



# Huntsville, Alabama

305 Fountain Circle  
Huntsville, AL 35801

## Cover Memo

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**Meeting Type:** City Council Regular Meeting **Meeting Date:** 9/11/2025

**File ID:** TMP-5963

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**Department:** Human Resources

**Subject:**

**Type of Action:** Approval/Action

Resolution authorizing the Mayor to enter into an agreement between the City of Huntsville and Blue Cross and Blue Shield of Alabama for third party administrative services on the City's group health plan (Human Resources)

Resolution No.

**Finance Information:**

**Account Number:** 1005-00-00000-517010-000000000- and 7000-16-00000-517010-000000000-

**City Cost Amount:** \$ 45,463,877.00

**Total Cost:** \$ 45,463,877.00

**Special Circumstances:**

**Grant Funded:** \$ N/A

**Grant Title - CFDA or granting Agency:** N/A

**Resolution #:** N/A

**Location: (list below)**

**Address:**

**District:** District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

**Additional Comments:**

This agreement is needed to continue administrative services on the City's group health plan for both active employees and retirees.

**RESOLUTION NO. 25-\_\_\_\_\_**

**WHEREAS** Blue Cross and Blue Shield of Alabama currently administers the Bluecard PPO (PMD) option and the High-Deductible PPO group health plans offered by the City of Huntsville; and

**WHEREAS**, the City of Huntsville desires to continue the Administrative Services Agreement between the City of Huntsville and Blue Cross and Blue Shield of Alabama which is effective through September 30, 2026; and

**WHEREAS**, the City of Huntsville desires to implement additional services and benefit changes, with the attached rates, effective January 1, 2026; and

**WHEREAS**, the City of Huntsville desires to continue its tobacco use policy requiring twelve (12) months of tobacco-free certification to receive the non-tobacco rate; and

**WHEREAS**, the City of Huntsville desires to continue wellness program, SMART Health, for completion of preventive, wellbeing, activity, and education items to receive the Wellness rate in 2026; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to execute the Amendment to Enrollment Agreement between Blue Cross and Blue Shield of Alabama and City of Huntsville, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as an “Amendment To Enrollment Agreement” between Blue Cross and Blue Shield of Alabama and City of Huntsville, consisting of sixteen (16) pages plus eleven (11) pages consisting of related documents and the date of September 11, 2025, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville, Alabama.

**ADOPTED** this the 11<sup>th</sup> day of September, 2025.

\_\_\_\_\_  
President of the City Council of  
the City of Huntsville, Alabama

**APPROVED** this the 11<sup>th</sup> day of September, 2025.

\_\_\_\_\_  
Mayor of the City of  
Huntsville, Alabama



## Amendment To Enrollment Agreement Customized BCBSAL Plan

Group Name: City Of Huntsville	Financial: Self Funded
Corporate Code: 290920001	Document Type: Benefit Change
Effective Date: 1/1/2026	Benefit Pattern: CITY OF HUNTSVILLE
Primary Group Number(s): 29092	

### PHYSICAL ADDRESS

Address 1: 305 Fountain Cir Sw	City: Huntsville
Address 2:	State: AL
County: Madison	Zip: 35801-4285
County Code: 45	

### BILLING ADDRESS

Address 1: 305 Fountain Cir Sw	City: Huntsville
Address 2:	State: AL
County: Madison	Zip: 35801-4285

### GROUP CONTACTS

	Sal.	Name	Title	Telephone	Email
Billing:		Lee Anne Bostick	Manager of Insurance & Benefits	(256) 427-5244	leeanne.bostick@huntsvilleal.gov
Benefits:		Lee Anne Bostick	Manager of Insurance & Benefits	(256) 427-5244	leeanne.bostick@huntsvilleal.gov
Decision:	MR	Byron Thomas	Director Of HR	(256) 427-5240	byron.thomas@huntsvilleal.gov

### BCBSAL REPRESENTATIVES

	Name	Telephone	Email
Account Executive:	Grant Cochran	205/220-7874	Grant.Cochran@bcbsal.org
Account Manager:	Lance Lowrey	205/220-6296	llowrey@bcbsal.org

### Blue Cross and Blue Shield of Alabama's Identification Numbers

National Association of Insurance Commissioners  
55433

Employer Identification Number  
63-0103830

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## Group Benefit Structure

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Please see the Exhibit B page for group(s) and division(s) impacted in this document, attached hereto and incorporated herein.

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## Pharmacy Changes

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### FlexAccess

Add FlexAccess Program.

The administrative fee for the FlexAccess Program is 20% of the savings amount per eligible claim. Retail drugs listed on [AlabamaBlue.com/FlexAccessDrugList](http://AlabamaBlue.com/FlexAccessDrugList) are included in the Program ("Program-eligible drugs") and may change from time to time.

The cost share for Program-eligible drugs will vary based on available manufacturer assistance (such as manufacturer cost share assistance, manufacturer discount plans and/or manufacturer coupons). If assistance is available, member's out-of-pocket will be set by the drug manufacturer assistance program. Once assistance is exhausted, member's out-of-pocket will remain the same and Group will be responsible for any remaining approved drug cost. If member is deemed ineligible for assistance, claims will process at the standard benefit level. Eligible members who choose not to participate in the Program's enrollment process may be responsible for a cost share equal to the full amount of available manufacturer assistance for any Program-eligible drug.

Amounts paid out-of-pocket by member will apply towards deductible or out-of-pocket maximum. Any reimbursement or payment by a drug manufacturer assistance program under this Program may not apply towards the member's deductible or out-of-pocket maximum. (FXS)

### Pharmacy Coordination of Benefits

#### Non-Duplicate COB (Prime 01)

Employer chooses the Prime 01 method of coordination of benefits (COB) for pharmacy claims. This method applies primary benefits to the charge first, and then subtracts the other carrier's payment.

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## Special Instructions

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### No benefit changes for 01/01/2026.

Financial:

This is year 1 of a 3 year agreement and are as follows:

Year 1: 10/1/24 – 9/30/25 \$43.40

Year 2: 10/1/25 – 9/30/26 \$43.40

**Year 3: 10/1/26 – 9/30/27 \$43.40**

MHSA Fee is \$1.00 (updated COH Renewal)



All other arrangements remain the same.

Riders and codes are for internal use only.

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Customer Signature  
Authorized Representative

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Title

---

Date

*Lance Lowrey*  
Blue Cross and Blue Shield of Alabama  
Representative

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Account Manager  
Title

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August 18, 2025  
Date

**Exhibit B**  
**Group Benefit Structure**

Group Number(s) and Division(s) amended:

29092	T00, T05, T0A, T0B, T0M, T0S, T0X, T5A, T5B, T5M, T5S, T5X, TAD, 000, 005, 00A, 00B, 00M, 00S, 00X, 04M, 05A, 05B, 05M, 05S, 05X, 07M
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# Amendment To Enrollment Agreement Customized BCBSAL Plan

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<b>Corporate Code:</b> 290920001	<b>Document Type:</b> Benefit Change
<b>Effective Date:</b> 1/1/2026	<b>Benefit Pattern:</b> CITY OF HUNTSVILLE HDHP
<b>Primary Group Number(s):</b> 92751	

## PHYSICAL ADDRESS

<b>Address 1:</b> 305 Fountain Cir Sw	<b>City:</b> Huntsville
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<b>County:</b> Madison	<b>Zip:</b> 35801-4285
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<b>Benefits:</b>		Lee Anne Bostick	Manager of Insurance & Benefits	(256) 427-5244	leeanne.bostick@huntsvilleal.gov
<b>Decision:</b> MR		Byron Thomas	Director Of HR	(256) 427-5240	byron.thomas@huntsvilleal.gov

## BCBSAL REPRESENTATIVES

	Name	Telephone	Email
<b>Account Executive:</b>	Grant Cochran	205/220-7874	Grant.Cochran@bcbsal.org
<b>Account Manager:</b>	Lance Lowrey	205/220-6296	llowrey@bcbsal.org

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Employer Identification Number  
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**Year 3: 10/1/26 – 9/30/27 \$43.40**

MHSA Fee is \$1.00 (updated COH Renewal attached)

**All other arrangements remain the same.**

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Customer Signature  
Authorized Representative

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Title

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Date

*Lance Lowrey*  
Blue Cross and Blue Shield of Alabama  
Representative

Account Manager

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Title

August 18, 2025

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Date

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# Amendment To Enrollment Agreement Customized BCBSAL Plan

<b>Group Name:</b> City Of Huntsville	<b>Financial:</b> Self Funded
<b>Corporate Code:</b> 290920001	<b>Document Type:</b> Renewal
<b>Effective Date:</b> 10/1/2025	<b>Benefit Pattern:</b> CITY OF HUNTSVILLE
<b>Primary Group Number(s):</b> 29092	

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### Blue Cross and Blue Shield of Alabama's Identification Numbers

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Employer Identification Number  
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### Grandfathered Status

---

Employer believes the plans are NOT grandfathered health plans under the Affordable Care Act.

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### HSA HDHP Status

---

Employer believes the plans are not HSA HDHP qualified under IRS rules and regulations.

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### Group Benefit Structure

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Please see the Exhibit B page for group(s) and division(s) impacted in this document, attached hereto and incorporated herein.

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### Financial Updates

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#### Independent Dispute Resolution

Under the No Surprises Act, Employer may be subject to the Independent Dispute Resolution. Parties participating in the Independent Dispute Resolution (IDR) process are subject to an annual administrative fee set periodically by the federal government. Parties participating in the IDR process may also be subject to a fee charged by the IDR entity. The amount of the IDR entity fee will vary based on the entity selected. Administrative fees and IDR entity fees will be assessed when a Group is a party to the IDR process. Additional claims costs awarded by the IDR entity will also be assessed to the Group.

#### Administration Fees

\$43.40 per contract.

In the event of termination of the plan, the retention on paid claims during the run-out period will be 5.90% for Health.

#### Stop Loss Integration Fee

Stop Loss is carved out. The stop loss integration fee is \$1.70 per contract per month. (STL)

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### COBRA

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The Employer will determine whether a member is entitled to continue coverage under COBRA and will provide the required notices and COBRA application form to a member who is so entitled.

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### Inter-Plan Arrangements-Out of Area Services

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#### Prepayment Review & Return of Overpayments

Prepayment review activities from a Host Blue can arise in several ways including, but not limited to, data mining, itemized bill reviews, secondary claim code editing, and DRG audits. The Host Blue may bill Claims Administrator a percentage of identified savings and in some cases may engage a third party to perform these activities on its behalf.

Recoveries from a Host Blue or its participating providers from post-payment review activities can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, audits/healthcare provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recovery amounts determined in the ways noted above will be applied in general, on either a claim-by-claim or retrospective basis. If recovery amounts are passed on a claim-by-claim basis from a Host Blue to Claim Administrator, they will be credited to Employer's account. When a Host Blue identifies and collects these recovery amounts, the Host Blue may bill Claims Administrator for their recovery services. In some cases, the Host Blue may engage a third party to assist in identification or collection of recovery amounts.

Claims Administrator may charge a portion of the savings identified to cover program cost, and these retained savings will appear on the billing statement as a percent of overall program charges.

Unless otherwise agreed to by the Host Blue, for retroactive cancellations of membership, Claims Administrator will request the Host Blue to provide full refunds from participating healthcare providers for a period of only one year after the



date of the Inter-Plan financial settlement process for the original claim for such member. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery (a) conflicts with the Host Blue's state law or participating provider contracts, (b) would result from Shared Savings and/or Provider Incentive arrangements, and Care Coordination Fees or (c) would jeopardize the Host Blue's relationship with its participating providers, notwithstanding to the contrary any other provision of this agreement.

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**Pharmacy Changes**

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*Lance Lowrey*  
\_\_\_\_\_  
Blue Cross and Blue Shield of Alabama  
Representative

Account Manager  
\_\_\_\_\_  
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July 25, 2025  
\_\_\_\_\_  
Date

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#### **Administration Fees**

\$43.40 per contract.

In the event of termination of the plan, the retention on paid claims during the run-out period will be 5.90% for Health.

#### **Stop Loss Integration Fee**

Stop Loss is carved out. The stop loss integration fee is \$1.70 per contract per month. (STL)

#### **Enhanced Payment Integrity**

Add Enhanced Payment Integrity Shared Savings Program. The Claims Administrator shall conduct enhanced payment integrity activities, including prepayment and post-payment reviews, where appropriate. These services include but are not limited to Clinical Review, Credit Balance, Data Mining, Itemized Bill Review and Secondary Claim Code Editing. Enhanced Payment Integrity savings include avoided cost or recovered amounts achieved from these services (savings). In the event a savings is achieved for the Plan, such savings shall be credited to the Cost of Claims. As an additional administrative fee, Claims Administrator will retain 25% on all savings received during this agreement with a cap of \$25,000 per individual enhanced payment integrity activity for Host plan member claims only. The Enhanced Payment Integrity Shared Savings Program will not apply to standard payment integrity services provided by Claims Administrator such as prospective high dollar claim review and standard claim analyses. Employer's invoice shall reflect any savings retained by Claims Administrator in accordance with this Program. (PIE)

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### COBRA

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Customer Signature  
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*Lance Lowrey*  
Blue Cross and Blue Shield of Alabama  
Representative

Account Manager

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## 2026 Group Health Rates

Div.	Active EEs Bi-Weekly	Employee	Employee + Spouse	Employee + Child(ren)	Family
005	PPO - Wellness	\$53.26	\$117.80	\$88.04	\$137.34
000	PPO - Regular	\$64.80	\$129.34	\$99.58	\$148.88
T05	PPO - Wellness Tobacco	\$76.34	\$140.88	\$111.12	\$160.42
T00	PPO - Regular Tobacco	\$87.88	\$152.42	\$122.66	\$171.96
005	PPO - Wellness	\$46.51	\$103.06	\$77.19	\$120.02
000	PPO - Regular	\$58.05	\$114.60	\$88.73	\$131.56
T05	PPO - Wellness Tobacco	\$69.59	\$126.14	\$100.27	\$143.10
T00	PPO - Regular Tobacco	\$81.13	\$137.68	\$111.81	\$154.64

Div.	Retirees - Monthly	Retiree	Retiree + Spouse	Retiree + Child(ren)	Family
05M	PPO - Wellness	\$473.43	\$958.37	\$713.11	\$1,113.35
00M	PPO - Regular	\$498.43	\$983.37	\$738.11	\$1,138.35
T5M	PPO - Wellness Tobacco	\$523.43	\$1,008.37	\$763.11	\$1,163.35
T0M	PPO - Regular Tobacco	\$548.43	\$1,033.37	\$788.11	\$1,188.35
05M	PPO - Wellness	\$415.66	\$842.34	\$628.34	\$942.64
00M	PPO - Regular	\$440.66	\$867.34	\$653.34	\$967.64
T5M	PPO - Wellness Tobacco	\$465.66	\$892.34	\$678.34	\$992.64
T0M	PPO - Regular Tobacco	\$490.66	\$917.34	\$703.34	\$1,017.64

Div.	Active / COBRA - Monthly	Individual	Individual + Spouse	Individual + Child(ren)	Family
05S	PPO	\$879.86	\$1,920.78	\$1,437.25	\$2,237.39
05S	HDHP	\$808.90	\$1,765.16	\$1,322.82	\$2,054.80

Company Name City of Huntsville

Group Number(s) 29092 & 92751

## BUSINESS ASSOCIATE AGREEMENT

This Agreement is effective as of the Effective Date by and among Plan, Business Associate and Plan Sponsor. For purposes of this Agreement, all capitalized terms contained in this Agreement, not otherwise defined herein, shall have the meanings ascribed to them in Schedule A, attached hereto and made a part hereof.

### RECITALS:

- A. Business Associate provides Administrative Services to Plan.
- B. Plan Sponsor sponsors Plan and provides Plan Administrative Services to Plan. In the performance of the Plan Administrative Services, Plan Sponsor requires access to PHI.
- C. HIPAA Rules and Plan require that Business Associate comply and Business Associate is willing to comply with the HIPAA Rules in connection with the performance of the Administrative Services, all upon the terms and conditions set forth herein.
- D. Plan also desires that Business Associate disclose and Business Associate is willing to disclose Summary Health Information, enrollment/disenrollment information and PHI to Plan Sponsor and Designated Plan Sponsor Employees upon the terms and conditions set forth herein.

NOW THEREFORE, for and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue for so long as Business Associate is providing the Administrative Services, unless earlier terminated pursuant to this Agreement.

2. **Permitted Uses and Disclosures of PHI on Behalf of Plan.** Plan and Business Associate hereby agree that Business Associate may, in the performance of the Administrative Services, use and disclose PHI to health care providers, other business associates of Plan, agents or subcontractors of Business Associate, and others, in any manner Plan would be permitted or required to use and disclose PHI under the HIPAA Rules if Plan were performing the Administrative Services including without limitation, for Treatment, Payment and Health Care Operations. Business Associate may de-identify PHI in accordance with § 164.514 of the HIPAA Rules, and such de-identified information is not subject to the terms of this Agreement.



Business Associate recognizes and agrees that when acting as a business associate hereunder, Business Associate is obligated by law to comply with the applicable provisions of the HIPAA Rules.

**3. Permitted Uses and Disclosures of PHI for Business Associate Operations.**

Plan and Business Associate hereby agree that Business Associate may use PHI, if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate. Business Associate may disclose PHI for its proper management and administration or to carry out its legal responsibilities if the disclosure is required by law or if Business Associate obtains reasonable written assurances from the Person to whom PHI will be disclosed that: (a) PHI will be held confidentially and used or further disclosed only for the purpose for which it was disclosed to such Person or only as required by law; and (b) such Person will notify Business Associate of any instances of which it becomes aware in which the confidentiality of PHI was breached. Business Associate may also use and disclose PHI to provide Data Aggregation services relating to the Health Care Operations of Plan.

**4. Disclosure of Summary Health Information and Enrollment Information to Plan Sponsor.** Plan hereby authorizes and directs Business Associate to disclose Summary Health Information and information about an individual's enrollment in or disenrollment from Plan and Plan Sponsor as requested from time to time by Plan Sponsor. In disclosing Summary Health Information to Plan Sponsor hereunder, Plan hereby authorizes and directs Business Associate to, and Plan Sponsor hereby agrees, Business Associate may, rely solely upon the following representations, warranties and agreements of Plan and Plan Sponsor:

**A.** Plan Sponsor shall only request Summary Health Information for the purpose of (i) obtaining premium bids from health insurers for providing health insurance coverage under Plan; or (ii) modifying, amending, or terminating Plan.

**B.** Plan has included all necessary statements in its notice of privacy practices required by the HIPAA Rules to permit Plan and Business Associate to disclose Summary Health Information to Plan Sponsor.

**5. Disclosure of PHI to Designated Plan Sponsor Employees.** Plan hereby authorizes and directs Business Associate to disclose PHI to Designated Plan Sponsor Employees as requested from time to time by Designated Plan Sponsor Employees. If requested by Plan Sponsor, Plan also authorizes and directs Business Associate to give Plan Sponsor electronic access to PHI for use by Designated Plan Sponsor Employees. In disclosing PHI to Designated Plan Sponsor Employees hereunder, Plan hereby authorizes and directs Business Associate, to, and Plan Sponsor hereby agrees Business Associate may, rely solely upon the following representations, warranties and agreements of Plan and Plan Sponsor:

**A.** The Privacy Plan Amendment has been duly adopted by all necessary or appropriate action of Plan and Plan Sponsor and is, or will be, in full force and effect on the Effective Date. Plan has included all necessary statements in its notice of privacy practices required by the HIPAA Rules to permit Plan and Business Associate to disclose PHI to

Designated Plan Sponsor Employees. Plan Sponsor and Plan shall promptly notify Business Associate of any modification or amendment to the Privacy Plan Amendment. Plan Sponsor and Plan shall also promptly notify Business Associate of any additions to or deletions from the Designated Plan Sponsor Employees.

B. Plan Sponsor shall ensure that only Designated Plan Sponsor Employees shall use or have the opportunity to use, any electronic access to PHI provided to Plan Sponsor by Business Associate hereunder.

C. On and after the Effective Date, Plan and Designated Plan Sponsor Employees will comply in all respects with the HIPAA Rules and the Privacy Plan Amendment that are applicable to this Agreement.

D. Designated Plan Sponsor Employees shall request only PHI from Business Associate that is the minimum necessary as required by the HIPAA Rules to perform the Plan Administrative Services.

6. **Disclosures of PHI to Privacy Officer.** Plan hereby authorizes and directs Business Associate to disclose PHI to the Plan's Privacy Officer for purposes of implementing the HIPAA Rules and as may be requested by the Privacy Officer from time to time. In disclosing PHI to the Plan's Privacy Officer, Plan hereby authorizes and directs Business Associate to, and Plan Sponsor hereby agrees Business Associate may, rely solely upon the following representations, warranties and agreements of Plan and Plan Sponsor: All necessary actions under the HIPAA Rules have been performed to permit the Plan's Privacy Officer to have access to the PHI as described herein.

7. **Minimum Necessary.** Business Associate will, in its performance of the functions, activities, services, and operations specified above, make reasonable efforts to use, to disclose, and to request only the minimum amount of PHI reasonably necessary to accomplish the intended purpose of the use, disclosure, or request. Business Associate and Plan acknowledge that the phrase "minimum necessary" shall be interpreted in accordance with the HIPAA Rules. Plan shall notify Business Associate of:

(i) any limitation(s) in the notice of privacy practices of Plan under the HIPAA Rules, to the extent that such limitation may affect Business Associate's use or disclosure of PHI;

(ii) any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(iii) any restriction on the use or disclosure of PHI that Plan has agreed to or is required to abide by under §164.522 of the HIPAA Rules, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.



Furthermore, Plan agrees to notify Business Associate prior to Plan's agreement to any of the foregoing changes, limitations, revocations, or restrictions.

8. **Unauthorized Use or Disclosure.** Business Associate shall not use or further disclose PHI other than as permitted by this Agreement or as required by law.

9. **Privacy and Security Safeguards.** Business Associate will develop, implement, maintain and use appropriate safeguards to comply with the HIPAA Rules and prevent use or disclosure of PHI (including electronic PHI) other than as provided in this Agreement or as required by law.

10. **Sub-Contractors and Agents.** Business Associate will ensure that any of its subcontractors and agents (to whom Business Associate provides PHI in connection with the Administrative Services) agrees to the same restrictions and conditions that apply to Business Associate hereunder, through a written agreement in accordance with §164.502(e)(1)(ii) and §164.308(b)(2), if applicable, of the HIPAA Rules.

11. **Compliance with Standard Transactions.** If Business Associate conducts, in whole or in part, Standard Transactions for or on behalf of Plan, Business Associate will comply and will require any of its subcontractors or agents involved with the conduct of such Standard Transactions to comply with each applicable requirement of 45 CFR Part 162. Business Associate will not enter into or permit its subcontractors or agents to enter into any trading partner agreement in connection with the conduct of Standard Transactions for, or on behalf of, Plan that: (a) changes the definition, data condition, or use of a data element or segment in a Standard Transaction; (b) adds any data elements or segments to the maximum defined data set; (c) uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or (d) changes the meaning or intent of the Standard Transaction's implementation specification.

12. **Plan Access to PHI.** Upon receipt of a request from Plan, and in accordance with the written policies of Business Associate then in effect, Business Associate will promptly make available to Plan or, at Plan's direction, to the individual requesting PHI (or the individual's personal representative) for inspection and obtaining copies of any PHI (including electronic copies of PHI in a designated record set as necessary) about said individual that is in Business Associate's custody or control, so that Plan may meet its access obligations under §164.524 of the HIPAA Rules.

13. **Amendment of PHI.** Business Associate will, upon receipt of notice from Plan, and in accordance with the written policies of Business Associate then in effect, promptly amend or permit Plan access to amend any portion of PHI, so that Plan may meet its amendment obligations under §164.526 of the HIPAA Rules. If authorized by Plan, Business Associate will, upon receipt of a request from the individual requesting amendment to his PHI, promptly amend such PHI so that Plan may meet its amendment obligations under §164.526 of the HIPAA Rules.

14. **Disclosure Accounting.** Except for Excepted Disclosures, Business Associate will record the Disclosure Information for each disclosure of PHI that Business Associate makes to any Person. Business Associate need not record Disclosure Information or otherwise account for Excepted Disclosures. Upon receipt of a request from Plan and in accordance with the written policies of Business Associate then in effect, Business Associate will make available to Plan, or at Plan's direction, to the individual requesting the disclosure accounting, the Disclosure Information for the six (6) years preceding Plan's request for the Disclosure Information (except for disclosures occurring before the Effective Date), so that Plan may meet its disclosure accounting obligations under §164.528 of the HIPAA Rules.

15. **Inspection of Books and Records.** Business Associate will make its internal practices, books, and records relating to its use and disclosure of PHI under this Agreement available to the U.S. Department of Health and Human Services for the purposes of determining Plan's compliance with the HIPAA Rules.

16. **Reports to Plan.** Business Associate will report to Plan promptly any use or disclosure of PHI that violates this Agreement of which Business Associate becomes aware, including breaches of unsecured PHI as required by §164.410 of the HIPAA Rules, and any Security Incident of which it becomes aware. Business Associate will further provide to Plan, in writing, such details concerning the incident in question as Plan may reasonably request.

In addition, Business Associate will report, without unreasonable delay but in no case later than 60 days following discovery of the breach, to the Plan's Privacy Official, any breach of unsecured protected health information. Such report shall include the identification (if known) of each person whose unsecured protected health information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such breach, along with any other information required to be reported by Business Associate to Plan under the HIPAA Rules. Unless notified otherwise by Plan, Business Associate will, on behalf of Plan, provide all notifications of breaches of unsecured protected health information as required in accordance with Subpart D of 45 C.F.R. Part 164, to the extent that the breached unsecured protected health information was in the possession of Business Associate or a subcontractor or agent of Business Associate. The terms "breach" and "unsecured protected health information" shall have the meanings ascribed to them in the HIPAA Rules.

17. **Termination of Agreement for Cause.** In the event of a breach of a material term of this Agreement by Business Associate, Plan shall have the right to terminate this Agreement by providing to Business Associate written notice of termination setting forth the details of the incident that is the basis for such termination. Business Associate shall have the right to cure any such breach within thirty (30) days from its receipt of said notice of termination (the "Cure Period"). A failure by Business Associate to cure such breach within the Cure Period shall constitute a breach of this Agreement entitling Plan to terminate this Agreement at any time after the Cure Period by providing to Business Associate written notice thereof specifying the effective date of termination. Plan, Business Associate and Plan Sponsor hereby agree that, upon termination of this Agreement, the ASA shall terminate and Business Associate shall have no further obligation to perform the Administrative Services.



**18. Obligations upon Termination.**

**A. Return or Destruction.** Upon termination or expiration of this Agreement, Business Associate will, if feasible, return to Plan or destroy all PHI, in whatever form or medium (including any electronic medium under Business Associate's custody or control), including all copies of and any data or compilations derived from and allowing identification of any individual who is a subject of PHI. Business Associate will, in accordance with the written policies of Business Associate then in effect, complete such return or destruction as promptly as possible after the effective date of the termination or expiration of this Agreement. Business Associate will limit its further use or disclosure of PHI to those purposes that make return or destruction infeasible.

**B. Continuing Privacy and Other Obligations.** Business Associate's obligation to protect the privacy of PHI hereunder will be continuous and survive termination or expiration of this Agreement. The obligations of the parties hereto under Sections 12, 13, 14, 18 and 19 of this Agreement shall survive the termination or expiration of this Agreement.

**19. Indemnification.**

**A. Indemnification by Plan.** Plan hereby agrees to indemnify, defend and hold harmless Business Associate (including, without limitation, its officers, directors, employees, agents, successors and assigns) from and against any and all claims, causes of action, liabilities, damages, costs, or expenses (including without limitation, attorneys' fees, court costs, costs of administrative or other proceedings, and costs of investigation) arising out of or related to (i) the reliance of Business Associate upon Plan's representations, warranties, agreements or directions to Business Associate pursuant to this Agreement, or (ii) a breach of any of the terms and provisions of this Agreement by Plan or any party acting by or through Plan (including, without limitation, Plan's agents, employees, representatives, contractors or subcontractors).

**B. Indemnification by Plan Sponsor.** Plan Sponsor hereby agrees to indemnify, defend and hold harmless Business Associate (including, without limitation, its officers, directors, employees, agents, successors and assigns) from and against any and all claims, causes of action, liabilities, damages, costs, or expenses (including without limitation, attorneys' fees, court costs, costs of administrative or other proceedings, and costs of investigation) arising out of or related to (i) the reliance of Business Associate upon Plan Sponsor's representations, warranties, agreements or directions to Business Associate pursuant to this Agreement, or (ii) a breach of any of the terms and provisions of this Agreement by Plan Sponsor or any party acting by or through Plan Sponsor (including, without limitation, Designated Plan Sponsor employees, Plan Sponsor's agents, other employees, representatives, contractors or subcontractors).

**C. Indemnification by Business Associate.** Business Associate hereby agrees to indemnify, defend and hold harmless Plan (including, without limitation, its employees, agents, successors and assigns) from and against any and all claims, causes of action, liabilities, damages, costs, or expenses (including without limitation, attorneys' fees, court costs, costs of administrative or other proceedings, and costs of investigation) arising out of or related to a

breach of any of the terms and provisions of this Agreement by Business Associate or any party acting by or through Business Associate (including, without limitation, Business Associate's agents, employees, representatives, contractors or subcontractors).

20. **Modification and Amendment.** Except as expressly modified or amended herein, all other terms and conditions of the ASA shall remain in full force and effect. This Agreement shall not be modified or amended in any respect except by a written instrument executed by the parties; provided, that in the event the provisions of this Agreement shall conflict with the requirements of applicable law concerning the use, handling, disclosure and/or treatment of PHI (including, without limitation, the HIPAA Rules), as such laws may be modified, amended, or superceded from time to time, this Agreement shall be deemed amended as necessary to conform to such legal requirements at all times.

21. **No Third Party Beneficiaries.** This Agreement is entered into by and among Plan, Plan Sponsor and Business Associate for the exclusive benefit of each of the parties hereto. This Agreement shall not be construed to confer any rights or remedies upon any Person, except the parties hereto and their respective officers, directors, shareholders, employees, agents, successors and assigns.

22. **Conflicts.** The terms and conditions of this Agreement will override and control any conflicting terms and conditions in the ASA related to the privacy and security of PHI.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement, effective as of the Effective Date, in multiple originals on the date written below.

**Plan:**

City of Huntsville

(Insert Company Name)

Group Health Plan(s)

By:

Signature

Tommy Battle

Please print name

Title: Mayor

Please print

Date: 9/8/2022

**Plan Sponsor:**

City of Huntsville

(Insert Company Name)

By:

Signature

Tommy Battle

Please print name

Title: Mayor

Please print

Date: 9/8/2022

**Business Associate:**

Blue Cross and Blue Shield of Alabama

By:

Signature

David Platt

Title:

Vice President, Sales

Date:

8/30/22



**SCHEDULE A**  
**TO**  
**BUSINESS ASSOCIATE AGREEMENT**

For purposes of this Agreement, all capitalized terms contained in this Agreement shall have the following meanings:

**“Administrative Services”** shall mean the administrative services that Business Associate provides to or on behalf of Plan in connection with administering the benefits provided by Plan as claims administrator of Plan under the ASA.

**“ASA”** shall mean one or more administrative services agreements (including any implementation or Enrollment Agreement between Business Associate and Plan Sponsor) which may be entered into by and between Business Associate and Plan Sponsor, from time to time, pursuant to which Business Associate provides the Administrative Services, as the same may be modified, amended, renewed or superceded.

**“Business Associate”** shall mean Blue Cross and Blue Shield of Alabama.

**“Data Aggregation”** shall have the meaning set forth in §164.501 of the HIPAA Rules.

**“Designated Plan Sponsor Employees”** shall mean those persons designated in writing by Plan to Business Associate, on or before the Effective Date, as being included within the class of employees or other workforce members under the control of Plan Sponsor designated in the Privacy Plan Amendment that are authorized to use and disclose PHI in accordance with the Privacy Plan Amendment.

**“Disclosure Information”** shall mean the information described in §§164.528(b)(2)-(3) of the HIPAA Rules.

**“Effective Date”** shall mean the effective date of the ASA.

**“Excepted Disclosures”** shall mean disclosures of PHI by Business Associate set forth in §164.528(a)(1) of the HIPAA Rules.

**“Health Care Operations”** shall have the meaning set forth in §164.501 of the HIPAA Rules.

**“HIPAA Rules”** shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

**“Payment”** shall have the meaning set forth in §164.501 of the HIPAA Rules.

**“Person”** shall include individuals, trusts, estates, corporations (both non-profit and other corporations), partnerships (both limited and general), joint ventures, limited liability companies, unincorporated associations, and governmental agencies and organizations. Person shall not include Plan, Plan Sponsor or Business Associate.



**“PHI”** shall mean Protected Health Information that Business Associate receives from, or creates or receives for, or on behalf of Plan in connection with the performance of the Administrative Services.

**“Plan”** shall mean one or more group health plans sponsored by Plan Sponsor to which Business Associate provides the Administrative Services.

**“Plan Administrative Services”** shall mean the plan administrative services performed by Plan Sponsor pursuant to the plan documents of Plan, including the Privacy Plan Amendment.

**“Plan Sponsor”** shall mean the entity who sponsors the Plan and who has executed this Agreement (by its duly authorized representative) on the signature line designated for the Plan Sponsor on the execution page of this Agreement.

**“Privacy Plan Amendment”** shall mean that amendment to the plan documents of Plan that complies in all respects with the requirements set forth in §164.504(f)(2) of the HIPAA Rules and for which Plan has received a written certification as required by the HIPAA Rules, on or before the Effective Date.

**“Protected Health Information”** shall have the meaning set forth in §160.103 of the HIPAA Rules.

**“Security Incident”** shall have the meaning set forth in §164.304 of the HIPAA Rules. However, unless otherwise requested by Plan, Security Incident does not include “trivial incidents” that occur on a daily basis and do not represent a material threat to the confidentiality, integrity, or availability of PHI covered by this Agreement (such as scans or pings of Business Associate’s computers or computer networks).

**“Summary Health Information”** shall have the meaning set forth in §164.504(a) of the HIPAA Rules.

**“Treatment”** shall have the meaning set forth in §164.501 of the HIPAA Rules.