

**AMENDMENT NUMBER TWO AND SUMMARY OF MATERIAL MODIFICATIONS
TO THE HEALTH PLAN DOCUMENT AND SUMMARY PLAN DESCRIPTION
FOR CITY OF AUBURN**

This Amendment Number Two and Summary of Material Modifications ("Amendment") is executed as of the date provided below and is effective as provided herein.

WHEREAS, City of Auburn ("Company") established the Health Plan for City of Auburn ("Plan") for the benefit of eligible employees and their dependents; and

WHEREAS, the Company now wishes to amend the Plan to provide a new standard for determining the Usual, Customary and Reasonable (UCR) charge for claims involving implantable devices, whether medical or surgical.

NOW THEREFORE, The Plan is hereby amended and updated through this Amendment, effective as of January 1, 2018, as follows:

1. The definition of "Usual, Customary and Reasonable (UCR)" under Section 14 of the Plan, DEFINITIONS, is amended to be and read:

Usual, Customary and Reasonable (UCR)

Except as provided below with respect to implantable devices, charges made for medical services or supplies essential to the care of the individual if they are in accordance with:

1. the "usual" fee which is the fee an individual Physician most frequently charges the majority of his patients for the procedure performed; and
2. the "customary" fee which is the fee established by the Plan based on charges made by most Physicians of the same specialty in comparable geographical economic areas for the procedure performed; and
3. the "reasonable" fee which is the fee charged for unusual circumstances involving medical complications, requiring additional time, skill and experience; and
4. in no event will the amount allowed under the Plan exceed 150% of the Medicare allowed for professional, facility, emergency charge or similar service(s) for out-of-network claims.

Notwithstanding the above, UCR charges for implantable devices is the actual implant cost, as shown on the medical provider's invoice, increased by 150%. If the medical provider does not provide an invoice or the invoice does not reflect the implant cost, UCR charges will instead be determined by the one of the following factors, in the Plan Administrator's sole discretion:

- the implant cost obtained from a national database such as ImplantDx;
- the implant cost determined using normative data such as Medicare cost-to-charge ratios, average wholesale price, or manufacturer's retail pricing; and/or
- the cost of an equivalent implant (determined by using any method above) if the cost of the implantable device is unavailable.

The implant cost will not be paid if such implant is not considered separately payable by Medicare and/or CMS when billed in an Ambulatory Surgical Center setting.

The Plan Administrator has discretionary authority to determine the appropriate payment for implantable devices and may, upon review of additional documentation or extenuating circumstances and in its sole discretion, approve a higher allowable charge. However, in no event will UCR charges include any identifiable billing mistakes including, but not limited to, duplicate charges or identification of incorrect implantable devices. In making this determination, the Plan Administrator may consider all relevant facts in addition to findings and assessments of (but not limited to) national medical associations, societies, and/or organizations, and the Food and Drug Administration.

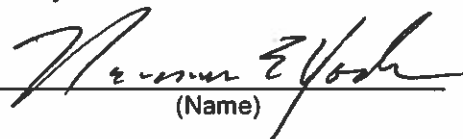
Note: Charges in excess of UCR shall not apply to the Out-of-Pocket Maximum.

2. A new provision is added to Section 1 of the Plan, **GENERAL PROVISIONS**, to be and read:

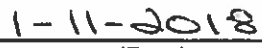
Payment of Claims

The Plan reserves the right to make payments for Covered Expenses either to you or directly to the provider of the services. The Plan Administrator is specifically authorized by you to determine to whom a benefit payment should be made. A provider that accepts such payment made by the Plan agrees to accept payment as consideration in full for services, supplies, and treatment rendered. Any such payment is not an assignment, and the provider does not have any right to receive any benefits due under the Plan greater than those of any Covered Person under the terms of the Plan. Notwithstanding any other provision of the Plan, if a provider refuses to accept such payment as payment in full, the Plan Administrator, in its sole discretion, may refuse to make payments for Covered Expenses directly to such provider, and any payment due by the Plan will be provided directly to the Participant.

The undersigned of the Company certifies that this document is a true copy of Amendment Number Two and Summary of Material Modifications to the Health Plan Document and Summary Plan Description for City of Auburn.


(Name)


(Title)


(Date)