

**ADMINISTRATIVE SERVICES AGREEMENT**

**between**

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**

**and**

**MONROE COUNTY SCHOOL DISTRICT**

This Administrative Services Agreement (hereinafter referred to as the "Agreement"), made this \_\_\_\_\_ day of \_\_\_\_\_, 2019 is by and between Blue Cross and Blue Shield of Florida, Inc. d/b/a Florida Blue, a Florida corporation having its principal place of business at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 (hereinafter referred to as "Florida Blue") and Monroe County School District located at 241 Trumbo Road, Key West, Florida 33040 (hereinafter referred to as the "Employer").

WHEREAS, Employer has established and currently sponsors a self-insured Employee Welfare Benefit Plan, to provide certain benefits (attached hereto as Exhibit "A" and hereinafter called the "Group Health Plan") for covered group members and their covered dependents; and

WHEREAS, except as otherwise specifically provided herein, Employer is to retain all liabilities under its Group Health Plan, and Florida Blue is to provide the agreed upon services to the Group Health Plan without assuming any such liability; and

WHEREAS, Employer desires that, with respect to the Group Health Plan, Florida Blue furnish certain claims processing and administrative services.

NOW, therefore, in consideration of the mutual promises contained herein, and other good and valuable consideration, the parties agree as follows:

**SECTION I**

**TERM**

**1.1 Initial Term**

The initial term of this Agreement shall be from January 1, 2020 (the effective date) and shall end on December 31, 2023 (the termination date), unless the Agreement is terminated earlier in accordance with the provisions of this Agreement.

**1.2 Renewal Terms**

After the Initial Term, this Agreement will automatically renew each anniversary date for successive one year terms at the renewal rates then in effect, unless either party notifies the other party of its intent not to extend this Agreement at least 30 days prior to the applicable anniversary date.

## SECTION II

### DUTIES AND RESPONSIBILITIES OF EMPLOYER

#### 2.1 Final Authority

Employer retains all final authority and responsibility for the Group Health Plan including, but not limited to eligibility and enrollment for coverage under the Group Health Plan, the existence of coverage, the benefits structure of the Group Health Plan, claims payment decisions, cost containment program decisions, utilization benefits management, compliance with the requirements of COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985, as amended), compliance with reporting and remitting abandoned property funds, and compliance with any other state and federal law or regulation applicable to Employer, the Group Health Plan, or the administration of the Group Health Plan.

Employer agrees to provide Florida Blue with any information Florida Blue reasonably requires in order to perform the administrative services set forth herein.

#### 2.2 Eligibility and Enrollment

As of the first day of the term of this Agreement, Employer will have delivered to Florida Blue enrollment information regarding eligible and properly enrolled members, as determined by Employer. Employer shall deliver to Florida Blue all employee and dependent eligibility status changes on a monthly basis, or more frequently as mutually agreed by the parties.

Employer shall be responsible for providing each covered employee with a copy of the plan document which shall include the Group Health Plan.

#### 2.3 Financial Obligations

##### A. Claims Payment

Employer is financially responsible for the payment of all claims paid under the Group Health Plan. Financial arrangements regarding the payment of such claims are set forth in Exhibit "B".

##### B. Administrative Fees

Employer agrees to promptly pay all administrative fees as set forth in Exhibit "B". Administrative fees are not subject to change during the initial term of this Agreement, except as set forth below. The administrative fees shall be payable to Florida Blue within 10 days of written notification to Employer of the amount owed.

C. Late Charges

In the event Employer fails to pay any amount owed in full by the due date, Employer shall pay Florida Blue, in addition to the amount due, a late charge as set forth in Exhibit "B".

D. Modifications

Florida Blue may modify the administrative fees contained in Exhibit "B" at any time on or after the first anniversary of this Agreement's effective date, upon giving forty-five (45) days prior written notice to Employer. Additionally, Florida Blue, at any time, may modify the administrative fee, if Employer substantially modifies the Group Health Plan or changes enrollment.

2.4 Use of Names and Logos

Employer agrees to allow Florida Blue to use Employer's name and logo on I.D. cards and other forms necessary to effectuate this Agreement, and to promote Employer's relationship with Florida Blue to potential or existing providers. Florida Blue shall not use Employer's name or logo for any other purpose without the prior written consent of Employer.

Employer agrees that the names, logos, symbols, trademarks, tradenames, and service marks of Florida Blue, whether presently existing or hereafter established, are the sole property of Florida Blue and Florida Blue retains the right to the use and control thereof. Employer shall not use Florida Blue's name, logos, symbols, trademarks or service marks in advertising or promotional materials or otherwise without the prior written consent of Florida Blue and shall cease any such usage immediately upon written notice by Florida Blue or upon termination of this Agreement, whichever is sooner.

2.5 Confidential and Trade Secret Information

Florida Blue maintains proprietary and confidential information and competitively-sensitive trade secret information, which information may be disclosed to Employer for the purposes of analyzing such information in conjunction with the services performed under the Agreement. Employer agrees to hold such confidential and/or trade secret information in confidence and only disclose such information to employees of Employer who have a need to know such information; provided however that such employees of Employer agree to maintain the confidentiality of the confidential and/or trade secret information and take all steps necessary to safeguard the confidential and/or trade secret information against unauthorized access, use, and disclosure to at least the extent Employer maintains the confidentiality of its most proprietary and confidential information.

Employer shall not disclose such confidential and/or trade secret information to any third party without the express written permission of Florida Blue. If Florida Blue, in its sole discretion, approves release of confidential and/or trade secret information to a third party, the third party and Employer will be required to execute a Confidentiality & Indemnity Agreement, in a form specified by Florida Blue, prior to the release of the confidential information and/or trade secret information to the third party. For purposes of this paragraph, trade secret information is competitively sensitive information which is advantageous to Florida Blue in the marketplace and Florida Blue considers such information to be a trade secret protected from public disclosure, including protection from disclosure in any meeting which is subject to Florida's Government in the Sunshine Law Section 286.011, Florida Statutes. The confidentiality of such information shall be determined in accordance with Florida Statute Chapters 119 and 286.

### SECTION III

#### DUTIES AND RESPONSIBILITIES OF FLORIDA BLUE

##### 3.1 Generally

It is understood and agreed that Florida Blue is empowered and required to act with respect to the Group Health Plan only as expressly stated herein.

Employer and Florida Blue agree that Florida Blue's role is to provide administrative claims payment services, that Florida Blue does not assume any financial risk or obligation with respect to claims, that the services rendered by Florida Blue under this Agreement shall not include the power to exercise control over the Group Health Plan's assets, if any, or discretionary authority over the Health Care Plan's operations, be deemed to be the "Plan Administrator" of the Group Health Plan or a "fiduciary" with respect to the Group Health Plan. Florida Blue's services hereunder are intended to and shall consist only of ministerial functions.

##### 3.2 Enrollment; Forms and I.D. Cards

Florida Blue shall enroll those individuals who have completed an application and are identified by Employer as eligible for benefits under the Group Health Plan on the effective date of this Agreement, and subsequently during the continuance of this Agreement. Florida Blue shall be entitled to rely on the information furnished to it by Employer, and Employer shall hold Florida Blue harmless for any inaccuracy or failure to provide such information in a timely manner.

Florida Blue shall furnish to Employer, for distribution to persons participating in the Group Health Plan, a supply of identification cards, benefit plan descriptions, forms to be used for submission of claims and enrollment, and any other forms necessary for the administration of the Group Health Plan, as determined by Florida Blue.

### 3.3 Claims Processing

Florida Blue shall provide claims processing services on behalf of Employer for all properly submitted claims, in accordance with the benefits set forth in Exhibit "A", using funds solely supplied by Employer, as set forth in Exhibit "B". Florida Blue shall furnish each claimant with an explanation of each claim that is paid, rejected, suspended or denied.

For purposes of this Agreement, the term "claim(s)" shall be defined as the amount paid or payable by Florida Blue to providers of services and/or covered group members under this Agreement and the Group Health Plan, and in conformity with any agreements Florida Blue enters into with such providers of services, and includes capitation, physician incentives, pharmacy, physician, hospital and other fee-for-service claims expenditures. For value-based reimbursement programs Florida Blue enters into with participating providers, an applicable claim level surcharge may be included in the claim amount.

Claim level charges are used to fund a bonus pool for making quality improvement and financial performance incentive payments to providers which have entered into a value-based reimbursement arrangement with Florida Blue. The surcharge is only applicable to services provided by these providers, and shall not affect member cost sharing.

The accrued bonus pool, which shall be held in a non-interest bearing account, will include surcharge amounts contributed by other self-funded employers. All amounts in the bonus pool shall be available to fund incentive payments to providers who have entered into a value-based reimbursement arrangement with Florida Blue and who have achieved the requisite quality and financial goals.

The amount of the surcharge will be set by Florida Blue based on actuarially estimated incentive payments contractually due to providers. Florida Blue will perform periodic reconciliations of the bonus pool and may adjust the applicable claim level surcharge from time to time as it reasonably determines necessary to appropriately fund the bonus pool.

Such claims level surcharge amounts will not be refunded to Employer, including upon termination of this Agreement. Any surplus funds at the end of an incentive payment measurement period shall be used to fund incentive payments in a subsequent period. Any deficit in funds at the end of an incentive payment measurement period shall be collected in the next period through an adjustment to the claims level surcharge amount which will cover the previous period shortfall.

For value-based reimbursement programs Florida Blue enters into with participating providers, an applicable per member per month charge may be included in lieu of a claim level surcharge.

Additionally, Florida Blue may enter into bundled payment arrangements with providers of service which require a single provider to be responsible for providing and/or arranging for the provision of a group of services for a defined episode of care (e.g., hospital, physician and/or ancillary services).

In processing such claims for the defined episode of care, notwithstanding the requirements of Exhibit "A", Florida Blue may calculate the member cost sharing based upon the status of the provider receiving the bundled payment without regard to the fact that other provider types may have provided certain components of the episode included in the bundled payment arrangement.

#### 3.4 Program Administration

Florida Blue shall administer its established cost containment programs and utilization benefits management programs, as selected by Employer and described in the Group Health Plan.

Florida Blue shall make available its Preferred Provider Organization Program(s) to covered group members and their covered dependents, as set forth in the Group Health Plan. Any agreements between providers of services and Florida Blue are the sole property of Florida Blue and Florida Blue retains the right to the use and control thereof.

#### 3.5 Inaccurate Payments

Whenever Florida Blue becomes aware that the payment of a claim under the Group Health Plan to any person was, or may have been, made which was not in accordance with the terms of the Group Health Plan, whether or not such payment was Florida Blue's fault, and whether or not such payment was more than or less than was appropriate under the terms of the Group Health Plan, Florida Blue shall investigate such payment in accordance with its standard commercial insurance business practices and either 1) for an overpayment of \$50.00 or more, make a diligent effort to recover any payment which was more than was appropriate under the Group Health Plan or 2) as the case may be, adjust any claim the payment of which was less than appropriate under the Group Health Plan. Employer delegates to Florida Blue the discretion and the authority to determine under what circumstances to compromise a claim or to settle for less than the full amount of the claim. In the event any part of an inaccurate payment is recovered, Employer will receive a refund from Florida Blue. Nothing herein shall require Florida Blue to institute a legal action or suit to recover payments made by Florida Blue.

Additionally, Employer delegates to Florida Blue the discretion and authority to pursue recoveries for claims paid as a result of fraud, abuse or other inappropriate action by a third party, including the right to opt-out or opt-in Employer from any class action. These claims include, but are not limited to, all legal claims Employer can assert whether based on common law or statute such as RICO, antitrust, deceptive trade practices, consumer fraud, insurance fraud,

unjust enrichment, breach of fiduciary duty, breach of contract, breach of covenant of good faith and fair dealing, torts (including fraud, negligence, and product liability), breach of warranty, medical monitoring, false claims and kickbacks. If Florida Blue obtains a recovery from any of these efforts, Florida Blue will reimburse Employer's pro rata share of the recovery. This share is calculated from Employer's claims history or covered members at the time of such recovery, less Employer's pro rata share of costs, if any, fees paid to outside counsel and any other costs incurred in obtaining that recovery. Florida Blue will not charge Employer for any costs if Florida Blue does not obtain a recovery that exceeds those costs.

### 3.6 Records and Reports

Florida Blue agrees to establish, maintain and provide to Employer, records and reports generated for the purposes of reporting claims experience and conducting audits of operations. Florida Blue will provide claims information only in accordance with Exhibit C (and Exhibit D, if applicable) to this Agreement. Florida Blue will not provide any information with regard to provider pricing agreements or any other information which is of a confidential or proprietary nature, as determined by Florida Blue.

For pharmacy carve-out reports, Employers will be required to pay \$6,000 per report in advance for open refill transfer files, paid claim files, and prior authorization files for non-specialty claims used to transfer covered group members to another pharmacy benefits manager. Additionally, Employer is responsible for all carve-out pharmacy benefits manager and/or vendors (collectively "PBM") PBM integration costs which will vary based on PBM and customization required.

### 3.7 Pharmacy Financial/Rebates Disclosure (Applicable if Employer has Florida Blue's Pharmacy Benefits)

In certain circumstances, Florida Blue and/or its PBM negotiate(s) and receive(s) formulary rebates, volume discounts, and/or fees from certain drug manufacturers/distributors as a result of the inclusion of such manufacturer's/distributor's branded products on Florida Blue's formularies ("Rebates").

Employer acknowledges that Florida Blue currently has a non-controlling ownership interest in its PBM, Prime Therapeutics, LLC. Employer further understands and agrees that fees and compensation that the PBM receives related to the pharmacy benefit management program and/or the provision of pharmaceutical products may be revised from time to time. Some of these fees and compensation may be charged each time a claim is processed (or requested to be processed) through the PBM and/or each time a prescription is filled, and include, but are not limited to, administrative fees charged by the PBM to Florida Blue, administrative fees charged by the PBM to Network Participants, and administrative fees charged by the PBM to Manufacturers. As compensation for

costs and services provided in connection with pharmacy benefit management and other services provided under this Agreement, Florida Blue will retain 100% of the manufacturer administrative fee rebates it receives from its pharmacy management vendor(s), unless otherwise indicated.

“Rebate(s)” is/are compensation or remuneration of any kind received or recovered by the PBM from any Manufacturer which is directly or indirectly attributable to purchase or utilization of Covered Prescription Drug Services by members. However, Rebates do not include Manufacturer Administration Fees which the PBM is entitled to retain pursuant to Exhibit E unless otherwise required by law and does not include drugs in which an over-the-counter drug is available.

Florida Blue may receive a portion of the Rebates on a prepaid, estimated basis, before any drug claims are filed and paid. To the extent that Florida Blue receives prepaid, estimated rebate amounts, Florida Blue retains, as part of its compensation, the interest earned on such amounts from the time it receives such prepayments until it forwards the Employer's Rebates. This time period is generally nine to twelve months. Florida Blue expects to earn interest at the rate of 1.25% per annum.

Florida Blue pays the Employer 80% of its Rebates of 80% or an amount indicated in Exhibit E after Florida Blue is able to determine the share attributable to the plan paid drug claims made by the Employer's group members. Rebates only apply to claims in which there is plan paid Employer responsibility. This typically occurs seven to nine months after the end of the calendar quarter in which the drugs were dispensed.

Florida Blue will establish (and amend from time to time) a uniform Ingredient Cost and/or Dispensing Fee for Covered Prescription Drug Services which is calculated to approximate any Aggregate Discount Guarantee set forth in Exhibit E. The Ingredient Cost and/or Dispensing Fee may vary between Brand Drugs and Generic Drugs. It may also vary between retail, specialty pharmacy ESN or Mail Service. The Ingredient Cost and/or Dispensing Fee may not be the same amount as Florida Blue pays to the Network Participant, specialty pharmacy or Mail Service. If the Ingredient Cost and/or Dispensing Fee is less than the actual amount paid to the Network Participant, specialty pharmacy or Mail Service, the Employer shall not be responsible for the excess amount.

Florida Blue will provide more specific information on the amounts retained by Florida Blue or the PBM upon request by Employer. Florida Blue shall provide an annual report with details of prescription drug rebates collected and related to claim.

### 3.8 Claims Payments

The source or sources of payment under the Group Health Plan are to be only the assets of Employer, and Florida Blue will have no liability whatsoever for



providing a source from which payments will be made under the Group Health Care Plan.

### 3.9 Providers Outside the State of Florida

#### A. Inter-Plan Arrangements

Florida Blue 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 geographic area Florida Blue serves, 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 the geographic area Florida Blue serves, 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, 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. Florida Blue remains responsible for fulfilling our contractual obligations to Employer. Florida Blue payment practices in both instances are described below.

This disclosure describes how claims are administered for Inter-Plan Arrangements and the fees that are charged in connection with Inter-Plan Arrangements. (Note that Dental Care Benefits, except when not paid as medical claims/benefits, and those Prescription Drug Benefits or Vision Care Benefits that may be administered by a third party contracted by Florida Blue to provide the specific service or services are not processed through Inter-Plan Arrangements.)

#### B. BlueCard® Program

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when members 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.

#### 1. Liability Calculation Method Per Claim – In General

##### a. Member Liability Calculation

Unless subject to a fixed dollar copayment, the calculation of the 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 Florida Blue by the Host Blue.

##### b. Employer Liability Calculation

The calculation of Employer liability on claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to Florida Blue by the Host Blue (under the contract between the Host Blue and the provider). Sometimes, this negotiated price may be greater for a given service or services than the billed charge in accordance with how the Host Blue has negotiated with its participating healthcare provider(s) for specific healthcare services. In cases where the negotiated price exceeds the billed charge, Employer may be liable for the excess amount even when the member's deductible has not been satisfied. This excess amount reflects an amount that may be necessary to secure (a) the provider's participation in the network and/or (b) the overall discount negotiated by the Host Blue. In such a case, the entire contracted price is paid to the provider, even when the contracted price is greater than the billed charge.

## 2. Claims Pricing

Host Blues determine a negotiated price, which is reflected in the terms of each Host Blue's provider contracts. The negotiated price made available to Florida Blue 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.

The Host Blue determines whether it will use an actual, estimated or average price. The use of estimated or average pricing may result in a difference (positive or negative) between the price Employer pays on a specific claim and the actual amount the Host Blue pays to the provider. However, the BlueCard Program requires that the amount paid by the member and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims.

Any positive or negative differences in estimated or average pricing are accounted for through variance accounts maintained by the Host Blue and are incorporated into future claim prices. As a result, the amounts charged to

Employer will be adjusted in a following year, as necessary, to account for over- or underestimation of the past years' prices. The Host Blue will not receive compensation from how the estimated price or average price methods, described above, are calculated. Because all amounts paid are final, neither positive variance account amounts (funds available to be paid in the following year), nor negative variance amounts (the funds needed to be received in the following year), are due to or from Employer. If Employer terminates, you will not receive a refund or charge from the variance account.

Variance account balances are small amounts relative to the overall paid claims amounts and will be liquidated over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Variance account balances may earn interest at the federal funds or similar rate. Host Blues may retain interest earned on funds held in variance accounts.

### 3. BlueCard Program Fees and Compensation

Employer understands and agrees to reimburse Florida Blue for certain fees and compensation which Florida Blue is obligated under the BlueCard Program to pay to the Host Blues, to the Association and/or to vendors of BlueCard Program related services. The specific BlueCard Program fees and compensation that are charged to Employer are set forth in Exhibit B. BlueCard Program Fees and compensation may be revised from time to time.

Only the BlueCard Program access fee may be charged separately each time a claim is processed through the BlueCard Program. All other BlueCard Program related fees are included in the Administrative Fee.

The access fee is charged by the Host Blue to Florida Blue for making its applicable provider network available to Employer's. The access fee will not apply to non-participating provider claims. The access fee is charged on a per claim basis and is charged as a percentage of the discount/differential Florida Blue receives from the applicable Host Blue subject to a maximum of \$2,000 per claim. When charged, Florida Blue passes the access fee directly on to Employer.

Instances may occur in which the claim payment is zero or Florida Blue pays only a small amount because the amounts eligible for payment were applied to patient cost sharing (such as a deductible or coinsurance). In these instances, Florida Blue will pay the Host Blue's access fee and pass it along directly to Employer as stated above even Employer paid little or had no claim liability.

An Administrative Fee encompasses fees Florida Blue charges to Employer for administering Employer's benefit plan. They may include both local (within Florida Blue's service area) and Inter-Plan fees. For purposes of this Agreement, they include the following BlueCard Program related fees other than the BlueCard Program access fee: namely, administrative expense allowance (AEA) fee, central financial agency fee, ITS transaction fee, toll free number fee,

PPO provider directory fee and Blue Cross Blue Shield Global® Core Program Fees, if applicable.

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

#### Value-Based Programs Definitions

**Accountable Care Organization (ACO):** A group of healthcare providers who agree to deliver coordinated care and meet performance benchmarks for quality and affordability in order to manage the total cost of care for their member populations.

**Global Payment/Total Cost of Care:** A payment methodology that is defined at the patient level and accounts for either all patient care or for a specific group of services delivered to the patient such as outpatient, physician, ancillary, hospital services and prescription drugs.

**Patient-Centered Medical Home (PCMH):** A model of care in which each patient has an ongoing relationship with a primary care physician who coordinates a team to take collective responsibility for patient care and, when appropriate, arranges for care with other qualified physicians.

**Shared Savings:** A payment mechanism in which the provider and payer share cost savings achieved against a target cost budget based upon agreed upon terms and may include downside risk.

**Value-Based Program (VBP):** An outcomes-based payment arrangement and/or a coordinated care model facilitated with one or more local providers that is evaluated against cost and quality metrics/factors and is reflected in provider payment.

#### Value-Based Programs Overview

Employer's members may access covered healthcare services from providers that participate in a Host Blue's Value-Based Program. Value-Based Programs may be delivered either through the BlueCard Program or a Negotiated Arrangement. These Value-Based Programs may include, but are not limited to, Accountable Care Organizations, Global Payment/Total Cost of Care arrangements, Patient Centered Medical Homes and Shared Savings arrangements.

#### Value-Based Programs under the BlueCard Program

Under Value-Based Programs, a Host Blue may pay providers for reaching agreed upon cost/quality goals in the following ways:

The Host Blue may pass these provider payments to Florida Blue, which Florida Blue will pass directly on to Employer as either an amount included in the price of the claim or an amount charged separately in addition to the claim.

When such amounts are included in the price of the claim, the claim may be billed using one of the following pricing methods, as determined by the Host Blue:

- (i) Actual Pricing: The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is part of the claim. These charges are passed to Employer via an enhanced provider fee schedule.
- (ii) Supplemental Factor: The charge to accounts for Value-Based Programs incentives/Shared Savings settlements is a supplemental amount that is included in the claim as an amount based on a specified supplemental factor (e.g., a small percentage increase in the claim amount). The supplemental factor may be adjusted from time to time.

When such amounts are billed separately from the price of the claim, they may be billed as follows:

- Per Member Per Month (PMPM) Billings: Per member per month billings for Value-Based Programs incentives/Shared Savings settlements to accounts are outside of the claim system. Florida Blue will pass these Host Blue charges directly through to Employer as a separately identified amount on the group billings; or,
- Where Host Blues pass on the costs of Value-Based Programs to Florida Blue as PMPM amounts not attached to specific claims, Florida Blue may elect to pass these amounts to Employer as a claim amount.

The amounts used to calculate either the supplemental factors for estimated pricing or PMPM billings are fixed amounts that are estimated to be necessary to finance the cost of a particular Value-Based Program. Because amounts are estimates, there may be positive or negative differences based on actual experience, and such differences will be accounted for in a variance account maintained by the Host Blue (in the same manner as described in the BlueCard claim pricing section above) until the end of the applicable Value-Based Program payment and/or reconciliation measurement period. The amounts needed to fund a Value-Based Program may be changed before the end of the measurement period if it is determined that amounts being collected are projected to exceed the amount necessary to fund the program or if they are projected to be insufficient to fund the program.

At the end of the Value-Based Program payment and/or reconciliation measurement period for these arrangements, Host Blues will take one of the following actions:

- Use any surplus in funds in the variance account to fund Value-Based Program payments or reconciliation amounts in the next measurement period.
- Address any deficit in funds in the variance account through an adjustment to the PMPM billing amount or the reconciliation billing amount for the next measurement period.

The Host Blue will not receive compensation resulting from how estimated, average or PMPM price methods, described above, are calculated. If Employer terminates, you will not receive a refund or charge from the variance account. This is because any resulting surpluses or deficits would be eventually exhausted through prospective adjustment to the settlement billings in the case of Value-Based Programs. The measurement period for determining these surpluses or deficits may differ from the term of this Agreement.

Variance account balances are small amounts relative to the overall paid claims amounts and will be liquidated over time. The timeframe for their liquidation depends on variables, including, but not limited to, overall volume/number of claims processed and variance account balance. Variance account balances may earn interest, and interest is earned at the federal funds or similar rate. Host Blues may retain interest earned on funds held in variance accounts.

Note: Members will not bear any portion of the cost of Value-Based Programs except when a Host Blue uses either average pricing or actual pricing to pay providers under Value-Based Programs.

#### Care Coordinator Fees

Host Blues may also bill Florida Blue for care coordinator fees for provider services which we will pass on to Employer as follows:

1. PMPM billings; or
2. Individual claim billings through applicable care coordination codes from the most current editions of either Current Procedural Terminology (CPT) published by the American Medical Association (AMA) or Healthcare Common Procedure Coding System (HCPCS) published by the U.S. Centers for Medicare and Medicaid Services (CMS).

As part of this Agreement, Florida Blue and Employer will not impose member cost sharing for care coordinator fees.

#### D. Return of Overpayments

Recoveries from a Host Blue or its participating and nonparticipating providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recoveries will be applied 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 Florida Blue they will be credited to Employer. 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 Employer as a percentage of the recovery.

#### E. 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 self-funded accounts. If applicable, Florida Blue will disclose any such surcharge, tax or other fee to Employer, which will be Employer's liability.

## F. Nonparticipating Providers Outside Florida Blue's Service Area

### 1. Member Liability Calculation

#### a. In General

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

#### b. Exceptions

In some exception cases, at Employer's direction, Florida Blue may pay claims from nonparticipating healthcare providers outside of Florida Blue's service area based on the provider's billed charge. This may occur in situations where a member did not have reasonable access to a participating provider, as determined by Florida Blue (in Florida Blue's sole and absolute discretion) or by applicable state law. In other exception cases, (at Employer's direction) Florida Blue may pay such claims based on the payment Florida Blue would make if Florida Blue were paying a nonparticipating provider inside of Florida Blue's service area, as described elsewhere in this Agreement. This may occur where the Host Blue's corresponding payment would be more than Florida Blue's in-service area nonparticipating provider payment. Florida Blue may choose to negotiate a payment with such a provider on an exception basis.

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

### 2. Fees and Compensation

Employer understands and agrees to reimburse Florida Blue for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement-related services. The specific fees and compensation that are charged to Employer are set forth in Exhibit B, if applicable. Fees and

compensation under applicable Inter-Plan Arrangements may be revised from time to time.

## G. Blue Cross Blue Shield Global® Core

### 1. General Information

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

- Inpatient Services

In most cases, if members contact the Blue Cross Blue Shield Global® Core Service Center for assistance, hospitals will not require members to pay for covered inpatient services, except for their cost-share amounts. In such cases, the hospital will submit member claims to the Blue Cross Blue Shield Global® Core Service Center to initiate claims processing. However, if the member paid in full at the time of service, the member must submit a claim to obtain reimbursement for covered healthcare services. Members must contact Florida Blue to obtain precertification for non-emergency inpatient services.

- Outpatient Services

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

- Submitting a Blue Cross Blue Shield Global® Core Claim

When members pay for covered healthcare services outside the BlueCard service area, they must submit a claim to obtain reimbursement. For institutional and professional claims, members should complete a Blue Cross Blue Shield Global® Core International claim form and send the claim form with the provider's itemized bill(s) to the Blue Cross Blue Shield Global® Core Service Center address on the form to initiate claims processing. The claim form is available from Florida Blue, the Blue Cross Blue Shield Global® Core Service Center, or online at [www.bcbsglobalcore.com](http://www.bcbsglobalcore.com). If members need assistance with their claim submissions, they should call the Blue Cross Blue



Shield Global® Core Service Center at 1.800.810.BLUE (2583) or call collect at 1.804.673.1177, 24 hours a day, seven days a week.

## 2. Blue Cross Blue Shield Global® Core Program-Related Fees

Employer understands and agrees to reimburse Florida Blue for certain fees and compensation which we are obligated under applicable Inter-Plan Arrangement requirements to pay to the Host Blues, to the Association and/or to vendors of Inter-Plan Arrangement related services. The specific fees and compensation that are charged to Employer under the Blue Cross Blue Shield Global® Core Program are set forth in Exhibit B, if applicable. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time.

## SECTION IV

### TERMINATION

#### 4.1 Administration After Termination

Employer is solely liable and responsible for all claims incurred under the Group Health Plan by its covered group members and their dependents during the term of this Agreement, including those incurred claims which are not presented to Employer or Florida Blue during the term of this Agreement. Florida Blue will adjudicate all claims incurred during the term of this Agreement. For purposes of this Agreement, the date of an incurred claim is the date the particular service was rendered or the supply was furnished. After the effective date of termination of this Agreement, Employer will continue to provide Florida Blue with funds to pay claims incurred prior to the termination date and will continue to pay the applicable administrative fees as set forth in Exhibit "B".

#### 4.2 Unilateral Termination

Employer or Florida Blue may unilaterally terminate this Agreement upon 90 days prior written notice to the other party after the initial term of this Agreement.

#### 4.3 Termination On Anniversary Date

This Agreement shall terminate as of the date of any annual anniversary of the effective date of this Agreement, if either Employer or Florida Blue has given at least 30 days prior written notice to the other party of its intention not to renew this Agreement as of that anniversary date.

#### 4.4 Termination Upon Default

Upon the occurrence of any of the following events, as determined by Florida Blue, this Agreement will automatically terminate at the end of the 8th business day following the day upon which Employer is notified in writing of any of the

events of default set forth hereunder, and then only in the event that Employer has not cured the incident of default:

1. Employer's failure to provide adequate funds, as set in Exhibit "B", as necessary for the payment of claims pursuant to the Group Health Plan;
2. Employer's failure to pay any administrative fees or late penalty as set forth in Exhibit "B" of this Agreement;
3. Employer ceases to maintain a Group Health Plan;
4. Employer modifies the Group Health Plan without the prior written consent of Florida Blue;
5. At any time Florida Blue has reasonable grounds for insecurity with respect to Employer's financial ability to adequately fund the Group Health Plan, and Employer has failed to immediately provide adequate assurances of financial soundness to Florida Blue;
6. At any time any judicial or regulatory body determines that this Agreement, or any provision of this Agreement, is invalid or illegal, or that this arrangement constitutes an insurance policy or program which is subject to state and/or federal insurance regulations and/or taxation;
7. At any time Employer otherwise materially breaches this Agreement.

Upon the Florida Blue's default of any obligation set forth under this Agreement, as determined by Employer, this Agreement will automatically terminate at the end of the 8<sup>th</sup> business day upon which Florida Blue is notified in writing of any alleged breach, and then only in the event that Florida Blue has not cured the incident of default.

#### 4.5 Rights and Responsibilities Upon Termination

In the event of termination of this Agreement, Employer will immediately notify each covered group member of the termination date.

Termination of this Agreement for any reason shall not affect the rights or obligations of either party which arise prior to the date of termination.

## SECTION V

### LEGAL ACTION

#### 5.1 Standard of Care

Florida Blue and Employer shall each use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims in the performance of its duties hereunder.

#### 5.3 Legal Actions

In the event Florida Blue is served with process in any lawsuit or is made a party to any arbitration proceeding or other legal action relating to any matter for which indemnification is required under the preceding paragraph, Employer shall, upon written request by Florida Blue, immediately furnish a defense to and indemnify and hold harmless Florida Blue in any such lawsuit, proceeding or other action and shall use its best efforts to secure, by motion or otherwise, the dismissal of Florida Blue from such lawsuit, proceeding or other action. Florida Blue will provide Employer with available data and materials that are reasonably necessary for the preparation of the defense of such lawsuit, proceeding or other action.

## SECTION VI

### MISCELLANEOUS PROVISIONS

#### 6.1 Amendment

Except as otherwise provided for herein, this Agreement may be modified, amended, renewed, or extended only upon mutual agreement, in writing, signed by the duly authorized representatives of Employer and Florida Blue.

#### 6.2 Subsidiaries and Affiliates

Any of the functions to be performed by Florida Blue under this Agreement may be performed by Florida Blue or any of its subsidiaries, affiliates, or designees.

#### 6.3 Governing Law

This Agreement is subject to and shall be governed by the laws of the State of Florida, except where those laws are preempted by the laws of the United States.

#### 6.4 Venue

All actions or proceedings instituted by Employer or Florida Blue hereunder shall be brought in a court of competent jurisdiction in Duval County, Florida.

#### 6.5 Waiver of Breach

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

#### 6.6 Inconsistencies

If the provisions of this Agreement are in any way inconsistent with the provisions of the Group Health Plan, then the provisions of this Agreement shall prevail and the other provisions shall be deemed modified, but only to the extent necessary to implement the intent of the parties expressed herein.

#### 6.7 Notices

Any notice required to be given pursuant to this Agreement shall be in writing, postage pre-paid, and shall be sent by certified or registered mail, return receipt requested, or by Federal Express or other overnight mail delivery for which evidence of delivery is obtained by the sender, to Florida Blue or Employer at the addresses indicated on the first page of this Agreement, or such other addresses that the parties may hereafter designate. The notice shall be effective on the date the notice was posted.

#### 6.8 Entire Agreement

This Agreement, including the attachments hereto, contains the entire agreement between Florida Blue and Employer with respect to the specific subject matter hereof. Any prior agreements, promises, negotiations or representations, either verbal or written, relating to the subject matter of this Agreement and not expressly set forth in this Agreement are of no force and effect.

#### 6.9 Severability

In the event any provision of this Agreement is deemed to be invalid or unenforceable, all other provisions shall remain in full force and effect.

#### 6.10 Binding Effect of Agreement

The Agreement shall be binding upon and inure to the benefit of the parties, their agents, servants, employees, successors, and assigns unless otherwise set forth herein or agreed to by the parties.

#### 6.11 Survival

The rights and obligations of the parties as set forth herein shall survive the termination of this Agreement to the extent necessary to effectuate the intent of the parties as expressed herein.

#### 6.12 Independent Relationship

Notwithstanding any other provision of this Agreement, in the performance of the obligations of this Agreement, each party is at all times acting and performing as an independent contractor with respect to the other party. It is further expressly agreed that no work, act, commission or omission of either party (or any of its agents or employees) pursuant to the terms and conditions of this Agreement, shall be construed to make or render such party (or any of its agents or employees) an agent, servant, representative, or employee of, or joint venture with, such other party.

#### 6.13 Jessica Lunsford Act

All Employer and Florida Blue employees, appointees or agents who come into contact with students as part of the Agreement must submit a background check, in a manner prescribed by Employer (including compliance with sections 1012.315 and 1012.467, Florida Statutes). Any non-Employer personnel associated with the Agreement and who may come into contact with students as part of the Agreement will be screened at Florida Blue's expense. Florida Blue shall not permit persons to provide services to students under this Agreement if any such person does not meet the standards under Florida law and the Employer hiring standards concerning criminal background employee history checks. Failure to comply with this provision shall be cause for immediate termination of the Agreement.

#### 6.14 Execution of Agreement

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, on the date first written above, the parties have caused this Agreement to be executed by their duly authorized representatives.

BLUE CROSS AND BLUE SHIELD  
FLORIDA, INC. D/B/A FLORIDA  
BLUE



\_\_\_\_\_  
Vice President, Sales Operations  
Signature

Lynn Esposito  
\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Vice President, Sales Operations

July 16, 2019  
\_\_\_\_\_  
Date

MONROE COUNTY SCHOOL DISTRICT

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**EXHIBIT "A"**  
to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.D/B/A FLORIDA BLUE**  
and  
**MONROE COUNTY SCHOOL DISTRICT**  
**GROUP HEALTH PLAN**

The entire Group Health Plan is attached hereto and made a part of this Agreement.

**EXHIBIT "B"**  
**to the**  
**ADMINISTRATIVE SERVICES AGREEMENT**  
**between**  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**  
**and**  
**MONROE COUNTY SCHOOL DISTRICT**

**FINANCIAL ARRANGEMENTS**

I. **Effective Date**

The effective date of this Exhibit is January 1, 2020.

II. **Monthly Payments.**

- A. Each month, Florida Blue will notify Employer of the amount due to satisfy the previous month's paid claims liability. Florida Blue also will provide Employer with a detailed printout of the previous month's claims payments. Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by Florida Blue by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, Florida Blue will immediately suspend claims until payment is received by Florida Blue.
- B. Employer agrees to pay to Florida Blue, each month during and after the term of this Agreement, an administrative fee, as set forth below. Employer agrees to pay to Florida Blue, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by Florida Blue by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, Florida Blue will immediately suspend claims until payment is received by Florida Blue.

III. **Funding Information**

- A. Method of Funding Transfer: WIRE



IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$52.50 per employee per month from January 1, 2020 through December 31, 2022.

\$54.00 per employee per month from January 1, 2023 through December 31, 2023.

B. Florida Blue will pay Employer \$50,000 wellness contribution in 2020. Also, Florida Blue will pay Employer \$30,000 wellness contribution in 2021, 2022 and 2023, to be utilized by Employer for any wellness related initiatives or activities. The amounts will be predicated upon Employer maintaining their Agreement with Florida Blue through December 31, 2023.

C. Florida Blue will pay Employer \$20,000 in 2021 and 2023 for audits.

D. Administrative fees after the termination of the Agreement: 15% of claims paid.

E. Access fees of up to 4.14% of Network Savings may be assessed for claims incurred in states under the BlueCard program as explained in more detail under Section 3.9 below. This access fee will not exceed two thousand dollars (\$2,000) for any one claim and will not apply in Florida and Alabama.

V. Late Payment Penalty

A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

A. The administrative fees referenced above are based on an expected enrollment of: 950.

B. If the actual enrollment is materially different from this expected enrollment, Florida Blue reserves the right to adjust the administrative fees as set forth in the Agreement. Administrative fees will be charged based on actual enrollment.

**EXHIBIT "C"**  
to the  
**ADMINISTRATIVE SERVICES AGREEMENT**  
between  
**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE**  
and  
**MONROE COUNTY SCHOOL DISTRICT**  
**HIPAA-AS ADDENDUM TO ADMINISTRATIVE SERVICES AGREEMENT**

This addendum ("Addendum") is effective upon execution and amends that Administrative Services Agreement ("Agreement") made as of \_\_\_\_\_, 2020 by and among Blue Cross and Blue Shield of Florida, Inc. d/b/a Florida Blue ("Florida Blue"); Monroe County School District ("Employer") and Monroe County School District Group Health Plan ("GHP").

WHEREAS, Employer has established and maintains GHP as a self-insured employee welfare benefit plan, as described in GHP's Plan Document (referred to in the Agreement as the Group Health Plan); and

WHEREAS, Employer and GHP desire to retain Florida Blue to provide certain claim processing and administrative services with respect to GHP; and

WHEREAS, Employer, GHP, and Florida Blue agree to modify the Agreement to incorporate the provisions of this Addendum to address applicable requirements of the implementing regulations, codified at 45 Code of Federal Regulations ("C.F.R.") Parts 160-64, for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 (collectively, "HIPAA-AS"), so that GHP may meet its compliance obligations under HIPAA-AS, and to include additional provisions that Employer, GHP, and Florida Blue desire to have as part of the Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein, Employer, GHP, and Florida Blue hereby agree as follows:

**PART 1—DEFINITIONS**

**I. DEFINITIONS**

All capitalized terms in this Addendum that are not defined by this Addendum will have the meaning ascribed to them by 45 C.F.R. Parts 160-64. The following terms have the following meanings when used in this Addendum:

- A. "Breach" means the unauthorized acquisition, access, use or disclosure of PHI which compromises the security or privacy of PHI.

- B. "Covered Employee" means the person to whom coverage under GHP has been extended by Employer.
- C. "Covered Person" means the Covered Employee and any other persons to whom coverage has been extended under GHP as specified by GHP's Plan Document.
- D. "Creditable Coverage Certificate" means a certificate disclosing information relating to an individual's creditable coverage under a health care benefit program for purposes of reducing any preexisting condition limitation or exclusion imposed by any group health plan coverage.
- E. "Disclose" and "disclosure" mean, with respect to Protected Health Information, release, transfer, providing access to or divulging to a person or entity not within Florida Blue.
- F. "Electronic Protected Health Information" means Protected Health Information that is (1) transmitted by electronic media or (2) maintained in electronic media.
- G. "Protected Health Information" means the Protected Health Information, as that term is defined in 45 C.F.R. § 160.103, that Florida Blue creates or receives for, on behalf of, or from GHP (or from a GHP Business Associate) in the performance of Florida Blue's duties under the Agreement and this Addendum. For purposes of this Addendum, Protected Health Information encompasses Electronic Protected Health Information.
- H. "Plan Document" means GHP's written documentation that informs Covered Persons of the benefits to which they are entitled from GHP and describes the procedures for (1) establishing and carrying out funding of the benefits to which Covered Persons are entitled under GHP, (2) allocating and delegating responsibility for GHP's operation and administration, and (3) amending the Plan Document. Employer and GHP represent and warrant that GHP's Plan Document provides for the allocation and delegation of the responsibilities assigned to Florida Blue under the Agreement.
- I. "Unsecured PHI" means PHI that is not secured through the use of technology or methods approved by the Secretary of Health and Human Services to render the PHI unusable, unreadable or indecipherable to unauthorized individuals.
- J. "Use" means, with respect to Protected Health Information, utilization, employment, examination, analysis or application within Florida Blue.

## **PART 2--FLORIDA BLUE'S RESPONSIBILITIES**

### **II. SERVICES PROVIDED BY FLORIDA BLUE**

During the continuance of the Agreement, Florida Blue will perform the services set forth in the Agreement with respect to the benefits offered to Covered Persons by GHP.

### **III. PRIVACY AND SECURITY OF PROTECTED HEALTH INFORMATION**

#### **A. Preservation of Privacy**

Florida Blue will keep confidential all Protected Health Information that Florida Blue creates or receives on GHP's behalf or receives from GHP (or another Business Associate of GHP) in the performance of its duties under the Agreement and this Addendum.

#### **B. Prohibition on Non-Permitted Use or Disclosure**

Florida Blue will neither use nor disclose Protected Health Information (including any Protected Health Information that Florida Blue may receive from a GHP Business Associate) except (1) as permitted or required by this Addendum, (2) as permitted or required in writing by GHP, or (3) as Required by Law.

#### **C. Permitted Uses and Disclosures**

Florida Blue will be permitted to use or disclose Protected Health Information only as follows:

##### **1. GHP's Payment Activities and Health Care Operations**

Florida Blue will be permitted to use and disclose Protected Health Information for Payment, Health Care Operations, and Data Aggregation for GHP, including programs administered by Florida Blue for GHP that may improve the quality and reduce the cost of care Covered Persons receive. Those programs administered by Florida Blue for GHP:

  X   include (but are not limited to)

           do not include

a payer-based health record program (*i.e.*, Care Profile).

##### **2. Another Covered Entity's Payment Activities and Health Care Operations**

Florida Blue will be permitted to disclose Protected Health Information in accordance with 45 C.F.R. § 164.506(c) for the Payment activities of

another Covered Entity or Health Care Provider and for the qualifying Health Care Operations of another Covered Entity.

**3. Provider's Treatment Activities**

Florida Blue will be permitted to disclose Protected Health Information in accordance with 45 C.F.R. § 164.506(c) for the Treatment activities of a Health Care Provider.

**4. Covered Person Permission**

Florida Blue will be permitted to use or disclose Protected Health Information in accordance with an authorization or other permission granted by an Individual (or the Individual's Personal Representative) in accordance with 45 C.F.R. § 164.508 or 45 C.F.R. § 164.510, as applicable.

**5. Florida Blue's Own Management and Administration**

**a. Protected Health Information Use**

Florida Blue will be permitted to use Protected Health Information as necessary for Florida Blue's proper management and administration or to carry out Florida Blue's legal responsibilities.

**b. Protected Health Information Disclosure**

Florida Blue will be permitted to disclose Protected Health Information as necessary for Florida Blue's proper management and administration or to carry out Florida Blue's legal responsibilities only (i) if the disclosure is Required by Law, or (ii) if before the disclosure, Florida Blue obtains from the entity to which the disclosure is to be made reasonable assurance, evidenced by written contract, that the entity will (1) hold Protected Health Information in confidence, (2) use or further disclose Protected Health Information only for the purposes for which Florida Blue disclosed it to the entity or as Required by Law; and (3) notify Florida Blue of any instance of which the entity becomes aware in which the confidentiality of any Protected Health Information was breached.

**6. De-Identified Health Information**

Florida Blue may use Protected Health Information to create De-Identified Health Information in conformance with 45 C.F.R. § 164.514(b). Florida Blue may use and disclose De-Identified Health Information for any purpose, including after any termination of the Agreement and this Addendum.

7. **Limited Data Set**

- a. **Creation of Limited Data Set.** Florida Blue may use Protected Health Information to create a Limited Data Set:
  - i. that contains the minimum amount of Protected Health Information reasonably necessary to accomplish the purposes set out in Paragraph b of this Section III.C.6, below; and
  - ii. from which have been removed all of the direct identifiers, as specified in 45 C.F.R. § 164.514(e)(2), of the Individuals whose Protected Health Information is included in the Limited Data Set or of the relatives, household members and employers of those Individuals.
- b. **Florida Blue's Permitted Uses and Disclosures.** Florida Blue may use and disclose the Limited Data Set for only Health Care Operations permitted by this Addendum.
- c. **Prohibition on Unauthorized Use or Disclosure.**
  - i. Florida Blue will neither use nor disclose the Limited Data Set for any purpose other than as permitted by Paragraph b of this Section III.C.6, as otherwise permitted in writing by GHP, or as Required by Law.
  - ii. Florida Blue is not authorized to use or disclose the Limited Data Set in a manner that would violate the Privacy Rule, 45 C.F.R. Part 164, Subpart E, if done by GHP.
  - iii. Florida Blue will not attempt to identify the information contained in the Limited Data Set or contact any Individual who may be the subject of information contained in the Limited Data Set.
- d. **Information Safeguards.** Florida Blue will adopt and use appropriate administrative, physical, and technical safeguards to preserve the integrity and confidentiality of the Limited Data Set and to prevent its use or disclosure other than as permitted by this Section III.C.6.
- e. **Permitted Subcontractors, and Agents.** Florida Blue will require any agent or subcontractor to which it discloses the

Limited Data Set, to agree to comply with the same restrictions and conditions that apply to Florida Blue's use and disclosure of the Limited Data Set pursuant to this Section III.C.6.

- f. **Breach of Privacy Obligations.** Florida Blue will report to GHP any use or disclosure of the Limited Data Set that is not permitted by this Section III.C.6 of which Florida Blue becomes aware.

**D. Minimum Necessary**

Florida Blue will, in the performance of its functions and activities on GHP's behalf under the Agreement and this Addendum, make reasonable efforts to use, to disclose, or to request of a Covered Entity only the minimum necessary amount of Protected Health Information to accomplish the intended purpose of the use, the disclosure, or the request, except that Florida Blue will not be obligated to comply with this minimum necessary limitation with respect to:

1. Disclosures to GHP, as distinguished from disclosures to Employer;
2. Disclosure to or request by a health care provider for Treatment;
3. Use with or disclosure to a Covered Person who is the subject of Protected Health Information, or that Covered Person's Personal Representative;
4. Use or disclosure made pursuant to an authorization compliant with 45 C.F.R. § 164.508 that is signed by an Individual who is the subject of Protected Health Information to be used or disclosed, or by that Individual's Personal Representative, as defined in 45 C.F.R. § 164.502(g);
5. Disclosure to the United States Department of Health and Human Services ("DHHS") in accordance with Section VIII below;
6. Use or disclosure that is Required by Law; or
7. Any other use or disclosure that is excepted from the minimum necessary limitation as specified in 45 C.F.R. § 164.502(b)(2).

**E. Disclosure to GHP and GHP's Business Associates**

Other than disclosures permitted by Section III.C. above, Florida Blue will not disclose Protected Health Information to GHP, a GHP Business Associate, or a GHP Vendor, except as directed by GHP in writing.

**F. Disclosure to Florida Blue's Subcontractors and Agents**

Florida Blue may disclose Protected Health Information to a subcontractor or agent. Florida Blue will require each subcontractor and agent to which Florida Blue may disclose Protected Health Information to provide reasonable assurance, evidenced by written contract, that such subcontractor or agent will comply with the same privacy and security obligations with respect to Protected Health Information as this Addendum applies to Florida Blue.

**G. Disclosure to Employer**

Florida Blue will not disclose any Protected Health Information to Employer, except as permitted by and in accordance with PART 3 below.

**H. Reporting Non-Permitted Use or Disclosure and Security Incidents**

**1. Privacy Breach**

Florida Blue will report to GHP any use or disclosure of Protected Health Information of which Florida Blue becomes aware that is not permitted by this Addendum and that constitutes a Breach of Unsecured PHI. GHP hereby delegates to Florida Blue (i) the responsibility for determining whether any use or disclosure of Protected Health Information under this Addendum constitutes a Breach of Unsecured PHI, and (ii) the implementation of notification and reporting obligations associated with a Breach of Unsecured PHI in accordance with relevant legal requirements.

**2. Security Incidents**

Florida Blue will report to GHP any incident of which Florida Blue becomes aware that is (a) a successful unauthorized access, use or disclosure of Electronic Protected Health Information; or (b) a successful major (i) modification or destruction of Electronic Protected Health Information or (ii) interference with system operations in an Information System containing Electronic Protected Health Information. GHP hereby acknowledges that Florida Blue may experience unsuccessful or minor security incidents that do not result in unauthorized access, use, disclosure, modification, or destruction of Electronic Protected Health Information or interference with system operations in its Information System.



**I. Duty to Mitigate**

Florida Blue will mitigate to the extent practicable any harmful effect of which Florida Blue is aware that is caused by any use or disclosure of Protected Health Information in violation of this Addendum.

**J. Termination of Addendum**

GHP will have the right to terminate the Agreement and this Addendum if Florida Blue has engaged in a pattern of activity or practice that constitutes a material breach or violation of Florida Blue's obligations regarding Protected Health Information under this Addendum and, on notice of such material breach or violation from GHP, fails to take reasonable steps to cure the breach or end the violation. If Florida Blue fails to cure the material breach or end the violation within 90 days after receipt of GHP's notice, GHP may terminate the Agreement and this Addendum by providing Florida Blue written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination.

**K. Disposition of Protected Health Information**

**1. Return or Destruction Feasible**

Upon termination of the Addendum, Florida Blue will, if feasible, return to GHP or destroy, all Protected Health Information in Florida Blue's custody or control (or in the custody or control of any subcontractor or agent to which Florida Blue disclosed Protected Health Information). Florida Blue will complete such return or destruction as promptly as practical after termination of the Addendum.

**2. Return or Destruction Not Feasible**

Florida Blue will identify for GHP any Protected Health Information that Florida Blue (or any subcontractor or agent to which Florida Blue disclosed Protected Health Information) cannot feasibly return to GHP or destroy upon termination of the Addendum and will describe the purposes that make the return to GHP or destruction infeasible. Florida Blue will limit its (and, by its written contract pursuant to Section III.F. above, any subcontractor's or agent's) further use or disclosure of Protected Health Information after termination of the Addendum to the purposes that make return to GHP or destruction infeasible and to those uses or disclosures Required by Law.

### **3. Ongoing Privacy and Security Obligations**

Florida Blue's obligations to preserve the privacy and safeguard the security of Protected Health Information as specified in this Addendum will survive termination or other conclusion of the Agreement and this Addendum.

## **IV. ACCESS, AMENDMENT, AND DISCLOSURE ACCOUNTING FOR PROTECTED HEALTH INFORMATION**

### **A. Access**

Florida Blue will, consistent with 45 C.F.R. § 164.524(b)(2), make available to the Covered Person (or the Covered Person's Personal Representative) for inspection and copying any of the Protected Health Information about the Covered Person that qualifies as part of a Designated Record Set that Florida Blue has in its custody or control, and that is not exempted from access by 45 C.F.R. § 164.524(a), so that GHP can meet its access obligations under 45 C.F.R. § 164.524.

### **B. Amendment**

Florida Blue will, consistent with 45 C.F.R. § 164.526(b)(2), amend, pursuant to a Covered Person's written request to amend (or a written request to amend by the Covered Person's Personal Representative), any portion of Protected Health Information about the Covered Person that qualifies as part of a Designated Record Set that Florida Blue has in its custody or control, so that GHP can meet its amendment obligations under 45 C.F.R. § 164.526.

### **C. Disclosure Accounting**

So that GHP may meet its disclosure accounting obligations under 45 C.F.R. § 164.528, Florida Blue will do the following:

#### **1. Disclosure Tracking**

Starting April 14, 2003, Florida Blue will, consistent with 45 C.F.R. § 164.528(b), record each disclosure of Protected Health Information that is not excepted from disclosure accounting under 45 C.F.R. § 164.528(a) that Florida Blue makes to GHP or to a third party ("Accountable Disclosures").

#### **2. Disclosure Tracking Time Periods**

Florida Blue will have available for Covered Person the disclosure information for each Accountable Disclosure for at least six (6) years immediately following the date of the Accountable Disclosure (except

Florida Blue will not be required to have disclosure information for disclosures occurring before April 14, 2003).

**3. Provision of Disclosure Information**

Florida Blue will, consistent with 45 C.F.R. § 164.528(c)(1), make available to the Covered Person (or the Covered Person's Personal Representative) the disclosure information regarding the Covered Person, so that GHP can meet its disclosure accounting obligations under 45 C.F.R. § 164.528.

**D. Restriction Requests**

GHP will direct a Covered Person to promptly notify Florida Blue in the manner designated by Florida Blue of any request for restriction on the use or disclosure of Protected Health Information about a Covered Person that may affect Florida Blue. Consistent with 45 C.F.R. § 164.522(a), and on behalf of GHP, Florida Blue will agree to or deny any such restriction request. Florida Blue will not be in breach of the Agreement or this Addendum for failure to comply with a restriction request on the use or disclosure of Protected Health Information about a Covered Person unless GHP or the Covered Person (or the Covered Person's Personal Representative) notifies Florida Blue in the manner designated by Florida Blue of the terms of the restriction and Florida Blue agrees to the restriction request in writing.

**E. Confidential Communications**

Florida Blue will provide a process for a Covered Person to request that Florida Blue communicate with the Covered Person about Protected Health Information about the Covered Person by confidential alternative location, and Covered Person to provide Florida Blue with the information that Florida Blue needs to be able to evaluate that request. Consistent with 45 C.F.R. § 164.522(b) and on behalf of GHP, Florida Blue will agree to or deny any confidential communication request. Furthermore, Florida Blue will develop policies and procedures consistent with 45 C.F.R. § 164.522(b) to fulfill its obligations under this paragraph.

Florida Blue will provide a process for termination of any requirement to communicate with the Covered Person about Protected Health Information about the Covered Person by confidential alternative location.

**F. Complaint Process**

Florida Blue will, consistent with 45 C.F.R. § 164.530(d) and on behalf of GHP, provide a process for Covered Persons (or Covered Person's Personal Representative) to make complaints concerning Florida Blue's policies and procedures, which policies and procedures GHP hereby adopts as its own so that GHP can meet its compliance obligations under 45 C.F.R. Part 164.

## **V. GHP'S PRIVACY PRACTICES NOTICE**

### **A. Preparation of GHP's Privacy Practices Notices**

Florida Blue will prepare Privacy Practices Notices appropriate for the benefit plans that Florida Blue administers for GHP under the Agreement and reflective of the requirements of 45 C.F.R. Part 164 pertaining to use and disclosure of Protected Health Information and Covered Person's rights with respect to Protected Health Information. The Privacy Practices Notices will address whether GHP discloses or authorizes Florida Blue to disclose to Employer enrollment data, Summary Health Information that may include Covered Persons' Individually Identifiable Health Information, or Protected Health Information for plan administration functions. Unless otherwise agreed upon by the Parties, GHP hereby adopts Florida Blue's Privacy Practices Notice attached as **EXHIBIT 1**, and any future revisions thereof, as its own.

### **B. Distribution of GHP's Privacy Practices Notice**

Florida Blue will distribute GHP's then effective and appropriate Privacy Practices Notice to each new Covered Employee upon the Covered Employee's enrollment in GHP and to any Covered Employee upon request. Florida Blue will distribute any GHP revised Privacy Practices Notice to each Covered Employee then enrolled in GHP, and may distribute any GHP revised Privacy Practices Notice to any other Covered Person over the age of 18 then enrolled in GHP, within sixty (60) days after any material change in GHP's Privacy Practices Notice.

Florida Blue will distribute GHP's Privacy Practices Notice to any Covered Person requesting it. Additionally, every three (3) years after April 14, 2003, Florida Blue will notify each Covered Employee then enrolled in GHP, and may notify any other Covered Person over the age of 18 then enrolled in GHP, of the availability of GHP's Privacy Practices Notice upon request.

### **C. Florida Blue to Comply with Notices**

Florida Blue will neither use nor disclose Protected Health Information in any manner inconsistent with the content of GHP's then current Privacy Practices Notice applicable to the benefit plans that Florida Blue administers for GHP under the Agreement.

## **VI. ISSUANCE OF CERTIFICATE OF CREDITABLE COVERAGE**

At the written or electronic direction of Employer or GHP, Florida Blue may use and disclose Protected Health Information to issue to each Covered Person, whose coverage under a benefits plan administered pursuant to the Agreement terminates during the term of the Agreement, a Certificate of Creditable Coverage. The Certificate of Creditable Coverage will be based upon the coverage that the Covered Person had under the benefits plan administered pursuant to the Agreement and the information that

Employer or GHP provides to Florida Blue regarding the Covered Person's coverage eligibility and coverage termination under that benefits plan.

## **VII. SAFEGUARDING PROTECTED HEALTH INFORMATION**

### **A. Privacy of Protected Health Information**

Florida Blue will maintain reasonable and appropriate administrative, physical, and technical safeguards, consistent with 45 C.F.R. § 164.530(c) and any other implementing regulations issued by DHHS that are applicable to Florida Blue as GHP's Business Associate, to protect against reasonably anticipated threats or hazards to and to ensure the security and integrity of Protected Health Information, to protect against reasonably anticipated unauthorized use or disclosure of Protected Health Information, and to reasonably safeguard Protected Health Information from any intentional or unintentional use or disclosure in violation of this Addendum.

### **B. Security of Electronic Protected Health Information**

Florida Blue will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Florida Blue creates, receives, maintains, or transmits on behalf of GHP consistent with the Security Rule, 45 C.F.R. Part 164, Subpart C.

## **VIII. INSPECTION OF INTERNAL PRACTICES, BOOKS, AND RECORDS**

Florida Blue will make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to GHP and to DHHS to determine GHP's compliance with 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information."

## **PART 3—EMPLOYER'S RESPONSIBILITIES**

## **IX. DATA EXCHANGE BETWEEN EMPLOYER AND FLORIDA BLUE**

### **A. Enrollment Data**

Florida Blue may disclose to Employer the minimum necessary information regarding whether an individual is a Covered Person participating in GHP or enrolled or disenrolled from coverage under the GHP.

Employer may electronically exchange data with Florida Blue regarding the enrollment and disenrollment of Covered Persons as participants in GHP using the Enrollment and Disenrollment in Health Plan Standard Transaction (ASC X12N 834-Benefit Enrollment and Maintenance) as specified in 45 C.F.R. Part 162, Subpart O.

**B. Other Data Exchanges and Notifications**

Employer will exchange with Florida Blue all data not otherwise addressed in this Section IX and any notification by using such forms, tape formats, or electronic formats as Florida Blue may approve. Employer will furnish all information reasonably required by Florida Blue to effect such data exchanges or notifications.

**X. SUMMARY HEALTH INFORMATION**

Upon Employer's written request for the purpose either (A) to obtain premium bids for providing health insurance coverage under GHP, or (B) to modify, amend, or terminate GHP, Florida Blue will provide Summary Health Information regarding the Covered Persons participating in GHP to Employer.

**XI. EMPLOYER'S CERTIFICATION**

Employer hereby makes the certification specified in **EXHIBIT 2** so that Employer may request and receive the minimum necessary Protected Health Information from Florida Blue for those plan administration functions that Employer will perform for GHP. GHP therefore authorizes Florida Blue to disclose the minimum necessary Protected Health Information to those authorized representatives of Employer as specified in **EXHIBIT 3** for the plan administration functions that Employer will perform for GHP as specified in GHP's Plan Document as amended and in **EXHIBIT 3**. Florida Blue may rely on Employer's certification and GHP's authorization that Employer has provided the requisite certification and will have no obligation to verify (1) that GHP's Plan Document has been amended to comply with the requirements of 45 C.F.R. § 164.504(f)(2), 45 C.F.R. § 164.314(b)(2), or this Section XI, or (2) that Employer is complying with GHP's Plan Document as amended.

**PART 4—MISCELLANEOUS**

**XII. AUTOMATIC AMENDMENT TO CONFORM TO APPLICABLE LAW**

Upon the compliance date of any final regulation or amendment to final regulation with respect to Protected Health Information, Standard Transactions, the security of Health Information, or other aspects of HIPAA-AS applicable to this Addendum or to the Agreement, this Addendum will automatically amend such that the obligations imposed on Employer, GHP, and Florida Blue remain in compliance with such regulations, unless Florida Blue elects to terminate the Agreement by providing Employer and GHP notice of termination in accordance with the Agreement at least **90** days before the compliance date of such final regulation or amendment to final regulation.

### **XIII. CONFLICTS**

The provisions of this Addendum will override and control any conflicting provision of the Agreement. All nonconflicting provisions of the Agreement will remain in full force and effect.

### **XIV. ADD GHP AS A PARTY TO AGREEMENT**

Notwithstanding Section 3.1 of the Agreement, in order to make clear the respective HIPAA-AS compliance obligations of Florida Blue, GHP, and Employer, as set forth in this Addendum, GHP shall hereby be added as a separate party to the Agreement.

### **XV. REVISION TO SECTION 3.3**

The first sentence of Section 3.3 of the Agreement shall be deleted and replaced as follows: "The Florida Blue shall provide claims processing services on behalf of the Group Health Plan."

### **XVI. REVISION TO SECTION 3.6**

In order for GHP to be able to comply with its obligations under the HIPAA-AS Privacy and Security Rules and for Employer and Florida Blue to be able to comply with their obligations hereunder, the terms and conditions of Section 3.6 of the Agreement, and any subsequent amendments made thereto by the parties, shall be made subject to this Addendum.

### **XVII. REVISION TO SECTION 6.6**

Section 6.6 of the Agreement shall be given effect except with respect to the subject matter of this Addendum, in which case Section XIII of this Addendum shall control.

### **XVIII. COMPLIANCE DATE FOR SECURITY OBLIGATIONS**

Florida Blue's security obligations as set forth in Sections III.F, III.H.2, and VII.B herein shall take effect the later of (A) the last date set forth in PART 5 below or (B) the compliance deadline of the HIPAA-AS Security Rule (which is, as of the date hereof, April 20, 2005 or April 20 2006 for Small Health Plans).

### **XVIX. HITECH COMPLIANCE**

Florida Blue shall comply with all applicable requirements of Title XIII, Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH"), 42 U.S.C. Sections 17921-17954 and all applicable HITECH implementing regulations issued by the Department of Health and Human Services as of the date by which Florida Blue must comply with such statutory and regulatory requirements.

**PART 5—SIGNATURES**

**BLUE CROSS AND BLUE SHIELD  
OF FLORIDA D/B/A FLORIDA BLUE:**

**MONROE COUNTY SCHOOL DISTRICT  
GROUP HEALTH PLAN:**

**By:**  \_\_\_\_\_

**Title:** Vice President, Sales Operations

**Date:** July 16, 2019 \_\_\_\_\_

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**MONROE COUNTY SCHOOL DISTRICT:**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



## **EXHIBIT 1—SAMPLE NOTICE OF PRIVACY PRACTICES**

### **THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION.**

#### **PLEASE REVIEW IT CAREFULLY.**

**This Notice is effective as of September 03, 2013.**

We (Blue Cross and Blue Shield of Florida, Inc., d/b/a/ Florida Blue and Health Options, Inc., d/b/a Florida Blue HMO, collectively referred to as Florida Blue in this Notice) understand the importance of, and are committed to, maintaining the privacy of your protected health information (PHI). PHI is health and nonpublic personal financial information that can reasonably be used to identify you and that we maintain in the normal course of either administering your employer's self-insured group health plan or providing you with insured health care coverage and other services. PHI also includes your personally identifiable information that we may collect from you in connection with the application and enrollment process for health insurance coverage.

We are required by applicable federal and state laws to maintain the privacy of your PHI. We are also required to provide you with this Notice which describes our privacy practices, our legal duties, and your rights concerning your PHI. We are required to follow the privacy practices that are described in this Notice while it is in effect.

We reserve the right to change our privacy practices and the terms of this Notice at any time and to make the terms of our revised Notice effective for all of your PHI that we either currently maintain or that we may maintain in the future. If we make a significant change in our privacy practices, we will post a revised Notice on our web site by the effective date, and provide the revised Notice, or information about the change and how to get the revised Notice, to covered individuals in our next annual mailing.

#### **How we protect your PHI:**

- Our employees are trained on our privacy and data protection policies and procedures;
- We use administrative, physical and technical safeguards to help maintain the privacy and security of your PHI;
- We have policies and procedures in place to restrict our employees' use of your PHI to those employees who are authorized to access this information for treatment or payment purposes or to perform certain healthcare operations; and
- Our corporate Business Ethics, Integrity & Compliance division monitors how we follow our privacy policies and procedures.

**How we must disclose your PHI:**

- **To You:** We will disclose your PHI to you or someone who has the legal right to act on your behalf (your personal representative) in order to administer your 'Individual Rights' under this Notice.
- **To The Secretary of the Department of Health and Human Services (HHS):** We will disclose your PHI to HHS, if necessary, to ensure that your privacy rights are protected.
- **As Required by Law:** We will disclose your PHI when required by law to do so.

**How we may use and disclose your PHI without your written authorization:**

We may use and disclose your PHI without your written authorization in a number of different ways in connection with your treatment, the payment for your health care, and our health care operations. When using or disclosing your PHI, or requesting your PHI from another entity, we will make reasonable efforts to limit such use, disclosure or request, to the extent practicable, to the minimum necessary to accomplish the intended purpose of such use, disclosure or request. The following are only a few examples of the types of uses and disclosures of your PHI that we may make without your written authorization.

- **For Treatment:** We may use and disclose your PHI as necessary to aid in your treatment or the coordination of your care. For example, we may disclose your PHI to doctors, dentists, hospitals, or other health care providers in order for them to provide treatment to you.
- **For Payment:** We may use and disclose your PHI to administer your health benefits policy or contract. For example, we may use and disclose your PHI to pay claims for services provided to you by doctors, dentists or hospitals. We may disclose your PHI to a health care provider or another health plan so that the provider or plan may obtain payment of a claim or engage in other payment activities.
- **To Family, Friends, and Others for Treatment or Payment:** Our disclosure of your PHI for the treatment and payment purposes described above may include disclosures to others who are involved in your care or the administration of your health benefits policy or contract. For example, we may disclose your PHI to your family members, friends or caregivers if you direct us to do so or if we exercise professional judgment and determine that they are involved in either your care or the administration of your health benefits policy. We may send an explanation of benefits to the policyholder, which may include claims paid and other information. We may determine that persons are involved in your care or the administration of your health benefits policy if you either agree or fail to object to a disclosure of your PHI to such persons when given an opportunity. In an emergency or in situations where you are incapacitated or not otherwise present, we may disclose

your PHI to your family members, friends, caregivers or others, when the circumstances indicate that such disclosure is authorized by you and is in your best interests. In these situations we will only disclose your PHI that is relevant to such other person's involvement in your care or the administration of your health benefits policy.

- **For Health Care Operations:** We may use and disclose your PHI to support other business activities. For example, we may use or disclose your PHI to conduct quality assessment and improvement activities, to conduct fraud and abuse investigations, to engage in care coordination or case management, or to communicate with you about health related benefits, products or services or treatment alternatives that may be of interest to you. We may also disclose your PHI to another entity subject to federal privacy laws, as long as the entity has or had a relationship with you and the PHI is disclosed only for certain health care operations of that provider, plan, or other entity. We may use and disclose your PHI as needed to conduct or arrange for legal services, auditing, or other functions. We may also use and disclose your PHI to perform underwriting activities, however, we are prohibited from using or disclosing your genetic information for underwriting purposes.
- **To Business Associates for Treatment, Payment or Health Care Operations:** Our use of your PHI for treatment, payment or health care operations described above (or for other uses or disclosures described in this Notice) may involve our disclosure of your PHI to certain other entities with which we have contracted to perform or provide certain services on our behalf (Business Associates). We may allow our Business Associates to create, receive, maintain, or transmit your PHI on our behalf in order for the Business Associate to provide services to us, or for the proper management and administration of the Business Associate or to fulfill the Business Associate's legal responsibilities. These Business Associates include lawyers, accountants, consultants, claims clearinghouses, and other third parties. Our Business Associates may re-disclose your PHI to subcontractors in order for these subcontractors to provide services to the Business Associates. These subcontractors will be subject to the same restrictions and conditions that apply to the Business Associates. Whenever such arrangement with a Business Associate involves the use or disclosure of your PHI, we will have a written contract with our Business Associate that contains terms designed to protect the privacy of your PHI.
- **For Public Health and Safety:** We may use or disclose your PHI to the extent necessary to avert a serious and imminent threat to the health or safety of you or others. We may also disclose your PHI for public health and government health care oversight activities and to report suspected abuse, neglect or domestic violence to government authorities.

- **As Permitted by Law:** We may use or disclose your PHI when we are permitted to do so by law.
- **For Process and Proceedings:** We may disclose your PHI in response to a court or administrative order, subpoena, discovery request, or other lawful process.
- **Criminal Activity or Law Enforcement:** We may disclose your PHI to a law enforcement official with regard to crime victims and criminal activities. We may disclose your PHI if we believe that the use or disclosure is necessary to prevent or lessen a serious and imminent threat to the health and safety of a person or the public. We may also disclose your PHI if it is necessary for law enforcement authorities to identify or apprehend an individual.
- **Special Government Functions:** When the appropriate conditions apply, we may use or disclose PHI of individuals who are Armed Forces personnel (i) for activities deemed necessary by appropriate military command authorities; (ii) for the purpose of determination by the Department of Veterans Affairs of your eligibility for benefits, or (iii) to foreign military authorities if you are a member of that foreign military service. We may also disclose your PHI to authorized federal officials for conducting national security and intelligence activities, including the provision of protective services to the President or others legally authorized to receive such governmental protection.
- **Inmates:** We may use or disclose your PHI if you are an inmate of a correctional facility and your physician created or received your PHI in the course of providing care to you.
- **To Plan Sponsors, if applicable (including employers who act as Plan Sponsors):** We may disclose enrollment and disenrollment information to the plan sponsor of your group health plan. We may also disclose certain PHI to the plan sponsor to perform plan administration functions. We may disclose summary health information to the plan sponsor so that the plan sponsor may either obtain premium bids or decide whether to amend, modify or terminate your group health plan. Please see your plan documents, where applicable, for a full explanation of the limited uses and disclosures that the plan sponsor may make of your PHI in providing plan administration functions for your group health plan.
- **For Coroners, Funeral Directors, and Organ Donation:** We may disclose your PHI to a coroner or medical examiner for identification purposes, determining cause of death or for the coroner or medical examiner to perform other duties authorized by law. We may also disclose PHI to a funeral director, as authorized by law, in order to permit the funeral director to carry out his or her duties. We may disclose such information in reasonable anticipation of death. PHI may be used and disclosed for cadaveric organ, eye, or tissue donation purposes.

- **Research:** We may disclose your PHI to researchers when their research has been approved by an institutional review board that has reviewed the research purposes and established protocols to ensure the privacy of your PHI, or as otherwise permitted by federal privacy law.
- **Fundraising:** We may use your PHI to contact you in order to raise funds for our benefit. You have the right to opt out of receiving such communications.
- **Limited data sets and de-identified information:** We may use or disclose your PHI to create a limited data set or de-identified information, and use and disclose such information as permitted by law.
- **For Workers' Compensation:** We may disclose your PHI as permitted by workers' compensation and similar laws.

**Uses and disclosures of PHI permitted only after authorization is received:**

We will obtain your written authorization, as described below, for: (i) uses and disclosures of your PHI for marketing purposes, including subsidized treatment communications (except for certain activities otherwise permitted by federal privacy law, such as face-to-face communications or promotional gifts of nominal value); (ii) disclosures of your PHI that constitute a sale of PHI under federal privacy law and that requires your authorization; and (iii) other uses and disclosures of your PHI not described in this Notice.

There are also other federal and state laws that may further restrict our disclosure of certain PHI (to the extent we maintain such information) that is deemed highly confidential. Highly confidential PHI may include information pertaining to:

- psychotherapy notes;
- alcohol and drug abuse prevention, treatment and referral;
- HIV/AIDS testing, diagnosis or treatment;
- sexually transmitted diseases; and
- genetic testing.

Our intent is to meet the requirements of these more stringent privacy laws and we will only disclose this type of specially protected PHI with your prior written authorization except when our disclosure of this information is permitted or required by law.

**Authorization:** You may give us written authorization to use your PHI or disclose it to anyone for any purpose not otherwise permitted or required by law. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any use or disclosure permitted by your authorization while it was in effect. In the event that you are incapacitated or are otherwise unable to respond to our request for an authorization, (for example, if you are or become legally incompetent), we may accept

an authorization from any person who is legally authorized to give such authorization on your behalf.

**Individual Rights:**

*To exercise any of these rights, please call the customer service number on your ID card.*

- **Access:** With limited exceptions, you have the right to inspect, or obtain copies of, your PHI. We may charge you a reasonable fee as permitted by law. We will provide you a copy of your PHI in the form and format requested, if it is readily producible in such form or format or, if not, in a readable hard copy form or such format as agreed to by you and us. Where your PHI is contained in one or more designated record sets electronically, you have the right to obtain a copy of such information in the electronic form and format requested, if it is readily producible in such form and format; or if not, in a readable electronic form and format as agreed to by us and you. You may request that we transmit the copy of your PHI directly to another person, provided your request is in writing, signed by you, and you clearly identify the designated person and where to send the copy of the PHI.
- **Amendment:** With limited exceptions, you have the right to request that we amend your PHI.
- **Disclosure Accounting:** You have the right to request and receive a list of certain disclosures made of your PHI. If you request this list more than once in a 12-month period, we may charge you a reasonable fee as permitted by law to respond to any additional request.
- **Use/Disclosure Restriction:** You have the right to request that we restrict our use or disclosure of your PHI for certain purposes. We are required to agree to a request to restrict the disclosure of your PHI to a health plan if you submit the request to us and: (i) the disclosure is for purposes of carrying out payment or health care operations and is not otherwise required by law; and (ii) the PHI pertains solely to a health care item or service for which you, or a person on your behalf other than the health plan, has paid the covered entity out-of-pocket in full. We may not be required to agree to all other restriction requests and, in certain cases, we may deny your request. We will agree to restrict the use or disclosure of your PHI provided the law allows and we determine the restriction does not impact our ability to administer your benefits. Even when we agree to a restriction request, we may still disclose your PHI in a medical emergency and use or disclose your PHI for public health and safety and other similar public benefit purposes permitted or required by law.
- **Confidential Communication:** You have the right to request that we communicate with you in confidence about your PHI at an alternative address. When you call the customer service number on your ID card to request

confidential communications at an alternative address, please ask for a "PHI address."

Note: If you choose to have confidential communications sent to you at a PHI address, we will only respond to inquiries from you. If you receive services from any health care providers, you are responsible for notifying those providers directly if you would like a PHI address from them.

- **Privacy Notice:** You have the right to request and receive a copy of this Notice at any time. For more information or if you have questions about this Notice, please contact us using the information listed at the end of this Notice.
- **Breach:** You have the right to receive, and we are required to provide, written notification of a breach where your unsecured PHI has been accessed, used, acquired, or disclosed to an unauthorized person as a result of such breach, and which compromises the security or privacy of your PHI. Unless specified in writing by you to receive the notification by electronic mail, we will provide such written notification by first class mail or, if necessary, by such other substituted forms of communication permitted under the law.
- **Paper Copy:** You have the right to receive a paper copy of this Notice, upon request, even if you have previously agreed to receive the Notice electronically.

## Complaints

If you are concerned that we may have violated your privacy rights, you may complain to us using the contact information listed at the end of this Notice. You may also submit a written complaint to the U.S. Department of Health and Human Services. We will provide you with the address for the U.S. Department of Health and Human Services upon request.

We support your right to protect the privacy of your PHI. We will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services.

**Contact:**      **Business Ethics, Integrity & Compliance**  
Florida Blue  
PO Box 44283  
Jacksonville, FL 32203-4283  
1-888-574-2583

Si usted desea una copia de esta notificación en español, por favor comuníquese con un representante de servicio al cliente utilizando el número telefónico indicado en su tarjeta de asegurado.

72656 0913R

## **EXHIBIT 2—EMPLOYER’S CERTIFICATION**

### **PART 1 – Employer to Amend Plan Documents for Privacy provisions**

Employer certifies that Employer has amended GHP’s Plan Document to incorporate the provisions required by 45 C.F.R. § 164.504(f)(2), as set forth below, and agrees to comply with GHP’s Plan Document as amended.

1. Neither use nor further disclose Protected Health Information, except as permitted or required by GHP’s Plan Document or as required by law.
2. Neither use nor disclose Protected Health Information for any employment-related action or decision, or in connection with any other benefit or employee benefit plan of Employer.
3. Ensure adequate separation between Employer and GHP by (a) describing those employees or classes of employees or other persons under Employer’s control who will be given access to Protected Health Information to perform plan administration functions for GHP, (b) restricting the access to and use of Protected Health Information by such employees or other persons to the plan administration functions that Employer will perform for GHP, and (c) instituting an effective mechanism for resolving any noncompliance with GHP’s Plan Document by such employees or other persons.
4. Ensure that any subcontractor or agent to which Employer provides Protected Health Information agrees to the restrictions and conditions of GHP’s Plan Document with respect to Protected Health Information.
5. Report to GHP any use or disclosure of Protected Health Information of which Employer becomes aware that is inconsistent with the uses and disclosures allowed by GHP’s Plan Document.
6. Make Protected Health Information available to GHP or, at GHP’s direction, to the Covered Person who is the subject of Protected Health Information (or the Covered Person’s Personal Representative) so that GHP can meet its access obligations under 45 C.F.R. § 164.524.
7. Make Protected Health Information available to GHP for amendment and, on notice from GHP, amend Protected Health Information, so that GHP can meet its amendment obligations under 45 C.F.R. § 164.526.
8. Record Disclosure Information as defined above for each disclosure that Employer makes of Protected Health Information that is not excepted from disclosure accounting and provide that Disclosure Information to GHP on request so that GHP can meet its disclosure accounting obligations under 45 C.F.R. § 164.528.



9. Make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to GHP and to DHHS to determine GHP's compliance with 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information."
10. Return to GHP or destroy if feasible all Protected Health Information in whatever form or medium that Employer (and any subcontractor or agent of Employer) received from GHP or Florida Blue, including all copies thereof and all data, compilations, and other works derived there from that allow identification of any present or past Covered Person who is the subject of Protected Health Information, when Employer no longer needs Protected Health Information for the plan administration functions for which the Employer received Protected Health Information. Employer will limit the use or disclosure of any of Protected Health Information that Employer (or any subcontractor or agent of Employer) cannot feasibly return to GHP or destroy to the purposes that make its return to GHP or destruction infeasible.

## **PART 2 - Employer to Amend Plan Documents for Security provisions**

Employer further certifies that Employer has amended GHP's Plan Document to incorporate the provisions required by 45 C.F.R. § 164.314(b)(2), as set forth below, and agrees to comply with GHP's Plan Document as amended.

1. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of Electronic Protected Health Information that Employer creates, receives, maintains or transmits on GHP's behalf.
2. Ensure that the adequate separation between Employer and GHP required by 45 C.F.R. § 164.504(f)(2)(iii) (as described in item 3 above) is supported by reasonable and appropriate Security Measures.
3. Ensure that any subcontractor or agent to which Employer provides Electronic Protected Health Information agrees to implement reasonable and appropriate Security Measures to protect the Electronic Protected Health Information.
4. Report to GHP any incident of which Employer becomes aware that is (a) a successful unauthorized access, use or disclosure of Electronic Protected Health Information; or (b) a successful major (i) modification or destruction of Electronic Protected Health Information or (ii) interference with system operations in an Information System containing Electronic Protected Health Information. Upon GHP's request, Employer will report any incident of which Employer becomes aware that is a successful minor (a) modification or destruction of Electronic Protected Health Information or (b) interference with system operations in an Information System containing Electronic Protected Health Information.

### **EXHIBIT 3— DISCLOSURE OF PROTECTED HEALTH INFORMATION FOR PLAN ADMINISTRATION**

Group Health Plan (“GHP”) must promptly notify Florida Blue in writing if any of the information contained in EXHIBIT 3 changes.

#### **PART 1**

Name(s) and Title(s) of Employer representatives (i.e. employees of Employer) authorized to request and receive the minimum necessary Protected Health Information from Florida Blue:


for the performance of the following plan administration functions for GHP unless otherwise indicated by GHP:

- Actuarial and statistical analysis
- Claims/membership inquiries
- Procurement of reinsurance or stop loss coverage
- Quality assessment and improvement activities
- Performance monitoring
- Other health care operations
- Payment activities

#### **PART 2**

Identify the name(s), title(s) and company name(s) of any individual(s) from organizations other than Employer or Group Health Plan (“GHP”) (examples of such “GHP Vendor” types of services include, but are not limited to, stop-loss carriers; reinsurers; agents, brokers or consultants; or external auditors) that Employer or GHP hereby authorizes to request and receive the minimum necessary Protected Health Information to perform plan administration functions and/or assist with the procurement of reinsurance or stop-loss coverage:

Company Name	Type of Service Performed (Example: stop-loss carrier, reinsurer, agent, broker)	Name of Individual Performing Service	Title of Individual Performing Service