

Amendment No. 8 to the

**HUMAN RESOURCES, BENEFITS AND PAYROLL ADMINISTRATION SERVICES
CONTRACT BY AND BETWEEN CONVERGYS CUSTOMER MANAGEMENT GROUP INC.,
AND THE STATE OF FLORIDA, DEPARTMENT OF MANAGEMENT SERVICES**

Convergys Customer Management Group Inc., (the "Service Provider") and the Department of Management Services, State of Florida (the "State") (collectively, referred to as the "Parties"), have entered into a contract as of August 21, 2002, for Human Resources, Benefits and Payroll Administration Services, ITN No. 32-973-400-Z ("Contract"), and,

Whereas, State has determined that Florida Law, Chapter 2005-97, Section 3, directs the State to provide the services necessary to implement and administer health savings accounts (HSAs);

Whereas, State has determined that to implement HSAs that State would require additional administrative services;

Whereas, the State has requested and the Service Provider desires to provide administrative services in support of State's Healthcare Savings Account ("HSA") and Limited Purpose Medical Reimbursement Account ("LPMRA") (collectively referred to as "Accounts" or "Account Services") pursuant to the terms and conditions of the Contract, as amended, and this Amendment No. 8. Such Account Services will be provided either by Service Provider or Service Provider's Subcontractor;

Whereas, administrative Services for the Medical Reimbursement Account ("MRA") are covered by the original scope of the Contract, the Parties hereby agree to add Account Services for HSA and LPMRA;

Whereas, the Parties agree that the commencement date for the Account Services is January 1, 2006 ("Go-Live Date"), except those services performed during Open Enrollment 2005 (October 3, 2005 through November 10, 2005), in preparation for calendar year 2006;

Now therefore, for valuable consideration, the adequacy and receipt of which are hereby acknowledged, the Parties agree to amend the Contract as follows:

1. As provided in the Contract, the Service Provider may subcontract (the Subcontractor) certain Account Services.
2. As more particularly described in paragraph 3 below, the services to be rendered by the Service Provider include the maintenance of HSAs and related transactions. As used herein, the term "Custodian" shall mean the financial institution with which the Subcontractor has contracted to maintain the HSAs and perform related transactions.

3. In Section 2.3 of the Contract, sub-section entitled "Benefits Administration Services" is amended to add a descriptive list of Tasks that Service Provider and the State will perform which are associated with the administration of the Accounts.

HSA and LPMRA Account Services	SERVICE PROVIDER	STATE PROVIDES	RESIDUAL SERVICES
IMPLEMENTATION			
Overall project management. Service Provider and Service Provider's Subcontractor team will meet with the State's Department of Management Services ("DMS") and the Department of Financial Services ("DFS") to prepare and finalize a formal implementation plan to introduce the Accounts.	✓		
Dedicated Account Manager and Implementation Team assigned.	✓		
Establish business rules for, including but not limited to, banking, data exchange requisitions, enrollment and eligibility, contributions and calculation thereof, the transfer of HSA contributions to Custodian, and interactions between HSA and LPMRA ("Business Rules").	✓	✓	
ONGOING HSA and LPMRA ACTIVITIES			
Attendance at all State sponsored Benefit Fairs.		✓	
The identification of participating groups and individuals.		✓	
Provision of paper election forms for the eligible Covered Population.	✓		✓
Provision of distinct HSA notice as part of the Tax-Favored Accounts Reference Guide.		✓	
Provision of direct deposit through payroll deductions and enrollment posters.		✓	
Inclusion of HSA and LPMRA materials in enrollment booklets.	✓		
Inclusion of HSA and LPMRA enrollment in the web-based enrollment process.	✓		✓
Provide customer contact enrollment and tier one inquiry support for the Account Services.	✓		✓
Prevent enrollment in the Medical Reimbursement Account for the Covered Population who enroll in HSA; prevent enrollment over annual maximum limit for HSA participants (Individual/Family).	✓		✓
Welcome Kits sent to each new HSA Participant upon enrollment (includes debit card, convenience checks, and Custodial account disclosure statement).	✓		
Custodian opens HSA accounts and sends account numbers to Service Provider's Subcontractor via data files.	✓		
Modify data file layouts to include HSA, LPMRA, and State contribution data.	✓		✓
Send up to twice weekly enrollment/eligibility/contribution data and files to Subcontractor (i.e., open enrollment elections, new hires, changes).	✓		✓
Service Provider will be the central repository (i.e., system of record) for all HSA enrollment election data. The Custodian will maintain HSA information including rollover, contribution and banking information (i.e., account balance).	✓		✓
Reconciliation of deductions to election amounts within three business days of receipt; resolve discrepancies and work suspended funds.	✓		
Deductions posted to each HSA Participant's account (from Participant/State contributions).	✓		✓
The Service Provider shall require that the Subcontractor and	✓	✓	

HSA and LPMRA Account Services	SERVICE PROVIDER	STATE PROVIDES	RESIDUAL SERVICES
Custodian compare monies received with monies expected, and produce and send to the State a Discrepancy Report for resolution by the parties prior to the next contribution date.			
Monitoring for maximum contribution limits; notification to Participant if deducts and State contributions exceed annual limits.	✓		
Convenience checks provided to HSA Participants for reimbursement of eligible medical expenses that cannot be "swiped" to the Participant's debit card.	✓		
Custodian will prepare and distribute to HSA Participants all required end-of-year tax forms (contributions/distributions).	✓		
Twenty-four (24) hours, seven (7) days a week, with the exception of scheduled system maintenance, Internet and IVR access to HSA account information.	✓		
HSA contributions credited to subscriber accounts within 24 hours of receipt by Custodian.	✓		
Interest-bearing HSA through the Custodian.	✓		
Custodian will provide, to the Participants, a list of service fees, terms and conditions, investment options, and provisions related to the maintenance of the financial accounts.	✓		
Investment funds available once the account threshold is reached.	✓		
Daily valuation and updating of fund balances.	✓		
Confirmation letter or e-mail after each self-service transaction.	✓		
Monthly account statements sent to HSA Participants that reflect deposits to and withdrawals from HSA as well as investment gains and losses.	✓		
Custodian will accept and process incoming HSA rollover contributions from Archer medical saving accounts or other HSAs upon request from the HSA Participant.	✓		
Custodian will accept and process outgoing HSA rollovers to another HSA upon request from HSA Participant.	✓		
Package of standard client reports.	✓		
Package of standard benefit enrollment client reports.	✓		✓

Assumption: During the enrollment period (October 3 – November 10, 2005) and during the first sixty (60) days from the Go-Live Date, Service Provider shall be excused from, but shall use reasonable efforts to meet, the Performance Metrics (Section 2.8.5 of the Contract) as it relates to the Account Services.

4. Term and Renewal.

a. Service Provider will provide the Account Services beginning on January 1, 2006, through December 31, 2006 unless the Contract is terminated as provided in the Contract or the Account Services are renewed as provided herein.

b. At State's sole discretion State may renew the Account Services as provided in this Section 4.b. No later than August 15, 2006, the State shall advise the Service Provider in writing whether the Account Services described in this Amendment will be renewed past December 31, 2006 ("Renewal Notice"). If the State fails to provide the Renewal Notice or provides written notice of non-renewal on or before August 15, 2006, then the Account Services will end on close of business, December 31, 2006 and Service Provider will not be obligated to provide any Account Services after December 31, 2006 (except for Residual Services as provided in Section 4.d.). If the State provides the Renewal Notice, Service Provider will provide Account Services through the Contract "Term" as defined in the Contract (as amended), unless the Contract is terminated or not renewed as provided in the Contract, provided that, the Parties reach mutual agreement in writing on the applicable terms of such renewal. In the event the Parties cannot reach mutual written agreement on the renewal terms by September 15,

2006, Service Provider will cease providing Account Services (except Residual Services as provided in Section 4.d.) on December 31, 2006.

c. Upon mutual agreement of the parties on the renewal terms, beginning January 1, 2007 and thereafter, the ongoing HSA and LPMRA Account Services may be subject to a one-time decrease or increase to an amount not to exceed \$4.50 per HSA enrolled Contract Holder per month, subject to the requirements of section 5 herein.

d. If the State does not renew the Account Services as provided in 4.b., Service Provider will continue to provide those services identified in the matrix as "Residual Services," at no charge to the State, except that the State shall pay for customer contact enrollment and tier one inquiry support in an amount not to exceed \$15,000.00 per year, based upon documentation as provided in accordance with the Contract to support the charge. In addition, Service Provider acknowledges that if the Account Services are not renewed, the State may contract with any third party directly for any or all services listed herein, and that the Service Provider will reasonably cooperate with such transfer.

5. No later than July 15, 2006, the Service Provider shall advise the State in writing of any required adjustments in fees for Account Services should the Account Services be renewed after December 31, 2006 and for the contract year beginning January 1, 2007. If the Service Provider does not advise the State by July 15, 2006, as herein described, or does not provide the State with the documentation as provided in accordance with the Contract to support the price adjustment request in Section 4.c., the Service Provider shall have waived any increase in the fees and costs for Account Services and the fee charged in year 2006 shall continue to apply.
6. Exhibit B, entitled "Plans," is deleted in its entirety and a new Exhibit B is attached hereto.
7. Exhibit F, entitled "Payment Schedule," is amended to add new pricing for the Account Services. The new pricing shall read as follows:

HSA and LPMRA Account Services:

A. Implementation Fees (one-time flat fee)	\$95,000.00
B. On-going HSA and LPMRA Account Services:	\$3.50 per HSA enrolled Contract Holder per month (for the period January 1, 2006 through December 31, 2006).

The term "Contract Holder" means the Participant who enrolls in a HSA through the Convergys service center. The fee does not apply to additional individuals who are covered by each Participant's HSA account (i.e., dependents).

The Parties agree that by July 15, 2006, assuming Legislative appropriations (as described in Section 11 below) have been provided for the Account Services, the Service Provider will submit to the State an invoice for the first six (6) months of Account Services, including the one-time implementation fee and the State will pay for such invoice in accordance with Section 4.6 of the Contract. Beginning August 15, 2006, the Service Provider shall submit monthly invoices for payment for Account Services as provided in Section 4.6 of the Contract.

8. The Business Rules developed by the Parties are incorporated herein by reference, including those the Parties may develop in the future for operation of this Contract as amended.
9. As required by applicable federal law, election to open, terminate or change contributory amounts in an HSA is an open option with which the parties will comply as requested by eligible individuals.

10. All other terms and conditions of the Contract, as previously amended, remain in full force and effect and apply to this Contract unless specifically modified hereby. Additionally, the parties specifically agree that Sections 9.15, 9.31 and 9.32 of the Contract shall apply to the Account Services.

11. Annual Appropriations.

In accordance with Section 9.2 of the Contract, if for any reason the State Legislature fails to appropriate funds for the Account Services, Service Provider will not provide Account Services as of December 31st, of the year funds cease to be appropriated. Service Provider acknowledges that if no appropriation for Account Services is made by the Florida Legislature for any year during the Term, then Service Provider will not receive any compensation for its Account Services during such applicable year and Service Provider will not be obligated to provide Account Services beyond December 31st of such applicable year.

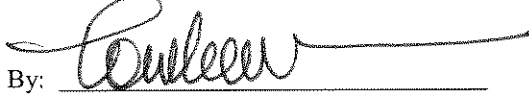
12. Because the delivery of Account Services necessarily requires banking transactions to distribute the HSA funds as required by federal and state law, and in that the responsibilities of the Service Provider under this Amendment include procurement of those banking services, the Service Provider, therefore, agrees to provide the State at least 30 days notice and obtain the written consent of the State prior to any changes being made as to either the subcontractors that are responsible for Account Services or the banking institution through which the Account Services are provided. The consent of the State shall not be unreasonably withheld or delayed.

13. This Amendment shall be executed in duplicate, each duplicate copy of this Amendment shall be treated as an original, and facsimile signatures are acceptable as original signatures.

In witness whereof the Parties hereto have executed this Amendment effective on the last day executed below ("Effective Date").

Department of Management Services

Convergys Customer Management Group Inc.

By: 

By: 

Name: Tom Hawkins for

Name: LANE FENWICK

Title: Secretary

Title: VP. OPERATIONS

Date: 1/24/2006

Date: JANUARY 13, 2006

Approved as to form and legality

By: 

Office of the General Counsel
Department of Management Services

Date: 1/19/05



EXHIBIT B – PLANS

<u>PLAN</u>	<u>CURRENT VENDOR</u>
Self-Insured PPO (Medical)	Blue Cross/Blue Shield of Florida
Self-Insured PPO (Pharmacy)	Caremark
HMO	AvMed Health Plans
HMO	Capital Health Plan
HMO	Florida Health Care Plans
HMO	United Healthcare Plans
HMO	JMH Health Plan (terminates 12/31/2005)
HMO	Vista Health Plans
Health Investors Health Plan PPO	Blue Cross/Blue Shield of Florida
Health Investors Health Plan HMO	AvMed Health Plans
Health Investors Health Plan HMO	Florida Health Care Plans
Health Investors Health Plan HMO	United Healthcare Plans
Dental Pre-paid	American Dental Plan
Dental Pre-paid	Cigna Dental Health
Dental Pre-paid	Denticare Plan
Dental Pre-paid	Oral Health Services
Dental Indemnity	American Dental Plan
Dental Indemnity	Denticare Plan
Dental PPO	Oral Health Services
Supplemental Hospitalization	ALTA
Supplemental Hospitalization	Philadelphia American (PALICO-Gabor)
TRICARE Supplement	Association and Society Insurance Corporation
Supplemental Cancer	AFLAC
Supplemental Cancer/Accident/Sickness/Disability	Colonial
Vision	VisionCare Plan
Basic Life Insurance	Prudential Financial
Optional Life Insurance	

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