

**CITY OF PORT SAINT LUCIE
CONTRACT # 20210075**

This CONTRACT, executed this _____ day of _____ 2021, by and between the CITY OF PORT ST. LUCIE, FLORIDA, a Florida municipal corporation, duly organized under the laws of the State of Florida, hereinafter called "City" or "Employer", the City of Port Saint Lucie Group Health Plan (GHP), and 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" or "Contractor").

RECITALS

In consideration of the below agreements and covenants set forth herein, the parties agree as follows:

Notifications

As used herein the City's Contract Supervisor shall mean:

Director of Human Resources, or Designee
City of Port St. Lucie, City Hall Complex
121 SW Port St. Lucie Blvd., Bldg. A
Port St. Lucie, Florida 34984
Ph: 772 344-4335 Fax 772-871-5274

As used herein the Contractor shall mean:

Blue Cross/Blue Shield of Florida
Carlton Hobgood, Vice President, Major Accounts
4800 Deerwood Campus Parkway, DC3-5
Jacksonville, FL 32246
Ph: 904-905-3072 Fax: 904-905-1688

As used herein the Agent of Record shall mean:

The Gehring Group
Anna Maria Studley, Managing Director
11505 Fairchild Gardens Avenue, Ste. 202
Palm Beach Gardens, FL 33410
Ph: 561-626-6797/800-244-3696 Fax: 561-626-6970

As used herein the Contract Administrator shall mean:

Procurement Management Department
Procurement Agent, as assigned/designated by P.M.D.
City of Port St. Lucie
Ph: 772-871-5223 FAX: 772-871-7337

**SECTION I
DESCRIPTION OF SERVICES TO BE PROVIDED**

Whereas, the City has established and currently sponsors a self-insured Employee Welfare Benefit Plan, to provide certain benefits (attached hereto as Exhibit "4" and hereinafter called the "Group Health Plan or "GHP") for covered group members and their covered dependents; and

Whereas, except as otherwise specifically provided herein, the City 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, the City 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 II
DEFINITIONS**

All capitalized terms in this Contract that are not defined by this Contract 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 Contract:

- 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 Contract. For purposes of this Contract, 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. City 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 Contract.
- 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.

SECTION III TIME OF PERFORMANCE

Contract period shall commence October 1, 2021 and terminate September 30, 2026, a term of sixty (60) months with two (2) one (1) year renewals thereafter unless the Contract is terminated earlier in accordance with the provisions of this Contract. In the event all work required in the Contract has not been completed by the specified date, the Contractor agrees to provide work as authorized by the Contract Supervisor until all work specified in the Contract has been rendered.

SECTION IV RENEWAL OPTION

The initial term of the contract(s) is for 60 months (5) years from the execution date of the contract(s). The City shall have two (2), one (1) year option(s) to renew, which options shall be exercisable at the sole discretion of the City. Renewal will be accomplished through the issuance of Notice of Award Amendment. In the event that the contract shall terminate or be likely to terminate prior to the making of an award for a new contract for the identified products and/or services, the City may, with the written consent of the awarded Contractor(s), extend the contract(s) for such period of time as may be necessary to permit the City's continued supply of the identified products and/or services. The contract(s) may be amended in writing from time to time by mutual consent of the parties. Unless this contract states otherwise, the resulting award of the contract(s) does not guarantee volume or a commitment of funds.

NOTE: Contractor may exercise the option to renew by submitting a written submission nine

(9) months prior to the termination of the contract period.

**SECTION V
DUTIES AND RESPONSIBILITIES OF THE CITY**

Final Authority: The City 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 the requirements of ERISA (Employee Retirement Income Security Act of 1974, as amended), compliance with reporting and remitting abandoned property funds, and compliance with any other state and federal law or regulation applicable to the City, the Group Health Plan, or the administration of the Group Health Plan.

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

Eligibility and Enrollment: As of the first day of the term of this Contract, the City will have delivered to Florida Blue enrollment information regarding eligible and properly enrolled members, as determined by the City. The City 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. The City shall be responsible for providing each covered employee with a copy of the plan document which shall include the Group Health Plan.

**SECTION VI
DUTIES AND RESPONSIBILITIES OF Florida Blue**

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.

The City 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 Contract 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, and that Florida Blue will not for any purpose, under ERISA or otherwise, 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. The Group Health Plan's "Administrator" for purposes of ERISA is the City.

Enrollment: Forms and I.D. Cards: Florida Blue shall enroll those individuals who have completed an application and are identified by the City as eligible for benefits under the Group Health Plan on the effective date of this Contract, and subsequently during the continuance of this Contract. Florida Blue shall be entitled to rely on the information furnished to it by the City.

Florida Blue shall furnish to the City, 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.

Claims Processing: Florida Blue shall provide claims processing services on behalf of the City for all properly submitted claims, in accordance with the benefits and procedures set forth in Exhibit 4, using funds solely supplied by the City, as set forth in Section XI, Compensation. Florida Blue shall furnish each claimant with an explanation of each claim that is paid, rejected, suspended or denied. 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.

For purposes of this Contract, 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 Contract 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.

Program Administration: Florida Blue shall administer its established cost containment programs and utilization of benefits management programs, as selected by the City 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.

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 a payment 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. The City 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, the City 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, the City 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 the City from any class action. These claims include, but are not limited to, all legal claims the City 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 the City's pro rata share of the recovery. This share is calculated from the City's claims history or covered members at the time of such recovery, less the City'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 the City for any costs if Florida Blue does not obtain a recovery that exceeds those costs.

Records and Reports: Florida Blue agrees to establish, maintain and provide to the City, 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 this Contract. 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.

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.

Public Records Request:

The City of Port St. Lucie is a public agency subject to Chapter 119, Florida Statutes. Florida Blue shall comply with Florida's Public Records Law. CONTRACTOR'S RESPONSIBILITY FOR COMPLIANCE WITH CHAPTER 119, FLORIDA STATUTES. Pursuant to Section 119.0701, F.S.

Contractor agrees to comply with all public records laws, specifically to:

Keep and maintain public records required by the City in order to perform the service;

1. The timeframes and classifications for records retention requirements must be in accordance with the [General Records Schedule GS1-SL for State and Local Government Agencies](#).
2. During the term of the contract, the Contractor shall maintain all books, reports and records in accordance with generally accepted accounting practices and standards for records directly related to this contract. The form of all records and reports shall be subject to the approval of the City.
3. Records include all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business with the City. Contractor's records under this Contract include but are not limited to, supplier/subcontractor invoices and contracts, project documents, meeting notes, emails and all other documentation generated during this Agreement.
4. The Contractor agrees to make available to the City, during normal business hours all books of account, reports and records relating to this contract.
5. A Contractor who fails to provide the public records to the City within a reasonable time may also be subject to penalties under Section 119.10, Florida Statutes.

Upon request from the City's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the City.

Upon completion of the contract, transfer, at no cost to the City, all public records in possession of the Contractor, or keep and maintain public records required by the City to perform the service. If the Contractor transfers all public records to the City upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records in a format that is compatible with the information technology systems of the City.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

**CITY CLERK
121 SW Port St. Lucie Blvd.
Port St. Lucie, FL 34984
(772) 871 5157
pr@cityofpsl.com**

If Florida Blue does not comply with a public records request, Employer shall enforce the provisions of this Agreement which may include termination of the Agreement.

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

The PBM generally passes Rebates through to Florida Blue, less a 20% fee as part of its compensation for its services. At times, the PBM may pass through a guaranteed minimum amount per prescription that exceeds the Rebates otherwise payable to Florida Blue. In either situation, Florida Blue passes through 100% of the amounts it receives to the City.

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 City'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 City its Rebates or guaranteed minimum amount after Florida Blue is able to determine the share attributable to the drug claims actually made by City's group members. This typically occurs seven to nine months after the end of the calendar quarter in which the drugs were dispensed.

Florida Blue will provide more specific information on the amounts retained by Florida Blue or the PBM upon request by the City.

Claims Payments: The source or sources of payment under the Group Health Plan are to be only the assets of the City, and Florida Blue will have no liability whatsoever for providing a source from which payments will be made under the Group Health Care Plan.

Providers Outside the State of Florida:

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.)

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.

Liability Calculation Method Per Claim – In General

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.

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.

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:

- 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
- 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
- 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.

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.

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:

- **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.
- **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.

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.

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.

Nonparticipating Providers Outside Florida Blue's Service Area

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.

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.

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. 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 VII PRIVACY AND SECURITY OF PROTECTED HEALTH INFORMATION

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 this Contract.

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 Contract, (2) as permitted or required in writing by GHP, or (3) as Required by Law.

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

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:

- _____ include (but are not limited to)
 - _____ do not include
- a payer-based health record program (*i.e.*, Care Profile).

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.

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.

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.

SECTION VIII FLORIDA BLUE'S OWN MANAGEMENT AND ADMINISTRATION

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.

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.

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 Contract and/or the Addendum(s) thereof.

Limited Data Set: Florida Blue may use Protected Health Information to create a Limited Data Set:

Creation of Limited Data Set.

- that contains the minimum amount of Protected Health Information reasonably necessary to accomplish the purposes set out below in Paragraph B of this Section; and
- 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 and of the relatives, household members and employers of those Individuals.

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 Contract.

Prohibition on Unauthorized Use or Disclosure:

- Florida Blue will neither use nor disclose the Limited Data Set for any purpose other than as permitted by Paragraph B of this Section, as otherwise permitted in writing by GHP, or as Required by Law.
- 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.
- 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.

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 Limited Data Set Section.

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 Limited Data Set Section.

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 Limited Data Set Section of which Florida Blue becomes aware.

Minimum Necessary: Florida Blue will, in the performance of its functions and activities on GHP's behalf under the Contract, 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:

- Disclosures to GHP, as distinguished from disclosures to Employer;
- Disclosure to or request by a health care provider for Treatment;
- Use with or disclosure to a Covered Person who is the subject of Protected Health Information, or that Covered Person's Personal Representative;
- 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);
- Disclosure to the United States Department of Health and Human Services ("DHHS") in accordance with the Inspection of Internal Practices, Books and Records Section below;
- Use or disclosure that is Required by Law; or
- Any other use or disclosure that is excepted from the minimum necessary limitation as specified in 45 C.F.R. § 164.502(b)(2).

Disclosure to GHP and GHP's Business Associates: Other than disclosures permitted by the Limited Data Set Section 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.

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 Contract applies to Florida Blue.

Disclosure to Employer: Florida Blue will not disclose any Protected Health Information to City, except as permitted by and in accordance with Section IX below.

Reporting Non-Permitted Use or Disclosure and Security Incidents:

Privacy Breach: Florida Blue will report to GHP any use or disclosure of Protected Health Information not permitted by this Contract or in writing by GHP, including Breaches of Unsecured PHI, of which Florida Blue becomes aware in accordance with relevant legal requirements. Florida Blue will cooperate with GHP in GHP's performance of investigation or assessments necessary to determine whether a Breach of Unsecured PHI has occurred. GHP shall bear sole responsibility for determining the need for and implementing notification concerning any Breach of Unsecured PHI,

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. Upon GHP's request, Florida Blue will report any incident of which Florida Blue 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.

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 Contract.

Disposition of Protected Health Information:

Return or Destruction Feasible. Upon termination of the Contract, 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 Contract.

- 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 Contract 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 the Disclosure to Florida Blue's Subcontractors and Agents Section above, any subcontractor's or agent's) further use or disclosure of Protected Health Information after termination of the Contract to the purposes that make return to GHP or destruction infeasible and to those uses or disclosures Required by Law.
- 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 Contract will survive termination or other conclusion of this Contract

Access, Amendment, and Disclosure Accounting for Protected Health Information:

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.

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 obligations under 45 C.F.R. § 164.526.

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

- Disclosure Tracking. 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").
- 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.
- 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.
- 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 Contract 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.

- 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.

- 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.

GHP's Privacy Practices Notice:

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 Contract 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.

- 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, 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.

- 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.

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 Contract, 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 Contract 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.

Safeguarding Protected Health Information:

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 Contract.

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.

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."

**SECTION IX
CITY'S/EMPLOYER'S RESPONSIBILITIES**

Data Exchange Between Employer (City) and Florida Blue:

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.

- **Other Data Exchanges and Notifications:** Employer (City) will exchange with Florida Blue all data not otherwise addressed in this Section 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 affect such data exchanges or notifications.

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.

Employer's (City'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 complies with the requirements of 45 C.F.R. § 164.504(f)(2), 45 C.F.R. § 164.314(b)(2), or this IX Section, or (2) that Employer is complying with GHP's Plan Document.

SECTION X MISCELLANEOUS-CONFORMANCE TO APPLICABLE LAW

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 Contract, this Contract 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 Contract by providing Employer and GHP notice of termination in accordance with the Contract at least **90** days before the compliance date of such final regulation or amendment to final regulation.

Add GHP As A Party To Contract: Notwithstanding Section VI, "Generally", of the Contract, in order to make clear the respective HIPAA-AS compliance obligations of Florida Blue, GHP, and Employer, as set forth in this Contract, GHP shall hereby be added as a separate party to the Contract.

Revision To Section VI. entitled "Claims Processing": The first sentence of Section VI, Claims Processing of the Contract shall be deleted and replaced as follows: "The Florida Blue shall provide claims processing services on behalf of the Group Health Plan."

Revision To Section VI. entitled "Records and Reports": 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 VI, Records and Reports of the Contract, and any subsequent amendments made thereto by the parties, shall be made subject to this Contract.

Compliance Date For Security Obligations: Florida Blue's security obligations as set forth in Section VIII, Disclosure to Florida Blue's Subcontractors and Agents, Reporting Non-Permitted Use or Disclosure and Security Incidents, paragraph B and Safeguarding Protected Health Information, paragraph B, herein shall take effect the later of (A) the last date set forth in Section XXV 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).

Hitech Compliance: Florida Blue shall comply with all applicable requirements of Title XII, 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.

SECTION XI COMPENSATION

Claims Payment: The City 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 below:

- Each month, Florida Blue will notify the City of the amount due to satisfy the previous month's paid claims liability. Florida Blue also will provide the City with a detailed printout of the previous month's claims payments. The City agrees to pay the full amount of the bill within thirty (30) 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.

Administrative Fees: The City agrees to promptly pay all administrative fees as set forth below. Administrative fees are not subject to change during the initial twenty-four (24) month term of this Contract. The administrative fees will increase, as proposed, for the two renewal options of one year each.

- The City agrees to pay to Florida Blue, each month during the term of this Contract, an administrative fee, as set forth below. The City agrees to pay

to Florida Blue, each month, the administrative fee within ten (10) calendar 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.

- a. Administrative fees during the term of the Contract:
 - \$54.10 per employee per month from October 1, 2021 through September 30, 2022
 - \$56.10 per employee per month from October 1, 2022 through September 30, 2023
 - \$56.10 per employee per month from October 1, 2023 through September 30, 2024
 - \$56.10 per employee per month from October 1, 2024 through September 30, 2025
 - \$57.90 per employee per month from October 1, 2025 through September 30, 2026
- b. Administrative fees after the termination of the Contract: 15% of claims paid. This will not exceed \$300,000.00.
- c. Florida Blue agrees to donate the following amounts to the City's wellness program:
 - Year One - October 1, 2021 - \$75,000.00
 - Year Two - October 1, 2022 - \$75,000.00
 - Year Three - October 1, 2023 - \$75,000.00
 - Year Four - October 1, 2024 - \$75,000.00
 - Year Five - October 1, 2025 - \$75,000.00
- d. Late Charges: In the event the City fails to pay any amount owed in full by the due date, the City shall pay Florida Blue, in addition to the amount due, a late charge of:
 1. A daily charge of .00038 times the amount of overdue payment.
- e. Access fees of up to 3.79% of Network Savings may be assessed for claims incurred in states under the BlueCard program. This access fee will not exceed two thousand dollars (\$2,000) for any one claim and will not apply in Florida and Alabama.

Network Savings is defined as the total of the amounts computed by subtracting each "allowed amount" for a particular service under the terms of a participating provider's written agreement from each

“billed amount” for such service. In no event shall the term “Network Savings” include duplicate charges or billed amounts for services or supplies not covered under the Employer’s Plan. The term “allowed amount” means the amount received as payment in full by a participating provider, under that provider’s written agreement, from both BCBSF and covered individuals under Employer’s Plan for claims submitted to, and paid by BCBSF for a particular covered service, and the term “billed amount” means the amount which would be received by such provider for the same covered service utilizing that provider’s charges.

- B. Funding Information: Method of funding transfer: ACH
- C. Modifications: Any modifications to the administrative fees as stated in this Contract will require approval and acceptance by both parties, the City and the Contractor. Either party is to give other party to this Contract forty-five (45) days prior written notice. Any agreed upon changes (modification of the Group Health Plan or changes in enrollment) to this contract will be incorporated in the contract document through a contract amendment and only after the City Council's approval.

Expected Enrollment:

- A. The administrative fees referenced above are based on an expected enrollment of: 925.
- 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 Contract. Actual administrative fees will be charged based on actual enrollment. Materially different shall be defined as a 10% (or more) increase or decrease in the number of plan participants since the date the then current charges were effective. The change shall be preceded by (a) notice of the amount of the new monthly administrative fee; (b) the effective date of the change.

Use of Names and Logos:

- A. The City agrees to allow Florida Blue to use the City's name and logo on I.D. cards and other forms necessary to effectuate this Contract, and to promote the City's relationship with Florida Blue to potential or existing providers. Florida Blue shall not use the City's name or logo for any other purpose without the prior written consent of the City.
- B. The City 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. The City 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 Contract, whichever is sooner.

**SECTION XII
CONFORMANCE WITH PROPOSAL**

Not applicable to this contract.

**SECTION XIII
INSURANCE**

The Contractor agrees to indemnify, defend, and hold harmless the City, its officers and employees, from liabilities, damages, losses and costs, including but not limited to, reasonable attorney's fees, to the extent caused by the negligent act, recklessness, or intentional wrongful misconduct of the Contractor and persons employed or utilized, including any independent consultants or subconsultants by the Contractor in the performance of this contract.

The Contractor shall on a primary basis and at its sole expense agree to maintain in full force and effect at all times during the life of this Contract, insurance coverage, limits, including endorsements, as described herein. The requirements contained herein, as well as City's review or acceptance of insurance maintained by Contractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Contractor under the Contract.

The parties agree and recognize that it is not the intent of the City of Port St. Lucie that any insurance policy/coverage that it may obtain pursuant to any provision of this Contract will provide insurance coverage to any entity, corporation, business, person, or organization, other than the City of Port St. Lucie and the City shall not be obligated to provide any insurance coverage other than for the City of Port St. Lucie or extend its immunity pursuant to Section 768.28, Florida Statutes, under its self-insured program. Any provision contained herein to the contrary shall be considered void and unenforceable by any party. This provision does not apply to any obligation imposed on any other party to obtain insurance coverage for this project, any obligation to name the City of Port St. Lucie as an additional insured under any other insurance policy, or otherwise protect the interests of the City of Port St. Lucie as specified in this Contract.

Workers' Compensation Insurance & Employer's Liability: The Contractor shall agree to maintain Workers' Compensation Insurance & Employers' Liability in accordance with Section 440, Florida Statutes. Employers' Liability and must include limits of at least \$100,000.00 each accident, \$100,000.00 each disease/employee, and \$500,000.00 each disease/maximum. A Waiver of Subrogation endorsement must be provided. Coverage shall apply on a primary basis.

Commercial General Liability Insurance: The Contractor shall agree to maintain Commercial General Liability insurance, issued under an Occurrence form basis, including

Contractual liability, to cover the hold harmless agreement set forth herein, with limits of not less than:

Each occurrence	\$1,000,000
Personal/advertising injury	\$1,000,000
Products/completed operations aggregate	\$2,000,000
General aggregate	\$2,000,000
Fire damage	\$100,000 any 1 fire
Medical expense	\$10,000 any 1 person

Additional Insured: An Additional Insured endorsement **must** be attached to the certificate of insurance (should be CG2026) under the General Liability policy. Coverage is to be written on an occurrence form basis and shall apply as primary and non-contributory. Defense costs are to be in addition to the limit of liability. A waiver of subrogation is to be provided in favor of the City. Coverage shall extend to independent consultants and fellow employees. Contractual Liability is to be included. Coverage is to include a cross liability or severability of interests provision as provided under the standard ISO form separation of insurers clause.

Except as to Workers' Compensation and Employers' Liability, Certificates of Insurance and policies shall clearly state that coverage required by the Contract has been endorsed to include the City of Port St. Lucie, a municipality of the State of Florida, its officers, agents and employees as Additional Insured for Commercial General Liability, Business Automobile Liability, and Cyber Liability policies. The name for the Additional Insured endorsement issued by the insurer shall read "**City of Port St. Lucie, a municipality of the State of Florida, its officers, employees and agents Contract No.: 20210075, Employee Health Care Administration Services shall be listed as additional insured.**" Copies of the Additional Insured endorsements shall be attached to the Certificate of Insurance. The policies shall be specifically endorsed to provide thirty (30) day written notice to the City prior to any adverse changes, cancellation, or non-renewal of coverage thereunder. In the event that the statutory liability of the City is amended during the term of this Contract to exceed the above limits, the Contractor shall be required, upon thirty (30) days written notice by the City, to provide coverage at least equal to the amended statutory limit of liability of the City.

Automobile Liability Insurance: The Contractor shall agree to maintain Business Automobile Liability at a limit of liability not less than \$1,000,000.00 each accident covering any auto, owned, non-owned and hired automobiles. In the event, the Contractor does not own any automobiles; the Business Auto Liability requirement shall be amended allowing Contractor to agree to maintain only Hired & Non-Owned Auto Liability. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto Coverage form. Certificate holder must be listed as additional insured. A waiver of subrogation must be provided. Coverage shall apply on a primary and non-contributory basis.

Professional Liability Insurance: Contractor shall agree to maintain Professional Liability,

or equivalent Errors & Omissions Liability at a limit of liability not less than \$2,000,000 Per Occurrence. When a self-insured retention (SIR) or deductible exceeds \$10,000 the City reserves the right, but not the obligation, to review and request a copy of Contractor's most recent annual report or audited financial statement. For policies written on a "Claims-Made" basis, the Contractor warrants the retroactive date equals or precedes the effective date of this Contract. In the event the policy is canceled, non-renewed, switched to an Occurrence Form, retroactive date advanced, or any other event triggering the right to purchase a Supplemental Extended Reporting Period (SERP) during the life of this Contract, Contractor shall agree to purchase a SERP with a minimum reporting period not less than four (4) years. If policy contains an exclusion for dishonest or criminal acts, defense coverage for the same shall be provided

Cyber Liability Insurance: Contractor shall agree to maintain Cyber Liability in limits not less \$1,000,000 Per Occurrence for direct loss, legal liability and consequential loss resulting from cyber security breaches. Coverage to include coverage for Privacy & Security Liability, Security Breach Response / Customer Breach Notice Expense, Cyber Extortion and Electronic Media Liability. The City of Port St. Lucie must be listed as an additional insured. A waiver of subrogation shall be provided in favor of the City. Coverage shall apply on a primary and non-contributory basis.

Waiver of Subrogation: The Contractor shall agree by entering into this Contract to a Waiver of Subrogation for each required policy. When required by the insurer, or should a policy condition not permit an Insured to enter into a pre-loss Contract to waive subrogation without an endorsement then Contractor shall agree to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent.

Deductibles: All deductible amounts shall be paid for and be the responsibility of the Contractor for any and all claims under this Contract. Where an SIR or deductible exceeds \$5,000, the City of Port St. Lucie reserves the right, but not obligation, to review and request a copy of the bidder's most recent annual report or audited financial statement.

It shall be the responsibility of the Contractor to ensure that all independent consultants and sub-consultants comply with the same insurance requirements referenced herein. It will be the responsibility of the Contractor to obtain Certificates of Insurance from all independent consultants and subconsultants listing the City as an Additional Insured without the language when required by written contract. If consultant, independent consultant or subconsultant maintain higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by consultant/independent consultant/subconsultant.

The Contractor may satisfy the minimum limits required above for either Commercial General Liability, Business Auto Liability, and Employers' Liability coverage under Umbrella or Excess Liability. The Umbrella or Excess Liability shall have an Aggregate limit not less than the highest "Each Occurrence" limit for either Commercial General Liability, Business Auto Liability, or Employers' Liability. When required by the insurer,

or when Umbrella or Excess Liability is written on Non-Follow Form," the City shall be endorsed as an "Additional Insured."

The City by and through its Risk Management Department reserves the right, but not the obligation, to review, modify, reject or accept any required policies of insurance, including limits, coverages or endorsements, herein from time to time throughout the term of this contract. All insurance carriers must have an AM Best rating of at least A:VII or better. When a self-insured retention or deductible exceeds \$5,000, The City reserves the right, but not the obligation, to review and request a copy of bidder's most recent annual report or audited financial statement.

A failure on the part of the Contractor to execute the contract and/or punctually deliver the required insurance certificates and other documentation may be cause for annulment of the award.

SECTION XIV PROHIBITION AGAINST FILING OR MAINTAINING LIENS AND SUITS

Subject to the laws of the State of Florida and of the United States, neither Contractor nor any subcontractor, supplier of materials, laborer or other person shall file or maintain any lien for labor or materials delivered in the performance of this contract against the City. The right to maintain such lien for any or all of the above parties is hereby expressly waived.

SECTION XV COMPLIANCE WITH LAWS

The Contractor shall give all notices required by and shall otherwise comply with all applicable laws, ordinances and codes and shall, at his own expense, secure and pay the fees and charges for all permits required for the performance of the contract. All materials furnished and services performed are to comply with all local state and federal laws and regulations.

SECTION XVI LICENSING

Florida Blue warrants that it possesses all licenses and certificates necessary to perform required services and is not in violation of any laws. Florida Blue warrants that his license and certificates are current and will be maintained throughout the duration of the contract.

SECTION XVII ASSIGNMENT

Contractor shall not delegate, assign or subcontract any part of the work under this Contract or assign any monies due him hereunder without first obtaining the written consent of the City.

**SECTION XVIII
TERMINATION**

- A. Administration After Termination: The City 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 Contract, including those incurred claims which are not presented to the City or Florida Blue during the term of this Contract. Florida Blue will adjudicate all claims incurred during the term of this Contract. For purposes of this Contract, 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 Contract, the City 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 Section XI.
- B. Unilateral Termination: The City may unilaterally terminate this Contract upon 30 days prior written notice to Florida Blue, without penalty or early termination fees assessed.
- C. Termination on Anniversary Date: After the initial 60 month term, this Contract shall automatically terminate as of the date of any anniversary of the effective date of this Contract, if either the City or Florida Blue has given at least 30 days prior written notice to the other of its intention not to renew this Contract as of that anniversary date.
- D. Termination Upon Default: Upon the occurrence of any of the following events, this Contract will automatically terminate at the end of the 8th business day following the day upon which the City or Florida Blue is notified of any of the events of default set forth hereunder, and then only in the event that the City or Florida Blue has not cured the incident of default:
1. The City's failure to provide adequate funds, as set in Section XI, as necessary for the payment of claims pursuant to the Group Health Plan;
 2. The City's failure to pay any administrative fees or late penalty as set forth in Section XI of this Contract;
 3. The City ceases to maintain a Group Health Plan;
 4. The City modifies the Group Health Plan without the prior written consent of Florida Blue;
 5. At any time any judicial or regulatory body determines that this Contract, or any provision of this Contract, 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;

6. At any time, the City or Florida Blue otherwise materially breaches this Contract.
- E. Termination for Non-Appropriation. The City is a government agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. If the City reasonably determines that it does not have funds to meet its obligations under the awarded contract, the City will have the right to terminate the contract, without penalty, on the last day of the fiscal period for which funds were legally available.
- F. Rights and Responsibilities Upon Termination: In the event of termination of this Contract, the City will immediately notify each covered group member of the termination date. Termination of this Contract for any reason shall not affect the rights or obligations of either party which arise prior to the date of termination.

SECTION XIX LAW

This Contract is to be construed as though made in and to be performed in the State of Florida and is to be governed by the laws of Florida in all respects without reference to the laws of any other state or nation. The venue of any action taken pursuant to this contract shall be in St. Lucie County, Florida.

SECTION XX LEGAL ACTION - INDEMNIFICATION

Not applicable for this contract document

SECTION XXI APPROPRIATION APPROVAL

The Florida Blue acknowledges that the City of Port St. Lucie's performance and obligation to pay under this Contract is contingent upon an annual appropriation by the City Council. The Florida Blue agrees that, in the event such appropriation is not forthcoming, the City may terminate this Contract and that no charges, penalties or other costs shall be assessed.

SECTION XXII MISCELLANEOUS PROVISIONS

- A. Amendment: Except as otherwise provided for herein, this Contract may be modified, amended, renewed, or extended only upon mutual agreement, in writing, signed by the duly authorized representatives of the City and Florida Blue.
- B. Subsidiaries and Affiliates: Any of the functions to be performed by Florida Blue under this Contract may be performed by Florida Blue or any of its subsidiaries, affiliates, or designees.

- C. Waiver of Breach: Waiver of a breach of any provision of this Contract shall not be deemed a waiver of any other breach of the same or a different provision.
- D. Inconsistencies: If the provisions of this Contract are in any way inconsistent with the provisions of the Group Health Plan, then the provisions of this Contract 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.
- E. Notices: Any notice required to be given pursuant to this Contract shall be in writing, postage pre-paid, and shall be sent by certified 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 the City at the addresses indicated on the first page of this Contract, or such other addresses that the parties may hereafter designate. The notice shall be effective on the date the notice was posted.
- F. Entire Contract: This Contract, including the attachments hereto, contains the entire agreement between Florida Blue and the City 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 Contract and not expressly set forth in this Contract are of no force and effect.
- G. Severability: In the event any provision of this Contract is deemed to be invalid or unenforceable, all other provisions shall remain in full force and effect.
- H. Binding Effect of Contract: The Contract 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.
- I. Survival: The rights and obligations of the parties as set forth herein shall survive the termination of this Contract to the extent necessary to effectuate the intent of the parties as expressed herein.
- J. Independent Relationship: Notwithstanding any other provision of this Contract, in the performance of the obligations of this Contract, 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 Contract, 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.

**SECTION XXIII
SCRUTINIZED COMPANIES**

[Section 287.135, Florida Statutes](https://www.sbafla.com/fsb/Portals/FSB/Content/GlobalGovernanceMandates/QuarterlyReports/Global%20Governance%20Mandates%20and%20Florida%20Statutes%202019%2001%2029.pdf?ver=2019-01-29-130006-790), prohibits agencies from contracting with companies, for goods or services over \$1,000,000 that are on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran petroleum Energy Sector List, or do any business with Cuba or Syria. Both lists are created pursuant to **[Section 215.473, Florida Statutes](https://www.sbafla.com/fsb/Portals/FSB/Content/GlobalGovernanceMandates/QuarterlyReports/Global%20Governance%20Mandates%20and%20Florida%20Statutes%202019%2001%2029.pdf?ver=2019-01-29-130006-790)** **[https://www.sbafla.com/fsb/Portals/FSB/Content/GlobalGovernanceMandates/QuarterlyReports/Global Governance Mandates and Florida%20Statutes 2019 01 29.pdf?ver=2019-01-29-130006-790](https://www.sbafla.com/fsb/Portals/FSB/Content/GlobalGovernanceMandates/QuarterlyReports/Global%20Governance%20Mandates%20and%20Florida%20Statutes%202019%2001%2029.pdf?ver=2019-01-29-130006-790)**.

**SECTION XXIV
CODE OF ETHICS**

Florida Blue warrants and represents that its employees will abide by any applicable provisions of the State of Florida Code of Ethics in **[Chapter 112.311 et seq.](#)** Florida Statutes, and Code of Ethics Ordinances in **[Section 9.14 of the City of Port St. Lucie Code](#)**.

**SECTION XXV
POLICY OF NON-DISCRIMINATION**

Florida Blue shall not discriminate against any person in its operations, activities or delivery of services under this Contract. Florida Blue shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws and shall not engage in or commit any discriminatory practice against any person based on race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation or any other factor which cannot be lawfully used as a basis for service delivery.

**SECTION XVI
SEVERABILITY**

The Parties to this Contract expressly agree that it is not their intention to violate any public policy, statutory or common law rules, regulations, or decisions of any governmental or regulatory body. If any provision of this Contract is judicially or administratively interpreted or construed as being in violation of any such policy, rule, regulation, or decision, the provision, sections, sentence, word, clause, or combination thereof causing such violation will be inoperative (and in lieu thereof there will be inserted such provision, section, sentence, word, clause, or combination thereof as may be valid and consistent with the intent of the Parties under this Contract) and the remainder of this Contract, as amended, will remain binding upon the Parties, unless the inoperative provision would cause enforcement of the remainder of this Contract to be inequitable under the circumstances.

**SECTION XXVII
ENTIRE CONTRACT**

The written terms and provisions of this contract shall supersede all prior verbal statements of any official or other representative of the City. Such statements shall not be effective or be construed as entering into, or forming a part of, or altering in any manner whatsoever, this contract or contract documents.

This Contract 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, the parties have executed this contract at Port St. Lucie, Florida, the day and year first above written.

CITY OF PORT ST. LUCIE FLORIDA/City of Port
St. Lucie Group Health Plan

By: _____

Signature: _____

Name (printed): _____

ATTEST:

By: _____

Signature: _____

Name (printed): _____

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

By: _____
Authorized Representative

Name (printed): _____

State of: _____

County of : _____

Before me personally appeared: _____
(please print)

Personally known _____

Employee Health Care Administration Services

Produced Identification: _____ Identification No _____
(*type of identification*)

WITNESS my hand and official seal, this ____, day of _____, 20__.

Notary Signature

Notary Public-State of _____ at Large

My Commission Expires _____ (*seal*)

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EXHIBIT I — SAMPLE NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

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.

Health Insurance Portability And Accountability Act- Administrative Simplification (HIPAA-AS)

Notice of Privacy Practices

For your group health plan Sponsored by your employer and for which Blue Cross and Blue Shield of Florida, Inc. or Health Options, Inc. provides claim administration and other services.

Our Legal Duty

As your health plan, we are required by applicable federal and state laws to maintain the privacy of your protected health information (PHI). This notice describes our privacy practices, our legal duties, and your rights concerning your PHI. We will follow the privacy practices that are described in this notice while it is in effect. This notice took effect **April 4, 2003**, and will remain in effect until a revised notice is issued.

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 notice effective for all PHI that we maintain.

Before we make a significant change in our privacy practices, we will change this notice and send the new notice to you.

How we can use or disclose PHI without a specific authorization

To You: We must disclose your PHI to you, as described in the Individual Rights section of this notice.

For Treatment: For example: we may disclose PHI in an electronic health record we create from claims information, to a doctor or hospital at their request, in order for them to provide treatment to you. Additionally, we may disclose PHI to a doctor, dentist or a hospital at their request for their treatment purposes.

For Payment: For example: we may use and disclose PHI to pay claims for services provided to you by doctors, dentists or hospitals. We may also 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.

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 and services or about treatment alternatives that may be of interest to you. We may also disclose PHI to a health care provider or another health plan subject to federal privacy laws, as long as the provider or plan has or had a relationship with you and the PHI is disclosed only for certain health care operations of that provider or plan. We may also disclose PHI to other entities with which we have contracted to perform or provide certain services on our behalf (i.e. business associates).

For Public Health and Safety: We may use or disclose 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 PHI for public health and government health care oversight activities and to report suspected abuse, neglect or domestic violence to government authorities.

As Required by Law: We may use or disclose PHI when we are required to do so by law.

For Process and Proceedings: We may disclose PHI in response to a court or administrative order, subpoena, discovery request, or other lawful process.

For Law Enforcement: We may disclose PHI to a law enforcement official with regard to crime victims and criminal activities.

Special Government Functions: We may disclose the PHI of military personnel or inmates or other persons in lawful custody under certain circumstances. We may disclose PHI to authorized federal officials for lawful national security activities.

To Plan Sponsors (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:

- Obtain premium bids
- Decide whether to amend, modify or terminate your group health plan

For Research, Death, and Organ Donation: We may use or disclose PHI in certain circumstances related to research, death or organ donation.

For Workers Compensation: We may disclose PHI as permitted by workers' compensation and similar laws.

Uses and disclosures of PHI permitted only after authorization is received

Authorization: You may give us written authorization to use your **PHI** or to 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.

To Family and Friends: While the law permits us in certain circumstances to disclose your PHI to family, friends and others, we will do so only with your authorization. In the event you are unable to authorize such disclosure, but emergency or similar circumstances indicate that disclosure would be in your best interest, we may disclose your PHI to family, friends or others to the extent necessary to help with your health care coverage arrangements.

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 review in person, or obtain copies of your PHI. We may charge you a reasonable fee as allowed by law.

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 allowed 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 not required to agree to a requested restriction. 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.

Organizations Covered by this Notice

This Notice applies to the privacy practices of the organizations listed below:

Your group health plan Sponsored by your employer and for which Blue Cross and Blue Shield of Florida, Inc. or Health Options, Inc. provides claim administration and other services.

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 Office: Florida Blue Corporate Compliance Office, administrative service provider for your group health plan.

Telephone: 888-574-2583

Address: P.O. Box 44283, Jacksonville, FL 32203-4283

Blue Cross and Blue Shield of Florida, Inc. and its subsidiary, Health Options, Inc., are Independent Licensees of the Blue Cross and Blue Shield Association.

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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.

PARTY

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:

Natalie Cabrera, Director, Human Resources

Clauida McCaskill, Human Resources Manager, Benefits

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 Broker; 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:

EXHIBIT4

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