



September 10, 2018

Mr. Wayne Rush
Trustee
Emmett School District Health Benefits Trust
400 S Pine Ave
Emmett, ID 83617

Sophus Health, Inc.
1425 Broadway, 20-8209
Seattle, WA 98122
(206) 293-1165
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Re: Consulting Agreement for Actuarial Services

THIS ACTUARIAL SERVICES CONSULTING AGREEMENT (this "**Agreement**") is made by and between Emmett School District Health Benefits Trust, an Idaho Trust ("**ESD HBT**"), and Sophus Health, Inc. ("**Actuary**"). ESD HBT has selected Actuary to provide certain services (the "**Services**") and deliverables (the "**Deliverables**") identified in Exhibit A (the "**Statement of Work**") as amended by this Agreement. The parties to this Agreement, in consideration of the mutual benefits and promises of this Agreement, agree as follows:

- 1. The Agreement.** The final and fully integrated contract between the parties shall consist of this Agreement and the Statement of Work. To the extent that there is any inconsistency or conflict between the foregoing documents related to or arising out of any dispute between the parties, this Agreement shall control.
- 2. Services and Payment.** Actuary will perform the Services and provide the Deliverables, as mutually agreed between the Parties. Actuary's fees for Services shall be charged as provided in the separate Sophus Health Consulting Agreement.
- 3. Invoices.** Payment for actuarial consulting services are included in the Sophus Health consulting agreement, so there is no additional invoice for the items described in the Statement of Work.
- 4. Term and Termination.** This Agreement shall commence upon the Effective Date and shall terminate as provided by this Section. ESD HBT may terminate this Agreement upon 30 days written notice to Actuary without penalty and Actuary shall reimburse ESD HBT a pro-rated refund of unused, pre-paid fees and expenses. Actuary may terminate this Agreement upon completion of the Services and the Deliverables, or breach by ESD HBT which is uncured upon 30 days written notice. Sections 4, 5, 8, 10, and 11 of this Agreement will survive any termination or expiration of this Agreement.
- 5. Generally.** Acceptance of any additional Service or Deliverable will occur after the parties have reviewed the same following performance, as applicable, and agreed that it meets the requirements in this Agreement including but not limited to the Deliverables and the Statement of Work. ESD HBT will not be charged any additional charges or fees without its prior written consent and approved by ESD HBT Trustees.



6. Compliance. Actuary and Actuary's Staff in providing the Services and the Deliverables will follow, comply with, and refer to: a) all applicable federal, state, and local laws applicable to them; b) all applicable standards of ESD HBT's accrediting organization; c) appropriate government billing, contracting and reimbursement laws and practices; d) U.S. General Accepted Accounting Principles; e) best practices of Sarbanes-Oxley Act; and f) all best practices required by the Society of Actuaries and American Academy of Actuaries. Actuary warrants: y) all Services will be performed in a professional manner consistent with specifications and industry standards; and z) Actuary and Actuary's Staff meet the definition of a "Qualified Actuary" per section 41-4002 (13), Idaho Code. While providing the Services under this Agreement, Actuary and Actuary's Staff will comply with this Policy and adhere to applicable Federal and Idaho Laws.

7. Independent Contractor. Actuary and all of Actuary's employees, agents, and contracted staff (collectively "**Actuary's Staff**") while performing the Services are independent contractors and not employees of ESD HBT. Actuary and Actuary's Staff are not eligible for nor will they participate in ESD HBT's benefit, worker's compensation, retirement or insurance plans or programs. No tax of any kind will be withheld or paid by ESD HBT on behalf of Actuary or Actuary's Staff. Any work product produced by Actuary or Actuary's Staff in performing the Services, whether delivered to ESD HBT or not, during the term of this Agreement will be owned by ESD HBT, is "work made for hire", and Actuary assigns such ownership rights to ESD HBT as if created by ESD HBT.

8. Confidentiality. "**Confidential Information**" includes: i) all ESD HBT nonpublic information protected by law, contract, ESD HBT policy, as a trade secret or which is otherwise of value or proprietary to ESD HBT; and ii) which is shared with or learned by Actuary or Actuary's Staff while performing the Services. Actuary agrees that, solely except in performance of the Services, neither it nor Actuary's Staff will: a) copy or remove any Confidential Information from ESD HBT premises; b) use any ESD HBT Confidential Information for its benefit or the benefit of any third party; or c) disclose or reveal any Confidential Information to any third party without ESD HBT's prior written consent. Actuary will maintain the confidentiality of all Confidential Information and safeguard it against loss or disclosure. The parties' rights for breach of confidentiality shall survive termination of this Agreement. In the event of a breach of this Section, the non-breaching party will be entitled to injunctive relief in addition to all other remedies provided under this Agreement or available at law. If Actuary will have direct access to personally identifiable patient health information, Actuary agrees to enter into a Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996.

9. Insurance. Actuary represents that it has or will obtain and maintain at its sole expense the following insurance ("**Insurance Coverage**"): a) general commercial liability coverage with minimum limits of \$1,000,000 an occurrence, \$2,000,000 aggregate; b) workers' compensation coverage if required by law endorsed to waive the Carrier's right of subrogation against ESD HBT; c) automobile liability insurance for owned, non-owned, and hired automobiles with minimum single limit of \$1,000,000 for bodily injury and property damage; d) any insurance required by law; and e) occurrence-based professional liability or errors and omissions insurance coverage with minimum limits of \$1,000,000 an occurrence, \$2,000,000 aggregate. No deductible for any Insurance Coverage shall exceed \$100,000. No contributions from Actuary or the insurance carriers providing the Insurance Coverage ("**Carrier**") will be sought from ESD HBT or any of ESD HBT's insurance policies.



10. **Indemnification.** Actuary shall defend, indemnify and hold harmless ESD HBT, its subsidiaries and affiliated entities and all of the foregoing entities' agents, trustees, directors, officers, insurers and employees (collectively the "Indemnitees") against all claims, demands and judgments for damages, costs (including attorney's fees and litigation expenses through trial and appeal), and fines made or recovered against an Indemnitee for any of the following caused by Actuary, Actuary's Staff, the Services, or the Deliverables: a) bodily injury or death to any person or property damage; b) violation of third-party intellectual property rights; or c) violation of any law or breach of this Agreement. ESD HBT shall promptly notify Actuary in writing of any claim and cooperate in the defense.

11. **Miscellaneous.** Notices must be in writing and delivered either by hand, facsimile with confirmation of receipt, or certified mail return receipt requested, effective to ESD HBT upon receipt by ESD HBT's General Counsel. Time is of the essence. Failure of a party to exercise any of its rights under this Agreement is not a waiver of any rights for subsequent breach. This Agreement may not be assigned, in whole or in part, by Actuary without the written consent of ESD HBT; any such assignment is void. This Agreement is governed solely by the internal laws of the State of Idaho. If any part of this Agreement is unenforceable, the remainder will remain in full force and effect. This Agreement may be signed in counterparts and/or by facsimile.

Dated this 10th day of September, 2018 (the "Effective Date").

Sophus Health, Inc.

Emmett School District Health Benefits Trust

By: Kelly Grebinsky
Kelly Grebinsky, FSA, MAAA

By: Wg Paul

Title: Chief Actuary & Analytics Officer

Title: Trustee, ESD HBT

Date: 9/26/18

Date: 9-19-2018



EXHIBIT A
SCOPE OF WORK

1. Actuary is retained by ESD HBT to perform actuarial duties for the ESD HBT. Deliverables under a self-funded insurance program include:
 - a) Quarterly IBNR reserve calculation
 - b) Quarterly calculation of reserves for unearned contributions, if any
 - c) Quarterly minimum surplus requirement calculations
 - d) Quarterly general reserve adequacy determination and actuarial soundness of the trust fund
 - e) Annual contribution rate development
 - f) Annual certified actuarial opinion
 - g) Support for additional Idaho Department of Insurance required reporting, as needed

All actuarial duties will be performed in accordance with actuarial standards of practice as promulgated by the Society of Actuaries and the American Academy of Actuaries. Actuarial duties will also be completed to meet the requirements of Section 41, Chapter 40 of Idaho Code.

2. ESD HBT shall provide Actuary with all data it reasonably requests or which might otherwise require to produce the Deliverables. All data will be sent in a secured manner and Actuary must have the ability to receive and store data in a secure manner.
3. All Deliverables shall be in full compliance with applicable Idaho state law and Federal law, as applicable, and all marketplace best practices. If any Deliverable is not in compliance with applicable law, or ESD HBT reasonably believes the Deliverable is not in compliance with best practices or is incorrect, then Actuary shall make any such changes as may be necessary to achieve compliance. ESD HBT shall not be liable for any cost or expense associated with any revisions or re-work by Actuary.
4. Actuary may not assign or subcontract any portion of the work required to produce the Deliverables. Any assignment or subcontract shall be a material breach of the Consulting Agreement and this Exhibit, and shall entitle ESD HBT to immediately terminate the contract.

END OF EXHIBIT A.

**EMMETT SCHOOL DISTRICT HEALTH BENEFITS TRUST
HEALTH INSURANCE CONSULTING SERVICES AGREEMENT**

This agreement for health insurance consulting services exists between the Emmett School District Health Benefits Trust (the Trust) and Sophus Health, as described below:

I. Scope of Consulting Services

Consulting services to be provided by Sophus Health to the Trust include the following:

Insurance Program Support

1. Insurance plan design and consultation for all employee welfare benefits including:
 - Medical and prescription drugs
 - Dental
 - Vision
 - Life
 - Long Term Disability
2. Annual open enrollment and ongoing benefit and claims support to Emmett Independent school district staff and employees
3. Vendor management services including annual renewal rate negotiations and issue monitoring and resolution
4. Ongoing evaluation and reporting including:
 - Quarterly health utilization and cost reports
 - Claims and medical cost analysis
 - Opportunities for program enhancement and cost mitigation
5. Actuarial support covering items listed in the separate Consulting Agreement for Actuarial Services.
6. Attendance at quarterly insurance committee and trustee meetings, as needed.

Sophus Health Core Lifestyle Management and Education Tools

1. Educate the district wellness committee on:
 - Lifestyle management strategy and the 5 Aspects of Health
 - Converting utilization data into health initiatives
 - Measuring outcomes

2. Support the wellness committee with
 - Wellness-focused utilization and claim reporting
 - Identify key disease states and develop health initiatives
 - Foster relationships with local lifestyle management partners
 - Evaluation of initiatives and recommendations
 - Access to the Sophus Health online community portal for all company employees

3. Attendance at quarterly wellness committee meetings, as needed.

II. Consulting Fees

Consulting fees and expenses associated with the scope of services described above will be billed as follows:

Medical / prescription drug benefit monthly fee:

September 2018 – February 2019: \$13.50 per employee per month.

March 2019 – August 2019: \$19.50 per employee per month.

All other benefits: Commissions per carrier guidelines.

Sophus Health does not expect to receive any other forms of payment for these services. Any unanticipated payments received by Sophus Health will be deducted from the above fees.

III. EXECUTION

This Service Agreement, effective September 1, 2018 to August 31, 2019, is between the Emmett School District Health Benefits Trust and Sophus Health.

This Agreement constitutes the entire agreement of the parties with respect to the subject matter herein and all prior or contemporaneous letters of understanding, agreements, requests for proposals, representations, statements, negotiations and understandings, whether oral or written, are hereby terminated and superseded by this Agreement.

Any amendments or modifications to this Agreement shall be in writing, specifically referencing and amending this Agreement, and must be signed by the duly authorized representatives of both parties.

Both parties retain the right to terminate the Agreement during the term of the Agreement with 30 days prior notice. In the event of termination, Emmett School District Health Benefits Trust agrees to pay all outstanding fees as of the termination date.

IN WITNESS WHEREOF, Emmett School District Health Benefits Trust and Sophus Health have caused this Agreement to be executed by their duly authorized representatives.

Emmett School District Health Benefits Trust

Sophus Health

By: Wayne Rush

By: Kelly Grebinsky

Signature: Wayne Rush

Signature: Kelly Grebinsky

Title: Superintendent

Title: Chief Actuary & Analytics Officer

Date: 9-19-2018

Date: 9/26/18