

ATTACHMENT A-7: Administrative Fees - BAFO #1

Provide the monthly administrative fee per Subscriber (PSPM) broken out by service item. Do not leave the data field blank for any service item line. If there is not a separate allocation for the service item indicate such by inserting "included" in the field. The total PSPM fee should include all administrative fees for all services proposed and for all covered Subscribers. **Approximate number of total Plan Non-Medicare Members: 528,648** approximate number of total Plan Non-Medicare Subscribers: **333,446**, approximate number of total Plan Medicare Members: 50,177; approximate number of Medicare Subscribers: 47,825. Based on June 2022 enrollment (Fees will exclude actual claims payments).

All costs, except actual claim payments for covered Members, must be included below. Unspecified fees and other expenses will not be paid by the Plan.

*Offerors are encouraged to quote additional services not included in the pre-populated list. Additionally, if there are services which if selected by the Plan reduce the monthly administrative fee per Subscriber, list those services and the applicable reduction to the monthly administrative fee. For example, list any savings if electronic EOBs are selected vs. paper EOBs. Include additional documentation for any additional services or discounts as appropriate.

TABLE A-7.1: Monthly TPA Fees					
Service Item Per Subscriber Administrative Fee Based on Total Subscribers					
	Initial Contract Term			1st Renewal Period	2nd Renewal Period
	01/01/25 -12/31/25	01/01/26 - 12/31/26	01/01/27 - 12/31/27	01/01/28 -12/31/28	01/01/29 - 12/31/29
Standard Services PSPM					
Claims Administration	\$ 24.25	\$ 24.50	\$ 24.75	\$ 25.00	\$ 25.25
Customer Service	Included	Included	Included	Included	Included
ID Cards	Included	Included	Included	Included	Included
Utilization Review	Included	Included	Included	Included	Included
Medical Management	Included	Included	Included	Included	Included
Network Access	Included	Included	Included	Included	Included
Appeals	Included	Included	Included	Included	Included
Enrollment/EDI Reconciliation	Included	Included	Included	Included	Included
Outbound Data Files	Included	Included	Included	Included	Included
Secure Member Portal	Included	Included	Included	Included	Included
Audits	Included	Included	Included	Included	Included
Standard Reporting	Included	Included	Included	Included	Included
Custom Reporting	Included	Included	Included	Included	Included
Ad Hoc Reporting	Included	Included	Included	Included	Included
Other (list and describe as needed)	Included	Included	Included	Included	Included
Plan Advisor	Included	Included	Included	Included	Included
Emerging CARE Program	Included	Included	Included	Included	Included
Subrogation					

Credit Balance Recoveries	These services are included. Our offer ensures the State of North Carolina receives true and transparent fixed expenses for 3 years for ASO Administration. There are no hidden costs from other programs and there is full transparency for State of North Carolina's ASO administration expenses.				
Waste, Fraud & Abuse					
Advanced Claim Review					
CRS Enhanced (OON Claims)					
Standard Services Fees - Subtotal	\$ 24.25	\$ 24.50	\$ 24.75	\$ 25.00	\$ 25.25

TABLE A-7.1 (continued): Monthly TPA Fees

Service Item Per Subscriber Administrative Fee Based on Total Subscribers					
Additional Services PSPM					
Health Savings Accounts (HSA)	N/A	N/A	N/A	N/A	N/A
Health Reimbursement Accounts (HRA)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Assume Claims Fiduciary Liability	Included	Included	Included	Included	Included
Exception processing	Included	Included	Included	Included	Included
1095 Reporting	Included	Included	Included	Included	Included
Various required filings (including New York and Massachusetts surcharge filing, and Michigan Public Act 142 filing)	Included	Included	Included	Included	Included
Telehealth services	\$0.97	\$0.99	\$1.02	\$1.04	\$1.07
Annual OE Plan Vendor testing	Included	Included	Included	Included	Included
Telehealth Behavioral (This is an optional add-on for Telehealth services)	\$0.30	\$0.31	\$0.32	\$0.32	\$0.33
Consumer Card HRA (Per Card Per Month)	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Consumer Card HSA (Per Card Per Month)	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
HSA Banking Fees (Optum Bank)	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75
Other (list and describe as needed)					
Additional Services Fees - Subtotal	\$ 8.92	\$ 8.95	\$ 8.99	\$ 9.01	\$ 9.05

Credit/Savings					
Electronic EOB Adoption	N/A	N/A	N/A	N/A	N/A
Communications Credit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Subtotal Credits/Savings					
Total Cost (PSPM)	\$ 33.17	\$ 33.45	\$ 33.74	\$ 34.01	\$ 34.30

Monthly Administrative Fees Based on Non-Medicare Lives (Excludes Medicare Primary)

TABLE A-7.1: (continued) Monthly TPA Fees

Service Item Per Subscriber Administrative Fee Based on Total Non-Medicare Primary Members			
	Initial Contract Term	1st Renewal Period	2nd Renewal Period

	01/01/25 -12/31/25	01/01/26 - 12/31/26	01/01/27 - 12/31/27	01/01/28 -12/31/28	01/01/29 - 12/31/29
Service Item					
Disease Management	\$ 3.85	\$ 3.89	\$ 3.93	\$ 3.97	\$ 4.01
Care Coordination	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee
Lifestyle Coaching	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee
Transition of Care	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee
High Utilizer Programs	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee
Complex Case Management	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee
PHM Services via Secure Member Portal	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee
Digital Coaching	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee	Included in Admin Fee
HealtheNotes	0.35	0.35	0.36	0.36	0.36
Events and Challenges	1.15	1.16	1.17	1.18	1.19
Maternity CARE	0.65	0.66	0.66	0.67	0.68
Persistent neck and back Pain CARE	0.12	0.12	0.12	0.12	0.12
Orthopedic Health Support	0.66	0.67	0.67	0.68	0.69
Health Risk Assessment*	N/A	N/A	N/A	N/A	N/A
Enhanced Health and Wellness Program	3.95	3.99	4.03	4.07	4.11
* Health Risk Assessment is included in the Enhanced Health and Wellness Program	N/A	N/A	N/A	N/A	N/A
Other (list and describe as needed)					
Total PSPM Additional Services Fee	\$ 10.73	\$ 10.84	\$ 10.94	\$ 11.05	\$ 11.16

One-time Administration Fees/Credits - TPA Standard Products & Population Health Management

Provide and describe any applicable one-time administrative fees or credits including any applicable conditions, requirements or restrictions related to the charge or credit. Do not leave any data field blank. If there is not a separate one-time charge or credit for the item indicate the fee/credit is not applicable by inserting "N/A" in the field. The total should include all onetime administrative fees and credits for all services proposed and for all covered Subscribers/Members.

Specify the expected timing of invoicing for payment of one-time fees and the application of onetime credits, including whether fees will be payable and credits applied in installments .

Offerors may quote additional one-time fees and credits not included in the pre-populated list.

TABLE A-7.2: Onetime Fees/Credits, TPA Standard Products & Population Health Management			
Onetime Fees	Amount		Invoice timing and frequency
Initial TPA Implementation Credit	\$9,000,000.00		In addition to the annual communications budget illustration above, UMR is offering a one time implementation credit of \$9 million.
Single Sign-on Implementations	Included in the Admin Fee		
Termination Fee 18 month claims run-out	Included in the Admin Fee		
New Vendor Data Files	Included in the Admin Fee		
Web customization to support Plan Programs	Included in the Admin Fee		
Expanded call center hours during OE	Included in the Admin Fee		
Other (list and describe as needed)			
Total Onetime Credits/Fees	\$ 9,000,000.00		

TABLE A-7.3: Per Participant Fees, Biometric Screenings					
Per Participant Fee for each type of screening performed					
	Initial Contract Term			1st Renewal Period	2nd Renewal Period
	01/01/25 -12/31/25	01/01/26 - 12/31/26	01/01/27 - 12/31/27	01/01/28 -12/31/28	01/01/29 - 12/31/29
Screening Type					
Onsite Biometric Screening 1: Finger Stick, Full Lipid Panel, Blood Glucose or A1c (for diabetics only), Blood Pressure, Height, Weight, BMI Calculation, Waist Circumference, and Counseling	\$54 per person; \$19 for A1c for diabetics	\$55 per person; \$20 for A1c for diabetics	\$56 per person; \$21 for A1c for diabetics	\$57 per person; \$22 for A1c for diabetics	\$58 per person; \$23 for A1c for diabetics

Onsite Biometric Screening 2: Finger Stick, Full Lipid Panel, A1c (all), Prediabetes Paper Test (for non-diabetics), Blood Pressure, Height, Weight, BMI Calculation, Body Composition including Waist Circumference or Waist-to-Hip Ratio and other methods, and Counseling	\$54 per person; \$19 for A1c for diabetics	\$55 per person; \$20 for A1c for diabetics	\$56 per person; \$21 for A1c for diabetics	\$57 per person; \$22 for A1c for diabetics	\$58 per person; \$23 for A1c for diabetics
Other (list and describe as needed)	Venipuncture full lipid panel, blood glucose or A1C for diabetics only, blood pressure, height, weight, BMI calculation, waist circumference - \$53.50, A1c - \$10	Venipuncture full lipid panel, blood glucose or A1C for diabetics only, blood pressure, height, weight, BMI calculation, waist circumference - \$54.50, A1c - \$11	Venipuncture full lipid panel, blood glucose or A1C for diabetics only, blood pressure, height, weight, BMI calculation, waist circumference - \$55.50, A1c - \$12	Venipuncture full lipid panel, blood glucose or A1C for diabetics only, blood pressure, height, weight, BMI calculation, waist circumference - \$56.50, A1c - \$13	Venipuncture full lipid panel, blood glucose or A1C for diabetics only, blood pressure, height, weight, BMI calculation, waist circumference - \$57.50, A1c - \$14
Biometric Screenings Fees - Total					

Is Contractor willing to offer a multi-year fee rate cap for TPA Services?

Yes - Administration fees indicated above illustrate the multi-year administration guarantees for 1-1-2025 thru 12-31-2029.

If yes, provide cap and explain.

UMR has the right to revise this quotation under the following circumstances:

number of enrolled medical employees varies by more than 10 percent for the assumed medical enrollment of 333,446 or if UMR is requested to no longer be the sole healthcare administrator.

-The total

- The average contract size, is assumed to be 1.59.

- The benefits or service requirement requested and/or quoted change prior to or after the effective date.

- In the event of any changes in federal, state or other applicable legislation or regulation that require changes to this quotation.

-In the event of any changes in plan design or procedures required by the applicable regulatory authority or by the Plan sponsor.

-The Plan or

its sponsor is responsible for state or federal surcharges, assessments, or similiar taxes or fees imposed by governmental entities or agencies on the Plan, Plan Sponsor or us, including but not limited to those imposed pursuant to the Patient Protection and Affordable Care Act of 2010 (PPACA), as amended from time to time. This includes responsibility for determining the amount due, funding, and remitting the PPACA Transitional Reinsurance fee and the PCORI fee which are remitted to the government (federal and/or state).

- The Fees quoted do not include state or federal surcharges, assessments, or similar taxes/fees imposed by governmental entities or agencies on the Plan, Plan Sponsor or UMR. We reserve the right to adjust the rates (i) in the event f any changes in federal, state or other applicable legislation or regulation; (ii) in the event of any changes in plan design or procedures required by the applicable regualtory authroity or by the plan sponsor; and (iii) as otherwise permitted in the Aministrative Services Agreement.

ATTACHMENT A-8: NETWORK PRICING GUARANTEES - BAFO #1

Indicate the expected improvement on provider reimbursement arrangements by completing the exhibits on the "Guarantees (In State)" and "Guarantees (Out of State)" tabs.

The State Health Plan seeks the most favorable pricing from providers in the selected network and **seeks a contractor that is confident enough in its ability to secure discounts to assume the full risk for any shortfall in the contracted pricing guarantees.** From each bidder, the Plan is seeking (1) discount guarantees, (2) guarantees not to exceed a percentage of the fees charged by Medicare, and (3) guarantees to stay below an overall PMPM trend level. Bidders must provide the guarantee levels requested below and indicate whether they are willing to be at-risk for the full impact of any missed guarantees or a percentage of the full impact (with a minimum of 10% of the amount by which the guarantee was missed). Bidders will be scored on the guarantee levels and the amount placed at-risk. Guarantees can improve from one year to the next but should not become less favorable over time.

At the completion of each plan year, the Contractor shall provide an analysis of its performance against the guarantees. Guarantees will be calculated using claims from active employees and non-Medicare retirees; claims from Medicare retirees are excluded from the calculations.

Network Pricing Guarantees Impact on Projected Costs

Bidders should consider the following when providing their expected improvement in contracted discounts:

- Discount improvements will only be reflected in projected costs to the extent the Vendor is willing to provide shortfall guarantees on a dollar-for-dollar basis. **Discount improvements without guarantees will not be reflected in the projected cost analysis and guarantees not on a dollar-for-dollar basis will only be reflected up to the dollar amount at-risk.**
- The State's expectation is that the following methodology will be used to calculate the average discount for the purposes of the dollar-for-dollar discount guarantee in each of the three contract years. Deviations from this methodology that diminish the value of the guarantee may result in no credit.

Network Discount Guarantee Methodology – for ALL In-Network Claims

- Large claims over \$250,000 can be removed from the measurement. While bidders are requested to include all claims regardless of amount in their claims repricing and contracted future discounts, removing large claims over \$250,000 will be permitted in the discount guarantee calculation to offset the risk of unforeseen large claims.
- Covered Billed Charges = Total of all facility and professional provider submitted charges minus non-covered charges, ineligible amounts, COB (Coordination of Benefits) and Medicare savings
- Network Savings = Covered Billed Charges minus Cost of Benefits (prior to plan design)
- Achieved Discount % Savings = Network Savings divided by Covered Billed Charges

ATTACHMENT A-8: NETWORK PRICING GUARANTEES (In State) - BAFO #1

Proposer:	UMR
Network:	Choice Plus

The State Health Plan seeks the most favorable pricing from providers in the selected network and seeks a contractor that is confident enough in its ability to secure discounts to assume the full risk for any shortfall in the contracted pricing guarantees. From each bidder, the Plan is seeking (1) discount guarantees, (2) guarantees not to exceed a percentage of the fees charged by Medicare, and (3) guarantees to stay below an overall PMPM trend level. Bidders must provide the guarantee levels requested below and indicate whether they are willing to be at-risk for the full impact of any missed guarantees or a percentage of the full impact (with a minimum of 10% of the amount by which the guarantee was missed). Bidders will be scored on the guarantee levels and the amount placed at-risk. Guarantees can improve from one year to the next but should not become less favorable over time.

At the completion of each plan year, the Contractor shall provide an analysis of its performance against the guarantees. Guarantees will be calculated using claims from active employees and non-Medicare retirees; claims from Medicare retirees are excluded from the calculations.

	Initial Contract Term			1st Renewal Period	2nd Renewal Period
	01/01/25 -12/31/25	01/01/26 - 12/31/26	01/01/27 - 12/31/27	01/01/28 -12/31/28	01/01/29 - 12/31/29
Discount Guarantees					
Inpatient Facility Discount (%) (e.g., 50% discount)	48.7%	N/A	N/A	N/A	N/A
Fees At-Risk (select from dropdown list)	Full shortfall	% of shortfall	% of shortfall	% of shortfall	% of shortfall
Percentage of Shortfall (if selected from dropdown) MINIMUM 10%	100% of the proposed fee at risk (includes both in and out of state). See Discount Guarantee Documentation	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk	While we have provided discounts by service category our discount guarantee will be reconciled on a combined discount across all service categories for both in and out of state subscribers. Clear Pricing Project network is excluded from discount development or reconciliation. The target discount includes a 1 5% risk free corridor. Please review the caveats associated with the measurement and reconciliation of the discount guarantees in the Discount Guarantee documentation provided. Discounts illustrated above are illustrative and will be evaluated based upon Clear Pricing Project network impacts, overall network changes and market distribution mix. The amount at risk across all guarantees UMR is offering in 2025 is capped at 100% of 2025 ASO fees. The Discount Guarantee only applies in 2025. UMR is offering Claim Trend Guarantees in years 2026 through 2029.				
Outpatient Facility Discount (%) (e.g., 50% discount)	56.5%	N/A	N/A	N/A	N/A
Fees At-Risk (select from dropdown list)	Full shortfall	% of shortfall	% of shortfall	% of shortfall	% of shortfall
Percentage of Shortfall (if selected from dropdown) MINIMUM 10%	100% of the proposed fee at risk (includes both in and out of state). See Discount Guarantee Documentation	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk	While we have provided discounts by service category our discount guarantee will be reconciled on a combined discount across all service categories for both in and out of state subscribers. Clear Pricing Project network is excluded from discount development or reconciliation. The target discount includes a 1 5% risk free corridor. Please review the caveats associated with the measurement and reconciliation of the discount guarantees in the Discount Guarantee documentation provided. Discounts illustrated above are illustrative and will be evaluated based upon Clear Pricing Project network impacts, overall network changes and market distribution mix. The amount at risk across all guarantees UMR is offering in 2025 is capped at 100% of 2025 ASO fees. The Discount Guarantee only applies in 2025. UMR is offering Claim Trend Guarantees in years 2026 through 2029.				
Professional Fees Discount (%) (e.g., 50% discount)	54.1%	N/A	N/A	N/A	N/A
Fees At-Risk (select from dropdown list)	Full shortfall	% of shortfall	% of shortfall	% of shortfall	% of shortfall
Percentage of Shortfall (if selected from dropdown) MINIMUM 10%	100% of the proposed fee at risk (includes both in and out of state). See Discount Guarantee Documentation	N/A	N/A	N/A	N/A

Additional Info/Explanation of Calculation of Fees At-Risk	While we have provided discounts by service category our discount guarantee will be reconciled on a combined discount across all service categories for both in and out of state subscribers. Clear Pricing Project network is excluded from discount development or reconciliation. The target discount includes a 1.5% risk free corridor. Please review the caveats associated with the measurement and reconciliation of the discount guarantees in the Discount Guarantee documentation provided. Discounts illustrated above are illustrative and will be evaluated based upon Clear Pricing Project network impacts, overall network changes and market distribution mix. The amount at risk across all guarantees UMR is offering in 2025 is capped at 100% of 2025 ASO fees. The Discount Guarantee only applies in 2025. UMR is offering Claim Trend Guarantees in years 2026 through 2029.				
Percent of Medicare Guarantees					
Inpatient Facility Costs (%) (e.g., 135% of Medicare)	182%	N/A	N/A	N/A	N/A
Fees At-Risk	Our offer includes up to 25% of the ASO fee at risk overall based upon achievement of a Medicare % target.	N/A	N/A	N/A	N/A
Percentage of Overage (if selected from dropdown) MINIMUM 10%	See Medicare % Guarantee Response document	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk	Please see the caveats associated with the measurement and reconciliation of this guarantee in the Medicare Guarantee documentation provided.				
Outpatient Facility Costs (%) (e.g., 135% of Medicare)	322%	N/A	N/A	N/A	N/A
Fees At-Risk	Our offer includes up to 25% of the ASO fee at risk overall based upon achievement of a Medicare % target.	N/A	N/A	N/A	N/A
Percentage of Overage (if selected from dropdown) MINIMUM 10%	See Medicare % Guarantee Response document	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk	Please see the caveats associated with the measurement and reconciliation of this guarantee in the Medicare Guarantee documentation provided.				
Professional Costs (%) (e.g., 135% of Medicare)	156%	N/A	N/A	N/A	N/A
Fees At-Risk	Our offer includes up to 25% of the ASO fee at risk overall based upon achievement of a Medicare % target.	N/A	N/A	N/A	N/A
Percentage of Overage (if selected from dropdown) MINIMUM 10%	See Medicare % Guarantee Response document	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk	Please see the caveats associated with the measurement and reconciliation of this guarantee in the Medicare Guarantee documentation provided.				
Trend Guarantee					
Annual PMPM Incurred Medical Cost Trend (%) (e.g., 6%)		TBD	TBD	TBD	TBD
Fees At-Risk	Trend guarantee begins in Year 2. Guarantee is percent increase over prior year.	% of overage	% of overage	% of overage	% of overage
Percentage of Overage (if selected from dropdown)		TBD	TBD	TBD	TBD
Additional Info/Explanation of Calculation of Fees At-Risk		Up to 50% of fees at risk. Trend target will be -1% less than the UnitedHealthcare National Accounts Book of Business Covered Trend for the year the Trend Guarantee applies. See sample claim trend guarantee which has been included with our response.			
Other Guarantees (Encouraged but not Required)					
Explain:	In addition, we are offering a Customer Delight guarantee with One Million Dollars at risk based upon the State of North Carolina's delight with UMR's performance.				
Fees At-Risk	15%	15%	15%	15%	15%
Additional Info/Explanation of Calculation of Fees At-Risk	See Customer Delight, Account Management, Implementation and Operational Guarantees response exhibit				

Describe your proposed formula for determining the actual performance against expected or quoted pricing guarantees?

Please refer to the Claim Trend Guarantee, Percent of Medicare, Discount Guarantee and Operational Guarantee response documentation for details, terms and conditions associated with our guarantee offers.

Describe the management information that you will provide SHP to support the year-end performance results.

Please refer to the Claim Trend Guarantee, Percent of Medicare, Discount Guarantee and Operational Guarantee response documentation for details, terms and conditions associated with our guarantee offers.

Provide samples of existing agreements, if any, that your network has used with other large plan sponsors to meet network discount targets or other network pricing guarantees.

All network and savings considerations have been included in the proposed package of guarantees.

Would you consider a gain-sharing arrangement off a negotiated PMPM claims cost? Perhaps, similar to the PMPM developed in the **Self-Funded Claims Projection - Attachment A-9?** If so, please elaborate and propose a recommended methodology.

UMR would be open to discussing further this type of guarantee.

ATTACHMENT A-8: NETWORK PRICING GUARANTEES (Out of State)

Proposer:	UMR
Network:	Choice Plus

The State Health Plan seeks the most favorable pricing from providers in the selected network and seeks a contractor that is confident enough in its ability to secure discounts to assume the full risk for any shortfall in the contracted pricing guarantees. From each bidder, the Plan is seeking (1) discount guarantees, (2) guarantees not to exceed a percentage of the fees charged by Medicare, and (3) guarantees to stay below an overall PMPM trend level. Bidders must provide the guarantee levels requested below and indicate whether they are willing to be at-risk for the full impact of any missed guarantees or a percentage of the full impact (with a minimum of 10% of the amount by which the guarantee was missed). Bidders will be scored on the guarantee levels and the amount placed at-risk. Guarantees can improve from one year to the next but should not become less favorable over time.

At the completion of each plan year, the Contractor shall provide an analysis of its performance against the guarantees. Guarantees will be calculated using claims from active employees and non-Medicare retirees; claims from Medicare retirees are excluded from the calculations.

	Initial Contract Term			1st Renewal Period	2nd Renewal Period
	01/01/25 -12/31/25	01/01/26 - 12/31/26	01/01/27 - 12/31/27	01/01/28 -12/31/28	01/01/29 - 12/31/29
Discount Guarantees					
Inpatient Facility Discount (%) (e.g., 50% discount)	54.0%	N/A	N/A	N/A	N/A
Fees At-Risk (select from dropdown list)	Full shortfall	% of shortfall	% of shortfall	% of shortfall	% of shortfall
Percentage of Shortfall (if selected from dropdown) MINIMUM 10%	100% of the proposed fee at risk (includes both in and out of state). See Discount Guarantee Documentation	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk	While we have provided discounts by service category our discount guarantee will be reconciled on a combined discount across all service categories for both in and out of state subscribers. Clear Pricing Project network is excluded from discount development or reconciliation. The target discount includes a 1 5% risk free corridor. Please review the caveats associated with the measurement and reconciliation of the discount guarantees in the Discount Guarantee documentation provided. Discounts illustrated above are illustrative and will be evaluated based upon Clear Pricing Project network impacts, overall network changes and market distribution mix. The amount at risk across all guarantees UMR is offering in 2025 is capped at 100% of 2025 ASO fees. The Discount Guarantee only applies in 2025. UMR is offering Claim Trend Guarantees in years 2026 through 2029.				
Outpatient Facility Discount (%) (e.g., 50% discount)	60.0%	N/A	N/A	N/A	N/A
Fees At-Risk (select from dropdown list)	Full shortfall	% of shortfall	% of shortfall	% of shortfall	% of shortfall
Percentage of Shortfall (if selected from dropdown) MINIMUM 10%	100% of the proposed fee at risk (includes both in and out of state). See Discount Guarantee Documentation	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk	While we have provided discounts by service category our discount guarantee will be reconciled on a combined discount across all service categories for both in and out of state subscribers. Clear Pricing Project network is excluded from discount development or reconciliation. The target discount includes a 1 5% risk free corridor. Please review the caveats associated with the measurement and reconciliation of the discount guarantees in the Discount Guarantee documentation provided. Discounts illustrated above are illustrative and will be evaluated based upon Clear Pricing Project network impacts, overall network changes and market distribution mix. The amount at risk across all guarantees UMR is offering in 2025 is capped at 100% of 2025 ASO fees. The Discount Guarantee only applies in 2025. UMR is offering Claim Trend Guarantees in years 2026 through 2029.				
Professional Fees Discount (%) (e.g., 50% discount)	54.8%	N/A	N/A	N/A	N/A
Fees At-Risk (select from dropdown list)	Full shortfall	% of shortfall	% of shortfall	% of shortfall	% of shortfall
Percentage of Shortfall (if selected from dropdown) MINIMUM 10%	100% of the proposed fee at risk (includes both in and out of state). See Discount Guarantee Documentation	N/A	N/A	N/A	N/A

Additional Info/Explanation of Calculation of Fees At-Risk	While we have provided discounts by service category our discount guarantee will be reconciled on a combined discount across all service categories for both in and out of state subscribers. Clear Pricing Project network is excluded from discount development or reconciliation. The target discount includes a 1 5% risk free corridor. Please review the caveats associated with the measurement and reconciliation of the discount guarantees in the Discount Guarantee documentation provided. Discounts illustrated above are illustrative and will be evaluated based upon Clear Pricing Project network impacts, overall network changes and market distribution mix. The amount at risk across all guarantees UMR is offering in 2025 is capped at 100% of 2025 ASO fees. The Discount Guarantee only applies in 2025. UMR is offering Claim Trend Guarantees in years 2026 through 2029.				
Percent of Medicare Guarantees					
Inpatient Facility Costs (%) (e.g., 135% of Medicare)	N/A	N/A	N/A	N/A	N/A
Fees At-Risk					
Percentage of Overage (if selected from dropdown) MINIMUM 10%	N/A	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk					
Outpatient Facility Costs (%) (e.g., 135% of Medicare)	N/A	N/A	N/A	N/A	N/A
Fees At-Risk					
Percentage of Overage (if selected from dropdown) MINIMUM 10%	N/A	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk					
Professional Costs (%) (e.g., 135% of Medicare)	N/A	N/A	N/A	N/A	N/A
Fees At-Risk					
Percentage of Overage (if selected from dropdown) MINIMUM 10%	N/A	N/A	N/A	N/A	N/A
Additional Info/Explanation of Calculation of Fees At-Risk					
Trend Guarantee					
Annual PMPM Incurred Medical Cost Trend (%) (e.g., 6%)		TBD	TBD	TBD	TBD
Fees At-Risk	Trend guarantee begins in Year 2. Guarantee is percent increase over prior year.	% of overage	% of overage	% of overage	% of overage
Percentage of Overage (if selected from dropdown)		TBD	TBD	TBD	TBD
Additional Info/Explanation of Calculation of Fees At-Risk		Up to 50% of fees at risk. Trend target will be -1% less than UnitedHealthcare National Accounts Book of Business Covered Trend for the year the Trend Guarantee applies. See sample claim trend guarantee which has been included with our response.			
Other Guarantees (Encouraged but not Required)					
Explain:	In addition, we are offering a Customer Delight guarantee with One Million Dollars at risk based upon the State of North Carolina's delight with UMR's performance.				
Fees At-Risk	15%	15%	15%	15%	15%
Additional Info/Explanation of Calculation of Fees At-Risk	See Customer Delight, Account Management, Implementation and Operational Guarantees response exhibi				

Describe your proposed formula for determining the actual performance against expected or quoted pricing guarantees?

Please refer to the Claim Trend Guarantee, Percent of Medicare, Discount Guarantee and Operational Guarantee response documentation for details, terms and conditions associated with our guarantee offers.

Describe the management information that you will provide SHP to support the year-end performance results.

Please refer to the Claim Trend Guarantee, Percent of Medicare, Discount Guarantee and Operational Guarantee response documentation for details, terms and conditions associated with our guarantee offers.

Provide samples of existing agreements, if any, that your network has used with other large plan sponsors to meet network discount targets or other network pricing guarantees.

All network and savings considerations have been included in the proposed package of guarantees.

Would you consider a gain-sharing arrangement off a negotiated PMPM claims cost? Perhaps, similar to the PMPM developed in the **Self-Funded Claims Projection - Attachment A-9?** If so, please elaborate and propose a recommended methodology.

UMR would be open to discussing further this type of guarantee.



Metric	Amounts at Risk
Implementation and Ongoing Operational Guarantees*	
Network Savings (Discount) Guarantee	
Percentage of Medicare Guarantee	
Claim Target /Trend Guarantee (starting in Year 2)	
*see RFP Minimum Requirements Section	
Total Percentage of Core ASO Fees at Risk Annually	

Additionally UMR is placing flat dollar amounts at risk for the following guarantees:

Customer Delight Guarantee (Year One only)	
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The above guarantees assume a total replacement award with UMR. In the event UMR is awarded less than a total replacement of State of North Carolina subscribers, the Performance Guarantees shown in this document may be revised or withdrawn.



In-Network Discount Guarantee Exhibit
State of North Carolina
01/01/2025 through 12/31/2025

Approximate % of ASO Fee at Risk	100.0%	Annual Fees at Risk	\$ 97,032,495
ASO Fees at Risk (Per Employee Per Month)	\$24.25	Fees at Risk per %	\$ 97,032,495
Target In-Network Discount	54.1%	Number of Employees	333,430

	In-Network Discount	Less than or equal to or greater	52.5%	Amount at Risk PEPM	Amount at Risk
				Dollar for dollar up to \$24.25 PEPM	\$ 97,032,495
Guarantee including Risk Free Corridor >>>	52.6%			\$0.00	\$0

Assumptions:

Target In-Network Discount Percentage (In and Out of State)	54.1%
Risk Free Corridor	1.5%

The discount guarantee will be based on claims incurred from January, 2025 through December, 2025 and paid through March, 2026

The target discount percentage is based on the current distribution percentage of in-network employees by market and assumes total replacement with UHC Choice Plus

UMR will guarantee reimbursement of dollar per dollar of Claims in excess of the In-Network Discount target up to a maximum of 100.0% of the Standard Medical Service Fees (excluding Optional and Non-Standard Fees) for the assumed subscribership payable by the State of North Carolina under the Administrative Services Agreement

UMR reserves the right to revise (or revoke) the discount guarantee should there be a significant change in this eligible charge distribution (+/-10% change in eligible charges overall or in any of the large markets identified in the eligible charge distribution table below), or if the initial enrollment with UMR is less than 300,090 employees

UMR reserves the right to revise (or revoke) the discount guarantee should there be a significant change in percentage of eligible spend by service mix (+/-10% change in service mix as noted below)

Inpatient	[REDACTED]
Outpatient	[REDACTED]
Professional	[REDACTED]

Changes in federal, state or other applicable legislation or regulation may require changes to this proposal

The total amount of fees at risk across all 2025 guarantees is capped at 100% of ASO fees

The in-network discount percentage will be calculated by dividing total in-network discount dollars by total in-network eligible charges

- ¹ Total in-network discount dollars include participating provider contracted discounts only and does not include any savings from medical management, care avoided savings, duplicate charges or any other ineligible savings
- ² Total in-network eligible charges will be participating provider eligible charges minus commercial and Medicare COB claims for participating providers
- ³ UMR reserves the right to exclude all claims for claimants with covered charges \$250,000 or greater during the guarantee period

State of North Carolina
Market Site Eligible Charge Distribution

Market Site	Market Name	Eligible Charges
541	Raleigh/Triangle NC	[REDACTED]
538	Charlotte, NC	[REDACTED]
540	Greensboro/Piedmon	[REDACTED]
632	Wilmington/UCF NC	[REDACTED]
631	Fayetteville/UCF NC	[REDACTED]
630	Asheville/Western, N	[REDACTED]
All Other	Other	[REDACTED]
Total Eligible Charges		[REDACTED]



Introduction

UMR is pleased to present this Trend Guarantee to State of North Carolina. The outline below demonstrates our dedication and commitment to controlling State of North Carolina’s health care costs. We are pleased to be presented with this opportunity and look forward to partnering with State of North Carolina.

Our Guarantee

UMR will guarantee that State of North Carolina's 2026 Covered Charge Trend will be 1.00% lower than UnitedHealthcare's 2026 National Accounts Book of Business Covered Charge Trend. Our guarantee includes up to 50.0% of the Standard Medical Service Fees (excluding Optional and Non-Standard Fees) at risk. UMR will offer this same trend guarantee construct in each year of the contract.

Trend Guarantee Development

State of North Carolina's 2026 trend will be measured by taking State of North Carolina’s Incurred Covered Charge (12/15) PMPM for 2026, dividing them by State of North Carolina's 2025 Incurred Covered Charge (12/15) PMPM and subtracting 1.

Required Claim Data

We will base our Trend Guarantee calculation on full year 2025 Covered Charges. We will require 2025 monthly incurred Covered Charges and capitation charges, processed through March 31, 2026

Comparison of National Accounts Book of Business Trend to State of North Carolina's Trend %

UMR will use UnitedHealthcare's National Accounts Book of Business Covered Charge Trend as the trend percentage to compare with State of North Carolina's Covered Charge Trend percentage. This trend percentage is the multiplicative total of the following Core Trend Components:

- ~ Core Unit Cost
- ~ Core Utilization
- ~ Mix and Severity of Services
- ~ Work/Calendar Day Adjustments

Once the 2026 National Account Book of Business Covered Charge Trend % is known (about six months after the close of the guarantee period), UMR will compare that trend % to State of North Carolina's 2026 trend %. We will apply an adjustment to our ASO fees based upon our performance in achieving the 2026 Trend as reflected in the Penalties Table below.

Illustrative 2026 Covered Charge Development

A.	2025 Incurred Covered Charge PMPM (Covered Charges Incurred from January 01, 2025 through December 31, 2025, and Paid through March 31, 2026)	
B.	2026 Incurred Covered Charge PMPM (Covered Charges Incurred from January 01, 2026 through December 31, 2026, and Paid through March 31, 2027)	
C. (B / A) -1	State of North Carolina's 2026 Incurred Covered Charge Trend %	
D.	Illustrative 2026 UnitedHealthcare's National Accounts Book of Business Incurred Covered Charge Trend %.	
E.	UMR's Guarantee to be below the National Accounts Book of Business Covered Charge Trend %.	
F. (C - D)	Difference in State of North Carolina's 2026 Incurred Covered Trend vs. 2026 National Accounts Book of Business Covered Charge Trend %.	

Penalties:



The Table below provides a schedule of Penalties based on our performance relative to achieving the 2026 Trend commitment. The maximum penalty is up to 50.0% of the Standard Medical Service Fees (excluding Optional and Non-Standard Fees) for the assumed subscribership payable by State of North Carolina under the Administrative Services Agreement.

State of North Carolina's 2026 Trend relative to 2026 National Accounts Book of Business (BoB) Covered Charge Trend	Penalty Adjustment to 2026 ASO Fee	Annual Adjustment \$\$ Value*
-1.00% or Less than UHC BoB Trend	No Penalty	No Penalty
Between -0.99% and 0.00% of UHC BoB Trend		
Between 0.01% and 1.00% of UHC BoB Trend		
Between 1.01% and 2.00% of UHC BoB Trend		
Between 2.01% and 3.00% of UHC BoB Trend		
Greater than 3.00% over UHC BoB Trend		

*Total \$\$ at risk are subject to change if final PEPM fee varies from the original estimate.

Our trend guarantee is subject to the following conditions and/or requirements:

- Medical Coverage awarded to UMR on a full-replacement basis in sites where offered.
- Covered Charges are defined as the portion of submitted charges considered for payment. This amount is before member contributions (e.g., copays, deductibles, coinsurance) and after discounts, savings, benefit limits, reduction amounts due to duplicates.
- UnitedHealthcare's Choice network is required.
- Medicare eligible participants are excluded.
- Incurred in 12/Paid in 15 Contract Basis.
- Guarantee applies to first policy year only.
- No changes in the proposed benefits that were requested in the RFP which would influence the value of the Covered Charges relative to the baseline period of the Incurred Covered Charges.
- Covered charges in excess of \$250,000 per claimant will be excluded.
- Pharmacy Claims are Excluded.
- Mental Health/Substance Abuse claims are Excluded.
- COBRA enrollees are Included.
- Early retirees are Excluded.
- Obesity coverage is Included.
- Infertility coverage is Included.
- If the number of covered medical subscribers varies by 10% or more from the assumed enrollment of 333,445 Subscribers.
- Reasonable and customary charge guidelines for out of network surgical, medical, lab and x-ray claims using FAIR Health database 80th percentile.
- FAIR Health does not apply if MNRP is utilized.
- An average contract size of 1.59. If the average contract size, defined as the total number of enrolled members divided by the total number of enrolled subscribers, varies by 10% or more from the assumed average contract size of 1.59.
- A demographic factor will be used to adjust for changes in the demographic distribution of employees from the base period and the claims guarantee period. Actuarial factors will be shared and included as part of the final guarantee document.
- If the geographic distribution of in-network subscribers, by site, varies by 10% or more from the expected distribution of in network subscribers by site. The expected geographic distribution for the larger sites is:

Site Name	Subscribers
RALEIGHDURHAM	116,303
CHARLOTTE	75,185
GREENSBORO	56,468
WILMINGTON/LCF	32,887
FAYETTEVILLE/UCF	24,611
ASHVILLE/WESTERN	21,459
QUAD COUNTY	1,455
FLORENCE	640
ROANOKE	564
GREENVILLE	406

- The actual enrollment by product varies by 10 percent or more from the following:

Product	Subscribers
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This document, including attachments, is confidential and proprietary UnitedHealthcare information and may be used only by personnel in relation to this quote.



Choice Plus	333,445
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- If there is a change to the current contribution strategy.
- Changes in federal, state or other applicable legislation or regulation may require changes to this proposal.
- The benefits or service requirements requested and/or quoted change prior to or after the effective date.
- Minimum In-Network Utilization of 90%.
- We reserve the right to revise the guarantee if bulk recovery is suppressed.
- In the event of a pandemic, UHC reserves the right to revisit or revoke this guarantee.
- UHC will work with the customer to adjust for any claims utilization impact of COVID-19 in the 2025 baseline period and the 2026 guarantee period. The intent is to stay true to our trend commitment but normalize (+/-) for unforeseen impacts of the pandemic, including not just direct COVID-19-related costs but also the potential material reduction in care during the pandemic – and subsequent pent-up demand after the pandemic – for non-emergent/elective services, in an actuarially fair manner for both parties. We will itemize and reconcile these claim costs accordingly in the trend guarantee.
- Unanticipated impacts of the Health Care Reform and its regulations that would impact the scope of this guarantee would be itemized and reconciled accordingly in the trend guarantee.
- In the event of labor strife within a market, UHC reserves the right to revisit the guarantee to evaluate the one-time effects of the event on the utilization of benefits or other demographic shifts that would be beyond the scope and intent of the trend guarantee.
- The Trend Guarantee assumes that there are no unique or special discount arrangements between the incumbents and State of North Carolina such as higher negotiated facility or physician discount that is exclusive to State of North Carolina and not available to other customers using the same incumbent carriers.
- Our trend guarantee takes into account gross savings expected from our Value Based Contracting programs and/or initiatives. As such, any fees and/or bonus payment to providers associated with these programs and/or initiatives are excluded from the reconciliation of this guarantee.
- Due to the fact that a Trend Guarantee measurement inherently captures the overall effect of discounts, subscriber behavior changes, and care/clinical management effectiveness, any fees that may be paid out on each of the individual guarantees for Network Discounts and Optum Health will be deducted from any potential fees owed as part of this Trend Guarantee reconciliation.
- We reserve the right to adjust the trend guarantee based on unexpected or unforeseen runaway trend numbers that would be beyond the scope and intent of this guarantee. We will identify 3 different mutually agreed upon consultant surveys to determine and measure a composite trend calculation (i.e. the sum of the trends from the three survey sources divided by three). Runaway trend will be defined as a + 2.0% change year over year from the trend numbers calculated from the consultant surveys. Any increase or decrease beyond this 2% will be used to adjust our trend guarantee target.



State of NC RFP - Percent of Medicare Guarantee Illustratio

Choice Network

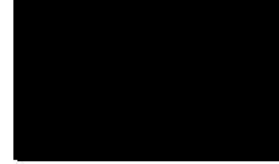
The Guarantee is effective during the incurred period 1/1/25 through 12/31/2025

(This document is illustrative - the final 2025 guarantee targets will be set based upon 1/1/2023 to 12/31/2023 with 3 month runout repricing data plus allowance for trend by the actual service type utilization for the State of NC for the same time period

In-State NC Commitment

Medicare %

- Target Medicare Percentage (Inpatient Facility)
- Target Medicare Percentage (Outpatient Facility)
- Target Medicare Percentage (Professional)
- Overall UnitedHealthCare Book of Business Target Medicare Percentage



Overall In State North Carolina % Medicare Commitment

Overall Estimated Medicare Guarantee Percentage

Commitment

Actual % of Medicare Range	State of North Carolina Fee Adjustment PEPM
Less than 222%	
222.1% to 232.0%	
232.1% to 242.0%	
242.1% to 252.0%	
252.1% to 262.0%	
Above 262.0%	

We agree to reimburse the standard medical fees (excluding optional and non-standard fees) at risk noted in the table above based on the difference in medicare percentage achieved and the defined range the result falls into.

The UMR market view takes our overall reimbursement as a % of CMS and weights that by the State of NC membership by UMR market mix.

Guarantee Methodology (Illustration Parameters Above):

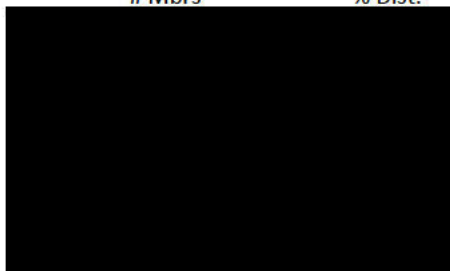
- The IP and OP relativities are based on DOS 1/1/21 - 8/31/2021 and priced at 2022 Medicare rates. This assumes par claims only for acute
- The Professional relativity is based on DOS 1/1/21 - 12/31/2021 and set to 2020 Medicare rates. This is also filtered on par claims only.
- Weighing provided by category using the State of NC RFP Census by market
- Weighing by allowed spend by category using the UHC Book-of-Business for IP/OP/Professional for NC providers

UMR Market Name

Mbrs

% Dist.

- Raleigh/Triangle, NC
- Charlotte, NC
- Greensboro/Piedmont, NC
- Wilmington/UCF, NC
- Fayetteville/UCF NC
- Asheville/Western, NC



Guarantee Methodology (2025 Target Set/Finalization):

- The IP and OP relativities will be based on 2023 Calendar Year data and priced at 2024 Medicare rates. This assumes par claims only.
- The Professional relativity will be based on 2023 Calendar Year data and priced at 2024 Medicare rates. This is also filtered on par claims

- Weighing provided by category using an updated State of NC RFP Census by market
- Weighing by allowed spend by category using the Book-of-Business for IP/OP/Professional for NC providers

Caveats:

- We reserve the right to exclude claims billed utilizing billing software, showing billed charges (excluding ineligible and not covered charges) at or near the negotiated rate from this guarantee.
- We reserve the right to exclude all claims for claimants with covered charges \$100,000 or greater during the guarantee period.
- All claims from ancillary providers are excluded (Such as Lab, DME, Dialysis, Ambulatory Surgical Centers)
- Claims where UnitedHealthcare is the secondary payor are excluded from the % of Medicare Factor determination.
- IP Medicare Percentile includes provision for Indirect Medical Education/ Disproportionate Share Hospital. (IME/DSH)

UMR reserves the right to revise (or revoke) this quotation under the following circumstances:

- The benefits requested and/or quoted change prior to or after the effective date of this quotation.
- Changes in federal, state or other applicable legislation or regulation require changes to this quotation.
- Chargemaster increases (the rate by which provider charges increase) vary from assumed levels.
- This guarantee applies in 2025 only.
- The total amount of fees at risk across all 2025 guarantees is capped at 100% of ASO fees.
- Reconciliation of the Medicare Percentages will be aggregated across all components (IP/OP/Prof as well as In State). UMR will use overperformance in one category to offset underperformance in another.



The Standard Medical Service Fees (excluding Optional, Non-Standard Fees and that portion of the Standard Medical Service Fees attributable to Commission Funds, if applicable) (hereinafter referred to as “Fees”) payable by You under this Agreement will be adjusted through a credit to your Service Fees in accordance with the performance guarantees set forth below unless otherwise defined in the guarantee. Unless otherwise specified, these guarantees apply to medical benefits and are effective for the period beginning January 01, 2025 to December 31, 2025 (Guarantee Period). With respect to the aspects of our performance addressed in this exhibit, these fee adjustments are your exclusive financial remedies.

These guarantees will become effective upon the later of (1) the effective date of the Guarantee Period; or (2) the date this Agreement is signed by both parties. In the event these guarantees become effective later than the effective date of the Guarantee Period: (1) quarterly guarantees will become effective beginning with the next calendar quarter following signature of this Agreement by both parties and (2) annual guarantees will become effective commencing with the Agreement Period during which this Agreement is signed by both parties.

We reserve the right from time to time to replace any report or change the format of any report referenced in these guarantees. In such event, the guarantees will be modified to the degree necessary to carry out the intent of the parties. We shall not be required to meet any of the guarantees provided for in this Agreement or amendments thereto to the extent Our failure is due to Your actions or inactions or if We fail to meet these standards due to fire, embargo, strike, war, accident, act of God, acts of terrorism or Our required compliance with any law, regulation, or governmental agency mandate or anything beyond Our reasonable control.

This Customer Delight Guarantee is valid for the first year only, contingent on total replacement of coverage with us.

This document contains the business and financial guarantee commitment. The final legal contract language may vary.

Customer Delight - Applies to First Year Only		
Definition	Customer must be 'delighted' as our customer; contingent on total replacement of coverage with us.	
Measurement	Achieved/Failed	Achieved
• Criteria	Achievement of this guarantee is at the discretion of customer	
• Level	Customer specific	
• Period	Annually, Year one following total replacement of coverage only	
Payment Period	Annually	
Fees at Risk	Dollars at Risk for this metric	
Payment Amount	Of the Dollars at Risk for this metric, percentage at risk for each gradient	
Gradients	Not applicable	

