

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

**AMENDMENT 3 TO CONTRACTUAL AGREEMENT FOR
THIRD-PARTY ADMINISTRATIVE SERVICES FOR HEALTHSELECTSM OF TEXAS,
INCLUDING A HIGH DEDUCTIBLE HEALTH PLAN**

This Amendment 3 ("**Amendment**"), effective upon the execution of this document by ERS' Executive Director, is entered into by and between the Employees Retirement System of Texas ("**ERS**") and Blue Cross and Blue Shield of Texas, an Operating Division of Health Care Service Corporation, a Mutual Legal Reserve Company ("**TPA**").

RECITALS

WHEREAS, effective December 2, 2016, ERS and TPA entered into a Contractual Agreement to provide Third-Party Administrative Services for HealthSelectSM of Texas ("**HealthSelect**"), including a High Deductible Health Plan (the "**Original Contract**"), under the Texas Employees Group Benefits Program; and

WHEREAS, ERS and TPA (sometimes hereinafter referred to as the "**Parties**") have amended, supplemented, or otherwise modified the Original Contract from time to time. The Original Contract together with any amendment, supplement or modification of any kind shall be referred to herein as the "**Contract**;" and

WHEREAS, ERS and TPA intend to extend the term of the Contract for four additional months; and

WHEREAS, ERS and TPA desire to amend and restate Exhibit D, Fee Schedule and Exhibit E, Performance Guarantees, to the Contract; and

WHEREAS, in accordance with Article 2.8 of the Contract, the Contract may be altered, extended, modified, or amended by mutual written agreement of ERS and TPA.

NOW, THEREFORE, in consideration of the above premises, ERS and TPA now desire to enter into this amendment as more fully set forth below.


AGREEMENT

ERS and TPA, by their authorized signatures below, agree that:

1. Section 2.1 of Article 2 of the Contract with regard to *Contract Term, Renewal Amendment and Termination* is amended in its entirety to read as follows:

"2.1 The Contract and all aspects of the Contract will be for a term effective following the Board's selection of TPA and immediately upon execution of this Contract by an authorized representative of ERS as set forth on the signature page hereto ("Effective Date") and extending through December 31, 2024 (the "Contract Term") unless terminated as provided herein or further extended or renewed by written agreement of the parties. ERS and TPA agree and


Contractor


ERS

acknowledge that the Services to be provided under the Contract are anticipated to be transacted primarily between the date this Contract is executed and December 31, 2024 (the "Service Period")."

2. Section 32.4 of Article 32 of the Contract with regard to *Entire Contract* is amended in its entirety to read as follows:

"32.4 The parties acknowledge and agree that if it is determined that there is an inherent or implied conflict among the Contract and any component parts thereof, then the following shall be the order of priority of the documents described herein, with the first document in the list being the ultimate authority to the extent necessary to resolve any conflicts, ambiguities or inconsistencies between them, and then descending down the list that follows, but silence on any matter in a higher order document shall not negate, change, avoid, modify, or prevail over the provisions of a lower order document as to that matter:

- (a) This Contractual Agreement, as executed by authorized representatives of the parties hereto;
- (b) The Business Associate Agreement (Exhibit "F");
- (c) The Data Security and Breach Notification Agreement (Exhibit "H");
- (d) The Second Amended and Restated Fee Schedule (Exhibit "D");
- (e) The Second Amended and Restated Performance Guarantees (Exhibit "E");
- (f) The Clarifications (Exhibit "C");
- (g) The Implementation Plan (Exhibit "I");
- (h) The RFP (Exhibit "A"); and
- (i) The Proposal (Exhibit "B").

3. Article 35 of the Contract with regard to *List of Exhibits* is amended in its entirety to read as follows:

35.1 The following exhibits are attached to this Contract and incorporated herein for all purposes as specified in Article 32 herein:

Exhibit No.	Exhibit Description
Exhibit A	The RFP
Exhibit B	The Proposal
Exhibit C	Clarifications
Exhibit D	Second Amended and Restated Fee Schedule
Exhibit E	Second Amended and Restated Performance Guarantees
Exhibit F	Business Associate Agreement
Exhibit G	Declaration Pages from Insurance Policies
Exhibit H	Data Security and Breach Notification Agreement
Exhibit I	Implementation Plan

Exhibit No.	Exhibit Description
Exhibit J	Incumbency Certificate

4. Article 36 of the Contract with regard to *Boycott of Israel* is amended in its entirety to read as follows:
 - 36.1 In accordance with Texas Government Code, Chapter 2271, TPA certifies that either (i) it qualifies for an exemption under Section 2271.002; or (ii) it does not currently boycott Israel, and agrees that it will not boycott Israel during the term of the Contract. "Boycott Israel" is defined in Texas Government Code, Section 808.001.
5. Exhibit D, Second Amended and Restated Fee Schedule, is attached hereto and into the Contract as Exhibit D, and is incorporated herein by reference for all purposes as if restated in full.
6. Exhibit E, Second Amended and Restated Performance Guarantees, is attached hereto and into the Contract as Exhibit E, and is incorporated herein by reference for all purposes as if restated in full.
7. TPA warrants and represents that, to the best of our knowledge, the statements, warranties, and representations contained in the Contract continue to be true and correct. TPA acknowledges that ERS has executed this Amendment 3 in reliance on the truth and accuracy of these statements, warranties and representations. TPA shall immediately notify ERS in the event such warranties, representations and/or statements are no longer true and correct.
8. The Contract, as amended hereby, supersedes all prior understandings or arrangements between the Parties as stated herein, whether oral or written, with respect to the provisions hereof.
9. Except as expressly amended hereby, all provisions of the Contract, including all supplements, amendments, and exhibits thereto, shall remain in full force and effect and are unchanged in all other aspects.
10. If any provision of the Contract, as amended hereby, is held to be void or unenforceable, the remaining provisions are considered to be severable and their enforceability is not affected or impaired in any way by reason of such law or holding.
11. TPA warrants and represents that its undersigned representative is duly authorized to approve and execute this Agreement on behalf of TPA, that this shall be a legally binding obligation of TPA, and that TPA hereby agrees to all matters set forth herein.

[SIGNATURE PAGE FOLLOWS]


Contractor


ERS

EXHIBIT D

**Blue Cross and Blue Shield of Texas,
An Operating Division of Health Care Service Corporation,
Contract to Provide Third-Party Administrator for
HealthSelectSM of Texas, Including a High Deductible Health Plan
under the Texas Employees Group Benefits Program**

Second Amended and Restated Fee Schedule

This Exhibit D, including its attachments, contains the Fee Schedule as defined and described in Article 3 of the Contractual Agreement for the Third-Party Administrative Services for HealthSelectSM of Texas, including a High Deductible Plan, entered into by and between the Employees Retirement System of Texas ("ERS") and Blue Cross and Blue Shield of Texas, an Operating Division of Health Care Service Corporation, a mutual legal reserve company ("TPA"), and this Exhibit is hereby incorporated into the Contract as Exhibit D for all purposes as if restated in full to the extent that it does not conflict with any term or provision in the Contractual Agreement. The TPA warrants and represents that each of its answers in Exhibit D is true and correct, that there are no other costs, expenses, compensation, payments, reimbursements, or fees (collectively referred to as "fees") to which TPA shall claim it is entitled except for what is specifically enumerated herein, and such fees shall remain valid throughout the entire Contract Term.


Other than as expressly modified herein, nothing in this Second Amended Fee Schedule or in TPA's Proposal, or in Article 32 of the Contractual Agreement shall act to change, negate, avoid, modify or prevail over any provision or term of the Contractual Agreement which was mutually negotiated and drafted by both parties, and in the event of any ambiguity, such ambiguity shall be resolved in favor of the Contractual Agreement without reference to Exhibit D or other exhibits to the Contractual Agreement.

Article 32 of the Contractual Agreement defines what constitutes the entire contract for purposes of the TPA services and related obligations as agreed to between ERS and TPA. All references herein to Blue Cross or BCBSTX or TPA shall mean Blue Cross and Blue Shield of Texas, an Operating Division of Health Care Service Corporation, the TPA selected by the ERS Board of Trustees and further defined in the Contractual Agreement.

TPA warrants and represents that its undersigned representative is duly authorized to approve and execute the Second Amended Fee Schedule (Exhibit D to the Contract) on behalf of TPA, and that this shall be a legally binding obligation of TPA, and that TPA hereby agrees to all matters set forth herein.

IN WITNESS WHEREOF, the TPA has executed this Second Amended Fee Schedule as of the day and year written below, to become effective upon the execution of this document by ERS' Executive Director.

BLUE CROSS AND BLUE SHIELD OF TEXAS,
an Operating Division of Health Care Service
Corporation, a Mutual Legal Reserve Company

By: 
Darrell Beckett
DSVP – Sales and Marketing

Date: 5.19.21

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

By: 
Porter Wilson
Executive Director

Date: 6/3/2021

EXHIBIT E

**Blue Cross and Blue Shield of Texas,
An Operating Division of Health Care Service Corporation,
Contract to Provide Third-Party Administrator for
HealthSelectSM of Texas, Including a High Deductible Health Plan
under the Texas Employees Group Benefits Program**

Second Amended and Restated Performance Guarantees

This Exhibit contains the Second Amended and Restated Performance Guarantees entered into by and between the Employees Retirement System of Texas ("ERS") and Blue Cross and Blue Shield of Texas, an Operating Division of Health Care Service Corporation, a mutual *legal reserve company* ("BCBSTX"), the contractor selected by ERS to provide Third-Party Administrative Services for HealthSelectSM of Texas, including a High Deductible Health Plan, under the Texas Employees Group Benefits Program. This Exhibit is hereby incorporated into the Contractual Agreement ("Contract") as Exhibit E for all purposes as if restated in full to the extent that it does not conflict with any term or provision in the Contract.

Other than as expressly modified herein, nothing in this Exhibit E (or in BCBSTX's Proposal), or in the Contract, shall act to negate, change, avoid, modify or prevail over any provision or term of the Contract, which was mutually negotiated and drafted by both parties, and in the event of any ambiguity, such ambiguity shall be resolved in favor of the Contract.

Article 32 of the Contract defines what constitutes the entire Contract for purposes of Third-Party Administrative Services for HealthSelectSM of Texas, including a High Deductible Health Plan, under the Texas Employees Group Benefits Program and related obligations as agreed to between ERS and BCBSTX.

BCBSTX warrants and represents that its undersigned representative is duly authorized to approve and execute these Performance Guarantees (Exhibit E of the Contract) on behalf of BCBSTX, that this shall be a legally binding obligation of BCBSTX, and that BCBSTX hereby agrees to all matters set forth herein.

IN WITNESS WHEREOF, BCBSTX, has executed these Performance Guarantees to be effective on September 1, 2023.

BLUE CROSS AND BLUE SHIELD OF TEXAS,
an Operating Division of Health Care Service
Corporation, a Mutual Legal Reserve Company

By: _____

Darrell Beckett
DSVP – Sales and Marketing

Date: _____

5.19.21

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

By: _____

Porter Wilson
Executive Director

Date: _____

6/3/2021