



SALES AGREEMENT LARGE GROUP

This Agreement (the “Agreement”) between Blue Cross & Blue Shield of Rhode Island (hereinafter referred to as “BCBSRI”) and the Group indicated below (hereinafter referred to as “GROUP”) is effective on the first date of the Rating Period, as set forth in Section III of this Agreement.

SECTION I. GENERAL GROUP INFORMATION

(Sections I and II to be completed by GROUP.)

GROUP Name: _____ DBA (if applicable) _____ Federal Tax ID# _____ Physical address _____ Street _____ City _____ State ____ Zip _____ Phone _____ Fax _____ Mailing address (Notice Address) Street _____ City _____ State ____ Zip _____ Phone _____ Fax _____ Billing address (if different from above) Street _____ City _____ State ____ Zip _____ Phone _____ Fax _____ Authorized Billing Administrator Name _____ Authorized Billing Administrator Email _____ Business Type: ☐ Partnership ☐ Corporation ☐ Other _____	Which on-line electronic enrollment tool will be used by GROUP: _____ Online Electronic Enrollment Tool _____ Eligibility File (834) (used for clients with 100+ subscriber contracts) _____ Paper Submission Authorized Enrollment Administrator Name _____ Authorized Enrollment Administrator Email _____ Authorized Employer Web Portal & Online Enrollment Tool (if selected) Administrator Name _____ Authorized Employer Web Portal & Online Enrollment Tool (if selected) Administrator Email _____ If GROUP offers any of the following, please provide: FSA Vendor Name _____ HRA Vendor Name _____ HSA Vendor Name _____ If GROUP offers any of the following, please provide: Business SIC# _____ Requested Effective Date: ____/____/____ Total # of Employees (Full and Part time) _____ Total # of Eligible Employees _____ Estimated # Employees Enrolling _____ ERISA 5500 Filing Month (list month) _____
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If GROUP owns a subsidiary or subsidiaries (and is therefore the parent company), please attach addendum including the following information for each subsidiary: 1) subsidiary's name, 2) federal tax ID #, 3) address, 4) date business/subsidiary started, 5) total # of Employees (full-time, part-time, and seasonal), 6) estimated # of Eligible Employees enrolling.

If GROUP is a subsidiary of a parent company, please attach addendum including the following information for the parent company and each other subsidiary owned by parent, if applicable: 1) parent's name, 2) subsidiary's name, 3) federal tax ID #, 4) address, 5) date parent business/subsidiary started, 6) total # of Employees (full-time, part-time, and seasonal), 7) estimated # of Eligible Employees enrolling.

If GROUP adds a subsidiary during the term of this Agreement, GROUP agrees to submit written notification to BCBSRI, via telefax, electronic, or other reliable means. Subsidiary coverage will be effective on the effective date mutually agreed upon.

SECTION II. ELIGIBILITY AND CONTRIBUTION INFORMATION

1. If any classes of Eligible Employees are to be excluded please provide an explanation:

2. Are Retirees eligible for coverage? ☐ YES ☐ NO If yes, how many? _____

3. Specify percentage or dollar amount of the Monthly Premium paid by the GROUP :

Medical:	Individual_____	Family_____	Other_____
Dental:	Individual_____	Family_____	Other_____
Vision:	Individual_____	Family_____	Other_____

4a. Eligibility Effective Date Rules for Enrollment*

Adds & Changes for Qualifying Event(s) (includes new hires, new enrollees, benefit changes, dependent adds)

Please check box:

- ☐ First of the month following date of qualifying event
☐ Event Date (date of qualifying event)

*For a Special Enrollment Period of a newborn child or an adopted child, the coverage effective date is date of birth/date of placement.

Terminations (includes employee and/or dependent terminations)

Please check box:

- ☐ Last day of the month following Date of termination
☐ Date of termination

4b. New Hire Employee Probationary Period (to be applied for all product enrollment):

___ Y ___ N

If Y, select the probationary period based on selection in 4a. above:

First of the month following the Date of Hire	Event Date (the Date of Hire)
___ 30 days	___ 30 days
___ 60 days	___ 60 days
	___ 90 days*

* "90 days" only available if Employee Coverage Effective Date (New Hires) selected in 4a is Date of Hire according to ACA guidelines.

4c. Does the probationary period apply to all new hires? ___ Y ___ N

If N, provide the following information for each new hire population:

Population name (Ex. management, warehouse) _____ Applicable probationary period* _____ * Probationary periods must comply with the applicable probationary periods identified in 4b.
5. Name of Worker's Compensation Carrier: _____ <i>If any employees are not covered by Worker's Compensation, please attach a list of employees and job classification(s).</i>
6. Dependent child maximum coverage age (26 is the age dependent child is terminated from coverage from all products) Eligibility Rule (check one below) _____ Last day of the month in which dependent child turns 26 _____ Last day of the year in which dependent child turns 26
7. Domestic Partner Does the GROUP cover domestic partner? Y____ or N____

GROUP hereby verifies the above information is correct and can be verified through payroll and tax records.

SECTION III. BENEFITS AND FINANCIAL TERMS

For benefit details refer to Subscriber Agreement(s), incorporated herein by reference.

THE INITIAL RATING PERIOD, HEALTH CARE COVERAGE PURCHASED, AND MONTHLY PREMIUM PER SUBSCRIBER SHALL BE:

Medical: __ / __ / ____ through __ / __ / ____ (“Rating Period”)

Dental: __ / __ / ____ through __ / __ / ____ (Rating Period”)

Vision: __ / __ / ____ through __ / __ / ____ (Rating Period”)

Health Care Coverage Purchased			Monthly Premium per Subscriber+			
INTERNAL ONLY Group Number(s):	INTERNAL ONLY SA Form#:	Product Name	Individual	Other (✓) _ sub/ spouse _ sub/ child _ sub/ children	Other (✓) _ sub/ spouse _ sub/ child _ sub/ children	Family
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$

+Final rates are determined by BCBSRI. BCBSRI may require that certain other documents, such as current financial statements and detailed claims experience, be provided before coverage is initiated.

The Monthly Premium rates do not include broker service fees agreed to between you and your broker.

The broker service fee, if applicable, is an amount that BCBSRI bills on behalf of your broker and is not part of the Monthly Premium. For broker service fee amounts, please refer to your Broker Service Fees Agreement.

BROKER DESIGNATION (if applicable): GROUP shall submit a broker designation notice (“Broker of Record”) to BCBSRI and the Broker of Record shall identify the GROUP’s designated broker(s). Upon receipt of the Broker of Record notice, BCBSRI shall be authorized to release to broker(s) de-identified information, summary health information, and enrollment information on GROUP’s behalf. The Broker of Record remains in effect for GROUP, including all GROUP subsidiaries and affiliates, until revoked or amended in writing by GROUP.

SECTION IV. TERMS AND CONDITIONS

1. DEFINITIONS.

The first letters of the defined terms used in this Agreement are capitalized. When used in this Agreement, the following terms shall have the meanings set forth below, unless otherwise expressly provided herein:

- 1.1. "Cause" means an alleged breach or the failure of the other Party to comply with any material term or condition of this Agreement.
- 1.2. "Eligible Employee" means:
 - a. an active employee of GROUP who is eligible for coverage under the criteria established by GROUP.
 - b. an active or former employee for whom GROUP is obligated to provide coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"), as amended from time to time.
 - c. upon notice from GROUP to BCBSRI, a retired employee of GROUP who is receiving retirement benefits from GROUP and who is not entitled to Medicare part A and not enrolled in Medicare part B.
- 1.3. "Eligible Dependent" means a person who is eligible for coverage under this Agreement according to the terms of the applicable Subscriber Agreement(s), including coverage under COBRA.
- 1.4. "Eligible Retiree" means a retired employee of the GROUP who is currently receiving retirement benefits from GROUP and who is entitled to Medicare part A and enrolled in Medicare part B. If this Agreement includes Group Plan 65, an Eligible Retiree who selects Group Plan 65 shall be eligible as an individual.
- 1.5. "Employee" means any person who is employed by the GROUP, regardless of the hours worked or whether they are eligible for coverage. The term does not include sole proprietors or independent contractors.
- 1.6. "Enrolled Member" means an Eligible Employee, Eligible Retiree, or Eligible Dependent identified to BCBSRI by GROUP as a person who shall receive Health Care Coverage under this Agreement.
- 1.7. "Health Care Coverage", if GROUP has selected medical, dental, and vision coverage, means medical, dental, and vision coverage, unless otherwise specified.
- 1.8. "Monthly Premium" means the monthly per Subscriber fee due from GROUP for the benefits selected in Section III of this Agreement. The Monthly Premium fee includes: (i) rates for a given Rating Period, as determined by BCBSRI in accordance with the related approved rating formula on file with the Office of the Health Insurance Commissioner of the State of Rhode Island ("OHIC") and (ii) premium tax as calculated by BCBSRI in accordance with Rhode Island General Law ("RIGL") §44-17-1(a)(1).
- 1.9. "Party" or "Parties" means BCBSRI and/or GROUP.
- 1.10. "Rating Period" means the period of time that a rate is effective. Rates applicable to the initial Rating Period are set forth in Section III. Each successive Rating Period shall be a twelve (12) month period, unless other arrangements are agreed upon by Parties.
- 1.11. "Subscriber" means an Eligible Employee or Eligible Retiree who also is an Enrolled Member.
- 1.12. "Subscriber Agreement(s)" and "SA" means the booklet that describes the Health Care Coverage provided to Enrolled Members. The Subscriber Agreement(s) applicable to the initial Rating Period are listed in Section III.

2. TERM AND TERMINATION.

2.1. Term.

2.1.1. Initial Rating Period.

The initial Rating Period and the applicable Monthly Premium rates are set forth in Section III.

2.1.2. Extension of Agreement.

Following the initial Rating Period of this Agreement, this Agreement shall automatically renew for a successive Rating Period(s), unless terminated in accordance with the terms of this Agreement.

The financial terms, as set forth in Section III, shall change at the start of each Rating Period. BCBSRI shall send financial terms changes to GROUP in a writing signed by BCBSRI. Such writing shall constitute an amendment to this Agreement. The amendment shall be deemed accepted by GROUP upon payment of the applicable Monthly Premium for such Rating Period.

Any change to the terms and conditions of this Agreement, other than a change in the financial terms as described above or in Section IV (3.1), shall be communicated to GROUP in a writing approved and signed by an officer of BCBSRI and deemed accepted by GROUP upon payment of the applicable premium for such Rating Period.

During any extension, this Agreement and all of its terms and conditions shall remain in full force and effect, except as otherwise amended or modified in writing.

2.2. Termination.

2.2.1. By GROUP.

GROUP may end all or part of this Agreement upon sixty (60) days prior written notice for Cause (“Notice Period”). Any such notice shall identify the Cause. BCBSRI shall have the right to cure the Cause within thirty (30) days following receipt of such notice.

In the event the Cause for termination applies solely to the medical coverage, the dental coverage, or the vision coverage; GROUP may only end the type of coverage to which the Cause for termination applies. The termination effective date shall be no earlier than the first day of the month following the end of the Notice Period.

GROUP shall have the right to end all or part of this Agreement effective as of the last date of the initial Rating Period, or the last date of any Rating Period subsequent to the initial Rating Period, by providing BCBSRI with no less than thirty (30) days prior written notice of its plan not to renew.

2.2.2. By BCBSRI.

2.2.2.1. Medical Coverage.

BCBSRI may end or refuse to renew the medical coverage as permitted by RIGL §27-18.6-5, or any other applicable law.

2.2.2.2. Dental and Vision Coverage.

BCBSRI may end the dental and/or vision coverage upon sixty (60) days prior written notice for Cause (“Notice Period”). Such notice shall identify the Cause. GROUP shall have the right to cure the Cause within (30) thirty days following receipt of such notice. The termination effective date for the dental and/or vision coverage shall be no earlier than the first day of the month following the end of the Notice Period.

BCBSRI shall have the right to end the dental and/or vision coverage effective as of the last date of the initial Rating Period, or the last date of any Rating Period subsequent to the initial Rating Period, by providing GROUP with no less than thirty (30) days prior written notice of its plan not to renew.

2.2.2.3. Termination for Non-Payment

In the event GROUP shall materially fail to comply with Section IV (3.1) titled “Financial Terms of GROUP” with respect to either the medical, dental, or vision coverage, BCBSRI shall have the right to cancel this Agreement upon thirty-one (31) days written notice. GROUP shall have the right to cure such noncompliance within said thirty-one (31) days (“grace period”), as defined in Section 3.1 of this Agreement.

2.2.3. By GROUP or BCBSRI.

2.2.3.1. Medical, Dental, or Vision Coverage.

Upon termination by either Party, each type of medical, dental, or vision coverage furnished under this Agreement and identified in the applicable Subscriber Agreement(s) shall end.

3. OBLIGATIONS OF GROUP

3.1. Financial Terms of GROUP.

The Monthly Premium per Subscriber for the initial Rating Period is set forth in Section III. BCBSRI shall send a Monthly Premium bill to GROUP. The payment is due on the first day of each month; unless another payment arrangement is agreed upon by both Parties.

BCBSRI may change the Monthly Premium at any time during the term of this Agreement if:

- benefits change, at the request of GROUP.
- there is a significant change in enrollment. A “significant change” being defined as a change of plus or minus ten (10%) percent from the average number of Subscribers enrolled on the first date of each Rating Period.
- a change occurs that is required by law, such as a benefit change or an increase in premium tax.

Any changes to the financial terms, as described in this section, shall be sent to GROUP in a writing signed by BCBSRI. Such writing shall constitute an amendment to this Agreement. The amendment shall be deemed accepted by GROUP upon payment of the applicable Monthly Premium for such Rating Period.

Any payment not received by BCBSRI within thirty-one (31) days (“grace period”) of the due date will be subject to a late payment charge, at the annual rate of twelve (12%) percent. The late payment charge will apply to each day after said grace period until payment is received by BCBSRI. GROUP shall also pay all cost incurred by BCBSRI. Incurred costs shall include unpaid premiums, attorneys’ fees, and court costs

In the event GROUP does not agree with the amount of the Monthly Premium billing, GROUP shall pay, when due, the Monthly Premium bill which would have been payable absent the dispute. If the disputed amount is resolved in favor of GROUP, BCBSRI shall pay the appropriate amount due to GROUP with interest. Interest will be calculated in the same manner as the late payment charges, described above.

3.2. Enrollment and Eligibility.

Only an eligible person, as defined in the Subscriber Agreement, shall be entitled to enroll for Health Care Coverage under this Agreement.

GROUP agrees to make enrollment changes, based on BCBSRI’s enrollment guidelines and

- enroll only eligible persons without regard to health status factors;
- notify BCBSRI of the name of eligible persons; and
- notify BCBSRI of the names of persons no longer eligible for Health Care Coverage.

Enrolled Members shall continue to be covered until GROUP notifies BCBSRI that such Enrolled Members are no longer eligible for Health Care Coverage. GROUP shall be responsible to pay BCBSRI for all Enrolled Members.

GROUP agrees to send all changes, upon discovery, to BCBSRI via approved method of electronic enrollment notification or fax.

Retroactive enrollment changes will not be honored, except as required by applicable law. GROUP agrees retroactive enrollment changes:

- will be requested to correct administrative errors;
- in the absence of such administrative error, will be requested to enroll or cancel Employees and dependents on the date that they should have been enrolled or cancelled, based on the terms of the applicable Subscriber Agreement(s); and
- shall not request to enroll any person who had previously declined to enroll when first eligible.

The effective date of retroactive enrollment shall be the first of the month in which the request is received. The effective date of retroactive cancellations shall be the last day of the month and shall not be more than sixty (60) days before the day that the request for retroactive cancellation was received by BCBSRI. Retroactive cancellations will not be permitted by BCBSRI until it is first confirmed that no claims have been incurred subsequent to the requested retroactive cancellation effective date. This includes all incurred claims not yet received and/or paid by BCBSRI, at the time of notification by GROUP of such requested retroactive cancellations. For any retroactive termination request where a claim has been incurred, BCBSRI will use the receipt date of the request as the termination date, and GROUP agrees to pay the pro-rated Monthly Premium owed to BCBSRI for the portion of the month covered up to the termination date.

Regarding all amounts owed by GROUP as a result of any retroactive adjustment(s), upon billing of GROUP by BCBSRI, GROUP agrees to reimburse all payments or allocations made by BCBSRI on behalf of an Enrolled Member determined not to be eligible to receive Health Care Coverage, following the confirmed date of ineligibility.

GROUP agrees that BCBSRI shall have no liability to GROUP for health care services rendered to such Enrolled Members incurred before the effective date or after the termination date.

3.3. Electronic Enrollment Eligibility File.

Upon request from GROUP, BCBSRI may accept an electronic enrollment eligibility file (“eligibility file”) from GROUP through an on-line electronic enrollment tool, whether administered by BCBSRI or by an intermediary, including private exchanges. Upon acceptance by BCBSRI, the eligibility file will provide BCBSRI with GROUP’s determinations as to when an Eligible Employee, Eligible Dependent or Eligible Retiree is to become an Enrolled Member and when an individual is no longer an Enrolled Member under GROUP’s Health Care Coverage (“Eligibility Determinations”). GROUP agrees that BCBSRI and not GROUP will be responsible for making eligibility determinations for disabled dependents over the age of twenty-six (26).

The date BCBSRI accepts the GROUP’s first eligibility file shall be deemed the effective date of GROUP’s responsibility to conduct Eligibility Determinations. Subsequent to this effective date, BCBSRI will refer all individuals inquiring about eligibility to GROUP. BCBSRI will, at the direction of GROUP, enroll or disenroll any employee, dependent or retiree based on the eligibility file provided by GROUP. GROUP shall have sole responsibility for (1) establishing standards governing the eligibility of individuals to participate in GROUP Health Care Coverage, (2) determining whether an individual is eligible to participate in GROUP Health Care Coverage, and (3) resolving all disputes relating to eligibility.

BCBSRI shall have no liability to GROUP or to any individual for any Eligibility Determination made by GROUP. GROUP agrees to indemnify, defend, and hold harmless BCBSRI against all claims, actions, liabilities, damages, costs and expenses, including attorneys’ fees, arising out of GROUP’s Eligibility Determinations, including without limitation, negligence, willful misconduct, or failure to notify BCBSRI of such Eligibility Determinations, except to the extent such claims, actions, liabilities, damages, costs or expenses are proximately caused by the negligent acts or omissions of BCBSRI.

3.4. Coverage under COBRA.

GROUP shall notify BCBSRI on a timely basis of any “qualifying events”, as defined in COBRA. GROUP shall notify BCBSRI of any election to continue coverage under COBRA. BCBSRI will end coverage upon notice of a qualifying event.

BCBSRI will retroactively reinstate coverage following election to continue coverage under COBRA, unless BCBSRI is specifically notified to the contrary by GROUP.

BCBSRI will continue COBRA coverage for such Enrolled Members until notified by GROUP to cancel. The cancellation date will be based on BCBSRI enrollment guidelines.

3.5. Grandfathering of Dependents.

If GROUP is transferring health insurance coverage from another health insurance carrier to BCBSRI, then to the extent permitted by law, BCBSRI shall not require proof that dependents meet the criteria to be considered Eligible Dependents under this Agreement.

Such dependents must have been covered by GROUP's prior health insurance carrier immediately prior to the first date of the initial Rating Period of this Agreement and be covered under this Agreement on the first date of the initial Rating Period without a break in coverage. BCBSRI reserves the right to require such proof at any time in the future.

This policy of grandfathering of dependents shall not apply to: (i) dependent children who are continuing coverage due to a disabling condition; or (ii) any dependent added after the first date of the initial Rating Period of this Agreement.

3.6. Distribution of Documents.

GROUP shall issue to Subscribers such documents as Subscriber Agreements, participating provider directories, and any other materials required to be distributed to Subscribers.

4. OBLIGATIONS OF BCBSRI.

In consideration of payment of the Monthly Premium, BCBSRI shall provide Health Care Coverage to Enrolled Members for the coverage described in the applicable Subscriber Agreement(s) listed in Section III. Such documents may be replaced, changed, or amended from time to time.

BCBSRI will provide an original copy of each Subscriber Agreement to GROUP. GROUP shall distribute a copy of the applicable Subscriber Agreement to its Subscribers. BCBSRI shall issue Subscriber Agreement(s) directly to the Subscribers when an Eligible Member requests a Subscriber Agreement through BCBSRI's customer service or grievance and appeals departments, or otherwise in response to a request from an Eligible Member or his/her representative.

In addition to the Subscriber Agreement and as a convenience to GROUP, at GROUP's request, BCBSRI will provide to GROUP a summary description of benefits. GROUP, if it so chooses, may distribute to its Eligible Employees. Such summary shall be provided solely for the purpose of summarizing the benefits purchased by GROUP for its Eligible Employees. This summary does not constitute a contract between the GROUP and BCBSRI or the Eligible Employees and BCBSRI. This summary is not a "Summary Plan Description" and therefore does not meet the requirements of "Summary Plan Descriptions" as set forth in 29 CFR part 2520.

5. RIGHT TO EXAMINE RECORDS.

BCBSRI and/or its authorized delegate shall be allowed to review all books and accounts of GROUP, which are reasonably necessary to confirm GROUP's performance of its obligations under this Agreement. This includes, but is not limited to, eligibility and enrollment records, including membership application information submitted through an online exchange and any required documentation of eligibility. GROUP must retain all eligibility and enrollment records for a period of no less than ten (10) years, during which time BCBSRI may obtain upon request such information and documentation for the purpose of confirming member eligibility and to satisfy appropriate legal requirements. All records shall be available during normal business hours for review by BCBSRI. GROUP's obligation to retain such records survives the termination of this Agreement.

GROUP and/or its authorized representative, upon request, shall be entitled to receive from BCBSRI records containing that information reasonably necessary to confirm that BCBSRI has complied with its obligation under this Agreement, (i.e. it has made available health benefits coverage to Enrolled Members). GROUP shall not be entitled to receive any information that BCBSRI deems proprietary or confidential health care information, whether under this section titled "Right to Examine Records" or otherwise.

6. RIGHTS AND RESPONSIBILITIES UNDER FEDERAL AND STATE PRIVACY LAWS.

6.1. Federal and State Privacy Laws.

Each Party shall comply with the applicable respective obligations under the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 CFR Parts 160-164, jointly “HIPAA”), the Gramm-Leach-Bliley Financial Modernization Act (15 U.S.C. 6801-6908), and state laws governing the privacy of medical records. This includes but is not limited to the Rhode Island Confidentiality of Health Care Communications and Information Act (RIGL 5-37.3 et seq.) and any other state and federal privacy laws in effect. BCBSRI shall protect the personal information pertaining to an Enrolled Member as required by Massachusetts Regulation 201.

Upon request, GROUP shall receive the following from BCBSRI, as defined by HIPAA:

- De-Identified Information.
- Summary Health Information, for purposes of request premium bids or to make changes the GROUP’s health plan.
- Enrollment and eligibility information.

GROUP shall not receive from BCBSRI Protected Health Information (“PHI”), as defined by HIPAA, except as allowed under law.

6.2. Obligations Under ERISA, COBRA, and Other Laws.

For the purposes of the Employee Retirement Income Security Act of 1974 (“ERISA”), COBRA, or any other federal or state law, GROUP and BCBSRI agree that BCBSRI is not the plan administrator of GROUP’s health plan and BCBSRI shall not have any reporting or other responsibilities.

In order to assist with plan administrator disclosure obligations under the federal No Surprises Act and Transparency in Coverage Rule, BCBSRI shall make GROUP’s health plan information and notice available on its public website in the required format. GROUP may post a link to the BCBSRI website on its own website or direct individuals to the BCBSRI site.

7. BLUE CROSS AND BLUE SHIELD ASSOCIATION.

7.1. Blue Cross and Blue Shield Association.

GROUP expressly acknowledges the understanding that this Agreement constitutes an agreement between GROUP and BCBSRI and that BCBSRI is an independent corporation operating under a license from the Blue Cross and Blue Shield Association (“Association”), an association of independent Blue Cross and Blue Shield plans. The Association permits BCBSRI to use the Blue Cross and Blue Shield service marks in the State of Rhode Island, and BCBSRI is not contracting as the agent of the Association. GROUP further accepts and agrees that it has not entered into this Agreement based upon representations by any person other than BCBSRI, and that no person, entity, or organization other than BCBSRI shall be held responsible or liable to GROUP for any of BCBSRI’s obligations to GROUP created under this Agreement.

7.2. Out-of-Area Services-Overview

BCBSRI has a variety of relationships with other Blue Cross and/or Blue Shield Licensees, referred to generally as “Inter-Plan Arrangements.” These Inter-Plan Arrangements operate under rules and procedures issued by the Blue Cross Blue Shield Association (“Association”). Whenever Enrolled Members access healthcare services outside the geographic area BCBSRI serves, the claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below. In the event of material changes to the Inter-Plan Arrangements, BCBSRI will provide prior written notice to the GROUP.

Typically, when accessing care outside the geographic area BCBSRI serves, Enrolled Members obtain care from healthcare providers that have a contractual agreement (“participating providers”) with the local Blue Cross and/or Blue Shield Licensee in that other geographic area (“Host Blue”). In some instances, Enrolled Members may obtain care from healthcare providers in the Host Blue geographic area that do not have a contractual agreement (“nonparticipating providers”) with the Host Blue. BCBSRI remains responsible for fulfilling our contractual obligations to you. BCBSRI payment practices in both instances are described below.

For some Health Care Coverage products, BCBSRI covers only limited healthcare services received outside of BCBSRI service area (as defined in the product's specific Subscriber Agreement). As used in this section, "Out-of-Area Services" for those products include covered health care services obtained outside the BCBSRI service area that: (a) qualify as emergency care or urgent care, or (b) are services BCBSRI specifically approves, or (c) are otherwise required by law. Any other services will not be covered when processed through any Inter-Plan Programs arrangements.

7.3. Inter-Plan Arrangements Eligibility – Claim Types

All claim types are eligible to be processed through Inter-Plan Arrangements, as described above, except for all dental care benefits, Group Plan 65, and those prescription drug benefits or vision care benefits that may be administered by a third party contracted by BCBSRI to provide the specific service or services.

7.4. BlueCard® Program

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when Enrolled Member access covered healthcare services within the geographic area served by a Host Blue, the Host Blue will be responsible for contracting and handling all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below.

7.4.1. Liability Calculation Method per Claim

Unless subject to a fixed dollar copayment, the calculation of the Enrolled Member liability on claims for covered healthcare services will be based on the lower of the participating provider's billed covered charges or the negotiated price made available to BCBSRI by the Host Blue.

Host Blues determine a negotiated price, which is reflected in the terms of each Host Blue's healthcare provider contracts. The negotiated price made available to BCBSRI by the Host Blue may be represented by one of the following:

- (i) An actual price. An actual price is a negotiated rate of payment in effect at the time a claim is processed without any other increases or decreases; or
- (ii) An estimated price. An estimated price is a negotiated rate of payment in effect at the time a claim is processed, reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements and performance-related bonuses or incentives; or
- (iii) An average price. An average price is a percentage of billed covered charges in effect at the time a claim is processed representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues determine whether or not they will use an actual, estimated or average price. Host Blues using either an estimated price or an average price may prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustment may mean that a current price reflects additional amounts or credits for claims already paid or anticipated to be paid to providers or refunds received or anticipated to be received from providers). However, the BlueCard Program requires that the amount paid by the Enrolled Member is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims. The method of claims payment by Host Blues is taken into account by BCBSRI in determining your premiums.

7.5. Negotiated Arrangements

Instead of using the BlueCard Program, BCBSRI may process your Enrolled Member claims for covered healthcare services through Negotiated Arrangements.

If BCBSRI and GROUP have agreed that Host Blues shall make available custom healthcare provider networks in connection with this Agreement, then the terms and conditions set forth in BCBSRI Negotiated Arrangements for National Accounts with such Host Blues shall apply.

Enrolled Member liability calculation will be based on the negotiated price (refer to the description of negotiated price under Section 7.4.1, BlueCard Program) that the Host Blue makes available to BCBSRI that allows GROUP Enrolled Members access to negotiated participation agreement networks of specified participating healthcare providers outside of BCBSRI service area.

Where GROUP agrees to use reference-based benefits, which are service-specific benefit dollar limits for specific procedures, based on a Host Blue's local market rates, Enrolled Members will be responsible for the amount that the healthcare provider bills above the specific reference benefit limit for a given procedure. For a participating provider, that amount will be the difference between the negotiated price and the reference benefit limit. For a nonparticipating provider, that amount will be the difference between the provider's billed charge and the reference benefit limit. Where a reference benefit limit exceeds either a negotiated price or a provider's billed charge, the Enrolled Member will incur no additional liability, other than any applicable Enrolled Member cost sharing.

7.6. Special Cases: Value-Based Programs- BlueCard Program

BCBSRI has included a factor for bulk distributions from Host Blues in GROUP's monthly premium for Value-Based Programs when applicable under this Agreement. Additional information is available upon request.

If BCBSRI has entered into a Negotiated Arrangement with a Host Blue to provide Value-Based Programs to Group's Enrolled Members, BCBSRI will follow the same procedures for Value-Based Programs as noted above for the BlueCard Program.

7.7. Return of Overpayments

Recoveries of overpayments can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, audits/healthcare provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recoveries will be applied so that corrections will be made, in general, on either a claim-by-claim or prospective basis. If recovery amounts are passed on a claim-by-claim basis from a Host Blue to BCBSRI, they will be credited to GROUP account. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be charged to GROUP as a percentage of the recovery.

7.8. Inter-Plan Programs: Federal/State Taxes/Surcharges/Fees

In some instances federal or state laws or regulations may impose a surcharge, tax or other fee that applies to insured accounts. If applicable, BCBSRI will include any such surcharge, tax or other fee in determining GROUP's Monthly Premium.

7.9. Nonparticipating Providers Outside BCBSRI Service Area

7.9.1. Enrolled Member Liability Calculation

When covered healthcare services are provided outside of BCBSRI service area by nonparticipating providers, the amount an Enrolled Member pays for such services will generally be based on either the Host Blue's nonparticipating provider local payment or the pricing arrangements required by applicable law. In these situations, the Enrolled Member may be responsible for the difference between the amount that the nonparticipating provider bills and the payment BCBSRI will make for the covered services as set forth in this paragraph. Payments for out-of-network emergency services are governed by applicable federal and state law.

7.9.2. Exceptions

In some exception cases, BCBSRI may pay claims from nonparticipating healthcare providers outside of BCBSRI service area based on the provider's billed charge. This may occur in situations where an Enrolled Member did not have reasonable access to a participating provider, as determined by BCBSRI in BCBSRI

sole and absolute discretion or by applicable law. In other exception cases, BCBSRI may pay such claims based on the payment BCBSRI would pay to a local nonparticipating provider. This may occur where the Host Blue's corresponding payment would be more than BCBSRI in-service area nonparticipating provider payment. BCBSRI may choose to negotiate a payment with such a provider on an exception basis.

Unless otherwise stated, in any of these exception situations, the Enrolled Member may be responsible for the difference between the amount that the nonparticipating healthcare provider bills and payment BCBSRI will make for the covered services as set forth in this paragraph.

7.10. Blue Cross Blue Shield Global Core Coverage

7.10.1. General Information

If Enrolled Members are outside the United States (hereinafter: "BlueCard service area"), they may be able to take advantage of the Blue Cross Blue Shield Global Core when accessing covered healthcare services. The Blue Cross Blue Shield Global Core is unlike the BlueCard Program available in the BlueCard service area in certain ways. For instance, although the Blue Cross Blue Shield Global Core assists Enrolled Members with accessing a network of inpatient, outpatient and professional providers, the network is not served by a Host Blue. As such, when Enrolled Member receive care from providers outside the BlueCard service area, the Enrolled Members will typically have to pay the providers and submit the claims themselves to obtain reimbursement for these services.

7.10.2. Inpatient Services

In most cases, if Enrolled Members contact the service center for assistance, hospitals will not require Enrolled Members to pay for covered inpatient services, except for their deductibles, coinsurance, etc. In such cases, the hospital will submit Enrolled Members claims to the service center to initiate claims processing. However, if the Enrolled Member paid in full at the time of service, the Enrolled Member must submit a claim to obtain reimbursement for covered healthcare services. Preauthorization is recommended for non-emergency inpatient services.

7.10.3. Outpatient Services

Physicians, urgent care centers and other outpatient providers located outside the BlueCard service area will typically require Enrolled Members to pay in full at the time of service. Enrolled Members must submit a claim to obtain reimbursement for covered healthcare services. Preauthorization is recommended for outpatient services.

7.10.4. Submitting a Blue Cross Blue Shield Global Core Claim

When Enrolled Members pay for covered healthcare services outside the BlueCard service area, they must submit a claim to obtain reimbursement. For institutional and professional claims, Enrolled Members should complete a Blue Cross Blue Shield Global Core claim form and send the claim form with the provider's itemized bill(s) to the service center address on the form to initiate claims processing. The claim form is available from BCBSRI, the service center or online at www.bcbsglobalcore.com. If Enrolled Members need assistance with their claim submissions, they should call the service center at 1.800.810.BLUE (2583) or call collect at 1.804.673.1177, 24 hours a day, seven days a week.

8. GENERAL PROVISIONS.

8.1. Assignment.

This Agreement shall bind and inure to the benefit of and be enforceable by the Parties, their respective successors, and permitted assigns. This Agreement, including all rights or obligations of GROUP, may not be assigned or transferred by GROUP without the prior written consent of BCBSRI.

BCBSRI may assign or transfer this Agreement and/or its rights or obligations to an affiliate of BCBSRI by providing written notice to GROUP.

8.2. Waiver.

The failure of any Party to insist upon strict performance of a covenant or representation of any obligation, irrespective of the length of time for which such failure continues, shall not be a waiver of such Party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation, shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any obligation hereunder.

No term of this Agreement may be waived, unless such waiver is in writing and signed by the Party against whom such waiver is sought to be enforced.

8.3. Applicable Law.

This Agreement shall be governed by federal laws and the laws of the State of Rhode Island.

8.4. Entire Agreement; Severability.

If any term of this Agreement is illegal, invalid or not enforceable under any law, present or future, the remainder of this Agreement shall not be affected. The Parties shall work in good faith to replace any such term with a valid, legal, and enforceable term as similar in terms to the original term as is possible.

This Agreement is the entire understanding between the Parties with respect to the transactions contemplated herein. Any changes to this Agreement will be sent in a writing signed by the Parties, except as otherwise permitted in Section III and Section IV (3.1). Such writing shall be an amendment to this Agreement.

8.5. Third Party Beneficiaries.

This Agreement is entered into solely between, and may be enforced only by, BCBSRI and GROUP. The terms of this Agreement shall not be deemed to create any rights in third parties or obligations of BCBSRI or GROUP to any such third parties. This includes employees, third party vendors, and customers of BCBSRI or GROUP. Nothing herein shall limit the rights of an Eligible Member from seeking to enforce his/her rights pursuant to the applicable Subscriber Agreement.

8.6. Notice.

All notices required under this Agreement shall be in writing. Notices shall be delivered by postage-prepaid certified mail or overnight carrier, return receipt requested. Notice shall be sent to the signatory and the address shown in Section 10 of this Agreement or to such other person and address as may be provided in writing by either Party. The date indicated on the return receipt shall be the notice effective date.

9. REGULATORY COMPLIANCE.

This Agreement is intended to comply with Rhode Island Insurance Regulation 23 ("Regulation 23"), as amended from time to time. The following provisions are included in order to be compliant with Regulation 23:

- The validity of this Agreement shall not be contested after it has been in force for two (2) years from its date of issue except for non-payment of premiums and other amounts due.
- A copy of the application, if any, made by GROUP to obtain coverage under this Agreement shall be attached to this Agreement. All statements made by GROUP in this Agreement shall be deemed to be representations and not warranties.
- All benefits payable under this Agreement shall be paid not later than sixty (60) days after receipt of proof of loss.
- No statement made by any Eligible Employee, Eligible Retiree, or Eligible Dependent shall be used to avoid insurance or reduce benefits unless:
 - such insurance has been in force for a period of less than two (2) years during such individual's lifetime;
 - such statement was contained in a written instrument signed by the individual making the statement; and
 - a copy of the written instrument was provided to the individual.

10. SIGNATURE.

GROUP through its authorized representatives, employees, and/or agents, has read and accepts the terms and conditions of this Agreement. This Agreement is not binding until signed by the GROUP and an officer of BCBSRI. A signed copy of this Agreement will be sent to GROUP. The Parties agree that this Agreement may be signed electronically, and that the electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility. This Agreement may be executed and delivered by facsimile or e-mail, and such facsimile or e-mail delivery shall constitute the final agreement of the Parties and conclusive proof of this Agreement.

IMPORTANT, PLEASE READ – GROUP accepts this Agreement under the following circumstances: 1) GROUP signs and returns this Agreement to BCBSRI; or 2) GROUP makes payment after receipt of this Agreement; or 3) BCBSRI provides Health Care Coverage, as described herein, without objection from GROUP within two (2) business days of the first date of the initial Rating Period as set forth in Section III of this Agreement.

IN WITNESS WHEREOF, BCBSRI and GROUP have executed this Agreement.

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND	GROUP
By: _____ Authorized Signature Print Name: <u>John Donohue</u> Title: <u>Vice President, Commercial Markets</u> Notice Address: <u>Blue Cross & Blue Shield of Rhode Island</u> <u>500 Exchange Street</u> <u>Providence, RI 02903</u> Date: ____/____/____	By: _____ Authorized Signature Print Name: _____ Title: _____ Date: ____/____/____

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.