October 1, 2014

TO: Santa Clara County Board of Education

FROM: Philip J. Gordillo
Chief Human Resources Officer

VIA: Jon R. Gundy
County Superintendent of Schools

SUBJECT: Request Approval of Contract Exceeding $250,000

Goal

Goal 3: Be a Premier Employer

Background

Effective November 1, 2014, Medical Eye Services (MES) will be available to all eligible employees and their families. We have estimated the premiums to be as noted below based on open enrollment calculations as of September 24, 2014.

Board Policy 3312(a) states that all contractual agreements estimated to exceed $250,000 shall be placed on the agenda of regular County Board meetings as a Study Action item. The last Board approval occurred on December 11, 2013. The following contract is, therefore, being submitted for Board approval:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Vendor</th>
<th>Description</th>
<th>Amount Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>800</td>
<td>MES</td>
<td>Eye service plan for SCCOE employees</td>
<td>$283,000</td>
</tr>
</tbody>
</table>

Fiscal Implications

Funding has been incorporated into the FY 2014-2015 budget to cover this expense.

Requested Action

Approve contract for Medical Eye Services.
July 30, 2014

Santa Clara County Office of Education  
Sheri Meyers  
1290 Ridder Park Drive  
San Jose, CA 95131-2398

Re: Vision Plan Renewal: November 1, 2014  
Policy Number: 1001  
MES Reference Number: 0278  
Group Name: Santa Clara Co. Office of Education

Dear Sheri,

As a valued customer of Medical Eye Services, we appreciate your business. Santa Clara Co. Office of Education policy will renew at existing administrative rates of $1.35 per employee per month effective November 1, 2014 – October 31, 2016.

Please ask your group to sign this letter and return it to your Regional Manager, at your earliest convenience, as an acknowledgment of the acceptance of this renewal notice.

We look forward to continuing to serve your group insurance needs with our extensive panel of provider and flexible vision plan options. If you have any questions regarding the renewal or the current plan design please feel free to contact Silvia Morando, Territory Manager at 650.726.7974.

Thank you again for your continued support.

Sincerely,

DeLyn Wi Repa  
Group Underwriter  
MES Vision

X  
Acknowledgment/Acceptance

X  
Title of Signatory

Cc: Silvia Morando/MES Territory Manager  
Danric Jamie, Alliant Insurance Services/Broker of Record
CLAIMS ADMINISTRATION AGREEMENT

Between

SANTA CLARA COUNTY OFFICE OF EDUCATION

And

MEDICAL EYE SERVICES, INC.

ARTICLE I

1. **PARTIES** - The Parties to this Agreement are Santa Clara County Office of Education (the SCCOE) and Medical Eye Services, Inc. (MES).

2. **TERM** - The term of this Agreement is November 1, 2010, through October 31, 2011, and for successive one-year periods thereafter unless terminated or not renewed.

3. **PURPOSE** - The purpose of this Agreement is to set forth the terms whereby MES processes claims and administers benefit payments to Participating Providers and other qualified providers for eye care services furnished to eligible Employees and their Dependents in accordance with the terms and conditions adopted by the SCCOE.

ARTICLE II

The following definitions apply:

1. **BENEFITS** - means those covered eye care services adopted by the SCCOE. A copy of the Benefits is attached as Appendix A, and is incorporated by reference.

2. **EMPLOYEE** - means any person who meets the eligibility requirements adopted by the SCCOE.

3. **DEPENDENT** - means the Dependent of an eligible Employee who meets the SCCOE’s eligibility requirements. A copy of the definition is attached as Appendix B, and is incorporated by reference.

4. **PARTICIPATING PROVIDER** - means a licensed Ophthalmologist, Optician or Optometrist who has contracted to furnish Benefits to the SCCOE’s eligible Employees and their Dependents.

5. **NON-PARTICIPATING PROVIDER** - means a licensed Ophthalmologist, Optician, Optometrist, or any other provider who has not contracted to furnish Benefits.
6. **SCHEDULES OF BENEFITS** - means the Schedules adopted by the SCCOE, which state the allowable reimbursement for Benefits provided to eligible Employees and their Dependents. Copies are attached as Appendix C-1 and C-2, and are incorporated by reference.

**ARTICLE III**

1. **RENEWAL** - This Agreement shall be renewed for successive one-year periods, beginning November 1, 2011, unless any Party gives written notice to the other at least sixty (60) days prior to the end of the term, or any subsequent year, that the Agreement is not to be renewed.

2. **TERMINATION** - This Agreement may be terminated as follows:

   (A) At the end of the term, provided written notice of non-renewal has been given at least sixty (60) days prior to the end of the term.

   (B) At the end of any renewal year, provided written notice of non-renewal has been given at least sixty (60) days prior to the end of the renewal year.

   (C) By election of MES in the event any administration service fee due hereunder is not received within thirty (30) days of due date, or in the event any funding of claims payment due is not received within fifteen (15) days from date of statement or in the event the deposit due hereunder is not received within five (5) days of the request date.

   (D) Immediately by MES if the SCCOE who has been required to establish a security deposit fails to pay any administration fee or claims funding payment timely thereafter.

   (E) By election of the SCCOE in the event MES defaults in performing under the Agreement and such default is not cured within thirty (30) days of such default.

3. **PROCEDURES ON TERMINATION** - Following the termination date, MES will be obligated to process claims only for the following:

   (A) Benefits authorized by the SCCOE prior to the termination date.

   (B) Benefits actually performed or provided following the effective date and prior to the termination date, provided that the completed statement of claim is filed within one (1) year of the date of service.

4. **FOLLOWING THE TERMINATION DATE** - The SCCOE will be obligated to:

   (A) Fund all Benefit payments plus any administration service fees due to MES through the date of termination.
5. **PAYMENTS**

   (A) Twice each calendar month, the SCCOE will receive an itemized listing of all claims to be paid. **The SCCOE will fund the exact dollar amount of claims to be paid within five (5) working days via wire transfer or U.S. Mail.** Such payments shall be deposited in a claims account and shall be held in trust until paid as otherwise provided herein.

   (B) If the SCCOE fails to fund the exact dollar amount of claims to be paid within the time prescribed in the preceding paragraph, the SCCOE shall fund a security deposit in an amount equal to the largest semi-monthly claims payment made during the preceding six (6) months within five (5) days notice from MES. Such deposit shall be held as security for the faithful performance of all payment provisions by the SCCOE under this Agreement and may be applied by MES to any payment obligation of the SCCOE not timely met, in which case the SCCOE shall promptly replenish the deposit on notice from MES. The establishment of such a security deposit shall not relieve the SCCOE of its prompt payment obligations hereunder.

   (C) A monthly administration service fee of $1.35 per employee, with or without Dependents, will be paid by the SCCOE to MES in consideration for the claims administration services. A monthly billing statement will be provided to the SCCOE based on eligibility data supplied by the SCCOE to MES pursuant to paragraph 8 of this Agreement.

6. **BENEFIT PAYMENT PROCEDURES**

   (A) Payment of Benefits will be made within thirty (30) days following receipt of a completed statement of claim by or on behalf of an eligible Employee or Dependent as follows:

   1. For a Participating Provider, payment will be made directly to the provider.
   2. For a Non-Participating Provider, payment will be made directly to the eligible Employee.
   3. No payment of Benefits shall be made unless a completed statement of claim is filed within one (1) year of the date of service.

   Payment of Benefits shall be made from the claims account following receipt of the deposit from the SCCOE in the amount described in paragraph 4(A). The SCCOE authorizes MES to disburse funds to The Eye Care Network for the purpose of funding Participating Provider assessments. The amount of each funding will be based upon the amount
of the claims paid on behalf of the SCCOE by MES, and will be deducted from each check paid to each Participating Provider.

(B) Questions about Benefits shall be resolved prior to payment. Payment may be deferred pending resolution of these questions. In such cases, the provider and the eligible Employee will be notified of the question to be determined.

(C) Descriptive literature and claim forms will be provided by MES and distributed to eligible Employees by the SCCOE.

(D) No action at law or in equity shall be brought to recover benefits under this Agreement prior to the expiration of thirty (30) days after final notice of claim has been filed in accordance with the requirements of this Agreement, nor shall such action be brought at all unless brought within one (1) year from the date of service.

7. **NOTICE** - All notices required herein shall be in writing, addressed to the Parties and sent by Certified U.S. Mail to the addresses below or to such other address as the Parties may, by written notice to the other, so designate.

The SCCOE  
Santa Clara County Office of Education  
1290 Ridder Park Avenue  
San Jose, CA  95131

MES  
Medical Eye Services, Inc.  
345 Baker Street East  
Costa Mesa, CA  92626

8. **SELF-FUNDED PROGRAM** - This eye care plan is fully self-funded. MES has no obligation to pay claims, except from funds provided by the SCCOE. This eye care plan is subject to the usual coordination-of-benefit rules.

9. **ELIGIBILITY DATA** - Eligibility data will be sent to MES via electronic media or using the eligibility control form on or before the first of each month so that Benefits can be authorized for that month.

10. **ENTIRE AGREEMENT** - This Agreement contains a full and complete expression of the rights and obligations of the Parties. It supersedes any other Agreements between the Parties regarding any of the subject matter contained herein. The Agreement may be modified in writing, with the amendment properly executed by an officer of the SCCOE and an officer of MES. Any amendment shall be binding on all eligible Employees and their Dependents regardless of the date their coverage became effective.
WHEREFORE, the Parties have executed this Agreement to be effective as of November 1, 2010.

Santa Clara County Office of Education

Signature

Chief Human Resources Officer

Name/Title

Date

Medical Eye Services, Inc.

Signature

Sylvia L. Urbaniec, Vice President of Operations

Name/Title

Date

6-28-2011
BENEFITS PROVIDED
By Participating Providers

The plan provides full coverage for Covered Services when you go to a Participating Provider for:

One comprehensive examination every 12 consecutive months.

Two pairs of standard lenses every 24 consecutive months. (Standard lenses fit any frame with an eye size less than 81 mm.)

Two standard frames every 24 consecutive months. (A standard frame is any frame that has a maximum retail cost of $80.00 or less.)

Two pairs of contact lenses every 24 consecutive months.

If contact lenses are Elective (for cosmetic or convenience purposes), the plan will pay up to $100.00 toward the contact lenses, evaluation and fitting costs. Any balance is patient responsibility.

If contact lenses are deemed Non-Elective (medically necessary), they are a fully covered benefit. Non-Elective means: following cataract surgery, or when contact lenses are the only means to correct visual acuity to 20/40 for certain conditions of Keratoconus or Antisomotropia; or for certain conditions of Myopia, Hyperopia or Astigmatism. A report from the provider and approval from Medical Eye Services is required.

Santa Clara County Office of Education

Signature: [Signature]
Name/Title: Chief Human Resources Officer
Date: [Date]

Medical Eye Services, Inc./The Eye Care Network, Inc.

Signature: [Signature]
Name/Title: Sylvia L. Urbaniec, Vice President of Operations
Date: [Date]
HOW TO USE THE PLAN

Receiving vision benefits through a Medical Eye Services (MESVision) administered vision plan is easy! Covered employees follow these simple steps to better vision:

1. **Select a provider.** Select a participating vision care provider by visiting www.MESVision.com. Obtaining services from a Participating Provider will maximize your benefits.

2. **Make an appointment.** Make an appointment with the Participating Provider of your choice and inform them of your vision coverage.

3. **You’re done! Your doctor will take care of the rest.** The Participating Provider will contact MESVision to verify your eligible benefits and submit a claim for payment for services covered by your plan.

If covered services are received from a Non-Participating Provider, the patient is responsible for paying the Non-Participating Provider in full. Reimbursement will be made to the Employee up to the Non-Participating Provider Schedule of Allowances. Patients should submit a MESVision claim form within 12 months from the date of service, along with an itemized bill and a copy of the prescription to: PO Box 25209, Santa Ana, CA 92709-5209. Claim forms are available at www.MESVision.com.
Limitations
Contact lenses, except as specifically provided;
Contact lens fitting, except as specifically provided;
Eyewear when there is no prescription change, except when benefits are otherwise available;
Lenses or frames which are lost, stolen or broken will not be replaced, except when benefits are otherwise available;
Non-standard ("custom") lenses such as polycarbonate, progressive/no-line blended, occupational, beveled, faceted, coated (anti-reflective, scratch, UV), or oversize exceeding the allowance for covered lenses;
Tints, other than pink or rose #1 or #2, except as specifically provided; and
Two pairs of glasses, in lieu of bifocals, unless prescribed.

Exclusions
Any eye examination required by an employer as a condition of employment;
Care or treatment of a condition for which You are entitled to or eligible for benefits under any Workers' Compensation Act or similar law;
Contact lens insurance, care kits or frame cases;
Covered services which began prior to the Employee's effective date or after the benefit has terminated;
Covered services for which the Employee is not legally obligated to pay;
Covered services required by any government agency or program, (federal, state or subdivision thereof):
Covered services performed by a close relative or by an individual who ordinarily resides in the Employee's home;
Medical or surgical treatment of the eyes;
Non-prescription (plano) eyewear;
Orthoptics, vision training or subnormal vision aids;
Services that are experimental or investigational in nature;
Services for treatment directly related to any totally disabling condition, illness or injury;
In connection with war or any act of war, whether declared or undeclared, or condition contracted or accident occurring while on full-time active duty in the armed forces of any country or combination of countries; and
For procedures that are not included in the Schedule of Benefits.

If you have any questions about the plan, please contact Medical Eye Services, Inc. at:

MESVision
P.O. Box 25209
Santa Ana, CA 92799-5209
(714) 619-4660 or (800) 877-6372
www.mesvision.com

THIS IS A BRIEF OUTLINE OF THE PLAN AND IS NOT TO BE ACCEPTED OR CONSTRUED AS A SUBSTITUTE FOR THE PROVISIONS OF THE CONTRACT.
DEFINITION OF DEPENDENT

1. An Employee’s legally married spouse or registered domestic partner who is:
   a. not covered for benefits as an Employee;
   b. not legally separated from the Employee; and
   c. not an Employee on active duty with the Armed Forces; or

2. An Employee’s domestic partner of the same sex who meets all of the requirements of California Family Code 297, and:
   a. Not covered for benefits as an Employee;
   b. Not on active duty with the Armed Forces;
   c. Both persons file a Declaration of Domestic Partnership with the Secretary of State;
   d. Both persons have a common residence;
   e. Both persons agree to be jointly responsible for each other’s basic living expenses incurred during the domestic partnership.
   f. Neither person is married to someone else or is a member of another domestic partnership with someone else that has not been terminated;
   g. The two persons are not related by blood in a way that would prevent them from being married to each other;
   h. Both persons are at least 18 years of age;
   i. Both persons are capable of consenting to the domestic partnership.

3. An Employee’s married or unmarried child (including any stepchild, child of domestic partner, or legally adopted child), not covered for benefits as an Employee, not a member on active duty with the Armed Forces, and
   a. dependent upon the Employee for medical support pursuant to a court order; and
   b. less than 19 years of age; or
   c. less than 25 years of age, if a full-time student and proof of student status is submitted to The Plan. Full-time student means enrolled in a college, university, vocational or technical school for a minimum of
Appendix C-1

SCHEDULE OF ALLOWANCES
FOR PARTICIPATING PROVIDERS

Charges will be paid, but not to exceed the following Schedule of Allowances:

**BENEFITS**

<table>
<thead>
<tr>
<th>Allowances</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ophthalmologic Examination</td>
<td>$70.00</td>
</tr>
<tr>
<td>Optometric Examination</td>
<td>$60.00</td>
</tr>
</tbody>
</table>

**Lenses (per pair):**

<table>
<thead>
<tr>
<th>Allowances</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lenses up to 61mm eye size</td>
<td>Included</td>
</tr>
<tr>
<td>Pink or Rose Tints #1 or #2</td>
<td>Included</td>
</tr>
<tr>
<td>Single Vision</td>
<td>$52.00</td>
</tr>
<tr>
<td>Bifocal</td>
<td>$72.50</td>
</tr>
<tr>
<td>Trifocal</td>
<td>$80.50</td>
</tr>
<tr>
<td>Lenticular/Aphakic Monofocal</td>
<td>$125.00</td>
</tr>
<tr>
<td>Lenticular/Aphakic Multifocal</td>
<td>$200.00</td>
</tr>
<tr>
<td>Progressive</td>
<td>$89.50</td>
</tr>
</tbody>
</table>

The following is in addition to the lens allowances:

<table>
<thead>
<tr>
<th>Allowances</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.25 or more high-powered lenses</td>
<td>$13.00</td>
</tr>
<tr>
<td>Prism (1.50 to 4.00 diopters)</td>
<td>$12.50</td>
</tr>
<tr>
<td>Prism (4.00 or more diopters)</td>
<td>$17.50</td>
</tr>
<tr>
<td>Gob-Off Prism (per lens)</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

**Contact Lenses (per pair):**

<table>
<thead>
<tr>
<th>Allowances</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elective</td>
<td>$100.00</td>
</tr>
<tr>
<td>Non-Elective</td>
<td>up to $350.00</td>
</tr>
</tbody>
</table>

**Frame:** $80.00

*This benefit is in lieu of other eyewear.

*Any difference between the allowance and the provider's charge is patient responsibility.

*Allows a frame selection up to $80.00 refund.

Santa Clara County Office of Education

Signature: [Signature]
Name/Title: Chief Human Resources Officer
Date: June 21, 2011

Medical Eye Services/The Eye Care Network

Signature: [Signature]
Name/Title: Sylvia L. Urbaniec, Vice President of Operations
Date: 6-28-2011
SCHEDULE OF ALLOWANCES
FOR NON-PARTICIPATING PROVIDERS

Charges will be paid, but not to exceed the following Schedule of Allowances:

<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>ALLOWANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ophthalmologic Examination</td>
<td>$80.00</td>
</tr>
<tr>
<td>Optometric Examination</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lenses (per pair):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Vision</td>
<td>$43.00</td>
</tr>
<tr>
<td>Bifocal</td>
<td>$80.00</td>
</tr>
<tr>
<td>Trifocal</td>
<td>$75.00</td>
</tr>
<tr>
<td>Lenticular/ Aphakic Monofocal</td>
<td>$120.00</td>
</tr>
<tr>
<td>Lenticular/ Aphakic Multifocal</td>
<td>$200.00</td>
</tr>
<tr>
<td>Progressive</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact Lenses (per pair)*:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmetic or Convenience</td>
<td>$100.00</td>
</tr>
<tr>
<td>Medically Necessary</td>
<td>up to $250.00</td>
</tr>
</tbody>
</table>

| Frame:                                        | $60.00     |

*This benefit is in lieu of other eyewear.

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Santa Clara County
Office of Education

Signature [Signature]
Name/Title Chief Human Resources Officer
Date JUNE 21, 2011

Medical Eye Services/
The Eye Care Network

Signature [Signature]
Name/Title Sylvia L. Urbaniec, Vice President of Operations
Date 6-28-2011