

COBRA Administrative Services Agreement

Recitals

This Agreement is entered into as of January 1, 2023, Woodbury County (Employer) and Innovative Business Consultants (TPA).

A. Employer has adopted and sponsors the Woodbury County (Plan), which is a group health plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and the Internal Revenue Code of 1986, as amended (the Code), for eligible employees of the Employer and their dependents.

B. The Plan is required to offer continuation of coverages to certain individuals pursuant to the provisions of §4980B of the Code and Part 6, Subtitle B, Title I of ERISA (collectively referred to herein as COBRA).

C. Employer is the Plan's Plan Administrator within the meaning of ERISA and the Code, and under COBRA, the Plan's Plan Administrator has the responsibility for the administration of COBRA as it applies to the Plan.

D. Employer desires to obtain, and TPA desires to provide, COBRA administrative services to assist the Employer in satisfying its COBRA administration responsibilities in the Employer's capacity as the Plan's Plan Administrator.

E. If TPA is considered a business associate under HIPAA with regard to the Plan, there is a separate agreement between the Plan and the TPA (as business associate) to document compliance with HIPAA's privacy, security, and electronic data interchange.

In consideration of the mutual promised set forth in this Agreement, the Employer and TPA agree as follows.

Article I: Introduction

1.1 Agreement Effective Date and Term: This Agreement is effective January 1, 2023 ("Effective Date"). The initial term of the Agreement will be the initial 12-month period commencing on the Effective Date; thereafter, this Agreement will renew automatically for successive periods of 12 months unless this Agreement is terminated in accordance with the provisions of Section 7.4.

1.2 Scope of Services: Services to be provided under the Agreement are set forth in Article III. TPA will comply with the specifications and requirements established in the Agreement.

1.3 Definitions"2% COBRA Administration Fee" and "50% COBRA Administration Fee" mean the difference between the "applicable premium" within the meaning of COBRA and the premium amount the Plan may charge for Continuation Coverage (102% of the applicable premium or 150% of the applicable premium in the case of an extension based on the disability of a Qualified Beneficiary).

"**Business Associate Contract**" means the separate business associate agreement (within the meaning of HIPAA) between the Plan and TPA to document compliance with HIPAA's privacy, security, and electronic data interchange requirements.

"**COBRA**" means the group health plan continuation coverage provisions of section 4980B of the Code and Part 6, Subtitle B, Title I of ERISA.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"**Continuation Coverage**" means the continued coverages under the Plan following a Qualifying Event provided to a Qualified Beneficiary as required by COBRA.

"**Continuation Coverage Period**" means the period commencing on the date of a Qualifying Event and continuing for the maximum period specified in COBRA.

"**Employer**" means Woodbury County

"**ERISA**" means the Employee Retirement Security Act of 1974, as amended, and the regulations thereunder.

"HIPAA" means the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations thereunder.

"Litigation" means any litigation or other proceeding, including but not limited to any judicial or administrative proceeding, involving a dispute arising under COBRA or this Agreement, or an audit, investigation, or proceeding by the Internal Revenue Service or the United States Department of Labor involving directly or indirectly the duties or responsibilities of the Employer, the Plan Administrator, or the TPA.

"Plan" means Woodbury County Health Plan.

"Plan Administrator" means the Plan's administrator as defined in ERISA §3(16)(A). For the Plan, the "Plan Administrator" is the Employer.

"Protected Health Information" or "PHI" has the meaning assigned to such term under HIPAA.

"Qualified Beneficiary" means any individual specified in COBRA who is eligible to elect Continuation Coverage. In addition, solely to the extent the Employer elects on Exhibit B, "Qualified Beneficiary" also includes dependents of an employee whom the Employer treats as a "spouse" under the Plan (for example, domestic partners).

"Qualifying Event" means a qualifying event within the meaning of COBRA (generally, an event upon which a Qualified Beneficiary must be given the opportunity to elect Continuation Coverage as specified in COBRA).

"TPA" means Innovative Business Consultants.

Article II: Employer Obligations

2.1 Information to Be Furnished to TPA: During the term of this Agreement, Employer will furnish TPA with the information necessary to provide COBRA administrative services, including, but not limited to:

(a) The names of all Qualified Beneficiaries eligible to elect Continuation Coverage, as well as the COBRA Qualifying Event date and the type of event (i.e., termination of employment), employee census information (including the coverage that the employee had at the time of the Qualifying Event), and dependent information for all dependents covered under the employee's Plan at the time of the Qualifying Event.

(b) Mailing addresses and any other information necessary to enable TPA to perform the administrative services under this Agreement.

(c) Information concerning any violations of COBRA known to Employer immediately upon acquiring such information.

(d) PHI will be subject to the privacy and security rules under HIPAA and the separate Business Associate Contract.

All information required under this Section 2.1 will be provided in such format and at such intervals as is reasonably required by, and acceptable to, Employer and TPA.

2.2 Premiums and Grace Periods: Employer will determine the cost to the Plan for Continuation Coverage and establish the premium to be charged to Qualified Beneficiaries. Employer will also establish the length of the grace period within which a Qualified Beneficiary may pay premiums for Continuation Coverage without the loss of such coverage.

2.3 Provision of Names of Those Authorized to Act: Employer will provide TPA with the names of individuals authorized to act for the Employer in connection with this Agreement.

2.4 Collection of Due and Unpaid Premiums: Employer will be solely responsible for collection of due and unpaid premiums owed by Qualified Beneficiaries to whom Continuation Coverage was provided and who did not remit premiums for such Continuation Coverage. All efforts to collect such amounts will be the sole responsibility of Employer.

2.5 Review of Carrier Reports: Employer shall be responsible for reconciling Carrier billing reports. Most Carriers restrict the ability to retroactively terminate COBRA coverage (even in cases of non-payment of premiums by COBRA Continuant). TPA shall not be liable for paying any loss or damage (including

premiums) to Employer with respect to any retroactive termination of COBRA coverage. TPA reserves all rights to decline to implement any retroactive changes in premiums rates requested by Employer, retroactive beyond (30) days.

Article III: TPA Responsibilities

3.1 TPA Services: TPA will do the following:

- (a) Determine whether a Qualifying Event has occurred.
- (b) Determine who is eligible to receive Continuation Coverage.
- (c) Determine when required COBRA notices must be furnished and provide all required COBRA notices to Qualified Beneficiaries. These include the election notice, notice of unavailability, and notice of termination within the meaning of COBRA.
- (d) If the Employer so elects on Exhibit B, mail a COBRA "general notice" to each covered employee and spouse who becomes covered by the Plan, upon the Employer's notice to TPA (which must include the name and address of each covered employee and covered spouse), within 14 days after the TPA receives the Employer's notice.
- (e) Receive all required COBRA notices from employees, spouses, dependents, and Qualified Beneficiaries.
- (f) Determine the date by when COBRA elections must be made and provide Qualified Beneficiaries all necessary election forms.
- (g) Receive and process duly executed COBRA election forms received from Qualified Beneficiaries.
- (h) Determine whether a COBRA Continuation Coverage election is valid.
- (i) Determine the duration of Continuation Coverage and whether an event has occurred that permits termination of Continuation Coverage before its maximum coverage period (including any required extension) expires.
- (j) Design, print, and send initial statements to Qualified Beneficiaries who have elected

Continuation Coverage stating the amount of the monthly premium for Continuation Coverage.

(k) Receive, process, and forward to the carrier amounts received as premiums from Qualified Beneficiaries for Continuation Coverage.

(l) If the Plan provides conversion rights, notify Qualified Beneficiaries within 90 days preceding the termination of the COBRA Continuation Coverage Period of the right to convert to an individual health insurance policy upon the expiration of the COBRA Continuation Coverage Period.

(m) To the extent Employer elects on Exhibit B, distribute to Qualified Beneficiaries such non-COBRA documents as Employer provides TPA (for example, open enrollment materials, summary plan descriptions, summaries of material modifications, or summaries of benefits and coverage) on the date specified by the Employer, which must be at least 10 days after the day the Employer provides documents to TPA.

(n) If the premium paid for a Qualified Beneficiary's Continuation Coverage is less than the full current amount due, administer the partial payment consistent with COBRA and Treas. Reg. §54.4980B-8, Q/A-5(d).

(o) To the extent applicable, comply with the terms of the separate Business Associate Contract.

TPA is not responsible for any obligation of Employer under COBRA that arises from Employer's status as "plan sponsor" or "employer" within the meaning of ERISA.

3.2 Eligibility Reports to Carriers: TPA will establish, maintain, and update an eligibility report to all carriers identified by Employer to TPA, with a copy to Employer, if applicable.

3.3 Maintenance of Roster of Qualified Beneficiaries: TPA will establish, maintain, and update a roster containing the names of all participants who elect Continuation Coverage under the Plan and provide such roster to Employer.

3.4 Deposit of Premium Payment: Upon receipt of premium payments from Qualified Beneficiaries for Continuation Coverage, TPA will send payment to Employer. TPA will maintain and render accounting of the premiums received from Qualified Beneficiaries for Continuation Coverage, and remit the amounts collected to Employer or carriers at such times and in such manner as may be agreed upon by TPA and

Employer.

Article IV: Indemnification Provisions

4.1 Indemnification by TPA: TPA agrees to indemnify and hold harmless Employer from and against any and all claims, suits, actions, liability, losses, damages, costs, charges, expenses, judgments, and settlements that Employer sustains as a result of any act or omission of TPA in connection with the performance of services under this Agreement.

TPA will not be obligated to indemnify Employer if it is determined that a judgment, determination, or settlement in litigation was paid as a result of an act or omission by Employer which was:

- (a) criminal or fraudulent.
- (b) an intentional disregard of Employer's obligation under this Agreement; or
- (c) grossly negligent.

Notwithstanding the foregoing, TPA will indemnify and hold Employer harmless to the extent TPA concurred in, instructed, directed, or caused such acts or omissions by Employer.

4.2 Survival of Provision: The provisions of this Article will survive the termination of this Agreement.

Article V: General Provisions

5.1 Employer's Exclusive Responsibility for Operation of Plan: For purposes of this Agreement, Employer has the sole and exclusive authority and responsibility for the Plan, its provision of benefits, and its operation. TPA is empowered to act solely as agent for, and on behalf of, the Employer and only as expressly stated in this Agreement.

5.2 TPA as Agent: TPA agrees to perform the services specified in Article III. It is expressly understood that TPA is hereby appointed solely as the agent of Employer and not as a fiduciary or Plan Administrator

of the Plan.

5.3 Liability for Benefits: The payment of benefits is the obligation of Employer. In the event that benefits become payable, even though a Qualified Beneficiary who elected Continuation Coverage (or any other individual to whom benefits have been provided under the Plan) has not paid premiums for such coverage, TPA will have no liability for payment of such benefits.

5.4 Employment of Counsel and Resolution of Litigation: In the event of Litigation, Employer and TPA each:

- (a) Reserve the right to select and retain counsel to protect its interests.
- (b) Will notify the other Party concerning the existence of such Litigation promptly upon learning of such Litigation.
- (c) Will cooperate fully by providing the other Party with all relevant and unprivileged information and documents within its possession or control; and
- (d) Will reasonably assist the other Party in preparation for Litigation and in the defense of Litigation.

5.5 Amendment: Employer may at any time request additions, alterations, deductions, or deviations (hereinafter "Change") to the Services provided hereunder. No such Change will be made to the Services unless made pursuant to a written amendment mutually agreed upon by the parties.

5.6 Records

- (a) *Maintenance of Records.* TPA will maintain separate records with respect to the services specified herein for seven calendar years following any year in which it performs services hereunder or, if longer, such period as provided under ERISA or other applicable law.
- (b) *Inspection of Records.* TPA will permit Employer to inspect, examine, and copy records during normal business hours and upon reasonable notice from the Employer.
- (c) *Audit.* Upon not less than 14 days' notice to TPA, Employer, at Employer's expense, may conduct a thorough audit of TPA's records related to TPA's COBRA administration services under this Agreement. Employer may audit no more often than once in any 12-month period. Employer

may audit only records relating to transactions that occurred not more than 24 months before the date of Employer's notice to TPA.

5.7 Choice of Law: This Agreement and the obligations of Employer and TPA will be governed and construed in accordance with the laws of the State of Iowa.

5.8 Assignment: TPA may assign or transfer this Agreement and attachments, or amendments issued hereunder in connection with the sale of its assets, stock, or securities or in connection with any change of control.

Article VI: Service Fees

6.1 Initial Case Setup Fee: An initial case setup fee specified in Exhibit A, attached hereto and made a part hereof, will become payable to TPA at the time this Agreement is executed.

6.2 Service Fee: A service fee specified in Exhibit A will be paid by Employer to TPA. TPA reserves the right to increase or modify the service fee at any time upon 60 days' notice to Employer (subject to Employer's right in Section 7.4(a) to object to the increase or modification and terminate this Agreement). The service fee will be paid regardless of whether a Qualified Beneficiary electing Continuation Coverage pays the premiums for such coverage for the period billed or the month enrolled in such coverage.

6.3 Additional Fees: Charges for additional services requested by Employer not included in the Agreement will be agreed upon prior to the performance of such service by TPA.

6.4 When Fees Are Payable: TPA will transmit an invoice to Employer for service fees quarterly and will transmit invoices to Employer for additional services immediately following the performance of such services. Payment of services due upon receipt of such invoice.

6.5 Late Penalty Fee: TPA reserves the right to charge a 1% late penalty fee compounded monthly on all past due accounts. In the event Employer fails to pay fees due TPA within 30 days of the invoice date, a late payment penalty will be assessed on the portion of the balance that is considered 31 days past due.

The Employer is obligated to pay such penalty in addition to payment for services rendered upon receipt of penalty notification.

6.6 COBRA Administration Fee: TPA will retain the 2% COBRA Administration Fee paid by the Qualified Beneficiary and the 50% COBRA Administration Fee (after the initial 18-month continuation period has expired) payable during a period of disability extension.

6.7 No Waiver: The Employer's or TPA's failure to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder will not be construed as a waiver of such term, condition, right, or privilege in the future.

Article VII: Miscellaneous

7.1 Notices: All notices, certificates, or other communications hereunder will be sufficiently given and will be deemed given when mailed by certified or registered mail, postage prepaid, with proper address as indicated. TPA and Employer may, by written notice given by each to the other, designate any address or addresses to which notices or other communications to them will be sent when required as contemplated by this Agreement. Until otherwise provided by Employer and TPA, all notices, certificates, and communications to each of them will be addressed as follows:

To Employer:

Human Resource: Melissa Thomas
Woodbury County
620 Douglas Street Rm. 701
Sioux City, IA 51101

To TPA:

Innovative Business Consultants
412 Water Street
Sioux City, IA 51103

7.2 Severability: The invalidity or unenforceability of any provision of this Agreement will not affect the other provisions of this Agreement, and this Agreement will be construed in all respects as if such invalid or unenforceable provision were omitted.

7.3 Survival of Obligations: The parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, will survive the termination or expiration of this Agreement.

7.4 Termination of Agreement

(a) This Agreement will terminate upon the first to occur of the following:

- (1) The expiration of 30 days after written notice has been given by Employer or TPA to the other that Employer or TPA has breached any material obligation under this Agreement.
- (2) The date specified in a written notice given by TPA to Employer of TPA's termination of this Agreement due to Employer's failure to remit to TPA charges for services.
- (3) The expiration of 90 days after written notice has been given by Employer or TPA to the other that either Employer or TPA desires to terminate this Agreement; and
- (4) The expiration of 30 days after written notice has been given by Employer to TPA that Employer objects to TPA's increase in or modification to the service fee, provided that Employer provides its notice to TPA within 30 days after Employer receives TPA's notice of the increase or modification under Section 6.2.

(b) In the event of termination of this Agreement, TPA will, unless Employer and TPA otherwise agree:

- (1) Complete the processing of all amounts received by TPA as premiums payable by those who have elected Continuation Coverage prior to the termination.
- (2) Release to Employer in any reasonably usable format agreed to by the Parties, all necessary records and files relating to billings, and in-force records that have been developed and maintained by TPA pursuant to this Agreement; and
- (3) Deliver to Employer all unused materials, equipment, and specifications that were furnished by Employer.

Employer will fulfill all lawful obligations with respect to policies affected by the written agreement, regardless of any dispute between the Employer and TPA.

(c) If TPA performs any services pursuant to this Agreement following its termination including but not limited to services described in this Section 7.4, TPA will be entitled to its fees or other charges on the same basis as if the Agreement has continued in effect for the period during which such services were performed. TPA will transmit an invoice to Employer for services rendered following termination of this Agreement, and this invoice will be payable upon receipt.

7.5 Entire Agreement: This Agreement is entire and complete as to all of its terms and supersedes all previous agreements, promises, proposals and representations, whether oral or written. It may be executed in duplicate counterparts, each of which may be considered as original and fully enforceable. Except as otherwise provided in Article VII, no termination, revocation, waiver, modification, or amendment of this Agreement will be binding unless agreed to in writing and signed by Employer and TPA.

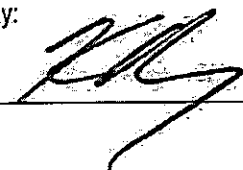
IN WITNESS WHEREOF, Employer and TPA have caused this Agreement to be executed by their duly authorized representatives as of the day and year set forth above.

Dated on this 22nd day of November, 2022

Woodbury County as Employer

Innovative Business Consultants as TPA

By:



By:



Title: Chairman, Board of Supervisors Title: _____

EXHIBIT A

COBRA Administration Services, as Described in Article VI

1.	Initial Case Setup Fee	\$250.00
2.	Annual Renewal Fee	\$100.00
3.	COBRA Election Per Month Fee	2% charged to the member
4.	Monthly Maintenance Fee	\$00.00
5.	Notification Letters (Cobra Specific Rights Letter and/or Open Enrollment Packet)	\$15.00/letter

EXHIBIT B

Employer Elections

Additional Qualified Beneficiaries

A "Qualified Beneficiary" means any individual specified in COBRA who is eligible to elect Continuation Coverage, except that the Employer may elect below also to include any dependent of an employee whom the Employer treats as a "spouse" under the Plan: *[Instruction: Check box if applicable]*.

"Qualified Beneficiary" includes a covered employee's covered domestic partner (as defined for purpose of eligibility as a dependent under the Plan), who shall be treated as if he or she were the employee's spouse within the meaning of COBRA.

General Notice

TPA has no obligation to provide the "general notice" under COBRA (a notice of COBRA rights and responsibilities provided to employees and spouses who become covered by a group health plan) except when the Employer elects below.

___ TPA provides the "general notice" under COBRA on the terms and subject to the conditions of this Agreement.