



SALES AGREEMENT (51 OR MORE ELIGIBLE EMPLOYEES)

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.)

<p>GROUP Name: _____ _____ DBA (if applicable) _____ _____ Federal ID # _____ _____ Mailing address (Notice Address) Street _____ City _____ State _____ Zip _____ Phone _____ Fax _____</p> <p>Billing address (if different from above) Street _____ _____ City _____ State: _____ Zip _____ Phone _____ Fax _____ _____</p> <p>Administrator _____ _____ Administrator Email _____</p> <p>Business Type: Partnership ___ Corporation ___ Association ___ Sole Proprietorship ___ Other ___</p>	<p>Which online electronic enrollment tool will be used by GROUP: _____ Digital Health Plan (DHP) _____ Your Blue Shop _____ Broker Exchange through _____ (indicate name of broker) _____ On-line electronic enrollment tool will NOT be used by GROUP</p> <p>If employees are represented by a Union please provide: Union Name and Number: _____ _____</p> <p>Contact Information: _____</p> <p>Does the GROUP offer a Pension Plan? YES _____ NO _____</p> <p>If GROUP offers any of the following, please provide: FSA Vendor Name _____ HRA Vendor Name _____ HSA Vendor Name _____ Business SIC # _____ Requested Effective Date: _____ / _____ / _____</p> <p>Total # of Employees (Full and Part time) _____ Total # of Eligible Employees _____ Estimated # Employees Enrolling _____</p>
--	--

If an affiliate is included, please attach a list and include the following information for each affiliate: Affiliate's Name, Federal Tax ID #, Address, Date Business/ affiliate started, Total # of employees (Full and Part time), Total # of Eligible Employees, and an estimated # of Eligible Employees enrolling. If GROUP adds an affiliate during the term of this Agreement, GROUP agrees to submit written notification to BCBSRI, via telefax, electronic, or other reliable means. Affiliate 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? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, how many? _____
3. Specify percentage or dollar amount of the Monthly Premium paid by the GROUP : Individual _____ Family _____ Other _____

4a. Employee Coverage Effective Date (New Hires) _____ Date of Hire
_____ First day of month following Date of Hire

4b. Employee Probationary Period (New Hires) YES NO (If NO, Employee Coverage Effective Date is as indicated in 4a. above) If YES, coverage begins the first of the month following the completion of such probationary period.

Medical: 30 days 60 days 90 days**
Dental: 30 days 60 days 90 days**
Vision: 30 days 60 days 90 days**

**If selecting 90 days, Date of Hire must be selected in 4a above AND Employee Coverage Effective Date will be 91st day after the Date of Hire

4c. If GROUP has an alternative probationary period, please indicate the affected Eligible Employees:
 Management Other, describe: _____
Describe the terms of the probationary period (select from pre-defined periods in 4a) _____

5. Name of Worker's Compensation Carrier: _____
If any employees are not covered by Worker's Compensation, please attach a list of employees and job classification(s).

6. If any employees or dependents are currently covered by Medicare, please attach a list of employees/dependents.

7. If GROUP offers any other medical, dental, or vision plans, list insurance company or administrator name:
Medical: _____ Dental: _____
Vision: _____

8. If GROUP is replacing existing health insurance, indicate type of healthcare coverage, insurance company's name, and termination date for the plan being replaced:
Medical: _____ Termination date ____/____/_____
Dental: _____ Termination date ____/____/_____
Vision: _____ Termination date ____/____/_____

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, HEALTHCARE COVERAGE PURCHASED, AND MONTHLY PREMIUM PER SUBSCRIBER SHALL BE:

Medical: ___ / ___ / _____ through ___ / ___ / _____ (“Rating Period”)

Dental: ___ / ___ / _____ through ___ / ___ / _____ (Rating Period”)

Vision: ___ / ___ / _____ through ___ / ___ / _____ (Rating Period”)

Healthcare Coverage Purchased			Monthly Premium per Subscriber*			
Group Number(s):	Product Name and SA Form#:	Description:	Individual	Other (N) _ sub/spouse _ sub/child _ sub/children	Other (N) _ sub/spouse _ sub/child _ sub/children	Family
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$

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

BROKER DESIGNATION (if applicable): GROUP shall submit a broker designation notice (“Broker of Record”) to BCBSRI; such notice shall identify the GROUP’s designated broker(s). Upon receipt of the Broker of Record notice, BCBSRI shall be authorized to release to broker de-identified information, summary health information, and enrollment information on GROUP’s behalf. The Broker of Record remains in effect for GROUP, including all affiliates of GROUP, 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 regularly works the required number of hours per week, and GROUP pays for or provides:
 - fringe benefits;
 - wages and salaries; and
 - contributes to the Monthly Premium charge for the Healthcare Coverage selected.
- 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 who is not entitled to Medicare part A and enrolled in Medicare part B.

To enroll in a BlueCHiP Health Plan (“BlueCHiP”) an Eligible Employee must also live or work in the BlueCHiP service area, which includes the entire State of Rhode Island.

- 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 receiving retirement benefits from GROUP and 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. Such Eligible Retiree shall not be deemed to have any dependents who can select Group Plan 65.**
- 1.5. “Enrolled Member” means an Eligible Employee, Eligible Retiree, or Eligible Dependent identified to BCBSRI by GROUP as a person who shall receive Healthcare Coverage under this Agreement.**
- 1.6. “Healthcare Coverage”, if GROUP has selected medical, dental, and vision coverage, means medical, dental, and vision coverage, unless otherwise specified.**
- 1.7. “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).**
- 1.8. “Party” or “Parties” means BCBSRI and/or GROUP.**
- 1.9. “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.**
- 1.10. “Subscriber” means an Eligible Employee or Eligible Retiree who also is an Enrolled Member.**
- 1.11. “Subscriber Agreement(s)” and “SA” means the booklet that describes the Healthcare 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 Term and the applicable Monthly Premium rates are set forth in Section III.

2.1.2. Extension of Agreement.

Following the Initial Term of the Agreement, the Agreement shall be extended for successive Rating Period(s) upon mutual written agreement of the Parties, 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 such Financial Terms changes to GROUP in a writing signed by the Parties. Such writing shall constitute an amendment to the Agreement.

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 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, or the dental coverage, or the vision coverage; GROUP may only end that type of coverage to which the Cause for termination applies. The termination 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 Coverage.

BCBSRI may end the dental 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 date for the dental 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 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 Vision Coverage

BCBSRI may end the 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 thirty (30) days following receipt of such notice. The termination date for the 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 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. Healthcare Coverage.

In the event GROUP shall materially fail to comply with Section IV (3.1) titled “Financial Terms of GROUP” with respect to 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 non-compliance 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 Coverage.

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

2.2.3.2. Dental Coverage.

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

2.2.3.3 Vision Coverage

Upon termination by either Party, each type of vision benefits 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 rates 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 rates 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 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. A one year waiting period shall be imposed on any group cancelled by BCBSRI for non-payment.

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 the 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 Healthcare 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 Healthcare Coverage.

Enrolled Members shall continue to be covered until GROUP notifies BCBSRI that such Enrolled Members are no longer eligible for Healthcare 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.

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 the 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 the GROUP’s Healthcare 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 the GROUP Healthcare Coverage, (2) determining whether an individual is eligible to participate in the GROUP Healthcare 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. Retroactive Enrollment Changes.

Notwithstanding any other provision of this agreement, retroactive enrollment changes shall not be honored, except as required by applicable law. In cases of administrative oversight, the requested effective date of retroactive enrollment, whether a cancellation, addition, or other enrollment change, cannot exceed sixty (60) days from the date of request.

In cases of requests for retroactive cancellation due to administrative oversight, the effective date of retroactive cancellation shall be the last day of the month and no more than sixty (60) days before the request was received by BCBSRI. Additionally, 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 cancellation 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 Healthcare Coverage, following the confirmed date of ineligibility. GROUP agrees that BCBSRI shall have no liability to GROUP for healthcare services rendered to such Enrolled Members incurred before the effective date or after the termination date.

3.5. 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.

3.6. 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.

3.7. 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 Healthcare 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.

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 healthcare 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 Healthcare 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:

- (i) De-Identified Information.
- (ii) Summary Health Information, for purposes of request premium bids or to make changes the GROUP’s health plan.
- (iii) 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 PHSA, COBRA, and Other Laws.

For the purposes of the Public Health Service Act (“PHSA”), 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.

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

BCBSRI has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as “Inter-Plan Programs.” 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 Programs and presented to BCBSRI for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Programs available to Enrolled Members under this Agreement are described generally below.

Typically, Enrolled Members, when accessing care outside the geographic area BCBSRI serves, obtain care from healthcare providers that have a contractual agreement (i.e., are “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 non-participating healthcare providers. BCBSRI payment practices in both instances are described below.

If this Agreement includes BlueCHiP coverage, BCBSRI covers only limited healthcare services received outside of BCBSRI service area. As used in this section, “Out-of-Area Covered Healthcare Services” include covered healthcare services obtained outside the geographic area BCBSRI serves that: (a) qualify as emergency care or urgent care, or (b) are provided with a referral from the Enrolled Member’s primary care physician (“PCP”) and approved by BCBSRI, or (c) are included in the flex plan rider, as described in the BlueCHiP Subscriber Agreement(s). Any other services will not be covered when processed through any Inter-Plan Programs arrangements.

7.2.1. BlueCard® Program

Under the BlueCard® Program, when Enrolled Members access covered healthcare services within the geographic area served by a Host Blue, BCBSRI will remain responsible to GROUP for fulfilling BCBSRI contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its participating healthcare providers including some managed care services, as applicable. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, BCBSRI's action will be consistent with the spirit of this description. The BlueCard program does not apply to Group Plan 65, dental, and vision coverage.

7.2.1.1. Liability Calculation Method Per Claim

The calculation of the Enrolled Member liability on claims for covered healthcare services processed through the BlueCard Program, if not a flat dollar copayment, will be based on the lower of the participating healthcare provider's billed covered charges or the negotiated price made available to BCBSRI by the Host Blue.

Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's healthcare provider contracts. The negotiated price made available to BCBSRI by the Host Blue may represent a payment negotiated by a Host Blue with a healthcare provider that is one of the following:

- (i) an actual price. An actual price is a negotiated payment without any other increases or decreases; or
- (ii) an estimated price. An estimated price is a negotiated payment 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 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 using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustments may mean that a current price reflects additional amounts or credits for claims already paid to providers or anticipated to be paid to or received from providers). However, 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 BlueCard Program requires that the price submitted by a Host Blue to BCBSRI is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

A small number of states require a Host Blue either (i) to use a basis for determining Enrolled Member liability for covered healthcare services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (ii) to add a surcharge. Should the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, BCBSRI would then calculate Enrolled Member liability in accordance with applicable law.

7.2.1.2. Return of Overpayments

Under the BlueCard Program, recoveries from a Host Blue or its participating healthcare providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. 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 netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a claim-by-claim or prospective basis.

7.2.2. Non-Participating Healthcare Providers Outside BCBSRI Service Area.

7.2.2.1. Enrolled Member Liability Calculation.

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

7.2.2.2. Exceptions.

In some exception cases, BCBSRI may pay claims from non-participating healthcare providers outside of BCBSRI service area based on the provider's billed charge, such as 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 state law. In other exception cases, BCBSRI may pay such claims based on the payment BCBSRI would make if BCBSRI were paying a non-participating provider for the same covered healthcare services inside of BCBSRI service area, as described in the Subscriber Agreements, where the Host Blue's corresponding payment would be more than BCBSRI in-service area non-participating provider payment, or in BCBSRI sole and absolute discretion, BCBSRI may negotiate a payment with such a provider on an exception basis. In any of these exception situations, the Enrolled Member may be responsible for the difference between the amount that the non-participating healthcare provider bills and the payment BCBSRI will make for the covered services as set forth in this paragraph.

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. 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.

Both parties are required to sign

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

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND	GROUP
By: _____ Authorized Signature Print Name: <u>Melissa B. Cummings</u> Title: <u>Senior Vice President and Chief Customer Officer</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: _____ Notice Address: _____ _____ _____ Date: ____/____/____

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