

**AGREEMENT TO PROVIDE EMPLOYEE VISION BENEFITS FOR THE  
COUNTY OF MONTEREY**

This AGREEMENT is made and entered into by and between the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County", and Vision Service Plan (VSP), hereinafter referred to as "CONTRACTOR."

**RECITALS**

- A. WHEREAS, County has invited proposals through the Request for Proposals (RFP # 10264) for an Administrative Service Only (ASO) self-funded vision plan benefit administrator, in accordance with the specifications set forth in this AGREEMENT; and
- B. WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and
- C. WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.

NOW THEREFORE, County and CONTRACTOR, for the consideration hereinafter named, agree as follows:

**1.0 PERFORMANCE OF THE AGREEMENT**

- 1.1 After consideration and evaluation of the CONTRACTOR'S proposal, the County hereby engages CONTRACTOR to provide the services set forth in RFP # 10264 and in this AGREEMENT on the terms and conditions contained herein and in RFP # 10264. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

- RFP # 10264 dated September 23, 2010
  - Addenda #1 - #4
  - CONTRACTOR'S Proposal dated October 11, 2010, including all attachments and exhibits, to RFP #10264
  - AGREEMENT
  - Certificate of Insurance
  - Additional Insured Endorsements

- 1.2 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order: AGREEMENT, General Requirements and General Provisions, CONTRACTOR'S

Proposal (with all attachments and exhibits), RFP #10264, Addenda #1 - #4, Certificate of Insurance, and Additional Insured Endorsements.

- 1.3 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of the County, or immediate family of an employee of the County.
- 1.4 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

## 2.0 SCOPE OF SERVICE

- 2.1 CONTRACTOR shall provide for and administer a self funded vision benefit plan for eligible County of Monterey employees and eligible dependents, if dependent coverage is selected, all of whom shall be referred to as COVERED PERSONS.
  - 2.1.1 CONTRACTOR shall provide County with Member Benefit Summaries for distribution to COVERED PERSONS.
- 2.2 CONTRACTOR shall provide benefits to COVERED PERSONS as listed in the Schedule of Benefits, Exhibit A.
  - 2.2.1 Benefit Authorization must be obtained prior to a COVERED PERSON obtaining plan benefits from a Member Doctor.
  - 2.2.2 COVERED PERSON is to identify themselves as a CONTRACTOR Covered Person and MEMBER DOCTOR will obtain authorization.
  - 2.2.3 Any Benefit Authorization issued by CONTRACTOR shall constitute a certification to MEMBER DOCTOR that payment will be made.
  - 2.2.4 CONTRACTOR shall not be held liable to County for any Benefit Authorization issued in error in reliance on the latest eligibility information available to CONTRACTOR as provided by County.
- 2.3 CONTRACTOR shall pay or deny claims for Plan Benefits provided to COVERED PERSONS, less any applicable Copayment, within a reasonable time but not more than thirty (30) calendar days after CONTRACTOR has received a completed claim.
  - 2.3.1 Under special circumstances, CONTRACTOR may obtain an extension of fifteen (15) days by providing notice to the claimant of the reason for extension.
- 2.4 Plan Benefits are covered only when deemed Visually Necessary or Appropriate for the proper treatment of COVERED PERSONS condition. Decisions of the doctor responsible for treatment are subject to review and final determination by CONTRACTOR.

- 2.4.1 COVERED PERSON may object to claim decision made by CONTRACTOR by requesting a full review of the denial. Request for review must be made within one hundred eighty (180) days following denial of claim.
- 2.4.2 CONTRACTOR shall maintain a second level appeal process for COVERED PERSONS. With sixty (60) calendar days of response to request for review of denial (Initial Appeal), COVERED PERSON may submit second appeal. CONTRACTOR shall communicate the final determination to the COVERED PERSON in compliance with all applicable state and federal laws and regulations and shall include specific reason(s) for the determination.
- 2.5 Upon request, CONTRACTOR shall make available to COVERED PERSONS necessary information describing Plan Benefits and procedures. CONTRACTOR shall also make available to County a copy of the Plan.
- 2.6 CONTRACTOR is responsible for maintenance of the MEMBER DOCTOR directory to include credentialing of all providers in accordance with NCQA (National Committee for Quality Assurance) standards and all applicable federal and state laws and regulations.
- 2.6.1 CONTRACTOR shall provide County with an updated MEMBER DOCTOR list twice annually for distribution to COVERED PERSONS. List shall also be maintained online at CONTRACTOR's website and available through the toll-free Customer Service line.
- 2.7 County shall provide monthly eligibility information to CONTRACTOR in a mutually agreed upon format and medium to identify all Enrollees who are eligible for coverage under the Plan. County will supply to CONTRACTOR, on or before the last day of each month, eligibility information sufficient to identify all Enrollees to be added to or deleted from CONTRACTOR's coverage rosters for the coming month. Eligibility information shall include designation of family status for each such enrollee, if dependent coverage is provided.
- 2.7.1 County shall, when requested, make available for inspection by CONTRACTOR records having a bearing on the coverage of COVERED PERSONS under this Plan.
- 2.7.2 Individuals will be accepted for coverage hereunder only upon meeting all the applicable requirements for eligibility as determined by County.
- 2.8 County shall provide all funds necessary to pay the Claim Amount associated with COVERED PERSONS pursuant to this Plan. In addition, County agrees to make an Advance Payment as outlined in the Schedule of Advance Payment and Administrative Fee, Exhibit B. Advance Payment amount may be adjusted each Plan Term if the average of monthly claims amount increases or decreases. The parties agree that such Advance Payment is reimbursable to the County upon termination of the Plan, after the County's indebtedness to CONTRACTOR and/or its benefit providers has been satisfied. Amounts paid to CONTRACTOR as Advance Payment shall not be considered assets of the County, and need not be held in trust by CONTRACTOR.

- 2.9 County shall be allowed a grace period of thirty-one (31) days following the due date for making any payment of amounts due under this Plan. During the grace period, the Plan shall remain in full force and effect for all COVERED PERSONS. Failure to make any payment of amounts due by the end of the grace period, CONTRACTOR may notify County that the payment of amounts due has not been made, that coverage is canceled, and that the County is responsible for payment for the Claims Amount associated with Plan Benefits provided to COVERED PERSONS after the last period for which amounts due were fully paid, including the grace period and through the effective date of the termination. County shall also remain responsible for payment with any Claims Amount associated with Benefit Authorizations outstanding at the time of termination, and for any legal and/or collection fees incurred by CONTRACTOR in collecting amounts due under this Plan.
- 2.10 County agrees to distribute to enrollees any disclosure forms, plan summaries or other materials that may be required to be given to plan subscribers by any regulatory authority. Such materials shall be distributed by County no later than thirty (30) days after receipt or as otherwise required under state law.
- 2.11 Pursuant to California Health and Safety Code Section 1366.25, Section 2.12 below is hereby incorporated into the Group Vision Care Plan, if, and only to the extent Cal-COBRA applies to the parties of this Plan.
- 2.12 The California Continuation Benefits Replacement Act of 1997 (Cal-COBRA) requires health care service plans providing contracted coverage to employers with 2 to 19 eligible employees to offer continuation coverage for purchase by qualified beneficiaries upon the occurrence of a qualifying event. CONTRACTOR and County are subject to the following obligations in connection with continuation of coverage:
1. County agrees to provide CONTRACTOR with notice of any employee who has had a qualifying event, within thirty-one (31) days of the qualifying event. A qualifying event means any of the following events that, but for the election of continuation of coverage provided hereunder, would result in a loss of coverage under the group benefit plan to a qualified beneficiary:
  2.
    - The death of the covered employee.
    - The termination or reduction of hours of the covered employee's employment, except that termination for gross misconduct does not constitute a qualifying event.
    - The divorce or legal separation of the covered employee from the covered employee's spouse.
    - The loss of dependent status by a dependent enrolled in the group benefit plan.
    - With respect to dependent only, the covered employee's eligibility for coverage under Title XVIII of the United States Social Security Act (Medicare).

Within fourteen (14) days of receipt of the foregoing notice of a qualifying event from County, CONTRACTOR will send to the qualified beneficiary's last known address, as

provided by the County, the necessary benefits information, premium information, enrollment forms, and instructions to allow the qualified beneficiary to formally elect continuation coverage.

2. County agrees to notify qualified beneficiaries currently receiving continuation coverage, whose continuation coverage will terminate under one group benefit plan prior to the end of the period the qualified beneficiary would have remained covered under Cal-COBRA, as specified in Health and Safety Code Section 1366.27, a minimum of thirty (30) days prior to the termination, of the qualified beneficiary's ability to continue coverage under a new group benefit plan for the balance of the period the qualified beneficiary would have remained covered under the prior group benefit plan. County agrees to provide qualified beneficiaries subject to this paragraph with the necessary benefits information, premium information, enrollment forms, and instructions to allow the qualified beneficiary to continue coverage. This information shall be sent to the qualified beneficiary's last known address, as provided by the plan currently providing continuation coverage to the qualified beneficiary.

### 3.0 TERM OF AGREEMENT

- 3.1 The initial term shall commence with the signing of the AGREEMENT through and including December 31, 2015, with the option to extend the AGREEMENT for two (2) additional one (1) year periods solely at the discretion of the County based on a market review. County is not required to state a reason if it elects not to renew this AGREEMENT.
- 3.2 If County exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate and/or terms and conditions.
- 3.3 County reserves the right to cancel the AGREEMENT, or any extension of the AGREEMENT, without cause, with a thirty (30) day written notice, or immediately with cause.

### 4.0 COMPENSATION AND PAYMENTS

- 4.1 It is mutually understood and agreed by both parties that CONTRACTOR shall be compensated under this AGREEMENT in accordance with the Schedule of Advance Payment and Administrative Fee, Exhibit B.
- 4.2 In the event of termination of the Plan by either party, County agrees to provide funds for payment of the Claims Amount associated with Plan Benefits provided pursuant to Benefit Authorizations issued prior to the Plan termination date, provided claims for such Plan Benefits are filed with CONTRACTOR within six (6) months after termination of this Plan.

- 4.3 Prices shall remain firm for the initial term of this AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. County does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.
- 4.4 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of this AGREEMENT or any renewal period.
- 4.5 Any discount offered by the CONTRACTOR must allow for payment after receipt and acceptance of services, material or equipment and correct invoice, whichever is later. In no case will a discount be considered that requires payment in less than 30 days.
- 4.6 CONTRACTOR shall levy no additional fees nor surcharges of any kind during the term of this AGREEMENT without first obtaining approval from County in writing.
- 4.7 Tax:
- 4.7.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.
- 4.7.2 County is registered with the Internal Revenue Service, San Francisco office, registration number 94-6000524. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

## 5.0 INVOICES AND PURCHASE ORDERS

- 5.1 Invoice amounts shall be billed to the County of Monterey, Attention: Monterey Auditor-Controller.
- 5.2 CONTRACTOR shall reference the RFP #10264 on all invoices submitted to County. CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. County shall certify the invoice, either in the requested amount or in such other amount as County approves in conformity with this AGREEMENT, and shall promptly submit such invoice to County Auditor-Controller for payment. County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 5.3 All County of Monterey Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).
- 5.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by County. Surcharges and additional fees not included the AGREEMENT must be approved by County in writing via an Amendment.

## 6.0 INDEMNIFICATION

- 6.1 CONTRACTOR shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

## 7.0 INSURANCE REQUIREMENTS

### 7.1 Evidence of Coverage:

- 7.1.1 Prior to commencement of this AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition CONTRACTOR upon request shall provide a certified copy of the policy or policies.
- 7.1.2 This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.
- 7.1.3 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by County's Purchasing Officer.

### 7.2 Insurance Coverage Requirements:

- 7.2.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

- 7.2.1.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
- 7.2.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
- 7.2.3 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.
- 7.2.4 Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

7.3 Other Insurance Requirements:

- 7.3.1 All insurance required by this AGREEMENT shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.
- 7.3.2 Each liability policy shall provide that County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage



for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

7.3.3 Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

7.3.4 Prior to the execution of this AGREEMENT by County, CONTRACTOR shall file certificates of insurance with County's Contract Administrator and County's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this AGREEMENT. CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.

7.3.5 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County, at its sole discretion, to terminate this AGREEMENT immediately.

## 8.0 LIABILITY

- 8.1 CONTRACTOR arranges for the provision of vision care services and materials through agreements with MEMBER DOCTORS, who are independent contractors responsible for exercising independent judgment. CONTRACTOR does not directly furnish vision care services or supply materials. Under no circumstances shall CONTRACTOR or County be liable for the negligence, wrongful acts or omissions of any doctor, laboratory, or any other person or organization performing services or supplying materials in connection with this Plan.

## 9.0 RECORDS AND CONFIDENTIALITY

- 9.1 Confidentiality: CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this AGREEMENT, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.
- 9.2 County Records: When this AGREEMENT expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this AGREEMENT.
- 9.3 Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this AGREEMENT.
- 9.4 Access to and Audit of Records: County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. Pursuant to Government Code section 8546.7, if this AGREEMENT involves the expenditure of public funds in excess of \$10,000, the parties to this AGREEMENT may be subject, at the request of County or as part of any audit of County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three years after final payment under the AGREEMENT.

## 10.0 NON-DISCRIMINATION

- 10.1 During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code, §12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285.0, et seq.).
- 10.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.
- 10.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all AGREEMENTs with subcontractors to perform work under the contract.

## 11.0 INDEPENDENT CONTRACTOR

- 11.1 Independent Contractor: CONTRACTOR shall be an independent contractor and shall not be an employee of Monterey County, nor immediate family of an employee of County. CONTRACTOR shall be responsible for all insurance (General Liability, Automobile, Workers' Compensation, unemployment, etc.) and all payroll-related taxes. CONTRACTOR shall not be entitled to any employee benefits. CONTRACTOR shall control the manner and means of accomplishing the result contracted for herein.
- 11.2 Non-Assignment: CONTRACTOR shall not assign this contract without the prior written consent of the County

## 12.0 CONFLICT OF INTEREST

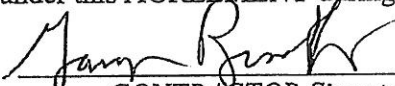
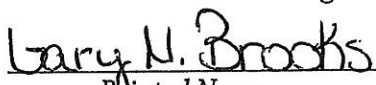

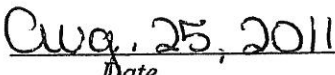
- 12.1 CONTRACTOR covenants that CONTRACTOR, its responsible officers, and its employees having major responsibilities for the performance of work under the AGREEMENT, presently have no interest and during the term of this AGREEMENT will not acquire any interests, direct or indirect, which might conflict in any manner or degree with the performance of CONTRACTOR'S services under this AGREEMENT.

**13.0 COMPLIANCE WITH APPLICABLE LAWS**

- 13.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws, that may affect in any manner the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.
- 13.2 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation the performance of the Services.

**14.0 LEGAL DISPUTES**

- 14.1 CONTRACTOR agrees that this AGREEMENT, and any dispute arising from the relationship between the parties to this AGREEMENT, shall be governed and interpreted by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
- 14.2 Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.
- 14.3 CONTRACTOR shall continue to perform under this AGREEMENT during any dispute.

<p>_____</p> <p style="text-align: center;"><i>COUNTY Signature</i></p> <p>_____</p> <p style="text-align: center;"><i>Printed Name</i></p> <p>_____</p> <p style="text-align: center;"><i>Title</i></p> <p>_____</p> <p style="text-align: center;"><i>Date</i></p>	<p style="text-align: center;"></p> <p style="text-align: center;">_____ <i>CONTRACTOR Signature</i></p> <p style="text-align: center;"></p> <p style="text-align: center;">_____ <i>Printed Name</i></p> <p style="text-align: center;"></p> <p style="text-align: center;">_____ <i>Title</i></p> <p style="text-align: center;"></p> <p style="text-align: center;">_____ <i>Date</i></p>
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**15.0 INFORMATION PORTABILITY AND ACCOUNTABILITY ACT—  
HIPAA COMPLIANCE**

**15.1** CONTRACTOR agrees to operate its business in a manner as necessary to permit County to comply with its obligations under the Health Insurance Portability and Accountability Act of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards").

**16.0 NOTICES**

**16.1** Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to County's Contract Administrator or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's office; or, (4) three (3) days after the notice is deposited in the U. S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

Notices mailed or faxed to the parties shall be addressed as follows:

**TO COUNTY:**

**Mike Derr**, Contracts/Purchasing Officer  
County of Monterey, Contracts/Purchasing  
168 W. Alisal Street, 3rd Floor.  
Salinas, CA 93901-2439  
Tel. No.: (831) 755-4990  
FAX No.: (831) 755-4969  
Email: [DerrM@co.monterey.ca.us](mailto:DerrM@co.monterey.ca.us)

**TO CONTRACTOR:**

**Denise Donovan**, Account Executive  
Vision Service Plan Insurance Company (VSP)  
3333 Quality Drive  
Rancho Cordova, CA 95670  
Tel. No.: (415) 962-8358  
FAX No.: (415) 546-9755  
Email: [Denise.Donovan@vsp.com](mailto:Denise.Donovan@vsp.com)

AND

**Keith Honda**, Contract Administrator /  
Asst. County Administrative Officer  
County of Monterey, Human Resources  
168 W. Alisal Street, 3rd Floor.  
Salinas, CA 93901-2439  
Tel. No.: (831) 755-5295  
FAX No.: (831) 751-9597  
Email: [Hondak@co.monterey.ca.us](mailto:Hondak@co.monterey.ca.us)

IN WITNESS WHEREOF, the County and CONTRACTOR execute this AGREEMENT as follows:

MONTEREY COUNTY

*[Signature]*  
Contracts/Purchasing Officer

Dated: JAN 1 2 2012

Approved as to Fiscal Provisions:

*[Signature]*  
Auditor/Controller

Dated: 9-14-11

~~APPROVED AS TO LIABILITY PROVISIONS~~  
RISK MANAGEMENT

~~APPROVED AS TO INDEMNITY/INSURANCE LANGUAGE~~  
Risk Management

By: *[Signature]*  
Dated: Date: 11/18/11

Approved as to Form:

*[Signature]*  
Assistant County Counsel Deputy

Dated: 9-13-11

CONTRACTOR

By: *[Signature]*  
Signature of Chair, President, or Vice-President

President, VSP Vision Care  
Printed Name and Title

Dated: Aug. 25, 2011

By: *[Signature]*  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)\*

Leste Earl Passuello, Treasurer  
Printed Name and Title

Dated: Aug. 25, 2011

**EXHIBIT A – VISION SERVICE PLAN**

GENERAL

This schedule lists the vision care services and vision care materials to which Covered Persons of VISION SERVICE PLAN (VSP) are entitled, subject to any Copayments and other conditions, limitations and/or exclusions stated herein. If Plan Benefits are available for Non-Member Provider services, as indicated by the reimbursement provisions below, vision care services and vision care materials may be received from any licensed optometrist, ophthalmologist, or dispensing optician, whether Member Doctors or Non-Member Providers. This schedule forms a part of the Plan or Certificate to which it is attached.

When Plan Benefits are received from Member Doctors, benefits appearing in the first column below are applicable subject to any Copayments as stated below. When Plan Benefits are available and received from Non-Member Providers, the Covered Person is reimbursed for such benefits according the schedule in the second column below less any applicable Copayments.

COPAYMENT

The benefits described herein are available to each Covered Person subject only to payment of the applicable Copayment by the Covered Person. Copayments are required for the Plan Benefits received from Member Doctors and Non-Member Providers. Covered Persons must also follow the proper procedures for obtaining Benefit Authorization.

There shall be a Copayment of \$10.00 for the examination payable by the Covered Person to the Member Doctor at the time services are rendered. If materials (lenses and frames) are provided, there shall be an additional \$25.00 Copayment payable at the time the materials are ordered. However, the Copayment for materials shall not apply to elective contact lenses.

PLAN BENEFITS

VISION CARE SERVICES

	<u>MEMBER DOCTOR BENEFIT</u>	<u>NON-MEMBER PROVIDER BENEFIT</u>
EYE EXAMINATION	Covered in Full*	Up to \$40.00*

Complete initial vision analysis which includes an appropriate examination of visual functions, including the prescription of corrective eyewear where indicated.

Subsequent regular eye examinations every 12 months.

\*Less any applicable Copayment.

VISION CARE MATERIALS

MEMBER DOCTOR  
BENEFIT

NON-MEMBER  
PROVIDER BENEFIT

LENSES

Single Vision	Covered in full*	Up to \$40.00*
Bifocal	Covered in full*	Up to \$60.00*
Trifocal	Covered in full*	Up to \$80.00*
Lenticular	Covered in full*	Up to \$125.00*

Available every 12 months.

FRAMES

Covered up to Plan Allowance of \$115.00*	Up to \$45.00*
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Available every 24 months.

\*Less any applicable Copayment.

Frame allowance may be applied towards non-prescription sunglasses for post PRK, LASIK, or Custom LASIK patients.

Lenses and Frames include such professional services as are necessary, which shall include:

- Prescribing and ordering proper lenses;
- Assisting in the selection of frames;
- Verifying the accuracy of the finished lenses;
- Proper fitting and adjustment of frames;
- Subsequent adjustments to frames to maintain comfort and efficiency;
- Progress or follow-up work as necessary.

CONTACT LENSES

Contact lenses are available once every 12 months in lieu of all other lens and frame benefits available herein. When contact lenses are obtained, the Covered Person shall not be eligible for lenses again for 12 months and frames for 12 months.

**Visually Necessary** – When Visually Necessary contact lenses are obtained from a Member Doctor, they will be covered in full with prior authorization from CONTRACTOR. When Visually Necessary contact lenses are obtained from a Non-Member Provider, CONTRACTOR will provide an allowance up toward the cost as outlined below. Coverage for Visually Necessary contact lenses regardless of whether they are obtained from a Member Doctor or Non-Member Provider are subject to review and authorization from CONTRACTOR's Optometric Consultants.



	<u>MEMBER DOCTOR BENEFIT</u>	<u>NON-MEMBER PROVIDER BENEFIT</u>
Visually Necessary Contact Lenses Professional Fees and Materials	Covered in Full*	Up to \$210.00*
Elective Contact Lenses (Contact Lenses for other than Visually Necessary circumstances) Professional Fees** and Materials	Up to \$105.00	
Professional Fees and Materials		Up to \$105.00

\*Subject to Copayment

\*\*Additional discount applies to Member Doctor's usual and customary professional fees for contact lens evaluation and fitting (see section on Additional Discounts below).

ADDITIONAL DISCOUNT

Each Covered Person shall be entitled to receive a discount of thirty percent (30%)\* toward the purchase of non-covered materials from the same VSP doctor on the same day as the WellVision Exam, or receive twenty percent (20%)\* from any Member Doctor when a complete pair of glasses is dispensed within 12 months of your last exam. Also, Covered Persons shall be entitled to receive a discount of fifteen percent (15%) off of contact lens examination services from any Member Doctor.\*\*

Discounts are applied to the Member Doctor's usual and customary fees for such services and are unlimited for 12 months on or following the date of the patient's last eye exam.\*\*

LIMITATIONS:

- Discounts do not apply to vision care benefits obtained from Non-Member Providers.
- 30% or 20% discount applies to complete pairs of glasses only.
- Discounts do not apply if prohibited by the manufacturer.
- Discounts do not apply to sundry items: e.g., contact lens solutions, cases, cleaning products or repairs of spectacle lenses or frames.

\*Note: For Plan B patients (12/12/24), the 30% or 20% discount applies to the frame on the off year.

\*\*Professional judgment will be applied when evaluating prescriptions written by another provider. Member Doctors may request a discounted additional exam.

LOW VISION BENEFIT

The Low Vision Benefit is available to Covered Persons who have severe visual problems not correctable with regular lenses and is subject to prior approval by CONTRACTOR Consultants.

	<u>MEMBER DOCTOR BENEFIT</u>	<u>NON-MEMBER PROVIDER BENEFIT</u>
Supplementary Testing	Covered in Full	Up to \$125.00

Complete low vision analysis/diagnosis which includes a comprehensive examination of visual functions, including the prescription of corrective eyewear or vision aids where indicated.

Supplemental Care Aids                      75% of Cost                      75% of Cost

Subsequent low vision aids as Visually Necessary or Appropriate.  
Copayment for Supplemental Aids: 25% payable by Covered Person.

BENEFIT MAXIMUM

The maximum benefit available is \$1,000.00 (excluding Copayment) every two years.

NON-MEMBER PROVIDER BENEFIT

Low Vision benefits secured from a Non-Member Provider are subject to the same time limits and Copayment arrangements as described for Member Doctor. The Covered Person should pay the Non-Member Provider his full fee. The Covered Person will be reimbursed in accordance with an amount not to exceed what CONTRACTOR would pay a Member Doctor in similar circumstances. Note: There is no assurance that this amount will be within 25% Copayment feature.

EXCLUSION AND LIMITATIONS OF BENEFITS

PATIENT OPTIONS

This Plan is designed to cover visual needs rather than cosmetic materials. When the Covered Person selects any of the following extras, the Plan will pay the basic cost of the allowed lenses, and the Covered Person will pay the additional costs for the options.

- Optional cosmetic processes.
- Anti-reflective coating.
- Color coating.
- Mirror coating.
- Scratch coating.
- Blended lenses.
- Cosmetic lenses.
- Laminated lenses.
- Oversize lenses.
- Polycarbonate lenses.
- Progressive multifocal lenses.
- Photochromic lenses; tinted lenses except Pink #1 and Pink #2.
- UV (ultraviolet) protected lenses.
- Certain limitation on low vision care.
- A frame that costs more than the Plan allowance.
- Contact lenses (except as noted elsewhere herein).

NOT COVERED

There is no benefit for professional services or materials connected with:

- Orthoptics or vision training and any associated supplemental testing; plano lenses (less than a +/- .50 diopter power); or two pair of glasses in lieu of bifocals;
- Replacement of lenses and frames furnished under this Plan which are lost or broken, except at the normal intervals when services are otherwise available;
- Medical or surgical treatment of the eyes;
- Corrective vision treatment of an Experimental Nature;
- Costs for services and/or materials above Plan Benefit allowances;
- Services and/or materials not indicated on this Schedule as covered Plan Benefits.

CONTRACTOR MAY, AT ITS DISCRETION, WAIVE ANY OF THE PLAN LIMITATIONS IF, IN THE OPINION OF CONTRACTOR'S OPTOMETRIC CONSULTANTS, IT IS NECESSARY FOR THE VISUAL WELFARE OF THE COVERED PERSON.

ADDITIONAL BENEFIT – VDT EYECARE PLAN

This Schedule lists the vision care services and vision care materials to which Covered Persons of CONTRACTOR are entitled, subject to any Copayments and other conditions, limitations and/or exclusions stated herein. This Schedule forms a part of the Plan or Certificate to which it is attached.

THIS IS AN EMPLOYEE ONLY IN-NETWORK BENEFIT.

EYE EXAMINATION

A complete initial analysis which includes an appropriate examination of visual functions to determine the presence of vision problems or other abnormalities is covered through the base plan's exam benefit.

A supplemental vision analysis of the eyes and related structures will be provided to determine visual needs specific to VDT EyeCare requirements.

Each eligible Covered Person shall be entitled to a supplemental eye examination based on the frequency as indicated on the attached VDT SCHEDULE OF BENEFITS.

MATERIALS

- A. LENSES – The CONTRACTOR's Doctor will order proper lenses necessary for the VDT operator's visual welfare.

Each Covered Person is entitled to new lenses based on the frequency as indicated on the attached VDT SCHEDULE OF BENEFITS.

- B. FRAMES – New frames will be provided based on the frequency as indicated on the attached VDT SCHEDULE OF BENEFITS.

CONTRACTOR reserves the right to limit the cost of the frames provided by CONTRACTOR's Doctors under the Plan. The current allowance shall be published periodically by CONTRACTOR to its Member Doctors and will be set at a level to cover a sufficient number of frames in common use.

### ASSOCIATED VISION THERAPY

This benefit is limited to Covered Persons who are eligible for VDT coverage who have one of the following diagnoses:

- Accommodative Infacility – The inability (or inefficiency) to change focus quickly when looking from one distance to another or the inability to maintain focus at one distance for a prolonged period of time. (Primarily when looking at things up close).
- Convergence Insufficiency – The occasional problem with the eye muscle's ability to point the eyes straight when working up close.

The maximum annual benefit is \$200.00. A Copayment is not required from the Covered Person.

### COPAYMENT

The benefits described herein are available to each eligible Covered Person from any participating Member Doctor at no cost to the Covered Person, provided Covered Person follows the proper procedures by obtaining Benefit Authorization.

A COPAYMENT AMOUNT AS INDICATED ON THE ATTACHED VDT SCHEDULE OF BENEFITS SHALL BE PAYABLE BY THE COVERED PERSON TO THE MEMBER DOCTOR AT THE TIME OF SERVICES.

### EXCLUSIONS AND LIMITATIONS OF BENEFITS

#### VDT EYECARE PLAN PATIENT OPTIONS

This VDT Vision Care Program is designed to cover visual needs rather than cosmetic materials. When a Covered Person selects any of the following extras, the Plan will pay the basic cost of the allowed lenses, and the Covered Person will pay the additional costs for the options.

- Blended lenses.
- Oversize lenses.
- Cosmetic lenses.
- Optional cosmetic processes.
- Solid and gradient plastic dyes, non-pink or non-rose tints, 20% tint or less.
- Progressive multifocal lenses.
- Edge, color, and anti-reflective coatings.
- UV (ultraviolet) protected lenses.
- A frame that costs more than the plan allowance.

#### NOT COVERED

There is no benefit for professional services or materials connected with:

- Subnormal vision aids;
- Orthoptics or vision training and any associated supplementary testing not specifically related to working with a VDT; plano lenses; or two pair of glasses in lieu of bifocals;
- Contact lenses;
- Photochromic or tints greater than 20%;

- Laminated lenses;
- Replacement of lenses and frames furnished under this Plan which are lost or broken except at the normal intervals when services are otherwise available;
- Medical or surgical treatment of the eyes.

CONTRACTOR may, at its discretion, waive any of the plan limitations if, in the opinion of our optometric consultants, this is necessary for the visual welfare of the Covered Person.

VDT EYECARE SCHEDULE OF BENEFITS

SERVICES FROM MEMBER DOCTORS

<u>SERVICES</u>	<u>FREQUENCY</u>
Eye Examination	Every 12 months
Lenses	Every 12 months
Frame	Every 24 months

COPAYMENT

Exam and Materials                      \$20.00

SERVICES FROM NON-MEMBER PROVIDERS

LIABILITY OF COVERED PERSONS FOR PAYMENT  
REIMBURSEMENT PROVISIONS

When a Covered Person chooses to go to a Non-Member provider, services may be secured from any optometrist, ophthalmologist and/or dispensing optician. This plan then becomes an indemnity plan reimbursing according to a schedule of allowances. The Covered Person should pay the doctor his full fee. CONTRACTOR will reimburse in accordance with the following schedule. THERE IS NO ASSURANCE THAT THE SCHEDULE WILL BE SUFFICIENT TO PAY FOR THE EXAMINATION OR THE MATERIALS.

AVAILABILITY OF SERVICES UNDER THIS REIMBURSEMENT SCHEDULE IS SUBJECT TO THE SAME TIME LIMITS AND COPAYMENT AS THOSE DESCRIBED FOR MEMBER SERVICES. SERVICES OBTAINED FROM A NON-MEMBER PROVIDER ARE IN LIEU OF OBTAINING SERVICES FROM A PANEL MEMBER OF CONTRACTOR.

CONTRACTOR IS UNABLE TO REQUIRE NON-MEMBER PROVIDERS TO UPHOLD CONTRACTOR'S QUALITY STANDARDS.

MAXIMUM REIMBURSEMENT FOR SERVICES FROM NON-MEMBER PROVIDERS

<u>MATERIALS</u>	<u>PAIR</u>
Eye Examination, up to	\$0.00*
Single Vision Lenses, up to	\$40.00*
Bifocal Lenses, up to	\$60.00*
Trifocal Lenses, up to	\$80.00*
Lenticular Lenses, up to	\$125.00*
Frame, up to	\$40.00*

\*Less any applicable Copayment.

**EXHIBIT B – SCHEDULE OF ADVANCE PAYMENT AND  
ADMINISTRATIVE FEE**

CONTRACTOR shall be entitled to receive amounts due for each month on behalf of each Enrollee and his/her Eligible Dependents, if any in the amounts specified below:

ADVANCE PAYMENT:                   \$0.00

ADMINISTRATIVE FEE:

7/1/2010 – 6/30/2011

\$1.17 per month for each eligible Enrollee (includes coverage for eligible dependents)

7/1/2011 – 12/31/2015

\$0.89 per month for each eligible Enrollee (includes coverage for eligible dependents)

NOTICE: The amount due under this Plan is subject to change upon renewal (after the end of the Plan Term or any subsequent Plan Term) or upon change of the Schedule of Benefits or a material change in any other terms or conditions of the Plan.