogation in favor of the City for Commercial General Liability, Automobile Liability and Workers' Compensation/Employers' Liability policies. The Director will consider all other forms on a case-by-case basis.

(e) **Notice.** **CONTRACTOR SHALL GIVE 30 DAYS' ADVANCE WRITTEN NOTICE TO THE DIRECTOR IF ANY OF ITS INSURANCE POLICIES ARE CANCELED OR NON-RENEWED.** Within the 30-day period, Contractor shall provide other suitable policies in order to maintain the required coverage. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default.

Other Insurance

If requested by the Director, Contractor shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Contractor's operations under this Agreement.

ARTICLE XI - MISCELLANEOUS

11.1 Inspections, Audits. Representatives of the Group shall have the right to perform, or cause to be performed, (1) audits of the books and records of Contractor, and (2) inspections of all places where services are undertaken in connection with this Agreement. Contractor shall be required to keep such books and records available for such purpose for at least five (5) years after the ceasing of its performance under this Agreement. Nothing in this provision shall affect the time for bringing a cause of action nor the applicable statute of limitations.

11.2 Enforcement. The Group's City Attorney or his or her designee shall have the right to enforce all legal rights and obligations under this Agreement without further authorization. Contractor shall provide to the City Attorney all documents and records that the City Attorney requests to assist in determining Contractor's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

11.3 Amendments. The provisions of this Agreement may be amended at any time, and from time to time, by the Group upon concurrence of the Group's Mayor, Human Resources Director and City Attorney in order to comply with state, federal, or local law; provided, however, that no amendment shall deprive any Employee of any benefits to which he became entitled in connection with any claim incurred before the date of the amendment.

11.4 Notice. All notices to either party to the Agreement must be in writing and must be delivered by hand, facsimile, United States registered or certified mail, return receipt requested, United States Express Mail, Federal Express, UPS or any other national overnight express delivery service. The notice must be addressed to the party to whom the notice is given at its address set out below or other address the receiving party has designated previously by proper notice to the sending party. Postage or delivery charges must be paid by the party giving the notice.

To Group: City of Houston Director of Human Resources
P.O. Box 248
Houston, Texas 77001-9931

To Contractor: _____

With a copy to: _____

11.5 Headings. The headings for the Articles and Sections of this Agreement are inserted solely for the convenience of reference and form no substantive part of this Agreement, nor shall they be used in any interpretation or construction of any substantive provision of this Agreement.

11.6 Assignability. This Agreement shall bind, and inure to the benefit of the parties hereto, their respective successors and assigns. However, no assignment may be made without the consent of both parties.

11.7 Continuing Membership.

a. Members may elect a continuation of coverage option. A Member who lives in the Service Area may elect to continue Group coverage if he or she no longer meets Group eligibility requirements and has not been terminated for any reason as stated in this Agreement, or for gross misconduct. The coverage will be the same as for Active Employees.

b. Effective Date. The Member's coverage will begin on the date the Member is no longer eligible for the Group's coverage, complies with Contractor's required notice and election rules, and pays any applicable contributions to Contractor, as required by law.

c. Period of Coverage. The Member's coverage shall continue for either:
i. Eighteen (18) months when Active Employee quits, retires, is laid off or fired, or when Active Employee's hours are reduced such that he no longer is eligible for the Group; or

- ii. Thirty-six (36) months for Dependents in the event of divorce from or death of Active Employee or when Dependent Children cease to be eligible under the Group; or
 - iii. Twenty-nine (29) months if Member becomes disabled, as defined by the Social Security Administration.
- d. Coverage under this Subsection 11.5 is intended to comply with (COBRA), Consolidated Omnibus Reconciliation Act of 1985.

11.8 Converting Membership.

- a. Members may convert to an Individual Dental Agreement without presenting evidence of insurability when their membership ends because they no longer meet the eligibility requirements of this Agreement or at the end of the continuation period described above.
- b. The Member may convert membership as long as the Member still resides within the Service Area.
- c. Contractor shall send a Member Enrollment Application to all Members eligible for conversion within 15 days of such eligibility. The Member must then submit the Member Enrollment Application to _____ at _____ within thirty-one (31) days of the expiration of coverage and pay the applicable contribution to Contractor. The contribution is the amount established by Contractor for conversion membership. The Member may cover only those Dependents who were covered under this Agreement prior to conversion.
 - i. Election Period. The Member must convert within thirty-one (31) days of the date coverage ends. If the Member does not convert, the Member must pay for the cost of any services received after the coverage ended.
 - ii. Effective date. The conversion goes into effect on the date Group coverage ends.
- d. Any Member or former Member who no longer meets Group eligibility requirements for any reason other than termination as stated in this Agreement may request a Member Enrollment Application from _____ at _____. Contractor must then provide the Member Enrollment Application together with any other forms required to obtain conversion and information regarding converted coverage within ten (10) days of receipt of the written request.

11.9 Counterparts. This Agreement may be executed in counterparts, and all such executed counterparts shall constitute one original Agreement.

11.10 Compliance with Laws. Contractor shall comply with all applicable state and federal laws and regulations and all provisions of the City of Houston Charter and Code of Ordinances. Venue for any litigation for purposes of this Agreement shall be in Houston, Harris County, Texas.

11.11 Compliance with Equal Opportunity Ordinance. Contractor shall comply with all provisions of the Group's Equal Employment Opportunity Ordinance as set out in Section 15-17 of the Code of Ordinances.

11.12 Pay or Play. The requirements and terms of the City of Houston Pay or Play program, as set out in Executive Order 1-7-Revised, as amended from time to time, are incorporated into this Agreement for all purposes. Contractor has reviewed Executive Order No. 1-7-Revised and shall comply with its terms and conditions.

11.13 CONTRACTOR DEBT

IF CONTRACTOR, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT CONTRACTOR HAS INCURRED A DEBT, HE OR SHE SHALL IMMEDIATELY NOTIFY CONTRACTOR IN WRITING. IF CONTRACTOR DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY CONTROLLER MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT FROM ANY PAYMENTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.

CONTRACTOR SHALL FILE A NEW AFFIDAVIT OF OWNERSHIP, USING THE FORM DESIGNATED BY CITY, BETWEEN FEBRUARY 1 AND MARCH 1 OF EVERY YEAR DURING THE TERM OF THIS AGREEMENT.

11.14 The following Exhibits are attached to this Agreement and hereby incorporated herein for all purposes and made a part of this Agreement; and the parties agree to comply with the provisions set out therein:

Exhibit "A" - Schedule of Benefits, Copayments, Exclusions & Limitations

Exhibit "B" - Service Area

Exhibit "C" - Performance Guarantees

Exhibit "D" - Drug Detection and Deterrence Policy

Exhibit "E"- Minority and Women Business Enterprises

Exhibit "F"- Credentialing Process

Exhibit "G" – Managed Care Dental Agreement Contributions

Exhibit "H" - Primary Provider List (subject to change)

Exhibit "I" – Scope of Services

11.15 Entire Contract. This Agreement together with its Exhibits and attachments, constitute the entire contract between the parties.

11.16 Copy of this Agreement. Contractor will provide a copy of this Agreement for each Member upon written request.

11.17 Management Reports. Contractor shall provide a monthly report to Group entitled "Procedures Performed Utilization Report Summary."

EXHIBIT A
SCHEDULE OF BENEFITS, COPAYMENTS, EXCLUSIONS & LIMITATIONS

(See Attached)

EXHIBIT B
SERVICE AREA
(See Attached)

EXHIBIT C

PERFORMANCE GUARANTEES

DHMO

Contractor shall provide the performance guarantees set out below to ensure smooth initial and ongoing enrollment, adequate access, contract turnaround, production of administration materials, claims handling, customer service standards and employee satisfaction surveys.

	Maximum Annual Amount at Risk
<p>Contractor must achieve a satisfaction rating of 80% from an annual survey of DHMO members. The survey will be conducted annually, and results are to be reported within 60 days after the end of the plan year. Survey administration, design, content, and grading methodology will be determined by the Director and Contractor.</p> <p>Contractor shall pay liquidated damages of \$1,000 for every percentage point below 80% with a maximum of \$10,000 each year.</p>	\$10,000 per year
<p>Contractor agrees to be in compliance at all times with the following geographical access standard: 94% of city employees who reside in the thirteen county service area will have access to two participating dentists within 10 miles of their home zip code. GeoAccess will be measured quarterly.</p> <p>Contractor agrees to pay \$2,500 in liquidated damages for each quarter it is below 94%</p>	\$10,000 per year
<p>Contractor shall accurately loads Biweekly Eligibility files within 2 business days of file receipt. Contractor is responsible for notifying City within 2 business days if it did not receive the electronic eligibility file on the designated monthly file transfer date.</p>	\$3,000 per pay period (24)
<p>Contractor shall mail 99% of ID cards (i.e. postmarked) within 10 business days of receipt of eligibility file or election form for which they are first recorded as eligible.</p>	\$500 per pay period (24)

<p>Service Center shall be ready to respond to inquiries as of 5/1/2016, with City dedicated toll-free number operational by April 1, 2016.</p>	\$10,000 (one time only for new vendor)
<p>Contractor shall process 99% of transitions from Active to Retiree status within 5 business days of receipt of status change from the City</p>	\$500 per pay period (24)
TOTAL ANNUAL	\$126,000

NOTE: All references to “quarter” and “year” mean contract quarter and contract year.

EXHIBIT "D"

DRUG DETECTION AND DETERRENCE POLICY

(1) It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Contractor shall comply with all the requirements and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), which is incorporated into this Agreement and is on file in the City Secretary's Office.

(2) Before the City signs this Agreement, Contractor shall file with the Contract Compliance Officer for Drug Testing ("CCODT"):

- (a) a copy of its drug-free workplace policy,
- (b) the Drug Policy Compliance Agreement substantially in the form set forth in Exhibit "D-1," together with a written designation of all safety impact positions and,
- (c) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the form set forth in Exhibit "D-2."

If Contractor files a written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every 6 months during the performance of this Agreement or on completion of this Agreement if performance is less than 6 months, a Drug Policy Compliance Declaration in a form substantially similar to Exhibit "D-3." Contractor shall submit the Drug Policy Compliance Declaration to the CCODT within 30 days of the expiration of each 6-month period of performance and within 30 days of completion of this Agreement. The first 6-month period begins to run on the date the City issues its Notice to Proceed or if no Notice to Proceed is issued, on the first day Contractor begins work under this Agreement.

(3) Contractor also shall file updated designations of safety impact positions with the CCODT if additional safety impact positions are added to Contractor's employee work force.

(4) Contractor shall require that its subcontractors comply with the Executive Order, and Contractor shall secure and maintain the required documents for City inspection.

EXHIBIT "D-1"

DRUG POLICY COMPLIANCE AGREEMENT

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

(Name of Company) (Contractor)

have authority to bind Contractor with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Contractor is aware of and by the time the contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a notice to proceed:

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Contractor that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).
2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.
4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Contractor that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the contract by the City of Houston.

Date

Contractor Name

Signature

Title

EXHIBIT "D-2"

**CONTRACTOR'S CERTIFICATION
OF NO SAFETY IMPACT POSITIONS
IN PERFORMANCE OF A CITY CONTRACT**

I, _____, _____,
(Name) (Title)

as an owner or officer of _____ (Contractor)
(Name of Company)

have authority to bind the Contractor with respect to its bid, and hereby certify that Contractor has no employee safety impact positions, as defined in §5.17 of Executive Order No. 1-31, that will be involved

in performing _____.
(Project)

Contractor agrees and covenants that it shall immediately notify the City of Houston Director of Human Resources if any safety impact positions are established to provide services in performing this City Contract.

(Date)

(Typed or Printed Name)

(Signature)

(Title)

EXHIBIT "D-3"

DRUG POLICY COMPLIANCE DECLARATION

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)
_____ (Contractor)
(Name of Company)

have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding 6 months from _____ to _____, 20____.

_____ A written Drug Free Workplace Policy has been implemented and employees notified.
Initials The policy meets the criteria established by the Mayor's Amended Policy on Drug
Detection and Deterrence (Mayor's Policy).

_____ Written drug testing procedures have been implemented in conformity with the Mayor's
Initials Drug Detection and Deterrence Procedures for Contractors, Executive
Order No. 1-31. Employees have been notified of such procedures.

_____ Collection/testing has been conducted in compliance with federal Health and Human
Initials Services (HHS) guidelines.

_____ Appropriate safety impact positions have been designated for employee positions
Initials performing on the City of Houston contract. The number of employees in safety impact
positions during this reporting period is _____.

_____ From _____ to _____ the following test has occurred
Initials (Start date) (End date)

Table with 4 columns: Random, Reasonable Suspicion, Post Accident, Total. Rows include Number Employees Tested, Number Employees Positive, Percent Employees Positive.

_____ Any employee who tested positive was immediately removed from the City worksite
Initials consistent with the Mayor's Policy and Executive Order No. 1-31.

_____ I affirm that falsification or failure to submit this declaration timely in accordance with
Initials established guidelines will be considered a breach of contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in this
declaration are within my personal knowledge and are true and correct.

(Date)

(Typed or Printed Name)

(Signature)

(Title)

EXHIBIT "E"

MINORITY AND WOMEN BUSINESS ENTERPRISES

It is the City's policy to encourage participation of certified local minority and women business enterprises (MWBEs) in City contracts. Vendors will be required to make a good-faith effort to meet annual MWBE goals.

- **DHMO goal:** Contractors shall make good faith efforts to award 15% of the portion of total annual premium (plan cost) that is attributable to the administrative services portion of the plan to city-certified MWBE. Proposers will be required to set the percentage of administrative services upon which the goal will be based each year. The administrative services percentage (not the goal) may be modified annually, upon written request by the contractor 30 days in advance of May 1 each year. Any change to the administrative services percentage must be approved by the Human Resources Director before it can be changed.

Items that are eligible for satisfaction of the goal include dental services, printing costs, laboratories, translation services, and any others listed in the current City of Houston MWBE directory. However, good faith efforts must include solicitations to firms that provide dental and directly related services.

The City's policy does not require contractors or administrators to in fact meet or exceed goals, but it does require them to objectively demonstrate that it has made good faith efforts to do so. To this end, they shall maintain records showing:

1. subcontracts and supply agreements with Minority Business Enterprises,
2. subcontracts and supply agreements with Women's Business Enterprises, and
3. specific efforts to identify and award subcontracts and supply agreements to MWBEs.

Administrator shall submit periodic reports of its efforts under this Exhibit to the Office of Business Opportunity ("OBO") Director in the form and at the times the Director prescribes.

Administrator shall require written subcontracts with all MWBE subcontractors and suppliers and shall submit all disputes with MWBE subcontractors to mediation if directed to do so by the OBO Director.

EXHIBIT F

CREDENTIALING PROCESS

Many qualifications are required of Contractor's professional staff prior to inclusion in the panel. First, all Participating Dentists must have graduated from accredited schools of dentistry. Second, providers must maintain current licenses in their profession. Third, providers must have no malpractice claims against them. Fourth, providers must have full or extended office hours. Fifth, providers must deliver all general dental services including, but not limited to, preventive, diagnostic, restorative, endodontic and simple surgical procedures. Sixth, they must have adequate support and hygiene staff. Finally, providers must have sufficient treatment areas to accommodate the additional enrolled population.

Once it has been determined that the dentist meets the above preliminary qualifications, an onsite survey is made of the dental office being considered. The offices are evaluated on the following items:

- (a) Modern standards of dental practice;
- (b) Cleanliness and comfort for the patient;
- (c) Ample waiting areas;
- (d) Adequate number of treatment rooms;
- (e) Modern and operational hygiene and sterilization equipment including dry heat autoclaves or chemclaves. For disinfection, Contractor requires that a 7% solution of sporicidin be used, and that surfaces be decontaminated with Staphene disinfectant spray. A detailed list of recommended infection control procedures is provided to all of our participating dentists.
- (f) Age and condition of dental equipment including chairs, instruments and x-ray equipment;
- (g) Type and safety of x-ray units as well as the availability of radiation protection, aprons and radiation badges on personnel. All radiation certificates are also checked for current dates;
- (h) Demonstration that special precautions are taken for the treatment of patients with communicable diseases. Dentists and assistants must use face masks, gloves, glasses and disposable paper gowns when treating patients with hepatitis, tuberculosis, active syphilis or gonorrhea, herpes or AIDS;
- (i) Mask, and gloves are required for the treatment of all patients;
- (j) Office properly equipped with supplies and equipment for medical emergencies, including positive pressure oxygen, ammonia inhalants and emergency drugs and a current medical emergency kit.
- (k) There must be sufficient staff to assure proper patient flow from the time the patient enters the office until the appointment is over.

As part of the on-site survey Contractor also determines if there is an active and defined recall system and the method used to handle after hour emergencies. The scheduling system is evaluated to confirm that there is a minimal waiting time for non-emergency appointments and that the average appointment length is at least one-half hour. The record keeping system is also evaluated for complete medical histories, x-rays, evidence of treatment planning and treatment notations that follow an orderly sequence of treatment.

The review continues even after providers are admitted to Contractor's programs. All of our participating dental offices are subject to on-going quality assurance programs and peer review by our Director of Dental Services. At least once a year each dental office is reviewed by dentists on Contractor's dental director's staff. These reviews include an analysis of patient's charts and x-rays as well as an examination of office facilities and practices.

If deficiencies are found, Contractor attempts to remedy them and a subsequent review is conducted within 30 days. Additionally, Contractor conducts unannounced spot checks of dental offices that provide services to a large number of employees or have been the subject of an unusual type or number of patient complaints.

The Contractor closed panel delivery system utilizes a relational data base computer system to both store and compare the treatments delivered over the contract period. The "Procedures Performed Worksheet" is completed by each dental office at the end of each patient's appointment. These worksheets are mailed to Contractor on a weekly basis and entered into the computer.

The system has been designed so that information can be recalled by doctor, patient or procedure type. The information entered includes procedure, tooth number, when appropriate, patient copayment, if any, and the usual in-office fee for the procedure. The data sheets are confirmed by periodic on-site record reviews. Summary reports are printed on a monthly basis indicating any trends and also the total number of procedures being delivered.

Analysis of this data results in a profile of services delivered for each practice. These profiles are taken and evaluated in terms of appropriateness of care and preventive and cost containment trends. Particular attention is made to the number of crowns versus fillings and the number of root canal treatments versus extractions.

Profiles are also reviewed to determine if a practice is providing either a very high or a very low number of procedures when compared to their offices providing coverage to similar groups. Peer review is conducted by our Director of Dental Services and his staff on a monthly basis unless a more frequent review is indicated. When necessary, an on-site audit of the dental records will be conducted and, if indicated, the patient may be examined to assure that the right treatment was provided.

Contractor's computerized system is used to analyze the treatment provided to participants in the dental plan. This analysis of provider utilization and cost data enable Contractor and its clients to determine the type of procedures performed by dental offices and to ascertain the savings to both client and participant. The computerized analysis is also used by Contractor to identify unusual patterns of dental care utilization or complaints that may trigger comprehensive audits or other types of reviews.

All Participating Dentists shall have in force the following insurance: Dental Malpractice with limits of \$100,000.00 single occurrence and annual aggregate of \$300,000.00; and liability with limits of \$100,000.00 single occurrence and an annual aggregate of \$300,000.00.

EXHIBIT G

MANAGED CARE DENTAL AGREEMENT GROUP CONTRIBUTIONS

(See Attached)

CITY OF HOUSTON CONTRIBUTIONS/PREMIUMS
Effective May 1, 2011

May 1, 2011 through April 30, 2014	
Coverage	Monthly Rates
Employee/Retiree	\$ 9.01
Employee/Retiree + One	\$20.69
Employee/Retiree + Family	\$28.36
Optional Year 4 (May 1, 2014 - April 30, 2015)	
Coverage	Monthly Rate Caps
Employee/Retiree	\$ 9.46
Employee/Retiree + One	\$21.72
Employee/Retiree + Family	\$29.78
Optional Year 5 (May 1, 2015 - April 30, 2016)	
Coverage	Monthly Rate Caps
Employee/Retiree	\$ 9.93
Employee/Retiree + One	\$22.81
Employee/Retiree + Family	\$31.27

a. For the period beginning at 12:01 a.m. on May 1, 2011 and ending at 11:59 p.m. on April 30, 2014, the rates shall be as set forth above.

b. For the first optional period beginning at 12:01 a.m. on May 1, 2014 and ending at 11:59 p.m. on April 30, 2015, the rates shall be increased based on the following formula; subject to the above rate caps.

1. **Twelve months of dental care costs for the period of November 1, 2012 through October 31, 2013, plus the ending IBNR less the beginning IBNR;**
2. **Plus Dental CPI-U US City Average as defined by Department of Labor statistics for the period of November 1, 2012 through October 31, 2013;**
3. Plus 10% of revenue for administration;
4. Plus 2% of revenue for taxes;
5. Plus 4% of revenue for network administration and Quality Assurance;
6. Plus 3% of revenue legal, overhead, marketing;
7. Plus 4% of revenue for risk and profit;
8. **Equals Total Projected Cost. Divided by last 12 months of premium for the period of November 1, 2012 through October 31, 2013, adjusted to reflect current rate levels, minus one equals percentage rate increase.**

c. For the second optional period beginning at 12:01 a.m. on May 1, 2015 and ending at 11:59 p.m. on April 30, 2016, the rates shall be increased based on the following formula; subject to the above rate caps.

1. **Twelve months of healthcare costs for the period of November 1, 2013 through October 31, 2014, plus the ending IBNR less the beginning IBNR;**

2. **Plus Dental CPI-U US City Average as defined by Department of Labor statistics for the period of November 1, 2013 through October 31, 2014;**

3. Plus 10% of revenue for administration;

4. Plus 2% of revenue for taxes;

5. Plus 4% of revenue for network administration and Quality Assurance;

6. Plus 3% of revenue legal, overhead, marketing;

7. Plus 4% of revenue for risk and profit;

8. **Equals Total Projected Cost. Divided by last 12 months of premium for the period of November 1, 2013 through October 31, 2014, adjusted to reflect current rate levels, minus one equals percentage rate increase.**

Renewal rates are due to the City on or before February 1 of each renewal period.

EXHIBIT H
PRIMARY PROVIDER LIST
(See Attached)

EXHIBIT "I"

SCOPE OF SERVICES

Services specifically required in the management and administration of the Managed Care Dental Plan, as well as payment of dental claims submitted by or on behalf of covered City employees are listed below.

Contractor shall:

1. Provide and manage DHMO networks, ensuring they include sufficient credentialed dental providers to serve City participants. Ninety-four (94) percent of members should have two dentists within ten (10) miles of their home zip code.
2. Exclude actively at-work requirements for any participants covered by the prior carrier on the day before the effective date of the Agreement.
3. Accept City of Houston electronic eligibility data files on a bi-weekly basis. Ensure that all data transfers, storage and processing are confidential and HIPAA compliant.
4. Establish and maintain records of account for all claims submitted. All such records shall be accessible to City representatives and other authorized individuals.
5. Allow an annual third party dental claim audit at no charge for internal claims audit support.
6. Analyze claims submitted by or on behalf of providers and/or covered participants in accordance with the provisions of the dental plan, and determine the amount of benefits payable.
7. Provide timely payment of claims and/or capitation to dental providers.
8. In the event that a claim is denied in whole or in part, notify the claimant of such denial clearly describing:
 - a. The specific reason for the denial;
 - b. The specific reference to the dental plan provision on which the denial is based;
 - c. Any additional materials or information needed for the claimant to appeal his claim;
 - d. An explanation of the dental plan's claims review procedure; and
 - e. The time frame during which the appeal must be filed.
9. If a payment is made to or on behalf of an ineligible person or an overpayment is made, attempt to recover payment or overpayment from person. The Director or his/her designee may direct in writing further action to be taken as needed.
10. Establish effective communication to assist employees and the City.
11. Provide customer service to all members of the City's dental plan, utilizing designated or dedicated customer service representatives.

12. Provide a dedicated toll free number for use by City dental plan members at no cost to the City.
13. Provide an onsite customer service representative at no cost to the City.
14. Assist with annual open enrollment activities, including attendance at open enrollment meetings.
15. Permit the City to review and approve all communication materials prior to distribution to members.
16. Provide an employee website and mobile applications as mutually agreed.
17. Mail ID cards to each covered member every year by May 1st at no cost to the City.
18. Conduct an annual member satisfaction survey for all plans.
19. Provide the quarterly reports indicated below for DHMO plan:
 - A. Monthly Paid Claims vs. Premiums Paid Report;
 - B. Enrollment Report by Month;
 - C. Claims Detail Report by Month;
 - D. Claim Loss Ratios by Month;
 - E. Total Number of Complaints;
 - F. Total Number of Appeals;
 - G. Network Composition;
 - H. Performance Guarantee Reports;
 - I. MWBE Compliance Reports; and
 - J. Ad Hoc Reports as requested by the City.
20. As plan provisions and rates change, provide information electronically and also printed booklets describing the changes.