

AGREEMENT NO. 2017-060
PART II - FEE STRUCTURE

Initial Fee Structure - Contract Inception to December 31, 2017

For the period beginning as of the execution of this Agreement, and extending until December 31, 2017, Service Provider will bill City on a per employee per month (PEPM) basis for each employee enrolled in a health care plan through the City. The rate for the initial period of this Agreement shall be \$7.50 PEPM.

Subsequent Renewal Fee Structure – Years 2 - 5 (Annual Renewals through December 31, 2021):

For each of the eligible renewals of this Agreement, beginning on January 1, 2018 and continuing each year through final termination, Service Provider will bill City on a per employee per month (PEPM) bases for each employee enrolled in a health care plan through the City based upon the following:

- **Blue Cross Blue Shield of Kansas City as Medical Insurance Provider:** In the event that City engages or continues to engage Blue Cross Blue Shield of Kansas City as the provider of medical health insurance benefits to employees, City's directly billed rate from Service Provider shall be \$7.50 PEPM. City further acknowledges Service Provider's status as a "Blue Chip" broker of Blue Cross Blue Shield of Kansas City and understands that Service Provider will be entitled to an additional payment, directly from Blue Cross Blue Shield of Kansas City, which is in no way tied to City's premiums or rates with Blue Cross Blue Shield of Kansas City, of \$9.50 PEPM.
- **Other Medical Insurance Provider:** For any other medical insurance provider chosen by City, the continuing rate for this Agreement beyond the initial term shall be \$10.00 PEPM.

Rate Guarantee: Service Provider guarantees the above-listed rates for the entire period of the Agreement, including all possible renewals, and that rates for the services contemplated herein will not be increased.

Net Commissions: Service Provider warrants and represents that all services provided on behalf of City are to be net of commissions, and Service Provider shall not be eligible to receive any commissions from any benefit provider on behalf of the City except those specifically outlined herein.