



## Group Contract

This Group Contract (“Contract”) is entered into by and between **BRISTOL MANAGEMENT SERVICES, INC.** (“Group”) and Blue Cross of California d/b/a Anthem Blue Cross and Anthem Blue Cross Life and Health Insurance Company (“Anthem”) (individually referred to as “Party” and together collectively referred to as the “Parties”) upon the following terms and conditions:

### ARTICLE 1 – PURPOSE

Group has requested Anthem provide health coverage to its eligible Employees or other individuals as described in the Booklet. Upon Anthem’s receipt and acceptance of Group’s signed application and payment of the first premium, this Contract will be deemed executed by Group. This Contract supersedes any prior agreements between the Parties regarding the subject matter of this Contract. Anthem’s standard policies and procedures, as they may be amended from time to time, will be used in the performance of services specified in this Contract and the provision of benefits contained in the Booklet.

### ARTICLE 2 – DEFINITIONS

In this Contract, the following terms will have the meanings shown below. Capitalized terms used in this Contract that are not defined below are defined in the Booklet.

- A. **Anniversary Date.** The date indicated in Schedule A that this Contract will renew.
- B. **Booklet.** The Certificate of Coverage, as applicable that describes the medical or other health care benefits provided by Anthem, including any amendments or schedules.
- C. **Contract.** The entire agreement between the Parties including: (1) this Contract and any amendments and schedules; (2) the Booklet and any amendments; (3) the Group application; and, (4) any individual enrollment information, as each may be updated from time to time.
- D. **Employee.** Actively employed individuals, owners, partners or other individuals designated by Group who meet the eligibility criteria in the Booklet and any additional eligibility criteria indicated on Schedule A. These individuals must complete any probationary period required by Group and satisfy Anthem’s underwriting rules, consistent with applicable laws. Retirees are also eligible for coverage under this Contract, if indicated on Schedule A.
- E. **Group Health Plan or Plan.** A benefits plan established by the Group as described in the plan documents, which includes this Contract and the Booklet.
- F. **Member.** An individual, including the Subscriber and any dependents, that meets the eligibility criteria and has enrolled for coverage under this Contract.
- G. **Subscriber.** An Employee that meets the eligibility criteria and has enrolled for coverage under this Contract.

### ARTICLE 3 – OBLIGATIONS OF ANTHEM

- A. Anthem will provide medical or other health care benefits under the terms of this Contract and the Booklet. Anthem will not provide benefits for health care services provided: (1) before a Member’s first

day of coverage under this Contract; (2) after the termination of coverage; or, (3) during any period that full premium has not been paid, except as required by law.

B. Anthem will provide a copy of plan materials and related items as required under applicable law. Anthem may deliver plan materials and related items via email or other electronic means, as permitted by law. Anthem will provide paper copies of plan materials and related items by mail, upon the Group's request. Groups that previously opted to receive paper copies of plan materials or related items may also receive these plan materials and related items via email or other electronic means, as permitted by law, and must contact Anthem with any request to receive a paper copy of any plan materials and related items. For purposes of this section, "plan materials and related items" includes, but is not limited to Booklets, summaries, billing statements, ID cards, provider directories, notices of nonpayment and cancellation and other notices.

C. Anthem will process the enrollment of eligible individuals, subject to the terms of this Contract and receipt of applicable premium. Anthem will maintain current Member eligibility information submitted by Group.

D. Anthem will process claims, including investigating and reviewing the claims according to Anthem's standards to determine what amount, if any, is due and payable according to the terms and conditions of this Contract and the Booklet. Anthem has the right to make benefit payments to either Providers or Members as described in the Booklet. Anthem will coordinate benefits with other payors, including Medicare. Anthem will give notice, in writing within 30 working days of receipt of the completed claim, when a claim for benefits has been denied. The notice will provide the reasons for the denial and the right to an appeal of the denial under the terms of the Booklet.

E. Anthem is responsible for pursuing recoveries of claim payments as appropriate. Anthem shall determine which recoveries it will pursue. However, Anthem will not pursue a recovery if the cost of collection is likely to exceed the recovery amount, or if the recovery is prohibited by law or an agreement with a Provider or other vendor.

F. Group is responsible for complying with Employee Retirement Income Security Act ("ERISA") reporting requirements, as applicable; however, Anthem will provide Group available data necessary for preparation of the ERISA Form 5500, if and to the extent applicable. The Booklet provided by Anthem does not satisfy all requirements of ERISA for a Summary Plan Description, but may be incorporated into the Summary Plan Description issued by Group. Anthem is under no obligation to provide any other type of data reports to Group, except as otherwise agreed to by the Parties or required by law.

G. In addition to the benefits described in the Booklet, Anthem will make available identity theft protection services to Members. Anthem may also facilitate the provision of wellness programs offered by Group. Group will pay any fees for these wellness programs, if indicated in Schedule B.

H. Anthem shall not: (1) adjust premiums based on genetic information; (2) request genetic testing, except to determine medical appropriateness; (3) collect genetic information from a Member in connection with enrollment; or, (4) collect genetic information for any other underwriting purpose.

#### **ARTICLE 4 – OBLIGATIONS OF GROUP**

A. Group will provide initial eligibility information in the format agreed to by the Parties, as well as notice of additions, deletions, and changes to enrollment. Group will also provide any information reasonably required by Anthem to administer this Contract, including information regarding: (1) eligibility

for enrollment and termination of Members; (2) changes in single or family coverage status; (3) changes due to Medicare eligibility; or, (4) contribution and participation levels.

B. Group will notify each Employee as the Employee becomes eligible for enrollment, and will collect and submit to Anthem enrollment or waiver of coverage information. Group will also keep a record of Employees who do not apply. All information provided by Group to Anthem will be true, accurate and complete to the best of its knowledge. In addition, Group will provide an open enrollment period as agreed to by the Parties and consistent with state and federal law.

C. Group will timely notify Anthem of any Member termination or loss of eligibility for coverage. Anthem may limit retroactive terminations to a maximum of 60 days prior to the date notice is received. Anthem will refund Group any unearned premium. Also, if Anthem has provided benefits for individuals no longer eligible, Anthem may collect from Group any paid claim amounts not otherwise recovered by Anthem. If Anthem verifies a Member's eligibility according to the Membership information which the Group provides, the Group will indemnify and hold Anthem harmless for any losses or damages arising from Anthem's erroneous verification of eligibility because of the Group's failure to provide timely, accurate and complete eligibility information in a manner and format acceptable to Anthem.

D. Electronic Submission of Enrollment and Eligibility Data

- (1) The Group may submit initial and ongoing eligibility data electronically in a format defined by Anthem and compatible with Anthem's system or Group may contract with a third-party vendor ("Vendor") to capture initial and ongoing eligibility data in order to electronically send such data to Anthem. The Group or its authorized Vendor, will administer and maintain all electronic eligibility in accordance with the provisions of this Contract and the Group shall be responsible for the performance and activities of the Vendor. The Group must obtain Anthem's approval in writing prior to initiating the submission of electronic eligibility data to Anthem. Anthem will not be responsible for any fees or administrative charges associated with any third-party vendor services purchased by the Group. All fees or administrative charges will be the sole responsibility of the Group.
- (2) If the Group uses electronic enrollment applications in place of enrollment application forms provided by Anthem, the Group warrants and agrees that the electronic enrollment processes and media (a) include an arbitration disclosure provision with language acceptable to Anthem and located immediately before the electronic signature, and (b) are maintained in a secure manner, are retrievable and reproducible with the enrollment and signature linked with the process or media. In addition, the Group warrants that the manner of electronic signature satisfies all legal requirements for an electronic signature. Group further warrants that the electronic enrollment processes and media will not include any components that are not required by enrollment application forms provided by Anthem. Group must and agrees to procure Anthem's prior approval of any non-standard application forms before they are used.
- (3) On or before the end of each month, the Group or its third-party vendor (Vendor) will transmit to Anthem eligibility information electronically, using mutually acceptable software, which will contain a current listing for that month of all Subscribers and Members enrolled under the Contract as of the date the premium is due. Such listing will include the addition of newly enrolled Members, the deletion of persons who are no longer eligible, and any other changes related to eligibility.
- (4) Upon receipt of the information from the Group, Anthem will update its membership data with the current enrollment information contained therein.

- (5) The Group will provide for the establishment and ongoing retention of membership information. This will include obtaining and maintaining of applications from eligible employees and dependents, the handling of ongoing additions, deletions and changes on a timely basis. The Group will be responsible for retaining in auditable form complete enrollment and eligibility documentation, whether written or in electronic form, including, but not limited to, all electronic or written enrollment applications, any electronic or written confirmation forms or media, and any electronic or written correspondence related to the enrollment, eligibility and waiver forms. The Group must procure Anthem's prior approval of any non-standard forms to be used in obtaining enrollment and eligibility information. The Group agrees to maintain membership information in a secure manner, retrievable and reproducible including all signed enrollment applications linked with the process or media. The Group will furnish to Anthem, immediately on Anthem's demand and at no expense to Anthem, copies of such forms and correspondence, whether written or electronic. Eligibility guidelines based upon criteria set forth in the Contract must be followed.

E. Group's designated agent, producer, broker, agency, brokerage, general agency and their respective employees currently on file with Anthem (Agent) are authorized to access Group's health plan information, including protected health information, on behalf of Group's health plan through Anthem's employer access system or any other access points Anthem may offer. This information may include, but is not limited to, detail about Members, plan selections and bills/invoices. The Agent is also authorized to make changes to Group's information on behalf of Group, including but not limited to adding/deleting plans and Members and changing Member demographic information. The Agent will administer all information in accordance with the provisions of the Contract, and Group will be responsible for the activities of the Agent. If Group's Agent on file changes, these authorizations will apply with respect to the successor Agent. The Agent is required to maintain original documentation and will make such documentation available to Anthem upon request.

F. Declination Forms. Each eligible Member is required to enroll under a Group-sponsored health plan. If any Member does not enroll for such coverage, or is terminating coverage (disenrolling), the Group agrees to obtain a written notice, signed by that Member (or that Member's guardian in the case of a minor), that the Member declines coverage or is terminating coverage under all Group-sponsored health plans.

This notice shall clearly indicate that the Member is aware that if he or she does not enroll for coverage under the plan within 31 days from the Member's eligibility date or disenrolls as described, the Member may not be eligible to reapply for coverage until the Group's next open enrollment period.

The Group shall maintain files for all such notices of declination of coverage, and shall, upon request, provide copies promptly to Anthem.

The Group will indemnify, defend and save Anthem, and its affiliates, harmless from any claims, demands, loss, cost or expense, including attorney's fees, arising from or related to the Group's failure to fully and faithfully perform under this provision entitled "Declination Forms". If Anthem is required to provide coverage because of the Group's failure to fully and faithfully perform under this provision, in addition to any other claim Anthem may have against the Group for such failure, the Group will pay all subscription charges due for such coverage.

G. Group must comply with Anthem's contribution levels, participation levels, and other applicable underwriting rules that are consistent with applicable laws.

H. Group represents that it satisfies the definition of large employer group under applicable state and federal law and that it will promptly notify Anthem if there is a change in Group's status as a large group,

as defined under applicable law. In such event, Group will provide all information requested by Anthem about its status.

I. If Group maintains a Grandfathered Health Plan, as that term is used in the Patient Protection and Affordable Care Act (“PPACA”), Group will not make any changes to such Plan, including changes to Group contribution levels, without giving Anthem advance written notice of the intent to change such Plan. Also, at Anthem’s request, Group will confirm in writing that it has not made changes to its Plan that would cause the Plan to lose its grandfathered status. If Group makes changes to a Grandfathered Health Plan without notice to Anthem, the Plan may lose grandfathered status, and significant penalties or fines may be assessed against Group and Anthem. If Group makes changes to its Plan and does not provide advance notice to Anthem, Group agrees to reimburse Anthem for any penalties, fines or other costs assessed against Anthem.

J. Group agrees to timely distribute and deliver to its Employees and dependents, the Summary of Benefits and Coverage (“SBC”) provided by Anthem as required by federal law. The SBC must be provided with open enrollment materials or, if Group does not hold an open enrollment, at least 30 days prior to the Anniversary Date. Group will issue an updated SBC if the benefits change between the time of original distribution and the effective date of coverage. SBCs must also be provided to new enrollees and special enrollees. Group may distribute the SBC either electronically or by paper, subject to the requirements of applicable law. If requested by Anthem, Group will certify its compliance with the SBC distribution requirements. Group agrees to reimburse Anthem for any penalties, fines or other costs assessed against Anthem, if Group fails to comply with these requirements.

Group will timely notify Anthem of requested benefit changes prior to the Anniversary Date. A request for benefit changes after the renewal of this Contract may delay the effective date of the benefit changes by at least 60 days and require a notice of material modification.

K. Group is responsible for all applicable requirements pertaining to COBRA and CalCOBRA administration, unless otherwise agreed to in writing by Anthem. If Anthem has agreed to perform any COBRA administration duties on behalf of Group, such arrangement will be described in a separate agreement.

L. PPACA requires a small group benefit design to meet certain minimum levels of actuarial value. The amount of Group’s contribution to any HRA, HSA or Wrap Plan is included in the calculation of these actuarial values. Group must notify Anthem if it changes its contribution amount to any HRA, HSA or Wrap Plan, and agrees to reimburse Anthem for any penalties, fines or other costs assessed against Anthem resulting from Group’s change in contribution.

M. If Group offers multiple benefit plans insured by more than one carrier, Group will offer Anthem coverage to all Employees at terms and contribution levels that are no less favorable than those offered by other carriers.

N. Group agrees to provide and update Anthem with its current email address.

O. The waiting period elected by Group may not exceed 90 days.

P. Group will assist in the distribution of plan materials and related items if requested by Anthem. For purposes of this section, plan materials and related items includes, but is not limited to Booklets, summaries, billing statements, ID cards, provider directories, notices of nonpayment and cancellation and other notices.

Q. Group agrees to notify Subscribers of the location of the electronic Booklet and how to access it, and subsequently, if changes are made to the Booklet, the location of the amendments showing changes. Anthem will provide electronic copies of Booklets by posting Booklets on its website, [anthem.com/ca](http://anthem.com/ca), which Subscribers can access using their own identification numbers shown on their ID card and their Subscriber password. Anthem will post Booklets on its Employer Access system, <https://employer.anthem.com/eea/public/#/login>, which Group's can access after registering with the system. Group agrees to distribute promptly, upon request by the Subscriber, an appropriate printed copy of the Booklet to each Subscriber who requests one. Further, Group agrees to comply with all applicable provisions of the Employee Retirement Income Security Act (ERISA) in connection with the delivery of the Booklet to its Subscribers in electronic format, including all applicable provisions regarding access to such materials in electronic format. Group will indemnify, defend and save Anthem, and its affiliates, harmless from any claims, demands, loss, cost or expense, including reasonable attorney's fees solely arising from or directly related to the Group's failure to fully and faithfully perform under this provision.

R. Anthem generally receives Member telephone numbers from Group through enrollment files or the online employer access portal. Telephone numbers are provided directly to Group by Members with the understanding that Anthem may contact them, and Group and Group's third-party vendor (Vendor), if applicable, obtain telephone numbers from Members and not through a service or another party. Anthem may contact Members by telephone for clinical purposes, benefit related issues or to perform services under the Contract. Telephone numbers may be updated periodically by Members, and Anthem will honor do not call requests. With regard to Anthem's use of Member telephone numbers, Group agrees to retain Member enrollment records for a period of at least 4 years or as otherwise set forth in the Telephone Consumer Protection Act and, upon request, will provide such records to Anthem in a timely manner.

#### **ARTICLE 5 – CHANGES TO CONTRACT AND BOOKLET**

A. Anthem may modify the terms of the Booklet by giving at least 60 days advanced written notice prior to the Anniversary Date of this Contract. Group can also propose changes to the terms of the Booklet at any time by giving written notice of any such requested change to Anthem. The requested changes to the Booklet shall be agreed to by the Parties and the effective date of notifications to enrollees or the group on behalf of enrollees shall be in accordance with state law. In addition, Anthem may modify the terms of this Contract, other than the terms of the Booklet and the premium rates, by giving 60 days advanced written notice to Group of such changes.

B. Anthem may change the premium rates or other amounts due under this Contract by providing written notice to Group at least 60 days before the effective date of such change. However, such notice requirement will not apply to changes in premium rates that are the result of changes in benefit provisions requested by Group.

C. No agent of Anthem has the authority to change this Contract or waive any of its provisions. An amendment to this Contract will not be effective unless signed by an officer of Anthem. If any change to the Contract or the Booklet, including premium amounts, is unacceptable to Group, Group has the right to terminate coverage under this Contract by giving written notice of termination to Anthem before the effective date of the change. Payment of the new amount in the event of a premium rate change, or continued payment of the current amounts in the event of a Contract or Booklet change only, will constitute acceptance of the change by Group, without the necessity of securing Group's signature on the schedule or amendment. The schedule or amendment will then become a part of this Contract.

## **ARTICLE 6 – PREMIUM AND GRACE PERIOD**

A. The premium rates for coverage under this Contract are provided in Schedule B. Premium rates are based on the data provided by Group, consistent with applicable laws. Anthem may retroactively modify the premium rates if the data provided is inaccurate or new data is submitted that varies from the data previously provided to Anthem.

B. The full invoice amount, including premium, taxes, fees or assessments, must be paid in advance by Group on or before the invoice due date. Anthem does not have an obligation to accept a partial payment. Group must make payments regardless of any contributions to those payments by Subscribers. Even if Group has not received an invoice from Anthem, Group is still obligated to pay, at a minimum, the prior invoice amount.

C. Group is entitled to a 31 day period (the “Grace Period”), for the payment of any premium or other amounts due. If, during the Grace Period, Group pays the full amounts owed, this Contract will remain in force.

D. Anthem may assess additional fees or charges if indicated in Schedule B.

E. For any rebate due and payable by Anthem as a result of the medical loss ratio (“MLR”) requirements of PPACA or applicable state law, all such rebates paid will constitute a return of premium. Group will promptly provide Anthem with any information needed to calculate the rebate amount. Anthem reserves the right to pay the rebate to either Group or Subscribers.

If Anthem pays the rebate to Group, Group will promptly refund to each Subscriber his or her proportional share of the rebate according to the requirements of PPACA. On request, Group will provide to Anthem documentation required under PPACA of the distribution of the rebate to Subscribers. Group agrees to provide such documentation within the time frame designated by Anthem.

If Anthem receives a claim relating to the amount of the Subscriber’s rebate, Group will cooperate with Anthem and provide Anthem with information required to investigate the claim. If Anthem is required to pay additional amounts to a Subscriber due to Group’s failure to provide accurate information, make a refund, or refund less than the amount due, Group must reimburse Anthem for such additional amounts paid. This provision survives the termination of the Contract.

## **ARTICLE 7 – TERMINATION**

A. Group may terminate this Contract at any time by giving Anthem advance written notice of termination; however, the termination will be effective at the end of the month in which notice is given, except as otherwise agreed to by the Parties. Group must pay the amounts due for each Subscriber covered through the effective date of termination of this Contract. Unless Group provides advance notice of termination, this Contract will automatically renew on each Anniversary Date, upon Group’s payment and Anthem’s acceptance of premium.

B. The Contract will terminate:

- (1) on the last day of the Grace Period, if premium or other amounts due remain unpaid. Anthem will provide Group with a 31 day notice of the Grace Period. Anthem’s receipt and deposit of a payment through its automatic payment procedures or other procedures will not be deemed acceptance of a late payment or waiver of termination. Anthem shall not terminate this Contract

if the Group makes the appropriate payment in full within 31 days after Anthem issues the notice of termination.

- (2) with written notice to Group that the Contract will be terminated due to Group's failure to comply with Anthem's contribution or participation requirements or Group's failure to supply information necessary to substantiate the contribution or participation levels.
- (3) with written notice to Group, if Group commits fraud or makes an intentional misrepresentation of material fact with respect to this Contract.
- (4) with written notice to Group, as required by applicable law, that the Contract will be terminated because Anthem is discontinuing the particular type of health benefits product elected by Group, Anthem will no longer issue group health coverage within the large group market, or for any other reason permitted by law.
- (5) with written notice to Group, if there is no longer any Subscriber under the Plan who lives or works in Anthem's service area.
- (6) as of the date Group's membership in an association, labor union or other entity applicable to Group's coverage ceases, or the date that entity's coverage with Anthem ceases.

C. Group will promptly notify Members that this Contract is or will be terminated, and will provide any notice regarding a Member's right to other coverage. Anthem will not provide benefits coverage for medical services rendered after the effective date of termination, except as otherwise provided in the Booklet or required by law.

D. Anthem reserves the right to cancel coverage with 30 days prior written notice to any Member who engages in intentional misrepresentation of a material fact or fraud. After 24 months following the issuance of this Contract, Anthem shall not terminate this Contract due to any omissions, misrepresentations, or inaccuracies whether willful or not.

E. If this Contract terminates for nonpayment of an invoice amount due, Group may request reinstatement of this Contract according to Anthem's policies and procedures, which may include the payment of a reinstatement fee. Anthem will determine whether the Contract will be reinstated, and notify Group of its decision. If Anthem reinstates the Contract, the coverage will resume as of the date the Contract terminated. If Anthem does not reinstate the Contract, it will return any unearned premium to Group. In the event the necessary payment is delivered to Anthem on or before the last day of the 31-day grace period, Anthem shall continue coverage beyond the grace period without interruption pursuant to the terms of the Contract.

## **ARTICLE 8 – NOTICES**

A. Any required notice under this Contract will be deemed sufficient when made in writing and delivered by first class mail; personal delivery; electronic mail, as permitted by law; or overnight delivery with confirmation capability. Such notice will be deemed to have been given as of the date of the mailing. Anthem will provide notice to Group's principal place of business as shown on Anthem's records. Group will provide notice to its designated Anthem representative.

B. If requested by Anthem, Group will distribute notices and other communications to Members. Group will notify all Members of the termination of this Contract.

## **ARTICLE 9 – LIMITATION ON ACTIONS AND GOVERNING LAW**

A. No action may be brought to recover benefits for any service covered under this Contract unless the required notice or proof of claim has been given to Anthem within the time frame required under the Booklet, and such action is commenced no later than 4 years following the date that the notice or proof of claim has or should have been provided to Anthem.

B. Except to the extent preempted by ERISA or any other applicable federal law, this Contract will be governed by and construed according to the laws of California. All claims or actions arising under this Contract will be heard in a court of competent jurisdiction in California.

## **ARTICLE 10 – NO WAIVER**

No failure or delay by either Party to exercise any right or to enforce any obligation under this Contract, in whole or in part, will operate as a waiver to enforce compliance with such right or obligation in the future. No course of dealing between Group and Anthem will operate as a waiver of any right or obligation under this Contract.

## **ARTICLE 11 – ASSIGNMENT**

Neither Party may assign all or part of this Contract without first obtaining the written consent of the other Party. However, subject to applicable laws, Anthem may assign all or part of its duties and obligations to: (1) another qualified insurance carrier under an assumption reinsurance arrangement; (2) any affiliate or successor in interest of Anthem; or, (3) another qualified insurance carrier surviving a merger, reorganization, sale, or similar event involving Anthem or Anthem's assets. Any assignee under this Contract must continue to fulfill all Contract obligations.

## **ARTICLE 12 – SERVICE MARKS**

This Contract constitutes a contract solely between Group and Anthem. Anthem is an independent corporation operating under a license with the Blue Cross and Blue Shield Association ("Association"), an association of independent Blue Cross and Blue Shield Plans, permitting Anthem to use the Blue Cross and/or Blue Shield Service Marks in the State of California. Anthem is not contracting as the agent of the Association. Group has not entered into this Contract based upon representations by any person other than Anthem. No person, entity, or organization other than Anthem will be held accountable or liable to Group for any of Anthem's obligations provided under this Contract. This paragraph will not create any additional obligations on the part of Anthem, other than those obligations contained in this Contract.

## **ARTICLE 13 – CONTRACT ADMINISTRATION**

A. Anthem has the authority to determine eligibility for benefits under the Contract. Anthem also has the authority to resolve all questions arising under the Booklet and to establish and amend the policies and procedures with regard to the administration of benefits under the Booklet. In addition, Anthem has all powers necessary or appropriate to carry out its duties in connection with the performance of services under this Contract. Anthem's authority to determine eligibility for benefits shall be exercised consistently with the provisions of the Contract, the Booklet, Provider agreements, and applicable law.

B. Anthem may waive or modify any referral, authorization, or certification requirements, benefit limits, or other processes contained in the Booklet if such waiver is in the best interest of the Member or will facilitate effective and efficient claims administration.

C. Anthem may institute, from time to time, pilot or test programs regarding disease management, utilization management, case management or wellness initiatives. A pilot or test program may impact some, but not all Members. Anthem reserves the right to discontinue a pilot or test program at any time without notice.

D. Anthem will have sole responsibility for resolving appeals from claim decisions, consistent with state and federal law. If Group receives a question or complaint regarding benefits under this Contract, Group will advise the Member to contact Anthem.

E. All statements made by Group and any Member will be considered representations and not warranties. Additionally, no statement will be used to contest the validity of coverage after the Contract has been in force for 24 months.

F. Anthem assumes only those responsibilities that are expressly stated in this Contract. Nothing contained in this Contract will be construed to deem Anthem as Plan Sponsor, Plan Administrator or a Named Fiduciary for purposes of ERISA.

G. Anthem may delegate any of its responsibilities under this Contract without the consent of Group. Anthem shall remain responsible to Group for fulfilling its obligations under this Contract.

#### **ARTICLE 14 – RELATIONSHIP OF THE PARTIES**

Group and Anthem are separate legal entities. Nothing in this Contract will cause either Party to be deemed a partner, agent or representatives of the other Party. Neither Party will have the expressed or implied right or authority to assume or create any obligation on behalf of the other Party.

#### **ARTICLE 15 – OUT-OF-AREA SERVICES**

##### **Overview**

Anthem 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 Members access healthcare services outside the State of California, the claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below.

Typically, when accessing care outside California, Members obtain care from 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, Members may obtain care from Providers in the Host Blue geographic area that do not have a contractual agreement ("nonparticipating providers") with the Host Blue. Anthem remain responsible for fulfilling their contractual obligations to Members. Anthem's payment practices in both instances are described below.

If the Plan the Subscriber is purchasing is an HMO Plan, Anthem covers only limited healthcare services received outside of California. The Booklet describes what those services are. Any other services will not be covered when processed through any Inter-Plan Arrangements, unless authorized by Anthem. Providers providing such covered services may be considered nonparticipating providers.

##### *Inter-Plan Arrangements Eligibility – Claim Types*

Most claim types are eligible to be processed through Inter-Plan Arrangements, as described above.

Examples of claims that are not included are prescription drugs obtained from a pharmacy and most dental or vision benefits.

#### **A. BlueCard<sup>®</sup> Program**

The BlueCard<sup>®</sup> Program is an Inter-Plan Arrangement. Under this Arrangement, when Members access covered services outside of California, the Host Blue will be responsible for contracting and handling all interactions with its participating providers. The financial terms of the BlueCard Program are described generally below.

##### *Liability Calculation Method Per Claim*

Unless subject to a fixed dollar copayment, the calculation of the Member liability on claims for covered services will be based on the lower of the participating provider's billed charges for covered services or negotiated price made available to Anthem 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 Anthem by the Host Blue may be represented by one of the following:

- (1) 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
- (2) 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
- (3) An average price. An average price is a percentage of billed charges for covered services 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 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 Anthem in determining the Member's premiums.

#### **B. Negotiated Arrangements**

As an alternative to the BlueCard Program, claims for covered services may be processed through a negotiated account arrangement with one or more Host Blues. If Anthem has arranged with one or more Host Blues to provide customized networks or other negotiated arrangements, then the terms of any such arrangement will determine the payment amount. A Member's cost share will be calculated based on the

lower of either (i) the billed amount; or (ii) the price that Anthem has negotiated with the Host Blue under the negotiated account arrangement.

### **C. Special Cases: Value-Based Programs**

#### *BlueCard Program*

Anthem has included a factor for bulk distributions from Host Blues in the premium for Value-Based Programs when applicable under this Contract.

#### *Negotiated Arrangements*

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

### **D. 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, Anthem will include any such surcharge, tax or other fee in determining premium.

### **E. Nonparticipating Providers Outside California**

#### **1. Allowed Amounts and Member Liability Calculation**

When covered services are provided outside of California by nonparticipating providers, Anthem may determine benefits and make payment based on pricing from either the Host Blue or the pricing arrangements required by applicable state or federal law. In these situations, the amount the Member pays for such services as deductible, copayment or coinsurance will be based on that allowed amount. Also, the Member may be responsible for the difference between the amount that the nonparticipating health care provider bills and the payment Anthem will make for the covered services as set forth in this paragraph. Federal or state law, as applicable, will govern payments for out-of-network emergency services.

#### **2. Exceptions**

In certain situations, Anthem may use other pricing methods, such as billed charges, the pricing Anthem would use if the healthcare services had been obtained within California, or a special negotiated price to determine the amount Anthem will pay for services provided by nonparticipating providers. In these situations, the Member may be liable for the difference between the amount that the nonparticipating provider bills and the payment Anthem makes for the covered services as set forth in this paragraph.

### **F. Blue Cross Blue Shield Global Core<sup>®</sup> Program**

#### General Information

If 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<sup>®</sup> Program when accessing covered services. The Blue Cross Blue Shield Global Core<sup>®</sup> Program is not served by a Host Blue. The Booklet describes what

services are covered under the Blue Cross Blue Shield Global Core<sup>®</sup> Program (e.g., emergency only) and how to submit a claim.

#### **ARTICLE 16 – HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**

- A. All capitalized terms used in this Article have the same meaning as defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”).
- B. Anthem may disclose Summary Health Information to Group for purposes of obtaining premium bids from other carriers or third party payers, or amending or terminating the Plan.
- C. Anthem may disclose Personal Health Information (“PHI”) to Group for it to carry out Plan administration functions, but such disclosure may occur only after receipt of certification from Group that: (1) Group’s Plan documents comply with the privacy requirements of HIPAA; (2) Group has provided notice to affected individuals as required by HIPAA; and (3) PHI will not be used for the purpose of employment-related actions or other actions not related to administration of benefits under the Plan.
- D. Anthem will comply with any additional disclosure restrictions required by state and federal law.

#### **ARTICLE 17 – MISCELLANEOUS**

- A. Anthem agrees to treat all proprietary information about Group’s operations and its Plan in a confidential manner. Group agrees to treat all information about Anthem’s business operations, discount information, and other proprietary data in a confidential manner. Neither Party will disclose any such information to any other person without the prior written consent of the Party to whom the information pertains. However, Anthem may disclose such information to its legal advisors, lenders, business advisors, and other third parties for commercial or research purposes. Anthem may also make such disclosures as required or appropriate under applicable securities laws. If a Party is required by law to make a disclosure of any proprietary information, the disclosing Party will immediately provide written notice to the other Party detailing the circumstances of and extent of the disclosure.
- B. Each Party retains ownership of the materials and processes it develops in connection with the services provided under this Contract, and neither conveys ownership rights in its materials and processes nor acquires ownership rights in the other Party’s materials and processes by entering into this Contract or performing its obligations under this Contract. Nothing in this Contract shall impair or limit a Party’s right to use and disclose its materials and processes for its own lawful business purposes.
- C. By performing the services under this Contract, Anthem is not engaged in the practice of medicine; it merely makes decisions regarding the coverage of services. Providers participating in Anthem networks are not restricted from exercising independent medical judgment regarding the treatment of their patients, regardless of Anthem’s coverage determinations.
- D. If any provision of this Contract is found to be invalid, illegal or unenforceable under applicable law, order, judgment or settlement, such provision will be excluded from the Contract and the remainder of this Contract will be enforceable and interpreted as if such provision is excluded.
- E. Anthem is subject to the requirements of the Knox-Keene Health Care Service Plan Act of 1975, as amended, as set forth at Chapter 2.2 of Division 2 of Chapter 3 of Title 28 of the California Code of Regulations, and any provision required to be stated herein by either of the above shall bind Anthem whether or not provided in this Contract. This Contract shall be construed and enforced in accordance with the laws of the state of California.

F. Anthem shall provide written notice to the Group within a reasonable period of time of any participating provider's termination, or breach of, or inability to perform under, any provider contract, if Anthem determines that the Group or Members may be materially and adversely affected thereby.

G. Upon the termination of the contract or other agreement with any Participating Provider, Anthem shall be liable to pay the cost of covered services (other than applicable co-payment) rendered by that provider to a Member who retains eligibility under this Contract or by operation of law, and who is under the care of that provider at the time of such termination, and that provider shall continue to provide such services to the Member in accordance with the terms of this Contract, until the services being rendered are completed, unless reasonable and medically appropriate provision is made for the assumption of such services by another provider.

**ANTHEM**



---

(Signature)  
Beth P. Andersen  
President of Anthem Blue Cross



---

(Signature)  
Kathy Kiefer  
Corporate Secretary of Anthem Blue  
Cross



BRISTOL MANAGEMENT SERVICES, INC.  
L03978  
09/01/2025

**SCHEDULE A**

Effective Date of this Addendum is 12:01 a.m. on: 09/01/2025

This Addendum applies to the Group and its affiliated companies as agreed to in writing by Anthem.

**SECTION I – ANNIVERSARY DATE**

The Anniversary Date of the Contract shall be: 09/01

**SECTION II – ELIGIBILITY**

Subscribers and the family members of a Subscriber shall be eligible for coverage under this Contract if they meet the definition of criteria contained in the Booklet.

**ANTHEM**

(Signature)  
Beth P. Andersen  
President of Anthem Blue Cross

(Signature)  
Kathy Kiefer  
Corporate Secretary of Anthem Blue Cross



BRISTOL MANAGEMENT SERVICES, INC.  
L03978  
09/01/2025

**MONTHLY PREMIUM RATES AND PRODUCT(S) ELECTED**

**SCHEDULE B**

This Addendum applies to the Group and its affiliated companies as agreed to in writing by Anthem.

The Group will pay a per Subscriber per month fee as provided below.

**Custom Classic PPO 250/20/10:**

Subscriber .....	\$1,315.70
Subscriber and one family member .....	\$2,763.00
Subscriber and two or more family members .....	\$3,947.16

**Modified Classic PPO 1000/35/20:**

Subscriber .....	\$1,077.20
Subscriber and one family member .....	\$2,262.12
Subscriber and two or more family members .....	\$3,231.58

**Modified T- Value HMO 20/30/20:**

Subscriber .....	\$ 997.60
Subscriber and one family member .....	\$2,095.02
Subscriber and two or more family members .....	\$2,992.89

**Modified S- Value HMO 30/40/30:**

Subscriber .....	\$ 652.68
Subscriber and one family member .....	\$1,370.64
Subscriber and two or more family members .....	\$1,958.02

**Anthem PPO HSA/H 1650/3300/4100 20/40:**

Subscriber .....	\$ 645.56
Subscriber and one family member .....	\$1,355.70
Subscriber and two or more family members .....	\$1,936.70

**ADDITIONAL FEES OR CHARGES**

Billing Fee: No Fees  
Wellness Programs: Part of the Premium  
Wellness Incentives: Part of the Premium  
Payment by Phone: No Fees  
Payment by Electronic Funds Transfer: No Fees  
Reinstatement Fees: \$10 per member  
NSF Charges: \$25 per payment  
Late payment Fees: No Fees

**ANTHEM**



---

(Signature)  
Beth P. Andersen  
President of Anthem Blue Cross



---

(Signature)  
Kathy Kiefer  
Corporate Secretary of Anthem Blue  
Cross