AGENDA MEMO

Agenda Date: July 29, 2025 ORDER

Order Date: July 29, 2025

TO: Board of County Commissioners

DEPARTMENT: Human Resources

PRESENTED BY: James Trujillo, Workforce Wellness Manager

AGENDA ITEM TITLE: ORDER/ In the Matter of Authorizing the Administrative Services Agreement and Stop Loss Insurance with PacificSource for Plan Year 25-26 and Delegating Authority to the County Administrator to Execute the Agreement

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I. MOTION

Move approval of the Order authorizing the Administrative Services Agreement and Stop Loss Insurance for plan year 25-26 and delegating authority to the County Administrator to execute the agreement.

II. AGENDA ITEM SUMMARY

The agreement with PacificSource for Administrative Services Agreement and Stop Loss Insurance was last renewed for July 1, 2024, for a twelve (12) month plan. The agreement with PacificSource renews July 1, 2025, and is awaiting execution by the County.

The Board is being asked to delegate authority for the County Administrator to execute the Administrative Services Agreement and Stop Loss Insurance for the 25-26 plan year.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Ordinance 15-04 establishing a health plan self-insurance sub-fund was enacted by the Board of Commissioners on July 14, 2015.

As part of the County's transition to a self-funded employee health plan, the County engaged its former insurer, PacificSource, to provide administrative

services and Stop Loss Insurance for the self-funded plan, beginning effective August 1, 2015.

B. Policy Issues

There are no proposed policy changes, and the requested action is not in conflict with existing County policy. The County is required to meet the obligations it has made to its employees, but at the same time must seek to control the expense in a time of rising health care costs and reduced County resources. A self-funded, wellness focused health plan, properly administered, is a central part of the strategy to meet these objectives. Contracting with PacificSource provides for continuity of oversight, timeliness, and accuracy in evaluation and processing health plan costs and payments which are significant: total expected net claims for all employees, dependents and covered retirees are estimated at $45.8 million for plan year 25-26.

C. Board Goals

The change to the self-funded model for health-related expenses in 2015 provides the County more control over these expenses and directly relates to the County's Mission – responsibly manage available resources to deliver vital, community-centered services with passion, drive and focus.

D. Financial and/or Resource Considerations

The movement to a self-funded model for health expenses has resulted in continued cost savings to the County. This savings exists within each County fund where full-time-equivalent positions are budgeted.

The cost of providing the overall medical and vision benefit to employees and their dependents has trended downward in the previous fiscal year, medical insurance reserves have been somewhat reduced which resulted in increased medical insurance rates in the FY 25-26 budget. The increases are caused by a steady volume of claims, as well as a need to replenish the benefit claims reserved drawn down in FY 23-24.

For FY 25-26 PacificSource will charge the County a monthly stop loss premium amounting to $129.34 for each covered subscriber (currently 1,859 employees, retirees, and COBRA participants) for an estimated twelve (12) month total cost of $2.88 million. Notably this rate represents a 13.7% decrease from the previous year and a reduction in cost of $456,061.00.

Stop Loss Insurance limits the County's individual claim coverage (losses) to $300,000 for 25-26 plan year and ensures that catastrophic claims (specific stop-loss) do not upset the financial reserves of the self-funded plan.

For the 25-26 plan year, PacificSource is increasing the administrative rate charge to administer the medical insurance plan by 4.1% over the 24-25 rate to a monthly

rate of $51.13 per subscriber for an estimated twelve (12) month cost of $1.36 million.

The entire self-funded plan, which includes the two rates listed above plus funding of Health Savings and Health Reimbursement Arrangement Accounts (HSA/HRA), claim payments for medical and vision services, and the Live Well Center, has projected net expenses of $45.8 million for FY 25-26. These expenses will be paid with revenue collected from the health insurance premiums charged to County Departments, the County's Retiree Medical Fund plus employee premium share contributions and COBRA payments in the 25-26 plan year.

E. Health Implications

There are no negative health implications with the renewal of this agreement. We have an opportunity to positively impact employee health via robust wellness initiatives and continued access to health insurance for employees and their eligible dependents.

F. Analysis

Lane County experienced significant increases in claims in the previous two years (2022-23 and 2023-24). Fortunately, claim expenditures and the number of catastrophic claims over $150K were lower in 2024-25. Rates increased for departments due to the need to return the benefit reserve account to acceptable levels.

The County continues to work on increased local control of revenues and expenditures. This agreement with PacificSource continues those efforts. While PacificSource handles the processing and payment of claims, Lane County retains control over the plan as a whole and has access to data analytics to help make better informed coverage decisions for benefit plan members. The self-funded option includes costs for medical and vision exam claims, employer contributions to health savings accounts, claims administration services, purchase of Stop Loss Insurance, consulting, wellness activities and incentives, employer sponsored near-site clinic, and any employee premium contributions to the health plan.

G. Alternatives/Options

Delegate authority to the County Administrator to execute the 25-26 agreement and Stop Loss Insurance at the $300,000 claim limit.

Given the timing of this agreement and the plan year beginning July 1, any changes from this option could not occur until plan year 26-27.

IV. RECOMMENDATION

Staff recommends approval of the renewal and delegation as described in this memo.

V. TIMING/IMPLEMENTATION

The 25-26 plan year begins July 1, 2025. Execution of this agreement is needed as soon as possible.

VI. FOLLOW-UP

The agreement will be executed by the County Administrator and the agreement with PacificSource will stay in effect for a twelve (12) month plan year July 1, 2025 – June 30, 2026.

VII. ATTACHMENTS

A. Board Order
B. Lane County ASA Amendment

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 25-07-29-XX	In the Matter of Authorizing the Administrative Services Agreement and Stop Loss Insurance with PacificSource for Plan Year 25-26 and Delegating Authority to the County Administrator to Execute the Agreement

WHEREAS, Order 22-06-21-07 authorized the Administrative Services Agreement, and Stop Loss Insurance with PacificSource for Plan Year 25-26 and delegated authority to the County Administrator to execute the renewal administrative services agreement; and

WHEREAS, the current Administrative Services Agreement, and Stop Loss Insurance with PacificSource expired June 30, 2025; and

WHEREAS, the County must execute the Administrative Services Agreement and Stop Loss Insurance with PacificSource to continue services for plan year 25-26.

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. That the Administrative Services Agreement, and Stop Loss Insurance with PacificSource at the $300,000 claim limit for plan year 25-26 is approved;
2. That the County Administrator is delegated authority to execute the necessary documents to renew the Administrative Services Agreement, and the Stop Loss Insurance for Plan Year 25-26.

ADOPTED this 29th day of July 2025.

_____

David Loveall, Chair
Lane County Board of Commissioners

THIRD PARTY ADMINISTRATIVE SERVICES AGREEMENT
AMENDMENT #2

Client Name: Lane County
Group Number: G0020828

Effective 7/1/2025, the Third Party Administrative Services Agreement is amended as follows, all other language and sections remains the same:

2.1 Effective Date and Term

The Effective Date of this Agreement is the 1st day of July, 2025. The initial term of this Agreement shall be a twelve (12) month period commencing on the Effective Date, unless terminated earlier in accordance with the terms of this Agreement. After the initial term, this Agreement may be renewed for successive one-year periods by the mutual, written agreement of the Parties.

Exhibit II: Coverage Services Addendum

Please see the attached Exhibit.

"Sponsor" Lane County	"PacificSource" PacificSource Health Plans
By:_____	By:
Print:_____	Print: John Espinola, MD
Title:_____	Title: President and Chief Executive Officer
Date:_____	Date: 5/19/2025

EXHIBIT II: COVERAGE SERVICES ADDENDUM

Between

Lane County

and

PacificSource Health Plans

Agreement Period: 07/01/2025 through 06/30/2026

I. INTRODUCTION

This Exhibit II: Coverage Services is effective as of the date noted in Section 2.1 of the Third Party Administrative Services Agreement entered into by and between Lane County ("Sponsor") and PacificSource Health Plans ("PacificSource"), and to which this Exhibit is attached. In the event of any discrepancy or contradiction between the terms of the Agreement and this Exhibit, the terms of this Exhibit shall control.

II. FEES

The fees and costs payable for the services provided under this Exhibit II shall be as follows:

Number of Employees on Effective Date 1859

Required Claim Fund Received in 2015 $865,000
Additional Claim Fund Received in 2020 $135,000

Administrative Fees

Claims Administration	PEPM
Medical / RX	$46.00
Vision	Included in Medical / RX Fee

Broker Fees

Coverage	PEPM
All Coverages	NA

Network Fees

Network	Fee
Medical Access Fee	$4.75 PEPM

Travel Wrap Network	Fee
First Choice of Washington	12.75% of Savings
Aetna Signature Administrators	16.75% of Savings

Travel Wrap programs are available for coverage when members travel outside of your chosen network(s). Travel Wrap Network Fees are per PacificSource agreement with the Travel Wrap Network, and are subject to change. The Fees noted above are pass through costs.

Aetna Signature Administrators percent of savings fee applies to all services received outside of PacificSource's four state service area and billed in addition to medical network access fee as a pass through cost in the Register of Paid Claims.

Optional Programs

Programs		Accept /Decline
Assist America – Global Emergency Services	$ 0.38 PEPM	Accept
Biometric Screening	Pass through	Decline
Health Education Programs	Pass through	Accept
Medicare Part B Premium Reimbursement - (dialysis program)	Pass through	Accept
Teladoc	$ PEPM	Decline
Weight Watchers	Pass through	Accept

Other

Coordination of Benefits - True	7/1/25 – 7/31/25	8/1/25 – 7/31/26	Assessment Basis
Comprehensive COB – One-time fee per identified member	$36.05	$37.13	Per Validation Fee

Renewal Notification -	Days
Advanced Renewal Notification	120 days

III. PHARMACY

Pharmacy Benefit Manager (PBM) - Caremark	
Pharmacy Rebates	100% of rebates shared with Sponsor

IV. INCLUDED SERVICES FOR COVERAGES ADMINISTERED BY PACIFICSOURCE

Services
Condition Support and AccordantCare – Rare Disease Management
Prenatal Management
Standard Documents: • Plan Documents • Plan Amendments • Summary of Benefits and Coverage (SBC)
Standard Identification Cards
Utilization Review & Large Case Management
Wellness Programs Level I

V. STANDARD ADDITIONAL FEES

Other	Fee
Applicable taxes, surcharges and assessments	Pass through cost to Sponsor
Claim audits, vendor set-up and similar charges	Pass through cost to Sponsor
Custom Ad Hoc Reporting	$175 per hour
Custom Programming*	$150 per hour
Independent Medical Review (IMR)	Pass through cost to Sponsor
Federal No Surprises Act Independent Dispute Resolution Fees	Pass through cost to Sponsor
Independent Review Organization (IRO)	Pass through cost to Sponsor
Run-In Claims Processing	Not Available
Run-Out Claims Processing	Two months claims administration fees for 12 months of run-out services
SBC & SPD Printing and Shipping	Pass through cost to Sponsor
State Surprise Billing Program/Arbitration Fees	Pass through cost to Sponsor

**Custom Programming available to groups with 500 or more enrolled Employees. This is defined as programming beyond implementation that 1) is specific to Customer's operations or benefits; or 2) results in the need for system enhancements.*

VI. PACIFICSOURCE CONTACT INFORMATION

- Any correspondence mailed to PacificSource will be mailed to:

PacificSource Health Plans
Attn: Sales
PO Box 7068
Springfield, OR 97475-0068
Phone: 541-686-1242

- Any Enrollment Information, billing information, and payments mailed to PacificSource will be mailed to:

All payments mailed to PacificSource will be mailed to:
PO Box 35123
Seattle, WA 98124-5123

Enrollment information and Billing inquiries:
email: MembershipSelfFunded@PacificSource.com
Fax: 541-225-3621
Mail: PO Box 7068
Springfield, OR 97475-0068
Phone: 541-284-7960

STOP LOSS POLICY

Between

Lane County

and

PacificSource Health Plans

WITNESSETH:

In consideration of the Policyholder's payment of monthly premium in the amounts and at the time required, PacificSource will provide stop loss insurance for each Covered Participant in accordance with the provisions and subject to the conditions of this Stop Loss Policy.

This Stop Loss Policy, including all certificates of coverage, application, endorsements, schedules, or amendments affixed hereto, shall be the entire policy of stop loss insurance fully as if recited over the signature affixed hereto.

IN WITNESS WHEREOF, PacificSource has caused this Self-Funded Group Health Plan Policy (the "Plan") to be executed as of 12:00:01 a.m. this 1st day of July, 2025.

PacificSource Health Plans

By: John Espinola, MD
President and Chief Executive Officer

POLICYHOLDER'S ACCEPTANCE

Payment of premium will constitute acceptance of this policy and the changes contained within.

PacificSource Health Plans
PO Box 7068, Springfield OR 97475-0068

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STOP LOSS POLICY

I. INTRODUCTION

This Stop Loss Policy is entered into by and between Lane County (the "Plan Sponsor") and PacificSource Health Plans ("PacificSource).

WHEREAS, Plan Sponsor has established Lane County Group Health Plan, a self-funded group health plan ("SFGHP") for its **Covered Participants** (as defined below);

WHEREAS, Plan Sponsor has retained **Claim Administrator** to provide claim processing and other administrative services for the SFGHP during the Term (defined below) as set forth in an agreement entitled "Administrative Services Agreement" ("ASA");

WHEREAS, Plan Sponsor assumes liability for and funds all benefits under the SFGHP, except as otherwise provided in this Stop Loss Policy;

THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the Parties agree as set forth herein.

Policy Period: 7/1/2025 through 6/30/2026

II. DEFINITIONS

Aggregate Attachment Point means the sum of the Monthly Aggregate Claims Factors that is multiplied by the number of monthly **Covered Participants** each month during the Policy Period.

Aggregate Reimbursement Maximum means the limit of PacificSource liability in excess of the **Aggregate Stop Loss Attachment Point** per Policy Period under the Stop Loss Provision of this Policy. The **Aggregate Stop Loss** Limit of Liability is shown in Stop loss Fee Schedule. Expenses that are the responsibility of the **Covered Participant**, such as deductibles and coinsurance, do not count toward this maximum. Covered services in excess of the **Aggregate Reimbursement Maximums** are the responsibility of the Plan Sponsor.

Aggregating Specific means an additional deductible applied to the Individual Specific Deductible. Claims in excess of the Specific Deducible, during the term of the contract, will be added until the cumulative total exceeds the **Aggregating Specific** amount. The **Aggregating Specific** must be satisfied prior to reimbursements on any Individual Specific Deductible.

Aggregate Stop Loss means the stop loss provided by PacificSource under the Stop Loss Provision of this Policy. Additionally, it is a form of stop loss coverage that provides protection for the employer against the accumulation of total claims for the group as a whole exceeding a stated level.

Aggregate Stop Loss Attachment Point is the total amount of **Paid Claims** for which the Plan Sponsor shall be liable while this Policy and the Third Party Administrative Services Agreement remain in effect. The **Aggregate Stop Loss Attachment Point** must be met in each Policy Period and will be determined at the end of each Policy Period.

Claim Administrator means PacificSource Health Plans. The term "**Claim Administrator**" as used in this Policy does not refer to the Plan Administrator used in the Employee Retirement Income Security Act (ERISA) of 1974.

Covered Expenses means the eligible charges payable under the terms of the Plan. Covered Expenses do not include the following:

1. Amounts in excess of Plan benefits, or services not covered by the Plan; or
2. Amounts or Services specifically excluded or limited by this Policy, the Stop Loss and Aggregate Monthly Premiums, any endorsements, or any amendments to the Plan.

Covered Participant means an eligible individual and that individual's dependents that become covered for benefits under the terms of the Plan.

Disclosure Statement means the signed statement outlying any and all potential **Large Claims** from the Plan Sponsor. This is provided to and accepted by PacificSource that proves certain **Underwriting** information regarding Covered Participants which include disabled persons.

Domestic Expenses means any hospital Inpatient, hospital outpatient, clinic or staff physician charges **Incurred** in a facility that is a parent, subsidiary or affiliate of the Plan Sponsor. Domestic reimbursement percentages are applied to existing contracted rates.

Domestic Partnership means individuals of any gender ages 18 or older who are joined in a domestic partnership and share jointly the same permanent residence; have an exclusive domestic partnership; and are not in a legally binding marriage.

Expected Claim means an estimate of the dollar value of claims to be paid during a policy period.

Incurred means the date on which services for **Covered Expenses** were rendered for a **Covered Participant** according to the terms of the Plan Sponsor's Plan.

Incurred and Paid period means the period of time specified in the Schedule benefit plan in which a **Covered Expense** must be **Incurred** by a **Covered Participant** and paid by the Plan to be eligible for reimbursement under this Policy. This period does not alter the Effective Date, Policy Period, or waive this Policy's eligibility requirements.

Individual Specific Stop Loss Deductible means the amount shown on the Stop Loss Fee Schedule for which the Plan Sponsor is responsible to pay. The **Individual Specific Stop Loss Deductible** applies separately to each **Covered Participant** for each Policy Period.

Large Claim means paid or pending **Covered Expenses** greater than or equal to 50% of the **Individual Specific Stop Loss Deductible**.

Lasering means a situation where a higher **Individual Specific Stop Loss Deductible** is assigned to a **Covered Participant** ("Lasered Deductible"). Lasered Participants will be identified in the Stop loss Fee Schedule.

Minimum Aggregate Margin Attachment Point means the minimum claims level (deductible) at which the **Aggregate Stop Loss** insurance policy applies. This level is determined by multiplying the enrollment in the first month of the policy times 12 months the Aggregate Claim Factors.

Paid Claims means that:

1. The Covered Expense is adjudicated according to the terms of the Plan;
2. A check is written and mailed or electronically deposited directly to the payee within the Policy Period; and
3. Funds are available to honor the check. To be sure those funds are available; they must be on deposit no later than the first working day following the end of the Policy Period.

Reimbursement Percentage means the rate at which PacificSource will reimburse the Plan Sponsor.

Specific Stop Loss shall mean the stop loss provided by PacificSource under the Fees section of this Policy.

Specific Stop Loss Attachment Point is the total amount of **Paid Claims** per covered individual that is not subject to reimbursement or credit by PacificSource under the **Specific Stop Loss** provision during the period when the Third Party Administrative Services Agreement and this Policy remain in effect, for each covered insured of the Plan Sponsor.

Spouse means any individuals who are lawfully married under any state law, including individuals married to a person of the same sex who were legally married in a state that recognizes such marriages, but who are domiciled in your policy's state of issuance. Similarly, the term 'marriage' will be read to include a same-sex marriage that is legally recognized as a marriage under any state law. The terms 'spouse' and 'marriage,' however, do not include individuals in a domestic partnership. (See definition for Domestic Partnership.)

Stop Loss Benefit means the excess risk coverage that provides protection for the Plan Sponsor against a high claim on any one **Covered Participant**.

Stop Loss Premium means the fees due to PacificSource each month for the specific and **Aggregate Stop Loss** insurance provided under the Stop Loss Provision section of this Policy. The **Stop Loss Premium** shall be computed and paid in accordance with the Payment section of this Policy.

Underwriting means the review of prospective and renewing cases for appropriate pricing, risk assessment and administrative feasibility.

III. FEES SCHEDULE

The fees and costs payable for the services provided under this Policy shall be as follows:

Number Covered Participants on Effective Date 1859

Specific Stop Loss Coverage: Yes

- Policy Period: 24 / 12
- Claims must be **Incurred and Paid** within the following dates:

  Claims **Incurred** from July 1, 2024 through June 30, 2026
  Claims **Paid** from July 1, 2025 through June 30, 2026

- **Covered Expenses** eligible for **Specific Stop Loss** Coverage include:

Medical	Yes
Prescription Drug Card	Yes
Dental	No
Vision	Yes

- Specific Stop-loss Deductible per **Covered Participant**: $300,000
- **Aggregating Specific** Stop-loss Deductible: Not applicable

- Plan expenses **Incurred** prior to the effective date of the Policy Period are limited to: Not applicable

- **Specific Stop Loss Reimbursement Percentage** in excess of Stop Loss deductible: 100%

- **Specific Stop Loss** Monthly Premiums: Per employee per month.

  Composite $129.34

- **Specific Stop Loss** Agent Commission $0
- Are any **Covered Participants** lasered and assigned a higher Specific Stop-loss Deductible? Not applicable

- Specific Terminal Liability: Not applicable

- **Aggregate Stop Loss Coverage**: No

IV. STOP LOSS PROVISIONS

Individual Specific Stop Loss Deductible. Upon acceptance of proof of loss, PacificSource will reimburse the Plan Sponsor for payments made by the Plan Sponsor that PacificSource determines are **Covered Expenses**; provided that such payments exceed the Individual Specific **Stop Loss Deducible** as shown in this Policy and are:

1. **Incurred** while the Plan is in force;
2. Paid for **Covered Participants** according to the terms of the Plan; and
3. **Incurred** during the Policy Period or during the **Incurred** Period and paid during the Policy Period or during the Paid Period as shown in this Policy.

Payments for **Covered Expenses** that are eligible for more than one Policy Period will apply toward the Policy Period in which **Covered Expenses** were actually **Incurred.**

The benefit reimbursed by PacificSource will be at the **Reimbursement Percentage** shown in this Policy.

Individual Specific Stop Loss Deductible Exclusion and Limitations. The following exclusions and limitations apply to all **Individual Specific Stop Loss Deductible** provisions.

PacificSource will not reimburse the Plan Sponsor for **Paid Claims** that:

1. Have been reimbursed by another insurance company or reinsurance company;
2. Are **Incurred** after the Individual Specific Stop Loss Benefit terminates;

Disclosure Statement. For new business, PacificSource **Underwriting** procedures requires the Plan Sponsor to complete and sign a **Disclosure Statement**. Upon receipt of the initial individual request for reimbursement, PacificSource will review the **Disclosure Statement** to determine if the claimant is listed. When listed, PacificSource will continue with our normal pricing process. When the claimant is not listed, PacificSource may review the documentation received with the claim submission or request additional information to determine coverage and pricing. This form may also be required at the time of reinstatement for terminated groups.

Aggregate Reimbursement Maximum. This benefit applies only if indicated in this Policy.

Aggregate Reimbursement Maximum Benefit. Upon acceptance of proof of loss, PacificSource will reimburse the Plan Sponsor for payments made by the Plan Sponsor that PacificSource determines are **Covered Expenses**; provided that such payments exceed the **Aggregate Stop Loss Attachment Point** for **Paid Claims** and are:

1. **Incurred** while the Plan is in force;
2. Paid for **Covered Participants** according to the terms of the Plan; and
3. **Incurred** during the Policy Period or during the **Incurred** Period and paid during the Policy Period or during the Paid Period shown in this Policy.

Payments for **Covered Expenses** that are eligible for more than one Policy Period will apply toward the Policy Period in which **Covered Expenses** are actually **Incurred**.

Reimbursement will be subject to the **Incurred** Limit or Paid Limit shown in this Policy.

The benefit reimbursement by PacificSource will be at the **Reimbursement Percentage** shown in this Policy and will not exceed the Aggregated Liability Reimbursement Maximum shown in this Policy.

Aggregate Stop Loss Attachment Point. The Aggregated Stop Loss Attachment Point is equal to or the greater of:

1. The sum of the **Aggregate Stop Loss Attachment Points** for the Policy Period shown in this Policy; or
2. The Aggregate Minimum Attachment Point shown in this Policy.

If the **Aggregate Stop Loss Benefit** terminates before the end of the Policy Period, the **Minimum Aggregate Margin Attachment Point** is equal to or the greater of:

1. The sum of the **Aggregate Stop Loss Attachment Points** to the date of termination; or
2. The **Minimum Aggregate Margin Attachment Point** as shown in this Policy.

Calculation of the Monthly Aggregate Stop Loss Attachment Point. Aggregate Stop Loss Attachment Point is calculated by multiplying the number of **Covered Participants** for that month by the Aggregate Attachment Rates as shown in this Policy.

If any of the **Covered Participants** are absent from work due to strike, lock out, or work stoppage, the number of **Covered Participants** will remain at the same level as the month before such **Covered Participants** interruption began.

Aggregate Stop Loss Attachment Point Exclusions and Limitations. The following exclusions and limitations apply to all **Aggregate Stop Loss Attachment Point** provisions.

PacificSource will not reimburse the **Plan Sponsor** for **Paid Claims** that:

1. Have been reimbursed by another insurance company or reinsurance company;
2. Are **Incurred** after the **Aggregate Stop Loss Benefit** terminates;
3. Have been reimbursed under the Individual Stop Loss Deducible benefit;
4. Exceed the **Aggregate Reimbursement Maximum** Per Plan Year as shown in this Policy.

V. GENERAL EXCLUSIONS AND LIMITATIONS.

PacificSource will not reimburse the Plan Sponsor for **Covered Expenses Incurred** by **Covered Participants** that qualify as potential **Large Claims**, unless disclosed prior to policy issuance and accepted by PacificSource.

In the event of nondisclosure by the Plan Sponsor, PacificSource reserves the right to:

1. Change or modify any all Stop Loss or Aggregate Premiums, Aggregate Claim Factors, or **Individual Specific Stop Loss Deductible** level(s);
2. Adjust the terms of the Aggregate and Individual **Specific Stop Loss Benefits**; or
3. Adjust the **Individual Specific Stop Loss Deductible** of non-disclosed **Covered Participant(s)**.

PacificSource will not reimburse any loss or expense caused by, or resulting from, any of the following;

1. Have been reimbursed by another insurance company or reinsurance company;
2. Payment for treatment or services which are considered experimental or investigational as defined by the Plan;
3. Payment for treatment or services which are excluded as defined by the Plan; or
4. Deductibles, co-payment amounts, or any other charges which are not payable under the terms of the Plan or charges which are payable to the Plan Sponsor from any other source.
5. Exceed PacificSource's **Aggregate Reimbursement Maximum** Per Plan Year as shown in this Policy.

Covered Participant Benefit Plan Changes or Amendments. PacificSource must be notified of any change to the Plan. Notices of changes must be in writing and provided to PacificSource prior to the effective date of the changes. PacificSource must approve changes in writing before the benefits provided by the changes will be included as **Covered Expenses** and the Plan Sponsor has agreed to pay any additional premium to accept a higher Aggregate Claim Attachment Rate(s) as a result of the benefit change.

If notice is not received prior to the effective date of the change, PacificSource will determine the date, if any, that the benefits approved by this change will be considered **Covered Expenses.**

If PacificSource does not approve a submitted change, PacificSource will not consider the benefits provided by the change as **Covered Expenses**.

Only those **Covered Expenses** for benefits provided under the most current PacificSource approved Plan will be considered for reimbursement.

Changes in Fees and Monthly Aggregate Stop Loss Claims Factor(s). PacificSource has the right to establish new Stop Loss or Aggregate Monthly Premiums, and Monthly **Aggregate Stop Loss** Claims Factor(s) each Policy Period.

PacificSource reserves the right to change the Stop Loss and Policy Fees and/or Monthly Aggregate Attachment Factors for a Policy Period if the average **Paid Claims** for the last two Policy Months of the immediately preceding Policy Period exceeds 120% of the average **Paid Claims** for all prior Policy Months in that preceding Policy Period.

PacificSource has the right to establish new Stop Loss and Aggregate Monthly Premiums, and Monthly Aggregate Claims Factor(s) at any time during a Policy Period if:

1. The number of enrolled in **Covered Participant** changes by more than 10% from the enrollment at beginning of Policy Period as shown in this Policy;
2. PacificSource discovers a **Covered Participant** who was not disclosed and whom PacificSource determines to be an unacceptable risk; or
3. Any amendment is made to the Plan.

Adjudication of Claims. PacificSource will provide payment for benefits under the Policy, and the direction of the Plan Sponsor, if the Plan Sponsor directs PacificSource to:

1. Pay a Claim, which in the opinion of PacificSource is not for a Covered Service according to the Plan Document; or
2. Pay a Claim on behalf of an individual who, in the opinion of PacificSource, would otherwise not be eligible for participation in the Plan.

PacificSource agrees to pay such Claims provided, however, that such Claim will not be included in the accumulation of the Claims expense toward the Individual Stop Loss or **Aggregate Stop Loss Attachment Point**. These claims will be a separate and additional liability of the Plan Sponsor, and PacificSource will have no liability, either directly or indirectly, for such claims.

Should a dispute arise with respect to Claims paid under the paragraphs above, and should either the Individual Stop Loss or **Aggregate Stop Loss Attachment Point** be reached by the inclusion of the disputed Claims in the accumulation of the Claims expense, the Plan Sponsor and PacificSource will meet and agree upon a procedure for submission of the dispute for decision by a neutral third party, including the criteria upon which the third party's decision shall be based, whereby the third party will determine whether the disputed Claims should not be included in the accumulation of the Claims expense. The cost of the neutral third party used in this procedure will be split equally between the parties.

Third-Party Recovery. It is understood that the Plan, or the Plan Sponsor, may become entitled to partial or full recovery from a third party with respect to a Claim paid under the Plan, whether directly through subrogation or indirectly through reimbursement from the **Covered Participant** or otherwise ("Recovery"), and that any Recovery by the Plan, and/or the Plan Sponsor, for Claims paid during the Term of this Policy may occur during or after the Term of this Policy. Unless PacificSource has agreed to perform such services as outlined in this Policy or a separate agreement, the Plan Sponsor shall promptly undertake to prosecute any and all valid claims for such Recoveries that the Plan may have against **Covered Participants** and/or third parties. It is agreed that the net amount of such recoveries, whether recovered by the Plan Sponsor, PacificSource, or other third party, remaining after deduction of the reasonable cost of prosecuting the recoveries, shall be treated as a reduction of the Plan's Claim expense as hereinafter provided. Such amounts, recovered during the same Term or renewal Term of this Policy in which the related Claims were paid, shall be applied to reduce the amount of **Paid Claims** applied toward the **Specific Stop Loss** and **Aggregate Stop Loss**. Should this Policy have been terminated at the time one or more such recoveries occur, or if the recovery or recoveries occur in a renewal Term after a Term in which (1) the related Claims were paid and (2) PacificSource has reimbursed the Plan Sponsor for Claims reported in excess of the **Specific Stop Loss** or **Aggregate Stop Loss**, the Plan Sponsor agrees to reimburse PacificSource in the aggregate net amount recovered, up to the amount of such Claims paid by PacificSource.

Liability and Indemnification. Except as specifically provided in any rider or endorsement, attached to and forming part of this Policy, PacificSource has no obligation to any third party. Our liability under this Policy is limited to reimbursing the Plan Sponsor, pursuant to the terms of this Policy, for payments the Plan Sponsor makes on behalf of **Covered Participants** for expenses covered under this Policy.

Fiduciary Responsibility. PacificSource is acting only as a provider of insurance to the Plan Sponsor. PacificSource is not and will not be considered to have any discretion in the administration or management of the SFGHP's operation. PacificSource assumes no obligation required by the Employer Retirement Income Security Act (ERISA) of 1974, as amended.

PacificSource has no responsibility or obligation to directly reimburse any **Covered Participant**. This Policy will not create any right or legal relationship between PacificSource and any **Covered Participant**. PacificSource's sole obligation under this Policy is to the Plan Sponsor.

VI. TERMINATION

Automatic

Unless specifically agreed to otherwise in a written amendment to this Stop Loss Policy, this Stop Loss Policy shall automatically terminate as of the earliest of the following:

1. The end of the Policy period;
2. The effective date of any legislation which makes the Plan and/or this Policy illegal;
3. The date either party becomes insolvent, bankrupt, subject to liquidation, receivership, or conservatorship; or
4. The termination date of the Plan, subject to any policy between the Plan Sponsor and PacificSource regarding payment of benefits after the Plan is terminated.

Discretionary

This Plan may be terminated as of the earliest of the following:

1. By PacificSource upon the failure of the Plan Sponsor to pay any charges within ten (10) business days after they are due and payable;
2. By PacificSource upon the failure of the Plan Sponsor to perform its obligations in accordance with this Policy;
3. By the Plan Sponsor upon the failure of PacificSource to perform its obligations in accordance with this Policy; or
4. By the Plan Sponsor in a written request

The Plan shall not be liable to reimburse the Plan Sponsor under Section III for any claims not specifically defined in Section III.

VII. PLAN CONTACT INFORMATION

1. Any correspondence mailed to the Plan Sponsor will be mailed to:	Lane County Attn: Benefits Manager 125 E 8th Avenue Eugene, OR 97401 Phone: 541-682-4392 Fax: 541-682-4290
2. Any copy of correspondence and invoices mailed to the Administrator will be mailed to:	Lane County Attn: Benefits Manager 125 E 8th Avenue Eugene, OR 97401 Phone: 541-682-4392 Fax: 541-682-4290

3. Any correspondence mailed to PacificSource will be mailed to:	PacificSource Health Plans Attn: Sales PO Box 7068 Springfield, OR 97475-0068 Phone: 541-686-1242
4. Any Enrollment Information, billing information, and payments mailed to PacificSource will be mailed to:	**All payments mailed to PacificSource will be mailed to:** PO Box 35123 Seattle, WA 98124-5123 **Enrollment information and Billing inquiries**: E-Mail: MembershipSelfFunded@PacificSource.com Fax: 541-225-3621 Mail: PO Box 7068 Springfield, OR 97475-0068 Phone: 541-284-7960

The Plan Sponsor agrees to notify PacificSource within twenty-four (24) hours of any changes to the Plan Contact Information contained in this Policy.

IN WITNESS WHEREOF, Plan Sponsor and PacificSource have caused this Stop Loss Policy to be executed in their names by their undersigned officers, who are duly authorized to do so.

"Plan Sponsor"	"PacificSource"
Lane County	PacificSource Health Plans
By:_____	By:
Print:_____	Print: John Espinola, MD
Title:_____	Title: President and Chief Executive Officer
Date:_____	Date: 5/19/2025

EXPERIENCE RATING REFUND

Effective Date: July 1, 2025.

COVERAGES INCLUDED: Medical, Vision Exam and Prescription Drugs

GROUPS INCLUDED FOR RECONCILIATION PURPOSES: G0020828

Starting on the effective date of the Stop Loss Policy the Plan Sponsor must pay PacificSource monthly the amount of stop loss premiums as outlined in the Stop Loss Policy.

At the end of the policy period from July 1, 2025 through June 30, 2026, PacificSource will calculate the loss ratio according to the funding formula below. Total stop loss premiums for the policy period will be calculated retrospectively using only the coverage types listed above. Any amount refundable to the Plan Sponsor will be determined as follows:

FUNDING FORMULA**:**

LOSS RATIO FORMULA: A loss ratio is calculated based on the following methodology: Loss Ratio is determined by dividing the total stop loss credit (members who have exceeded the $300,000 specific stop loss during the policy period from July 1, 2025 through June 30, 2026) divided by the total paid stop loss premiums during the 12 month policy period.

RECONCILIATION: If the target loss ratio is 65% (minus fees and assessments) or less, PacificSource and the Plan Sponsor will split the gains 50/50 up to a maximum reimbursement equal to 10% of annual stop loss premium minus fees, assessments and taxes. If the target loss ratio is greater than 65% no refund will be payable.

Within six months following the end of the policy period, PacificSource will perform and provide to the Plan Sponsor a reconciliation that has been calculated according to the funding formula above. Any amounts due to the Plan Sponsor are payable to the Plan Sponsor within 20 days of the Plan Sponsor's receipt of such a reconciliation.

ACCEPTED BY:

"PacificSource" **PacificSource Health Plans**	**"Plan Sponsor"** **Lane County**
By:	By: _____
Print: John Espinola, MD	Print: _____
Title: President and Chief Executive Officer	Title: _____
Date: 5/19/2025	Date: _____

STOP LOSS RATE CAP RENEWAL GUARANTEE

Plan Sponsor: Lane County

Effective Date: July 1, 2025.

Stop Loss Renewal Provisions:

Stop Loss Premium Rate Cap: A renewal rate guarantee will apply to the 2026 Stop Loss Premiums if the Plan Sponsor renews coverage as of the Policy Period as outlined in the Stop Loss Policy. A renewal rate increase cap not to exceed 50% of the 2025 Plan Period premium may be applied to the Specific Premium Rate Per Month Premium subject to the Renewal Exceptions provision below.

Renewal Exceptions:
The Stop Loss Renewal Provisions assume there are no material changes to the Plan Sponsor's Plan or the Stop Loss Policy. PacificSource will adjust the Stop Loss Renewal Provisions accordingly before applying any renewal rate increase or rate caps if the:

1. Plan Sponsor changes the terms of the Benefit Plan; and/or
2. Any provisions of the Stop Loss Policy change.

ACCEPTED BY:

"Plan Sponsor" **Lane County**	**"PacificSource"** **PacificSource Health Plans**
By: _____	By:
Print: _____	Print: John Espinola, MD
Title: _____	Title: President and Chief Executive Officer
Date: _____	Date: 5/19/2025