

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**AMENDMENT NUMBER TWO
TO THE
THIRD PARTY ADMINISTRATIVE SERVICES CONTRACT**

THIS AMENDMENT (“Amendment”) to the Third Party Administrative Services Contract (“TPA Contract” or “Contract”), executed the 14th day of December, 2022, is between the North Carolina State Health Plan for Teachers and State Employees (“Plan”) and Aetna Life Insurance Company (“Aetna” or “Vendor”), each, a “Party” and collectively, the “Parties,” and is effective January 1, 2025, after signature of both Parties.

Background

The Plan awarded Request for Proposals # 270-20220830TPAS – Third Party Administrative Services to Aetna on December 14, 2022, with an initial Contract term of 60 months, including 24 months for implementation, beginning January 1, 2023, through December 31, 2024, and 36 months for services beginning January 1, 2025, through December 31, 2027. At the end of the Contract’s current term, the State shall have the option, in its sole discretion, to extend the Contract on the same terms and conditions for up to two (2) additional one-year terms beginning January 1, 2028, through December 31, 2028, and January 1, 2029, through December 31, 2029.

The Parties executed Amendment Number One to the TPA Contract on February 2, 2024, which provided an Aetna dedicated Business Analyst to work onsite at the Plan two or three days a week to support the Plan Integration Team’s oversight of the Contract.

As a part of the Third Party Administrative Contract transition from Blue Cross Blue Shield of North Carolina (“Blue Cross NC”) to Aetna, the Plan has requested that Aetna accept prior authorizations (“PAs”) approved by Blue Cross NC in the fourth quarter of 2024 for services that may be incurred after December 31, 2024. The PAs will have an expiration date; therefore, if the service or procedure is incurred after December 31, 2024, it must be completed by the PA expiration date to be honored by Aetna.

At Aetna’s request, the Plan has agreed to certain limitations on Aetna’s liability in Aetna’s honoring Blue Cross’s PAs without further review or authorization by Aetna.

Therefore, the purpose of this Amendment to the TPA Contract is to document Aetna’s acceptance and processing of the prior claim administrator’s precertification determinations.

Amendment

In accordance with the foregoing Background, the Parties agree as follows:

A. Reference Contract Section 5.2.10.2. “Services.”

Section 5.2.10.2 “Services” is amended to add item c. The amended Contract Section 5.2.10.2 “Services” is restated in its entirety as follows:

5.2.10.2 Services

a. Vendor confirmed the following in the Minimum Requirements:

- i. Vendor will have a fully assembled implementation team that includes the appropriate subject matter experts, ready to begin work within two (2) weeks of contract award. The team shall include an overall implementation manager and separate implementation resources for, at a minimum, each of the following work streams:

- 1) Group Set-Up & Enrollment
- 2) Plan Vendor Integration & EDI, which includes:
 - a) EES vendor Integration. (EDI, PCP Tool, SSOs, Audits)
 - b) PBM vendor Integration. (Data files, SSOs, Accumulators)
 - c) Billing vendor Integration. (Claims hold, Audits)
 - d) Plan Data Warehouse Integration. (Data files)
- 3) Network Evaluation

Other workstreams will kick-off throughout 2023.

- ii. Vendor will have the depository bank account(s) setup and tested at least 45 days prior to January 1, 2025.
- iii. If applicable, Vendor will have the disbursement account(s) setup and tested at least 30 days prior to January 1, 2025.
- iv. Vendor will have all services, including custom programs, operational by January 1, 2025.
- v. Vendor will work with the Plan to document in an ADM all custom processes developed to meet the Plan’s unique requirements. The Plan’s Contract Administrator for day-to-day activities is authorized to sign ADMs for the Plan.
- vi. Vendor will work with the Plan to finalize Vendor Audit Schedule for 2025 and subsequent years. The Audit Schedule will be updated via ADM. The Plan’s Contract Administrator for day-to-day activities is authorized to sign ADMs for the Plan.
- vii. For all technical components of the initial implementation as well as any implementations throughout the lifetime of the Contract, Vendor will develop functional requirements documents, Implementation Plans, Test Plans, Deployment Plans, and Close-Out Documentation derived from the Plan’s Business Requirements. These documents must be mutually agreed upon by Vendor, the Plan, and any impacted Plan vendor. The Plan’s Contract Administrator for day-to-day activities is authorized to sign these documents for the Plan.

- viii. Vendor will support both Unit Testing and End-to-End Testing prior to Go-Live of any initiative. To support testing, Vendor must not only have the resources, but also the test environments, necessary to support multiple work streams at one time. As mentioned above, the Test Plan will be mutually agreed upon by Vendor, the Plan, and impacted Plan vendors. The Plan's Contract Administrator for day-to-day activities is authorized to sign these documents for the Plan.
 - ix. Vendor will support the 2025 Open Enrollment, which is currently scheduled for October 2024, but may be rescheduled to a different time at the Plan's sole discretion. Vendor must have the group set-up complete, the call center open, any required SSOs in place, the PCP selection tool integrated with the Plan's EES vendor and be able to accept EDI from Plan vendors during the month Open Enrollment occurs.
- b. Vendor shall additionally confirm each of the following:
- i. Vendor will ensure there are no data latency issues that would delay initiating any audits with the Plan's Auditors after the first quarter, or any subsequent quarter, of operation.
 - ii. If during the implementation, a decision is made that Members will need welcome kits, Vendor will ensure that those kits are mailed prior to January 1, 2025.
 - iii. If requested by the Plan, Vendor will support a readiness review and/or implementation audit at least 60 days prior to January 1, 2025. Vendor shall participate in all readiness review and/or implementation audit activities conducted by the Plan or by Plan vendors to ensure Vendor's operational readiness.
- c. Aetna's acceptance and processing of the prior claim administrator's precertification determinations.
- i. Aetna shall process certain health claims for services covered under the Plan which were pre-certified on or before December 31, 2024, by the Plan's prior third party claim administrator ("Blue Cross NC") in accordance with the prior third-party claim administrator's precertification and without further medical necessity review.
 - ii. Aetna shall process such claims in accordance with the terms of the Plan and Aetna's normal claim processing protocols, except to the extent such protocols would be inconsistent with the prior third party claim administrator's precertification determination and provided that Aetna will accept the prior third party claim administrator's precertification determination and will not conduct further medical necessity review in connection with the precertification of the services that are the subject of the prior claim administrator's precertification determination.
 - iii. The Plan acknowledges and agrees that the administration of claims in accordance with the prior third party claim administrator's precertification will be implemented through manual and non-standard processes by Aetna. Further, the Plan acknowledges that such a process may result in confusion on the part of medical providers and may increase the possibility of errors. Notwithstanding the foregoing, Aetna shall perform this process in conformance with the standard of care, and Aetna remains liable for its breach of the

standard of care in the Contract, negligence, breach of contract, and intentional torts related to administering this process.

- iv. The Plan agrees that Aetna shall have no liability for the accuracy, completeness and content of a precertification determination that is supplied to Aetna by the prior third party claim administrator. Notwithstanding the foregoing, Aetna shall remain liable for its breach of the standard of care in the Contract, negligence, breach of contract, and intentional torts related to the administration of these claims.
- v. Except for overpayments resulting from Aetna's breach of the standard of care in the Contract, negligence, breach of contract, or intentional tort:
 - 1. Aetna will not be responsible for any overpayments that result from Aetna's acceptance of or reliance upon the prior third party claim administrator's precertification of services.
 - 2. Aetna will not be responsible for any overpayment that result from Aetna's administration of a claim which is subject to the prior third party claim administrator's precertification determination.
- vi. In the event of any overpayment, Aetna shall follow the overpayment correction provisions under Contract Section 5.2.9 "Claims Audit, Recovery, and Investigation."
- vii. Any Aetna error which does not result from Aetna's non-standard claim administration as a result of this Agreement shall be subject to the terms of the Contract.

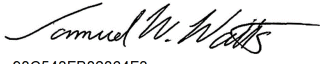
B. Unchanged Provisions.

The Parties acknowledge that the terms and conditions of this Amendment are incorporated by reference into the terms and conditions of the TPA Contract as though originally a part thereof, and to the extent that the terms and conditions of the Contract are not negated or otherwise modified by this Amendment, such terms and conditions shall remain in full force and effect.

[Signatures on next page.]

Each party is signing this agreement on the date set forth beneath the signature line and title.


State Health Plan for Teachers and State Employees

Signed by:
By: 
98C543FB82864F3...
Samuel W. Watts

Title: Executive Administrator

Date: 12/16/2024

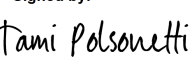
Office of the State Treasurer

Signed by:
By:  chief of staff
D9B80AAB6C4B428...
Dale R. Folwell, CPA

Title: State Treasurer of North Carolina

Date: 12/18/2024

Aetna Life Insurance Company

Signed by:
By: 
0DBF4CDBAB98477...
Tami Polsonetti

Title: Assistant Vice President

Date: 12/18/2024