

BOON-CHAPMAN

July 1, 2014

Wyatt Scott
Fort Bend County Risk Manager
301 Jackson Street,
Richmond, Texas 77469

Re: Boon Chapman Administrative Fees

Dear Mr. Scott

We have enjoyed a long, successful relationship with the County and its employees. Over these past years, we've weathered some tough ones and enjoyed the good ones with you and certainly look forward to many more to come.

The purpose of this letter is to notify you of our need for a fee increase due to growing labor costs, increased administrative duties due to healthcare reform, and rising health plan costs.

Our relationship with the County is very important to us. To strengthen it, and provide more comprehensive service to your participants, two years ago we implemented quarterly one-on-one meetings with plan participants to explain benefits, answer questions, etc. There is no charge for this service or the travel costs associated with it. In addition, we provide plan analysis and have assisted with evaluation and implementation of new vendors, again at no cost. We feel these value added services result in greater participant satisfaction and significant plan savings.

Therefore, effective January 1, 2015, I am proposing the following changes:

Per Employee Per Month (PEPM) Fees	Avg. # of Employees	Current	Proposed*	Difference
Medical Claims Administration	2,207	\$13.75	\$15.75	\$2.00
Dental Claims Administration	2,200	\$3.00	\$3.75	\$0.75

*We have not increased our fees since 2008, and would guarantee these rates through the 2017 plan year.

I believe this increase is fair, modest, and necessary. We appreciate the opportunity to serve Fort Bend County and their plan participants. Please call me if you have any questions.

Sincerely,



Sheryl Bonner
Director of Service