

**SIXTH AMENDMENT TO THE AGREEMENT BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
P&A ADMINISTRATIVE SERVICES, INC.**

July 12, 2021

[COBRA AND FLEXIBLE SPENDING ACCOUNT SERVICES]

**City and County of San Francisco
1145 Market Street, Suite 300
San Francisco, California 94103**

**SIXTH AMENDMENT TO THE AGREEMENT BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO AND
P&A ADMINISTRATIVE SERVICES, INC.**

THIS SIXTH AMENDMENT (“Amendment”) is made as of July 12, 2021, in San Francisco, California, by and between P&A Administrative Services, Inc., hereinafter referred to as “Contractor,” and the City and County of San Francisco, a municipal corporation, hereinafter referred to as “City” or “CCSF.”

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the Agreement and clarify and update Contractor on the City health plan offerings;

WHEREAS, this Agreement was competitively procured through a Request for Proposal #HSS1402 (“RFP”) issued on March 14, 2014, in which City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, approval for this Amendment was obtained when the Civil Service Commission approved file No. 0135-16-8 on April 4, 2016, which granted the Health Service System continuing approval for benefit related contracts;

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

- 1. Definitions.** The following definitions shall apply to this Amendment:
 - 1a. Agreement.** The term “Agreement” shall mean the Agreement dated March 1, 2015 between Contractor and City, the First Amendment dated July 5, 2015, the Second Amendment dated January 1, 2017, the Third Amendment Dated April 5, 2018, Fourth Amendment Dated October 3, 2018, and the Sixth Amendment Dated July 31, 2021.
 - 1b. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

- 2. Modifications to the Agreement.** The Agreement is hereby modified as follows:
 - 2a. Section 2.** Section 2 (Term of the Agreement) of the Agreement currently reads as follows:
 - 2. Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from March 1, 2015 to December 31, 2021 for COBRA/AB528 Services and September 1, 2015 to December 30, 2021 for Flexible Spending Account Services.

Section 2 is hereby replaced in its entirety to read as follows:

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be from March 1, 2015 to December 31, 2022 for COBRA/AB528 Services and September 1, 2015 to December 30, 2022 for Flexible Spending Account Services.

2b. Section 5. Section 5 (Compensation) of the Agreement currently reads as follows:

5. Compensation

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 4 of this Agreement, that the Health Service System Director, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **\$2,401,679 (Two Million Four Hundred One Thousand Six Hundred Seventy-Nine dollars)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," and Appendix D, "Performance Guarantees and Contingent Discounts", attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Health Service System as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Section 5 is hereby replaced in its entirety to read as follows:

5. Compensation

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 4 of this Agreement, that the Health Service System Director, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed **\$2,816,679 (Two Million, Eight Hundred Sixteen Thousand, Six Hundred Seventy-Nine dollars)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," and Appendix D, "Performance Guarantees and Contingent Discounts", attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any

payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Health Service System as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

2c. Appendix A1 (COBRA/AB528 Services to be Provided by Contractor), Section II (Services and Deliverables to be provided by Contractor), Subsection F (COBRA/AB528 Premium Reporting, Remitting, Reconciliation, and Invoicing). Appendix A1 (COBRA/AB528 Services to be Provided by Contractor), Section II (Services and Deliverables to be provided by Contractor), Subsection F (COBRA/AB528 Premium Reporting, Remitting, Reconciliation, and Invoicing) of the Agreement currently reads as follows:

F. COBRA/AB528 Premium Reporting, Remitting, Reconciliation, and Invoicing

Contractor shall remit 100% of the applicable premium to the applicable Coverage Provider, accompanied by information that identifies the COBRA/AB528 Continuant, the amount of his or her premium and the coverage period to which the premium payment relates. For Fully-Insured plans that contain a City administrative fee, the contractor shall remit the applicable City administrative fee to the City. The amount by which a premium payment exceeds the applicable premium (typically, 2 percent of the applicable premium) shall be retained by Contractor as additional compensation for its services.

For Self-Funded plans, Contractor shall send a monthly premium payment report by member, plan, tier (EE, E+1, E+2), and coverage months which separates the City's administrative fee and applicable plan premium. For the Fully-Insured plans, which have a City administrative fee, Contractor shall send a monthly premium payment report by member, plan, tier (EE, E+1, E+2), and coverage months, on just the applicable City administrative fee. The total payment amount contained in the premium payment report should match the check amount sent to the City.

Self-Funded plans¹ include:

- City Health PPO (United Healthcare) Medical (City's administrative fee applicable)
- Delta Dental PPO
- Blue Shield HMO Access Plus (City's administrative fee applicable)

Fully-Insured plans¹ include:

- Kaiser Permanente (City's administrative fee applicable)
- Pacific Union DMO
- Deltacare DMO

- Blue Shield MAPD (65+) (City's administrative fee applicable)
- VSP
- Best Doctors

¹Subject to change, at the City's option; changes will be done by Amendment. Contactor shall agree to the Amendment to account for the City's Coverage Providers.

Contractor shall reconcile premium/eligibility discrepancies with the applicable Coverage Provider.

The Contractor shall invoice the City for the fees (Appendix B-Calculation of Charges) associated with the services in this Appendix A1, once monthly for the prior month's services.

Invoices, financial reports and checks shall be directed by Contractor to City to the following address:

Health Service System
Attn: Alan Zhang, Ivan Ha, and Yuriy Gologorskiy
1145 Market Street, Suite 300
San Francisco, CA 94103
allen.zhang@sfgov.org, ivan.ha@sfgov.org, Yuriy.Gologorskiy@sfgov.org

Appendix A1 (COBRA/AB528 Services to be Provided by Contractor), Section II (Services and Deliverables to be provided by Contractor), Subsection F (COBRA/AB528 Premium Reporting, Remitting, Reconciliation, and Invoicing is hereby replaced in its entirety to read as follows:

F. COBRA/AB528 Premium Reporting, Remitting, Reconciliation, and Invoicing

Contractor shall remit 100% of the applicable premium to the applicable Coverage Provider, accompanied by information that identifies the COBRA/AB528 Continuant, the amount of his or her premium and the coverage period to which the premium payment relates. For Fully-Insured plans that contain a City administrative fee, the contractor shall remit the applicable City administrative fee to the City. The amount by which a premium payment exceeds the applicable premium (typically, 2 percent of the applicable premium) shall be retained by Contractor as additional compensation for its services.

For Self-Funded plans, Contractor shall send a monthly premium payment report by member, plan, tier (EE, E+1, E+2), and coverage months which separates the City's administrative fee and applicable plan premium. For the Fully-Insured plans, which have a City administrative fee, Contractor shall send a monthly premium payment report by member, plan, tier (EE, E+1, E+2), and coverage months, on just the applicable City administrative fee. The total payment amount contained in the premium payment report should match the check amount sent to the City.

Self-Funded plans¹ include:

- Blue Shield HMO Access Plus (City's administrative fee applicable)
- Blue Shield Trio HMO (City's administrative fee applicable)
- Blue Shield PPO (City's administrative fee applicable)
- Delta Dental PPO
- Health Net Canopy Care HMO (City's administrative fee applicable)
- United Healthcare PPO (City's administrative fee applicable)

Fully-Insured plans¹ include:

- DeltaCare DMO
- Kaiser Permanente Traditional Plan (City's administrative fee applicable)
- Kaiser Permanente Senior Advantage (MAPD) (City's administrative fee applicable)
- UnitedHealthcare MAPD PPO (City's administrative fee applicable)
- Pacific Union DMO
- VSP Basic Plan
- VSP Premier Plan

¹Subject to change, at the City's option; changes will be done by Amendment. Contactor shall agree to the Amendment to account for the City's Coverage Providers.

Contractor shall reconcile premium/eligibility discrepancies with the applicable Coverage Provider.

The Contractor shall invoice the City for the fees (Appendix B-Calculation of Charges) associated with the services in this Appendix A1, once monthly for the prior month's services.

Invoices, financial reports and checks shall be directed by Contractor to City to the following address:

San Francisco Health Service System
Attn: Alan Zhang, Yuriy Gologorskiy, Ivan Ha
1145 Market Street, Suite 300
San Francisco, CA 94103
hss.plan.invoices@sfgov.org

2d. Appendix A1 (COBRA/AB528 Services to be Provided by Contractor), Section III (City Responsibilities), Subsection E (Coverage Providers). Appendix A1 (COBRA/AB528 Services to be Provided by Contractor), Section III (City Responsibilities), Subsection E (Coverage Providers) currently reads as follows:

E. Coverage Providers

The City warrants and represents to Contractor that the list of group health plans and of the coverage providers under each such plan is complete and accurate as of the date of this Agreement. Should the City, during the term of this Agreement, establish any new group health plan or add any coverage provider to any of its current group health plans, the City agrees to notify Contractor in writing of same within seven (7) days thereafter.

The City hereby acknowledges its understanding that Contractor cannot assure the City's compliance with COBRA without having, at all times, complete and accurate information as to the group health plans and coverage options of the City.

City and County of San Francisco ("City") is the Coverage Provider for the following Self-Funded plans¹:

- City Health Plan PPO (United Healthcare) Medical
- Delta Dental PPO
- Blue Shield of California HMO Access Plus

Fully Insured Coverage Providers¹:

- Kaiser Permanente
- Pacific Union Dental DMO
- Deltacare DMO
- Blue Shield of California MAPD (65+)
- VSP
- Best Doctors

¹Subject to change, at the City's option; changes will be done by Amendment. Contactor shall agree to the Amendment to account for the City's Coverage Providers.

Appendix A1 (COBRA/AB528 Services to be Provided by Contractor), Section III (City Responsibilities), Subsection E (Coverage Providers) is hereby replaced in its entirety to read as follows:

E. Coverage Providers

The City warrants and represents to Contractor that the list of group health plans and of the coverage providers under each such plan is complete and accurate as of the date of this Agreement. Should the City, during the term of this Agreement, establish any new group health plan or add any coverage provider to any of its current group health plans, the City agrees to notify Contractor in writing of same within seven (7) days thereafter.

The City hereby acknowledges its understanding that Contractor cannot assure the City's compliance with COBRA without having, at all times, complete and accurate information as to the group health plans and coverage options of the City.

City and County of San Francisco ("City") is the Coverage Provider for the following Self-Funded plans¹:

- Blue Shield HMO Access Plus Plan
- Blue Shield Trio HMO Plan
- Blue Shield PPO Plan
- Delta Dental PPO Plan
- Health Net Canopy Care HMO Plan
- United Healthcare PPO Plan

Fully Insured Coverage Providers¹:

- Delta Dental for the DeltaCare DMO Plan
- Kaiser Permanente for the Traditional Plan and Senior Advantage (MAPD) plan
- UnitedHealthcare for the MAPD PPO plan
- Pacific Union DMO Plan
- VSP for the Basic Plan and Premier Plan

¹Subject to change, at the City's option; changes will be done by Amendment. Contactor shall agree to the Amendment to account for the City's Coverage Providers.

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after January 1, 2022.

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

The remainder of this page intentionally left blank

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

HEALTH SERVICE SYSTEM

DocuSigned by:
Abbie Yant
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ABBIE YANT RN, MA
Executive Director,
Health Service System

APPROVED AS TO FORM:

Dennis J. Herrera
City Attorney

DocuSigned by:
Gustin R. Guibert
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GUSTIN R. GUIBERT
Deputy City Attorney

CONTRACTOR

P&A Administrative Services, Inc.

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

DocuSigned by:
Michael Rizzo
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MICHAEL RIZZO, PRESIDENT
P&A Administrative Services, Inc.
17 Court Street, Suite 500
Buffalo, NY 14202

City Supplier Number: **0000013710**