



Blue Cross & Blue Shield
United of Wisconsin

An independent licensee of the Blue
Cross and Blue Shield Association

Kathryn Koenen Potos
Vice President, Administrative Services
Southeastern Wisconsin Regional Service Center

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Telephone 414.226.6925

January 8, 2002

Mr. Michael Brady
Employee Benefits Manager
City of Milwaukee
City Hall
200 E. Wells Street, Room 706
Milwaukee, WI 53202

EMP. BEN. ADMIN.
'02 JAN 11 AM 10:30

Re: Run-Out Services Arrangement

Dear Mr. Brady:

This is to outline the terms we agreed upon regarding the run-out services Blue Cross & Blue Shield United of Wisconsin ("BCBSUW") will provide to the City of Milwaukee (the "City") after the termination of the January 1, 1999 through December 31, 2001 Preferred Provider Network Agreement between BCBSUW and the City (the "Agreement"). A copy of the Agreement is enclosed for your reference.

1. For a period of six months beginning on January 1, 2002 and ending on June 30, 2002, BCBSUW will continue to manually price the facility claims it receives for members of the City's self-funded health insurance plan (the "Plan") for dates of service January 1, 1999 through December 31, 2001.
2. For a period of six months beginning January 1, 2002 and ending on June 30, 2002, claims for professional services rendered to Plan members for dates of service January 1, 1999 through December 31, 2001 will continue to be processed by WPS using the preferred provider discounts furnished to WPS by BCBSUW.
3. For the services provided by BCBSUW during the six month period beginning on January 1, 2002 and ending on June 30, 2002, the City will pay BCBSUW a one time charge of Five Dollars and Forty Cents (\$5.40) per City employee or retired employee covered under the Plan during the month of December 2001.
4. The City shall pay the amount specified in paragraph three above no later than March 14, 2002.
5. The City, both on its own behalf and on behalf of WPS, acknowledges that all material and information regarding BCBSUW's pricing which the City or WPS has or will have come into their possession is confidential and proprietary data. The City, both on its own behalf and on behalf of WPS, agrees to hold such material and information in

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strictest confidence, not to make use thereof other than for the performance of the work specified in the Agreement and in this letter, not to release or disclose it to any other party other than for the performance of the work specified in the Agreement and in this letter, and to return to BCBSUW or permanently destroy or delete all records of said confidential and proprietary data on or before July 10, 2002.

Please signify the City's agreement to the terms set forth above by having the appropriate City official sign where indicated below and returning this letter to me in the envelope provided. If you have any questions, do not hesitate to contact me at (414) 226-6925.

Thank you for your attention to this matter.

Very truly yours,



Kathryn Koenen Potos

KKP/dw
CityofMilwaukee-Brady.02

Enclosure

Cc: Michael Bernstein
Craig Steffes

The City of Milwaukee agrees to the terms of the Run-Out Services Arrangement set forth above in the January 8, 2002 letter from Kathryn K. Potos to Michael Brady.

CITY OF MILWAUKEE

By: _____
(Signature)

(Title)

(Date)

By: _____
(Signature)

(Title)

(Date)