

OFFICIAL RECORD

Requested By:
DC/HUMAN RESOURCES

Douglas County - NV
Werner Christen - Recorder

Page: 1 Of 7 Fee: 0.00
BK-0207 PG- 9760 RPTT: 0.00



Assessor's Parcel Number: N/A

Date: FEBRUARY 26, 2007

Recording Requested By:

Name: DARCY WORMS, HUMAN RESOURCES

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

AGREEMENT #2007.035

(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 12. (Additional recording fee applies)

This cover page must be typed or legibly hand printed.

FILED

DENTAL SUBSCRIBER AGREEMENT

NO. 2007.035

This Subscriber Agreement between **Diversified Dental Services, Inc. (Diversified)**, a for-profit corporation organized under the laws of the State of Nevada, by its duly constituted and authorized officers, herein referred to as **Diversified**, and **Douglas County**, a political subdivision of the State of Nevada, herein referred to as **Subscriber**. This Agreement shall be effective the first day of January, 2007.

FEB 26 PM 4:34

J. GRIFFIN
CLERK
[Signature]

RECITALS

WHEREAS, Diversified is organized and conducted primarily for the purpose of (1) entering into Agreements with Providers for the delivery of dental services to Participants at the identified Schedule of Allowances (2) soliciting Subscribers to access dental care from Providers through its Preferred Provider Organization (PPO); and

WHEREAS, Subscriber has established a Plan of Benefits and elects access to the Preferred Provider Organization for the Participants; and

WHEREAS, this Agreement sets forth the rights, obligations and understanding of Diversified and Subscriber for the purpose of delivering Provider services to Participants.

NOW, THEREFORE, the parties hereto, in consideration of the terms and conditions set forth herein, agree as follows:

1.00 **DEFINITIONS**

1.01 **Agreement.** This Subscriber Agreement, including any and all amendments, exhibits, modifications and updates.

1.02 **Claims Administrator.** The company, organization or entity contracted with the Subscriber to perform claims adjudication services under the terms of the Plan of Benefits.

1.03 **Eligible Expenses.** Dental services which are covered as a benefit under the Plan of Benefits.

1.04 **Participant.** Individuals who are eligible to participate in, and covered by, the Plan of Benefits of Subscriber.

1.05 **Plan of Benefits.** A contract for insurance through an insurance carrier or a plan document for a wholly or partially self-funded health and welfare benefit plan by which a Subscriber obligates itself to any combination of Subscriber payment and/or insurance coverage to provide reimbursement of Eligible Expenses according to the Schedule of Allowances.

1.06 **Preferred Provider Organization (PPO).** The combination of Providers that have executed Agreements with Diversified to (a) provide dental services to Participants and (b) abide by the protocols, procedures and agreements established by Diversified and their Subscribers and the individuals charged with the responsibility to develop, maintain, revise, and administer the protocols, procedures, agreements and day-to-day business activities of the business entity known as Diversified.

1.07 **Provider.** A dental professional licensed with the state in which he practices dentistry who has entered into an agreement with Diversified to provide dental services to Participants for the fees identified in the Schedule of Allowances.

1.08 **Schedule of Allowances.** A list of fees identified by the American Dental Association procedure codes in effect on January 1, 2007, which Provider agrees to use as the maximum allowable fee for dental services and supplies rendered to Participants.



BK- 0207
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1.09 **Subscriber.** A person, employer, health and welfare benefit trust, or other entity that has entered into an agreement with Diversified to access Providers for dental services at the Schedule of Allowances.

2.00 RESPONSIBILITIES OF DIVERSIFIED

2.01 **Provider Services.** Diversified will establish and administer a PPO to provide professional dental services to Participants of Subscriber's Plan of Benefits. Such establishment and administration shall include, but is not limited to:

- (a) Contracting with dental professionals in all major specialties, and licensed or certified dental providers;
- (b) Requiring each Provider to accept the Schedule of Allowances as payment in full for Eligible Expenses rendered to Participants;
- (c) Requiring each Provider to accept assignment of payment for services rendered to Participants;
- (d) Allowing Providers to bill Participants for services rendered that may exceed the allowable benefit under the Subscriber's Plan of Benefits, or for services rendered to an ineligible person.

2.02 **Provider Directories.** Diversified shall supply to Subscriber a provider directory suitable for Subscriber's subsequent printing of directories. The provider directory shall be in a format that is mutually agreeable to both parties.

2.03 **Directory Updates.** Diversified will provide to Subscriber applicable updates to the Provider directory not more frequently than monthly.

2.04 **Provider Licensing/Credentialing.** Diversified shall guarantee that Providers will be duly licensed, are in good standing in the dental care profession, and maintain professional liability insurance coverage in the state of practice.

2.05 **Professional Liability Insurance.** Diversified shall maintain a professional liability policy, insuring its officers, directors, employees and agents against liability for any claims which may be brought by third parties during the term of this Agreement. Such policy shall be in an amount not less than one million dollars (\$1,000,000) per occurrence and one million dollars (\$1,000,000) in the aggregate.

2.06 **Records.** Diversified shall maintain the records of all applicable services on the terms of this Agreement in accordance with applicable federal and state law. Subscriber shall have the right to inspect or audit such records upon three (3) business days prior written notice.

2.07 **Reports.** Diversified shall submit statistical and quantitative analyses which reflect Participants' utilization and provider practice patterns.

3.00 RESPONSIBILITIES OF SUBSCRIBER

3.01 **Plan of Benefits.** Subscriber shall establish and maintain a Plan of Benefits which shall provide reasonable incentive for Participants to select services of Providers.

3.02 **Eligible Expenses.** Subscriber shall provide Plan of Benefits information to Diversified to include, but not be limited to, a benefit schedule to include applicable copayments, deductibles, and coinsurance for Eligible Expenses; limitations and exclusions, waiting periods for benefits; and any other

information as Diversified may deem necessary to fulfill its duties and obligations to Providers and/or Claims Administrators.

3.03 **Plan Modification.** Subscriber shall provide to Diversified any modifications to the Plan of Benefits thirty (30) days prior to the effective date of modification.

3.04 **Timely Payment.** Subscriber shall timely pay, or cause to be paid timely, to each Provider for services rendered to Participants for Eligible Expenses in accordance with the Schedule of Allowances. Timely payment shall be deemed to be within thirty (30) days of the following:

- (a) Receipt of a correctly and accurately prepared bill for services;
- (b) Receipt of any additional information reasonably required to determine whether billed charges are payable under the Plan of Benefits; or
- (c) Receipt of a resolution for any pending utilization review procedure or appeal. Subscriber agrees that Provider shall be reimbursed for services at full billed charges if timely payment is not made timely.

3.05 **Proprietary Information.** Subscriber agrees to maintain all confidential and proprietary information obtained from Diversified in strictest confidence. Confidential and proprietary information shall include the Schedule of Allowances, PPO protocols, and other PPO utilization procedures that are proprietary to Diversified.

3.06 **Directory Distribution.** Subscriber shall be responsible for printing and distribution to Participants of Provider directories and any applicable updates.

4.00 **COMPENSATION**

4.01 **Administrative Fees.** Subscriber shall pay, or cause to be paid, to Diversified a monthly administrative fee for each Participant (excluding covered dependents) enrolled in the Plan of Benefits as of the first day of the month. The monthly Administrative Fee is \$.75 per member per month. The Access fee is on a per covered member per month basis. There is no additional charge for covered dependents. The Administration Fee is guaranteed for twenty-four (24) consecutive months from the effective date of the Agreement.

4.02 **Timely Payment.** The monthly administrative fee shall be payable to Diversified within thirty (30) days after the first day of the month. Whenever any payment is not made within that period, the unpaid balance shall be subject to a late payment charge at the rate of one and one-half percent per month running from the thirty-first (31st) day.

4.03 **Certification of Payment.** Subscriber's monthly administrative fee shall be accompanied by a certification of the number of Participants enrolled in Subscriber's Plan of Benefits on the first day of the month.

5.0 **RELATIONSHIP BETWEEN THE PARTIES**

5.01 **Exclusive Delivery System.** While this Agreement is in effect, Subscriber shall look solely to Diversified as the exclusive dental provider system for Subscriber's Plan of Benefits. At any time Subscriber determines that Diversified's delivery system is inadequate, Subscriber may serve written notice to Diversified of such inadequacies, and for the purpose of determining corrective actions which Diversified is prepared to take to remedy such inadequacies. If such remedies are unsatisfactory to Subscriber, Subscriber shall have the right to seek alternative delivery systems and to terminate this Agreement upon delivery of thirty (30) days written notice of termination.



5.02 **Relationship of Parties.** The parties are independent contractors and nothing herein contained shall be construed to make either party an agent, fiduciary, joint venture or partner of the other.

5.03 **Financial Responsibility or Obligation.** Diversified shall be free from any financial responsibility or obligation to Subscriber, Subscriber's employees or any other person, firm, corporation or entity for any of the following:

- (a) Decisions regarding the propriety, necessity or advisability of any specific recommended treatment, surgery, therapeutic procedure, medicine, drug prescription, care, maintenance or other matter relating to the delivery of dental service by any Provider for any Participant;
- (b) Verification or assurance of any Participant's entitlement to, or reduction of, Plan coverage or reimbursement;
- (c) Any payment for services rendered to Participants by Providers;
- (d) Any fiduciary duties or obligations of Subscriber owed to Participants by virtue of the Plan of Benefits.

6.00 **TERM OF AGREEMENT**

6.01 **Term of Agreement.** This Agreement shall be in effect for twenty-four (24) months commencing as of the effective date.

6.02 **Termination.** This Agreement may be terminated at any time, without cause, after written notice, sent by certified mail, is provided by the other party not less than sixty (60) days prior to the effective date of the termination. This Agreement may be terminated at any time, with cause, after written notice sent by certified mail, is provided by the other party not less than thirty (30) days prior to the effective date of the termination.

6.03 **Obligations after Termination.** In the event this Agreement is terminated for any reason, Subscriber agrees that payment shall continue to Providers for services rendered to Participants through the effective date of termination and shall be paid in accordance with the terms and provisions of this Agreement.

6.04 **Duties Upon Termination.** Subscriber shall be responsible for notifying Participants of the termination of this Agreement and service provided by Diversified. Diversified shall be responsible for notifying all Providers of the termination of this Agreement.

7.00 **MISCELLANEOUS PROVISIONS**

7.01 **Indemnification.** Neither party shall be liable for any expense, claim, injury, demand or judgment arising out of or any action or failure to act by the other party, its directors, officers, employees or agents while acting within the scope of the duties and obligations under this Agreement or any applicable addenda. Each party shall defend and hold harmless the other party against any such expenses, claims, injuries, demands or judgments.

7.02 **Assignment.** Neither party shall assign or transfer or delegate its duties or obligations under this Agreement without prior written consent of the other party.

7.03 **Interpretation of Agreement.** Diversified shall have full charge of operation and management of this Agreement.

7.04 **Governing Law.** This Agreement shall be construed and enforced under the applicable laws of the State of Nevada.

7.05 Severability. If any provision of this Agreement shall be declared invalid or unenforceable, that provision shall be deemed modified to the extent necessary to make it valid and enforceable, or if it cannot be so modified, then severed, and the modified or remaining provisions shall remain in full force and effect.

7.06 Amendment. This Agreement may be amended in writing by a subsequent written agreement which makes specific reference to this Agreement and is signed by a duly authorized representative of Diversified and Subscriber.

7.07 Notice. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent by certified United States mail, return receipt requested, postage prepaid, to the parties set forth immediately following:

Subscriber: Human Resources Manager
Douglas County
P.O. Box 218
1616 8th Street
Minden, NV 89423

Diversified: Mr. Daniel Volle
President
Diversified Dental Services, Inc.
7312 West Cheyenne Ave, Suite 7
Las Vegas, Nevada 89129

7.08 Waiver. A waiver of a breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or different provision.

7.09 Headings and Gender. Headings are solely for convenience and shall be used in interpreting the text of this Agreement. The masculine gender used throughout this Agreement is for convenience and applies to both masculine and feminine gender, as well as business entities, and shall not be used in interpreting the text of this Agreement.

7.10 Entire Agreement. The written terms of this Agreement forms the entire Agreement between the parties, and no other representation of any kind, whether written or oral, shall be binding upon the parties.



EXECUTION

IN WITNESS THEREOF, the parties have executed this Agreement on the last day written below with the effective date established above.

For Diversified Dental Services, Inc.:

Daniel Volle
Daniel Volle, President

For Subscriber:

James L. Baushke
James L. Baushke, Chairperson

JAMES L. BAUSHKE
Printed Name

JAMES L. BAUSHKE
Chairperson, Douglas County Commissioners

Feb 12, 2007
Date

DECEMBER 6, 2006
Date

SEAL

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: February 26, 2007

B.G. Ruffin Clerk of the 9th Judicial District Court of the State of Nevada, in and for the County of Douglas.

By *David M. Mulloch* Deputy

