

**WB COMMUNITY HEALTH
 CHARIHO REGIONAL SCHOOL DISTRICT
 ADMINISTRATIVE SERVICE CONTRACT
 MEDICAL ONLY**

This Administrative Service Contract (this "Agreement") is made and entered into on the Effective Date by and between Blue Cross & Blue Shield of Rhode Island (hereinafter referred to as "BCBSRI"), WB COMMUNITY HEALTH (hereinafter referred to as "WBCH"), and CHARIHO REGIONAL SCHOOL DISTRICT (hereinafter referred to as MUNICIPALITY and/or SCHOOL DEPARTMENT"). This Agreement sets forth the terms and conditions upon which BCBSRI shall provide certain administrative services for MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent self-funded health plan (hereinafter referred to as "MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Health Plan").

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH through its authorized representatives, employees, and/or agents, has read and, by signature below or performance hereof, accepts the terms and conditions of this Agreement. This Agreement may be executed and delivered by facsimile or e-mail and such facsimile or e-mail execution and delivery, if accepted by BCBSRI, shall constitute the final agreement of the Parties and conclusive proof of this Agreement.

IN WITNESS WHEREOF, the Parties hereto by their respective duly authorized officers have executed this Agreement to be effective as of the Effective Date:

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND	WB COMMUNITY HEALTH
By: _____ Authorized Signature	By: _____ Authorized Signature
Print Name: <u>John Donohue</u>	Print Name: <u>Gregory Zenion</u>
Title: <u>VP, Commercial Markets</u>	Title: _____
Address: <u>Blue Cross & Blue Shield of Rhode Island</u> <u>500 Exchange Street</u> <u>Providence, RI 02903</u>	Address: _____ _____ _____
Date: ____/____/____	Date: ____/____/____
EXHIBIT B – HIPAA Notices shall be sent to the attention of:	EXHIBIT B – HIPAA Notices shall be sent to the attention of:
<u>Privacy Officer</u> Attention	<u>Privacy Officer</u> Attention
401-459-1000 Telephone	Telephone

CHARIHO REGIONAL SCHOOL DISTRICT

By: _____
Authorized Signature

Print Name: _____
Gregory Zenion

Title: _____

Date: _____

Date Issued: June 13, 2025

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RECITALS

- A. BCBSRI has submitted to WBCH a proposal to provide and/or administer health coverage together with the performance of certain services including certain administrative services, as described herein.
- B. WBCH has accepted such proposal, and the Parties desire to reduce their agreement for such services to writing.

SECTION 1. DEFINITIONS.

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

- 1.1. “ACA” means the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, together with all regulations and guidance issued pursuant thereto.
- 1.2. “Accountable Care Organization (ACO)” means 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.
- 1.3. “Administrative Fee” means a fee imposed by BCBSRI for services performed for MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent under this Agreement, including but not limited to a contribution to reserve. The services included in the Administrative Fee and the Administrative Fee for the Term shall be set forth in the Financial Addendum.
- 1.4. “Bank Account” means the account maintained by MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent with a financial institution that MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH has designated to BCBSRI as a source from which BCBSRI is authorized to withdraw funds for the payment of Covered Claims, Administrative Fees, Monthly Per-Employee Charges, and other expenses under this Agreement, in accordance with the terms and conditions set forth in the Financial Addendum; provided, however, that the Bank Account is not segregated from the general assets of MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH.
- 1.5. “Benefit Document(s)” means the benefit booklet which describes the health benefits coverage provided to Members under the WBCH’s Health Plan. The Benefit Document(s) applicable to the MUNICIPALITY and/or SCHOOL DEPARTMENT for the initial Rating Period shall be listed in the Financial Addendum.
- 1.6. “BCBSRI” means Blue Cross & Blue Shield of Rhode Island, a Rhode Island nonprofit hospital and medical services corporation and, for purposes of the indemnification provisions of Section 14 relating to indemnification, its directors, officers, and employees.
- 1.7. “Care Coordination” means organized, information-driven patient care activities intended to facilitate the appropriate responses to a Member’s healthcare needs across the continuum of care.
- 1.8. “Care Coordinator” means an individual within a provider organization who facilitates Care Coordination for patients.
- 1.9. “Care Coordination Fee” means a fixed amount paid by BCBSRI or a Blue Cross and/or Blue Shield licensee to providers periodically for Care Coordination under a Value-Based Program.
- 1.10. “Cause” means the failure of the other Party to comply with any material term or condition of this Agreement.
- 1.11. “COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended from time to time, including regulations and guidance prescribed pursuant thereto.
- 1.12. “Covered Claim” means a third-party cost or liability, incurred related to the benefits or services provided under this Agreement, including:
 - a) a liability for payment of benefits provided hereunder in accordance with the applicable Benefit Document(s), incurred by MUNICIPALITY and/or SCHOOL DEPARTMENT Members during the Funding Method Term;
 - b) payments made pursuant to any arrangements with service or healthcare providers, including but not limited to, Value-Based Programs and Care Coordination Fees;
 - c) applicable capitation charges including adjustments to reflect provider risk sharing arrangements;
 - d) out-of-area access, administrative expense allowance, and other applicable fees representing the cost of obtaining another Blue Cross and Blue Shield plan’s negotiated discounted savings when services are obtained

- outside of the service area of BCBSRI, in the event BCBSRI uses the Blue Cross and Blue Shield Association BlueCard Program and/or other Inter-Plan Programs or arrangements;
- e) taxes or other governmental charges or surcharges arising out of or related to hospital or medical services or charges, or other provider services or charges or government-mandated expenditures, regardless of to whom paid including, without limitation, any charges or surcharges arising out of state or federal acts or regulations or guidance; and
- f) any other appropriate Covered Claims-related costs, expenditures, or payments, including Variance amounts and those other costs incurred in arranging for, providing, and appropriately charging for a covered service.

An inpatient hospital Covered Claim is incurred on the date of admission to the hospital as an inpatient. All other Covered Claims are incurred on the date of service. As further described in Section 6.4 of this Agreement, BCBSRI will engage third parties to assist in discovery or collection of claim amounts. The fees of such a third party may be netted against the claim recovery.

- 1.13. “Effective Date” means July 1, 2024.
- 1.14. “Employee” means an individual who is an eligible employee or former employee (rather than a dependent) or members and officials of the union entitled to coverage under the collective bargaining agreement, of the MUNICIPALITY and/or SCHOOL DEPARTMENT or any participating employer. To enroll in a Health Plan that covers only limited healthcare services received outside of the BCBSRI service area, an Employee of MUNICIPALITY and/or SCHOOL DEPARTMENT must also live or work in the service area, which includes the entire state of Rhode Island.
- 1.15. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, including regulations guidance prescribed pursuant thereto.
- 1.16. “Financial Addendum” shall have the meaning as set forth in Section 3.
- 1.17. “Formulary” means a comprehensive list of prescription medications which have been approved for coverage by the BCBSRI Pharmacy & Therapeutics Committee; the list is updated periodically throughout the year and is disclosed on BCBSRI’s website.
- 1.18. “Fully Comprehensive Health Care Package” shall mean the MUNICIPALITY and/or SCHOOL DEPARTMENT’s self-funded health plan administered by BCBSRI that includes hospital and surgical/medical care, behavioral health services, prescription drug benefits, and other covered services as described in the Benefit Documents.
- 1.19. “Funding Method Term” means that period starting with the beginning date of the current funding method between MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI, regardless of Administrative Fee method, and ending with the Funding Method Termination Date. The Funding Method Term effective date is July 1, 2024 and ends with the Funding Method Termination Date.
- 1.20. “Funding Method Termination Date” means the later of either a) the termination of this Agreement, or b) the termination of all subsequent uninterrupted agreements between MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI.
- 1.21. “Global Payment/Total Cost of Care” means 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.
- 1.22. “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended, and its implementing regulations and guidance including, but not limited to, the HIPAA privacy standards (the “Privacy Rule”), transaction standards (the “Transactions Rule”), and security standards (the “Security Rule”).
- 1.23. “Medical Drug Rebate” means any rebates, including base and market share rebates, and other payments, however categorized, paid by pharmaceutical manufacturers to BCBSRI or BCBSRI PBM that are attributable to the dispensing or utilization of certain pharmaceutical products administered by a licensed healthcare provider to Members (“Medical Drugs”).
- 1.24. “Member” means any individual that MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent identifies to BCBSRI as eligible, whether as an Employee or a dependent of an Employee, to receive benefits under the WBCH’s Health Plan and who is enrolled under the WBCH’s Health Plan.
- 1.25. “Monthly Per-Employee Charges” means the amount payable each month by MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent for the items shown under Monthly Per-Employee Charges in the Financial Addendum.

- 1.26. “Negotiated National Account Arrangement” means an agreement negotiated between a control/ licensee and one or more par/host licensees for any national account that is not delivered through the BlueCard Program.
- 1.27. “Party” means (i) BCBSRI or (ii) MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent individually, and “Parties” means BCBSRI, and MUNICIPALITY and/or SCHOOL DEPARTMENT, and WBCH as its agent collectively.
- 1.28. “Patient-Centered Medical Home (PCMH)” means 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.
- 1.29. PBM” or “BCBSRI PBM” means the pharmacy benefit manager with whom BCBSRI contracts from time-to-time for the management of pharmacy benefits provided to Members. As used herein, PBM includes any affiliate or the PBM Affiliates; “Affiliate” means, with respect to any person, any other person, directly or indirectly, controlling, controlled by, or under common control with such person. For purposes of this definition, the term “control” (including the correlative terms “controlling,” “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.
- 1.30. “PHSA” means the Public Health Service Act (PHSA), as amended from time to time.
- 1.31. “Plan” means the provisions of the WBCH Health Plan established, maintained, and sponsored by WBCH, including any amendments thereto, that are applicable to the administrative services provided under this Agreement by BCBSRI. The terms of the Plan have been provided by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to BCBSRI by means of a benefits checklist completed by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and its review of the Benefit Documents summarizing those benefits.
- 1.32. “Prescription Drug Rebate” means any rebates, including base and market share rebates, and other payments, however categorized, paid by pharmaceutical manufacturers to BCBSRI or PBM that are attributable to the dispensing or utilization of certain pharmaceutical products to or by Members under the pharmacy benefit; Not all prescription drugs are eligible for Prescription Drug Rebates.
- 1.33. “Projected Fully Incurred Covered Claims” means Covered Claims expected to be incurred and paid during the Rating Period plus an estimate of Covered Claims incurred but not paid as of the end of the Rating Period for each type of coverage described in the applicable Benefit Document(s) which are listed in the Financial Addendum.
- 1.34. “Provider Incentive” means an additional amount of compensation paid to a healthcare provider by BCBSRI or a Blue Cross and/or Blue Shield plan, based on the provider's compliance with agreed upon procedural and/or outcome measures for a particular group of covered persons.
- 1.35. “Rating Period” means the period of time that a rate is effective. The initial Rating Period shall be set forth in the Financial Addendum. Each successive Rating Period shall be set forth in an amendment to this Agreement.
- 1.36. “Shared Savings” means 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 risks.
- 1.37. “Significant Change” means a change of plus or minus ten percent (+/-10%) from the average number of Employees enrolled on the first date of each Rating Period. The average number of Employees enrolled for the initial Rating Period shall be set forth in the Financial Addendum. The average number of enrolled Employees for any subsequent Rating Period shall be set forth in an amendment to this Agreement.
- 1.38. “Stop-Loss Insurance” means, if any, the applicable insurance procured by the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent that insures the MUNICIPALITY and/or SCHOOL DEPARTMENT against Covered Claims made in excess of certain amounts.
- 1.39. “Taxes” means all net income, gross income, gross receipts, sales, use, transfer, ad valorem, withholding, payroll, employment, excise, goods and services, severance, or premium taxes of any kind whatsoever arising out of or relating to the Plan, benefit payments under the Plan, this Agreement, Administrative Fees, Covered Claims, hospital or medical services or charges, or other provider services or charges, regardless of to whom paid, but excluding taxes on BCBSRI’s net income; together with any interest, fines, and any penalties, additions to tax, or additional amounts incurred or accrued under applicable federal, state, local or foreign tax law or assessed, charged, or imposed by any governmental authority, domestic or foreign, provided, that any interest, penalties,

additions to tax, or additional amounts that relate to Taxes for any taxable period shall be deemed to be Taxes for such period, regardless of when such items are incurred, accrued, assessed or charged.

- 1.40. "Term" means the entire period of time that this Agreement is in effect. The initial Term of this Agreement shall be set forth in Section 2.1.1 of this Agreement.
- 1.41. "Value-Based Program" means an outcome 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.

SECTION 2. TERM AND TERMINATION OF THIS AGREEMENT.

2.1. Term of this Agreement.

2.1.1. Initial Term of this Agreement.

The initial Term of this Agreement is July 1, 2024 through June 30, 2027 unless earlier terminated in accordance with the provisions in Section 2.2 of this Agreement. Each 12-month period beginning July 1 and ending June 30 during the term of this Agreement shall be referred to as a Rating Period.

2.1.2. Renewal.

Following the initial Term of this Agreement, this Agreement shall be extended for successive Rating Periods, in accordance with the terms set forth in the Financial Addendum. During any such extension, this Agreement and all of its terms and conditions shall remain in full force and effect, except as otherwise amended or modified in writing and signed by the Parties hereto.

2.2. Termination of this Agreement.

Except with respect to any runout or settlement, or any obligations that survive termination provided in Section 12.13, termination of this Agreement shall constitute a full and final discharge of all obligations of BCBSRI under this Agreement. BCBSRI may terminate or refuse to renew this Agreement as permitted by Section 27-18.6-5 of the Rhode Island General Laws, or any other applicable law, as amended from time to time.

2.2.1. Termination by Either Party.

2.2.1.1. Termination by Either Party for Cause.

Either Party may terminate this Agreement upon sixty (60) days prior written notice to the other Party for Cause. Any such notice shall identify the specific areas of claimed non-performance or non-compliance with this Agreement. The Party receiving such notice shall have the right to cure any alleged breach or failure to comply with such material term or condition of this Agreement within thirty (30) days following receipt of such notice.

Notwithstanding the foregoing, in the event that the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent shall materially fail to comply with Section 3 hereof, BCBSRI shall have the right to terminate this Agreement upon thirty-one (31) days' written notice, with the right of the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent to cure such non-compliance within said thirty-one (31) day grace period. BCBSRI may suspend the payment of Covered Claims during any period the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent fails to comply with Section 3.1.3 of this Agreement. The MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent understands and agrees that upon termination of this Agreement for whatever reason, all of BCBSRI's services provided under this Agreement shall be terminated.

2.2.1.2. Non-Renewal by Either Party.

Either Party also shall have the right to terminate this Agreement effective as of the end of the Term, as defined in Section 1 of the Agreement, by providing the other Party with at least ninety (90) days prior written notice of its intention not to renew. Any termination under the terms of this section shall be effective June 30, 2027.

2.2.2. Termination by MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH.

2.2.2.1. Termination by MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH Other Than for Cause.

In the event that MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent terminates this Agreement during the Term, other than for Cause, then within thirty (30) days of such termination, MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent shall pay to BCBSRI an amount equal to the liquidated damages amount set forth in the section of the Financial Addendum entitled "Liquidated Damages". The Parties acknowledge and agree said sum (a) shall be liquidated damages and not a penalty, and (b) is reasonable given the difficulty of ascertaining the precise loss BCBSRI would suffer as a result of such termination. 2.2.2.1 Termination by MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH Other Than for Cause.

In the event that MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent terminates this Agreement during the Term, other than for Cause, then within thirty (30) days of such termination, MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent shall pay to BCBSRI an amount equal to the liquidated damages amount set forth in the section of the Financial Addendum entitled "Liquidated Damages". The Parties acknowledge and agree said sum (a) shall be liquidated damages and not a penalty, and (b) is reasonable given the difficulty of ascertaining the precise loss BCBSRI would suffer as a result of such termination.

2.2.2.2 Termination of Sub-Groups.

At the option of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, a subsidiary, affiliate, division, office, or other sub-group of the MUNICIPALITY and/or SCHOOL DEPARTMENT may be individually terminated from this Agreement upon ninety (90) days prior written notice to BCBSRI by the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent. In the event of such termination, if the termination of the sub-group causes a Significant Change (as that term is defined in Section 1 of this Agreement) in the number of enrolled Employees or other material change, as described in this Agreement and the Financial Addendum, the Administrative Fees and charges shall be amended effective as of the date of termination of the sub-group.

Notwithstanding the foregoing, if the MUNICIPALITY and/or SCHOOL DEPARTMENT terminates this Agreement during the Term and immediately thereafter obtains a BCBSRI Fully Comprehensive Health Care Package through (a) a direct prospective premium agreement or (b) a through another municipal collaborative benefits pool, then this liquidated damages provision shall not apply.

2.2.3. Termination by BCBSRI.

2.2.3.1. Termination by BCBSRI Other Than for Cause.

BCBSRI may terminate this Agreement immediately upon the occurrence of any of the following: (a) any finding or admission that MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent is insolvent, or that creditors seek to have a receiver appointed to run MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH business; (b) the date that the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH files for protection under state or federal bankruptcy laws, or MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH creditors seek to have MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH declared bankrupt or placed under the protection of a bankruptcy court; (c) BCBSRI determines, in its sole discretion, that MUNICIPALITY and/or SCHOOL DEPARTMENT /or WBCH is a Multiple Employer Welfare Arrangement (MEWA) or a Professional Employer Organization; (d) upon the termination of the Plan by MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH; (e) upon the effective date of any law, regulation, or guidance enacted after the Effective Date that would prohibit, or is interpreted by BCBSRI after the Effective Date in a way that would prohibit, the continuance of this Agreement on the terms and conditions provided herein. As further consideration for the provision of the services provided by BCBSRI described in this Agreement, MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH agrees that in the event of any proceeding under the United States Bankruptcy Code or state court receivership commenced by or against MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH, the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH will not oppose any motion by BCBSRI for relief from the automatic stay or for payment of amounts owed under this Agreement as an administrative expense.

BCBSRI reserves the right to terminate or amend this Agreement in the event that at any time during the term of this Agreement if: (1) the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent elects to eliminate prescription drug coverage (except as set forth in Section 4.5); provided, however, MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent continues to offer a Fully Comprehensive Health Care Package, that excludes

prescription drug coverage, and MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent provides written notice to BCBSRI ninety (90) days prior to the effective date of eliminating prescription drug coverage.

The MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH understand and agree that upon termination of this Agreement for whatever reason, each type of health benefits coverage furnished under this Agreement and identified in the Financial Addendum shall be terminated.

SECTION 3. FINANCIAL TERMS AND OBLIGATIONS.

BCBSRI will issue an addendum to MUNICIPALITY and/or SCHOOL DEPARTMENT and/ WBCH that reflects the Benefit Documents for the initial Rating Period. The financial terms and fees for each Rating Period applicable to the initial Term of this Agreement are set forth in the Financial Addendum.

3.1. Financial Terms and Obligations of MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH.

In consideration of the services provided by BCBSRI under this Agreement, MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH agree to perform the obligations and assume the duties as described herein and in the Financial Addendum.

The financial terms may be changed by BCBSRI at any time during the Term of this Agreement if: (1) a change in benefits occurs that alters the services provided by BCBSRI including carving out benefits from coverage to Members under the WBCHS Health Plan and may have a material financial impact; and/or (2) a Significant Change in the number of Employees occurs or (c) a significant change in federal or state law or governmental agency's interpretation of a law that reduces or eliminates BCBSRI's or BCBSRI PBM's ability to receive and retain prescription drug credits as set forth below or (d) to comply with the provisions of any law, regulation, guidance, or lawful order of a court or regulatory authority.

The changes shall be effective as of the date set forth in the communication to the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent or, if no date is explicitly provided, the effective date of the change in benefits or law, or the date that is thirty (30) days after written notice to the MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent for Significant Change.

Notwithstanding the foregoing, if the Significant Change results solely from the termination of one or more WBCH Members who immediately thereafter obtain a BCBSRI Fully Comprehensive Health Care Package through (a) a direct prospective premium agreement or (b) a through another municipal collaborative benefits pool, then this provision shall not apply and instead BCBSRI reserves the right to terminate or amend this Agreement if the number of Employees decreases below one thousand (1,000)

MUNICIPALITY and/or SCHOOL DEPARTMENT must maintain during the term of this Agreement a Fully Comprehensive Health Care Package that is actively offered by BCBSRI to its municipal customers. In the event that BCBSRI shall discontinue a type of coverage identified in the Financial Addendum during a Rating Period, the MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH agree that BCBSRI shall no longer be required to offer any such coverage under this Agreement for any subsequent Rating Period; provided, however, that if the MUNICIPALITY and/or SCHOOL DEPARTMENT is required to offer any such coverage under a collective bargaining agreement to which it is signatory, BCBSRI shall be required to offer such coverage under this Agreement until the expiration of the last collective bargaining agreement (without extensions) to which the MUNICIPALITY and/or SCHOOL DEPARTMENT is a signatory and under which such coverage is required to be provided; and provided, further, that BCBSRI shall not discontinue any coverage that the MUNICIPALITY and/or SCHOOL DEPARTMENT has in force on the Effective Date and described above until the expiration of the last collective bargaining agreement (without extensions) to which the MUNICIPALITY and/or SCHOOL DEPARTMENT is a signatory and under which such coverage is required to be provided. Notwithstanding the foregoing, if, at any time during the term of this Agreement, the MUNICIPALITY and/or SCHOOL DEPARTMENT enters into a collective bargaining agreement under which the MUNICIPALITY and/or SCHOOL DEPARTMENT is required to provide a Fully Comprehensive Health Care Package which, at the time the collective bargaining agreement is entered into, BCBSRI offers to its municipal customers, BCBSRI shall make said Fully Comprehensive Health Care Package available to MUNICIPALITY and/or SCHOOL DEPARTMENT until the expiration of said collective bargaining agreement (without extensions). The MUNICIPALITY and/or SCHOOL DEPARTMENT may, at the commencement of any Rating Period affected by such a change, substitute for such coverage the health benefit plan that BCBSRI offers to its accounts as a substitute. In all instances, BCBSRI' obligations are governed by this Agreement.

3.1.1. Payment of Financial Terms.

BCBSRI shall bill MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall remit payment to BCBSRI in accordance with the financial terms set forth herein and in the Financial Addendum. The Monthly Per-Employee Charges payment shall be determined based on the

fees set forth in the Financial Addendum, the number of Employees enrolled for each such month, and the type of benefits elected by each Employee. The Monthly Per-Employee Charges will be billed monthly and shall be due and payable on the first day of each month while this Agreement is in effect. The rates charged by BCBSRI hereunder for any subsequent Rating Periods shall be determined by BCBSRI prior to the beginning of each subsequent Rating Period.

BCBSRI agrees to allow WBCH to establish rates for MUNICIPALITY and/or SCHOOL DEPARTMENT based on criteria WBCH deems appropriate. BCBSRI will cooperate with WBCH by supplying enrollment, demographic, and claims data, including but not limited to annual trend factor, risk adjusted community claims, incurred but not reported factor, claims capping levels and pooling charges, provider contractual and other mandated changes. BCBSRI will also provide an Excel based underwriting worksheet to WBCH to be used for underwriting MUNICIPALITY and/or SCHOOL DEPARTMENT. BCBSRI and WBCH agree that such underwriting worksheet and all data, reports and other shall be "Confidential Information" for the purpose of Section 7.2.2 of this Agreement.

The MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent shall be billed a monthly premium effective for the Rating Period for the (a) items and (b) the amounts shown under "Monthly Per-Employee Charges" in the Financial Addendum hereto. Except for the Administrative Fee per Employee, which is set forth in the Financial Addendum for each Rating Period, the amounts of said monthly premium for said items shall be established by BCBSRI prior to the beginning of each subsequent Rating Period and shall be communicated in writing to the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH by BCBSRI to the address set forth on the cover page of this Agreement. Said monthly premium is due on the first day of each month of coverage.

3.1.2. Administrative Fees and Monthly Per-Employee Charges.

The amount of the Administrative Fee and Monthly Per-Employee Charges shall be set forth in the Financial Addendum. If MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent fails to make payment as required, and payment remains outstanding for at least ten (10) days, BCBSRI shall have the right, but not the obligation, to immediately take one or more of the following actions without any further notice to MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent:

- a) Apply any required deposit to the outstanding amount due;
- b) Draw upon any letter of credit for the outstanding amount due;
- c) Offset the outstanding amount due against any other MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH funds (other than plan assets, as such term is defined by PHSA or ERISA, to the extent PHSA or ERISA is applicable) held by BCBSRI;
- d) Stop processing Covered Claims incurred on or after that date; or
- e) Terminate this Agreement in accordance with the provisions of Section 2.2.1.1.

3.1.3. Payment of Covered Claims Billing.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall be billed by BCBSRI (via telephone, telefax, electronic, or other reliable means) and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall pay the Covered Claims billing as described in the section of the Financial Addendum entitled "Covered Claims Billing". BCBSRI will provide detailed documentation to support the Covered Claims billing subject to the provisions of Section 10.2 of this Agreement and Exhibit C entitled "Exhibit C - ASC Services".

If MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent fails to make payment for any Covered Claims as required under this Agreement, BCBSRI shall have the right, but not the obligation, to immediately take one or more of the following actions without any further notice MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent :

- a) Apply any required deposit to the outstanding amount due;
- b) Require MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to place with BCBSRI a deposit in an amount up to an estimated three (3) weeks of Covered Claims based on Covered Claims processed and approved for payment during the immediately preceding six (6) month period;
- c) Draw upon any letter of credit for the outstanding amount due;
- d) Offset the outstanding amount due against any other MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent funds (other than plan assets, as such term is defined by PHSA or ERISA, to the extent PHSA or ERISA is applicable) held by BCBSRI;
- e) Require daily payment or pre-funding of Covered Claims in accordance with BCBSRI payment policies;
- f) Stop processing Covered Claims incurred on or after that date; or
- g) Terminate this Agreement in accordance with the provisions of Section 2.

3.1.4. Prescription Drug Credits and Discount Guarantees.

BCBSRI may receive and retain financial credits, including Prescription Drug Rebates, Medical Drug Rebates, and other amounts from drug manufacturers or distributors, directly or through the BCBSRI PBM. Credits are used to offset expenses as described in Financial Addendum. Amounts paid for prescription drugs to pharmacies or providers, discounted prices charged at pharmacies or by providers for prescription drugs, and coinsurance or copayments that a Member must pay for prescription drugs are not affected by such credits and do not change due to receipt of a credit by BCBSRI. Prescription drug rates may vary and the proposed retained amounts do not necessarily reflect the actual contracted rate between BCBSRI or the BCBSRI PBM and the pharmacy chain, independently owned pharmacy, or providers. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges that the amount paid to the pharmacy or provider for prescription drugs may not be equal to the amount billed to SCHOOL DEPARTMENT and/or WBCH as its agent and that BCBSRI may receive and, as additional compensation for services performed under this Agreement, retain this variance (“Variance”). Variance amounts include the difference between what the PBM or providers are paid for dispensing fees and prescription drugs (including (a) brand and/or generic drugs purchased by Members at participating retail pharmacies and through mail service, (b) specialty drugs purchased by Members at participating specialty pharmacies and (c) Medical Drugs), and the amount charged to the Plan for dispensing fees and prescription drugs.

BCBSRI agrees to be bound by certain prescription drug guarantees for certain time periods as described in Exhibit D . The prescription drug guarantees set forth in Exhibit D do not automatically renew. To extend prescription drug guarantees SCHOOL DEPARTMENT and/or WBCH as its agent must submit to BCBSRI and BCBSRI must approve any such extension in writing. Failure by BCBSRI to meet a prescription drug guarantee does not constitute a breach of this Agreement or Cause for termination of this Agreement pursuant to Section 2.

3.1.5. Taxes.

The Plan and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall remain responsible for any Taxes imposed by governmental entities or agencies against the Plan. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees to reimburse BCBSRI for any and all Taxes that are assessed against BCBSRI or that BCBSRI is required to pay, now or in the future, in connection with the BCBSRI services, this Agreement, benefits, or the Plan. BCBSRI has the authority, discretion, and Plan or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH’s power of attorney to determine whether any Taxes should be paid or disputed; provided, however, that such authority and discretion will be exercised in a reasonable manner; and provided, further, that this discretion does not extend to discretion over the Plan or Plan assets. If BCBSRI decides to dispute any Taxes on behalf of the Plan MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent also will reimburse BCBSRI for a proportionate share of any cost or expense reasonably incurred by BCBSRI relating to the dispute, including reasonable attorney’s fees, unless caused by BCBSRI’s unreasonable delay or unreasonable tax position.

3.1.6. Required Deposit.

The MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall provide a deposit in an amount equal to seven (7) days of Projected Fully Incurred Covered Claims, as calculated by BCBSRI prior to the beginning of each Rating Period. The Required Deposit is intended to secure the prompt payment of amounts billed by BCBSRI and upon the request by the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent at the end of any Rating Period, will be refunded if the MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH have complied with their obligation to make all payments under this Agreement provided, however, that the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH must provide a new deposit computed as described above. The amount of said Required Deposit is set forth in the Financial Addendum which is attached hereto and made a part hereof. BCBSRI shall evaluate and adjust accordingly prior to the beginning of each subsequent Rating Period a deposit equal to seven (7) days of Projected Fully Incurred Covered Claims as described above. The new Deposit may increase, decrease or remain the same based upon the experience of the MUNICIPALITY and/or SCHOOL DEPARTMENT. If the Required Deposit is decreased, the difference will be refunded to the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent within thirty (30) days of the effective date of such subsequent Rating Period. If the Deposit requirement is increased, the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will transfer the difference to BCBSRI within thirty (30) days of BCBSRI’s request.

BCBSRI will apply unpaid invoices (Administrative Fees, Monthly Per-Employee Charges, and other required disbursements) against the required deposit. Should the required deposit drop below seventy-five (75%) percent of the amount required in the Financial Addendum, MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent will be required to replenish the deposit to the initial level of the required deposit at the discretion of BCBSRI. The additional deposit shall be provided to BCBSRI within thirty (30) days of notice to the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent that the required deposit has fallen below the minimum amount. If the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH

as its agent fails to replenish the required deposit within the thirty (30) day period, BCBSRI may cease processing any further claims from the date of the notice. Following the Funding Method Termination Date, BCBSRI shall have the right to offset against the deposit balance and retain any amount that remains unpaid after the Funding Method Termination Date. Any remaining deposit balance, if any, shall be credited to the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent in the final experience accounting and billing within five hundred and fifteen (515) days of the Funding Method Termination Date as set forth in Section 3.11.

3.1.7. Letter of Credit.

The Agreement is subject to a credit check of the MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH- for suitability for the funding arrangement. BCBSRI has performed a credit check and BCBSRI agrees to waive the requirement of a letter of credit. BCBSRI reserves the right, when, in its sole discretion, it determines that the financial circumstances of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent so warrant, to revoke such waiver and to require a letter of credit as the basis for continuation of this Agreement. In such event, if MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent does not provide the required letter of credit, BCBSRI may terminate this Agreement for Cause or require the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent to obtain a letter of credit, with BCBSRI as the beneficiary, drawn upon a bank acceptable to BCBSRI. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH or its agent shall provide to BCBSRI satisfactory evidence of such letter of credit within thirty (30) days of the start of the applicable Rating Period.

3.2. Late Payment Charge; Grace Period; and Payment in the Event of a Dispute.

3.2.1. Late Payment Charge.

Any payments not received by BCBSRI by the due date shall be subject to a late payment charge at an annual rate of the U.S. prime rate, as published by the Wall Street Journal, plus two (2) percent points for each day after the due date until payment is received by BCBSRI. In addition to a late payment charge, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall pay all costs of collection incurred by BCBSRI in recovering unpaid amounts including reasonable attorneys' fees. Any late payment charge will be billed by BCBSRI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and is due and payable upon receipt of the billing. BCBSRI reserves the right to use any amount payable from BCBSRI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to offset past due amounts.

3.2.2. Grace Period.

MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent shall have a thirty-one (31) day grace period from the due date of each payment due under this Agreement before this Agreement will be terminated for non-payment. Notwithstanding the grace period, nonpayment of any amounts when due will subject MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent to late payment fees and interest as required by this Agreement but nonpayment shall be Cause for termination of this Agreement and discontinuance of coverage hereunder only after the expiration of this grace period.

3.2.3 Payment in the Event of a Dispute

In the event of a dispute between MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI as to any amount due hereunder, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall pay the contested amount immediately upon receipt of an invoice from BCBSRI. If a dispute is resolved in whole or in part in favor of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, BCBSRI shall return the appropriate amount with interest calculated in the same manner as the late payment charge described in Section 3.2.1 of this Agreement.

3.3. Annual Settlements.

3.3.1. Hospital and Provider Settlement.

BCBSRI will perform an annual hospital settlement, including adjustments to reflect provider risk sharing arrangements, with its participating hospitals and certain participating providers, as described herein. Following each hospital fiscal year ending on September 30, BCBSRI will calculate a plan-wide "Hospital Settlement Percentage" reflecting the aggregate positive or negative difference between the actual interim payments made by BCBSRI to hospitals and the final BCBSRI liability to those hospitals for aggregate claims incurred during the applicable hospital fiscal year with a nine (9) month payment runout period. The Hospital Settlement Percentage will be applied to MUNICIPALITY and/or SCHOOL DEPARTMENT's comparable incurred and paid hospital claims to determine any amount due from either MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent or BCBSRI. In addition, BCBSRI will make an adjustment to the hospital settlement amount to reflect risk sharing

payments or credits related to episode-based pricing agreements with participating hospitals and providers. The calculation of the episode-based pricing adjustment will be based upon claim payments for those Members who received healthcare services subject to episode-based pricing agreements. Any resulting liability of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will be limited to one and one-half percent (1.5%) of MUNICIPALITY and/or SCHOOL DEPARTMENT's claims used as the basis for the computation. Any resulting liability of BCBSRI will be calculated using the actual Hospital Settlement Percentage and episode-based pricing adjustment with no limit. BCBSRI will notify MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, no later than July 31 of the following year, of any amount due from either MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent or BCBSRI as a result of the settlement. Payment of any amount due shall be made within thirty (30) days of that notification. The provisions of this section entitled "Hospital and Provider Settlement" shall be operative and shall survive the termination of the Agreement.

3.3.2. Payments and Billing Upon Termination.

3.3.2.1. Billing and Accounting Upon Termination of Funding Method Term.

Any payment obligation of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to BCBSRI incurred during the Term of this Agreement shall continue beyond any termination of this Agreement.

A final Administrative Fee due from SCHOOL DEPARTMENT and/or WBCH as its agent shall be calculated by multiplying the average number of Employees enrolled during the final three (3) months of the Funding Method Term times the then-current Administrative Fee charge per Employee times one and one-half (1.5) months. The final Administrative Fee will be billed by BCBSRI to SCHOOL DEPARTMENT and/or WBCH as its agent and SCHOOL DEPARTMENT and/or WBCH as its agent shall make payment to BCBSRI within thirty (30) days of receipt of the bill.

Following the Funding Method Termination Date, SCHOOL DEPARTMENT and/or WBCH as its agent shall continue to be billed by BCBSRI for Covered Claims which are incurred during the last three (3) years of the Funding Method Term or for the entire Funding Method Term if it was in effect for less than three (3) years.

The final experience accounting will be made by BCBSRI within five hundred and fifteen (515) days of the Funding Method Termination Date based on the calculation set forth below, unless an alternative settlement method is agreed to in writing by the Parties hereto.

The final experience accounting shall be based on the following calculation:

Amount due =
 + estimated Covered Claims incurred but not paid as of the final experience accounting effective date
 + unpaid amounts due and late payment charges
 - remaining required deposit

If the final experience accounting results in an amount due from MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to BCBSRI, then upon receipt of a bill from BCBSRI, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall pay to BCBSRI any amount due within thirty (30) days of the date of the invoice. If the final experience accounting results in an amount due from BCBSRI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, then BCBSRI shall immediately pay to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent any amount due. This section shall survive termination of this Agreement.

3.4. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Health Plan Funding

Upon execution of this Agreement, BCBSRI will agree to provide funds to the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to pay for certain additional services as agreed to by the Parties, separate from and in addition to those services listed in Exhibit C. These services shall include, and not be limited to, services related to the implementation of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan, services related to wellness products, services to develop and distribute communication documents to Members, and audit services as described in Section 7.3 of this Agreement. Funding for wellness services from third parties shall only be provided to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for wellness services that BCBSRI is unable to provide or administer and funding for audit services is contingent upon administration of the audit in accordance with Section 7.3 of this Agreement and BCBSRI's then-current audit policies and procedures.

The Health Plan Funding amounts allotted for each Rating Period shall be set forth in the Financial Addendum. For those services administered by a third party, BCBSRI shall issue payment within thirty (30) days of being presented with an invoice for services rendered

during the applicable Rating Period(s). For services administered by BCBSRI, the Health Plan Funding will be presented as a credit on the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent invoice during the month in which the services are rendered. In the event MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent uses less than the Health Plan Funding amount allotted for a Rating Period, any unused Health Plan Funding amount shall be carried over to the end of the Term with the exception of Health Plan Funding for audit services, described in Section 7.3. Such funding may be carried over subsequent to the end of the Term provided that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent have extended their Agreement with BCBSRI.

In the event the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent terminates this Agreement prior to June 30, 2027, and BCBSRI has paid Health Plan Funding for a Rating Period during which MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent terminated the Agreement, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees to reimburse BCBSRI a pro rata share of the Health Plan Funding amount paid by BCBSRI for the partial Rating Period. For example, if MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent has received the Health Plan Funding amount for three (3) Rating Periods, but terminates the Agreement after two and a half (2.5) Rating Periods, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will reimburse BCBSRI an amount equal to Health Plan Funding allocated for one half (0.5) of the third Rating Period.

SECTION 4. RELATIONSHIP OF THE PARTIES.

4.1. Parties are Independent Contractors and Business Associates.

BCBSRI is and shall remain an independent contractor with respect to the services being performed hereunder and shall not for any purpose be deemed an agent, joint venture, partner, or representative of MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH. BCBSRI is not and shall not be liable for any acts or omissions of MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH, its employees or agents, or any other person or organization with which MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH has made, or hereafter shall make, arrangements for the performance of services related to the Plan, including but not limited to services described under this Agreement.

BCBSRI is a Business Associate of the Plan as such term is used in HIPAA and the Privacy Rule and Security Rule. Accordingly, MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH (individually and on behalf of the Plan) and BCBSRI agree that this Agreement, together with the HIPAA Agreement, attached hereto as Exhibit C, shall govern BCBSRI’s obligations regarding the use and disclosure of personally-identifiable health information (within the meaning of HIPAA) (“PHI”) when performing its delegated functions under this Agreement.

To avoid creating confusion in third parties, including Members, regarding the respective duties and obligations of BCBSRI and the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent with respect to the Plan, MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent agrees not to use BCBSRI’s name, logo, or other information in any release or printed form without BCBSRI’s prior written approval.

4.2. Plan is Self-Funded.

The Plan is self-funded; benefits are funded entirely by MUNICIPALITY and/or SCHOOL DEPARTMENT and as its agent as provided in Section 3 and shall be paid as provided in the Financial Addendum. BCBSRI shall provide only administrative claims payment services under this Agreement, and, except to the extent provided in Section 8 of this Agreement, does not assume any financial risk or obligations with respect to the payment of Covered Claims. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent shall disclose the self-funded nature of the Plan, and the parties’ relative financial responsibilities for payment of Covered Claims, in the summary plan description or other communications distributed to Members.

4.3. Neither Party Renders Medical Services or Judgments.

It is expressly agreed and understood that: (a) BCBSRI does not render medical treatment or services to Members; (b) neither MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent nor BCBSRI are responsible for the health care delivered by providers and, instead, providers are solely responsible for the health care they deliver to Members; (c) providers are not agents or employees of BCBSRI, the Plan, or the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and (d) to the extent that BCBSRI makes any determination of medical necessity, experimental nature of treatment, or any similar medical determination, such determination shall be made solely for the purpose of identifying whether and to what extent expenses incurred by Members are eligible for reimbursement under the terms of the Plan.

4.4. Authorized Persons to Act on Behalf of the MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent and the Plan.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall provide BCBSRI with the names of persons who are authorized (“Authorized Persons”) to give instructions and directions on behalf of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and Plan; receive notices on behalf of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and the Plan; provide documents, materials, and other information on behalf of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH and/or WBCH and Plan; and make determinations on behalf of MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent and the Plan. In performing the services, BCBSRI shall be entitled to rely upon the instructions, directions, documents, materials, and information provided by the Authorized Persons, whether the instructions, directions, documents, materials, and information are conveyed in writing, by telephone, by facsimile, by means of electronic communication, or by any other means. Unless BCBSRI is notified in writing to the contrary, any person reasonably believed by BCBSRI to have the authority to act on behalf of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and the Plan, including but not limited to the individuals listed as “Designated Plan Representatives” in the Business Associate Agreement, shall be deemed to be Authorized Persons.

4.5. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent Authorizes BCBSRI to Make Business Decisions During Natural Disasters

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent recognizes that certain natural disasters and other similar major emergencies may disrupt or seriously threaten to disrupt health care and other services provided for under this Agreement. If such a disaster or emergency occurs, or is imminent, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent authorizes BCBSRI to make appropriate business decisions to implement and act in accordance with the threat or risk, including but not limited to any action necessitated by declarations, rules, regulations or similar official statements by the state or federal authorities with jurisdiction over the Plan, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, or BCBSRI. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agree to reimburse BCBSRI for claims and services provided to Members during this period, even if not compliant with the Benefit Document or this Agreement.

SECTION 5. OBLIGATIONS AND DUTIES OF MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent agrees to perform the obligations and assume the duties set forth in this Section 5 during the Term of this Agreement.

5.1. Authority Over the Plan and its Operations.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent have and retain sole and final authority to control and manage the Plan and its operations. Any function relating to the Plan and not specifically delegated to BCBSRI pursuant to this Agreement shall remain the sole responsibility and liability of MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH shall select and communicate to BCBSRI the benefits payable under the Plan, and the terms and conditions under which the Plan shall provide benefits. Once communicated to BCBSRI, these provisions shall be set forth in the Benefit Documents produced by BCBSRI. With respect to the Benefit Documents:

- a. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent has the sole responsibility to review the Benefit Documents to ensure conformance with the Plan and with any applicable requirement of state or federal law;
- b. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent acknowledges and agrees that BCBSRI will provide administrative services for the Plan in accordance with the terms, conditions, definitions, and language contained in the initial draft version of the Benefit Document provided to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, unless BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH agree in writing to amended terms on or before ninety (90) days after the Effective Date; if no written agreement is reached by the 90th day after the Effective Date, the draft Benefit Documents shall be deemed the final Benefit Documents; and
- c. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH will provide to BCBSRI all information reasonably required by BCBSRI to provide the administrative services.

5.2. Plan Amendments and Changes.

After the Benefit Documents are final, as described in Section 5.1, any changes to the Plan are subject to the following provisions:

5.2.1. Amendments Requested by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH.

BCBSRI will implement an amendment or change to the Plan upon reasonable request by the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, if consented to by BCBSRI. If BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH cannot agree to any requested amendment or change, BCBSRI or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH may terminate this Agreement in accordance with Section 2.2.1 of this Agreement. If BCBSRI consents to a request for an amendment or change to the Plan:

- a. reasonable charge may be assessed by BCBSRI, in addition to the fees described in Section 3 and the Financial Addendum, to implement the amendment or change. Such a charge will be communicated in advance to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in writing.
- b. BCBSRI may change the Administrative Fees as of the effective date of the amendment if the change will materially increase the anticipated Covered Claims expense or the anticipated services and/or expenses of BCBSRI. Such change in Administrative Fees will be communicated to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in writing.
- c. If the amendment or change requires an amendment to the Benefit Documents, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent must provide BCBSRI with not less than sixty (60) days prior written notice of the request.
- d. BCBSRI will not be liable for failure to provide administrative services for the Plan in accordance with any Plan amendment during the period, if any, between the amendment's effective date and the end of the sixty (60) day notice period.
- e. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH is solely responsible for communicating any amendment or change to Members, and for any other notices or filings as required by applicable state or federal law.
- f. Notwithstanding any provision of this Agreement to the contrary, MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH shall have the right to amend the Benefit Documents and this Agreement (including all Exhibits and the Financial Addendum), if consented to by BCBSRI, to the extent necessary to comply with the provisions of any law, regulation, guidance, or lawful order of a court or regulatory authority.

5.2.2. Amendments Initiated by BCBSRI.

Notwithstanding any provision of this Agreement to the contrary, BCBSRI shall have the right to amend the Benefit Documents and this Agreement (including all Exhibits and the Financial Addendum) to the extent necessary to (a) comply with the provisions of any law, regulation, guidance, or lawful order of a court or regulatory authority; or (b) maintain the consistency of Plan administration with like programs administered by BCBSRI. BCBSRI shall provide MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH not less than ninety (90) days written notice prior to the effective date of any such amendment. If BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH cannot agree to any requested amendment or change, BCBSRI or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH may terminate this Agreement in accordance with Section 2 of this Agreement. If BCBSRI implements an amendment under this section:

- a. No charge will be assessed by BCBSRI to implement the amendment or change, but MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH agrees to pay any change in claims expense and/or reasonable Administrative Fee resulting from the amendment.
- b. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH is solely responsible for communicating any amendment or change to Members, and for any other notices or filings as required by applicable state or federal law.

5.3. Eligibility and Enrollment.

5.3.1 Enrollment and Eligibility Assistance Services.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH shall have sole responsibility for (a) establishing standards governing the eligibility of individuals to participate in the Plan, (b) determining whether an individual is eligible to participate in the Plan, and (c) resolving all disputes relating to eligibility. BCBSRI shall have no liability to

MUNICIPALITY and/or SCHOOL DEPARTMENT, WBCH, or to any individual for any eligibility determination made by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH. Notwithstanding the foregoing, BCBSRI agrees to determine the eligibility under the Plan for disabled dependent children, common law spouses, domestic partners, and former spouse, as specified in the applicable Benefit Document.

5.3.2 Eligibility and Enrollment Information.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent shall maintain current and accurate Plan eligibility and enrollment records. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent shall provide BCBSRI (within a timeframe and in a format reasonably acceptable by the Parties) the current list of Members, including names and appropriate effective dates of enrollment.

BCBSRI shall not be liable for any non-performance or delay in the performance of services under this Agreement that is caused or contributed to by the failure of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to provide any eligibility or enrollment information reasonably required by BCBSRI.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent will notify BCBSRI as soon as possible of any change in the list of Members, including terminated employees, newly hired employees, newly eligible employees and dependents, loss of eligibility due to change in status, and termination of benefits. Any changes in eligibility or benefits must be given to BCBSRI via electronic enrollment eligibility file, BCBSRI's online enrollment application, or paper application, as soon as reasonably practicable in advance of the effective date of the requested change in enrollment. BCBSRI will implement such changes not later than five (5) business days after receipt of the change from MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent. Unless otherwise mutually agreed upon by the Parties, for retroactive enrollment changes, MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent must furnish BCBSRI with complete enrollment or termination information no later than sixty (60) days following the enrollment or termination effective date.

Covered Claims will be paid in accordance with information supplied by MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent (including by an Authorized Person) and received by BCBSRI. Members shall continue to be covered, and MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent shall be responsible to pay BCBSRI for benefits provided to Members, until BCBSRI is notified by MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent that such Members are no longer eligible for benefits and BCBSRI has processed such changes. BCBSRI will not adjust Covered Claims or be responsible for collection of Covered Claims amounts paid to providers or Members for services provided in reliance on MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's eligibility information in effect at the time authorization was granted or services were rendered.

5.4. Financial Obligations of MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH.

The MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH are jointly and severally liable for all amounts due under this Agreement; provided, however, that WBCH is jointly and severally liable only to the extent of funds belonging to the MUNICIPALITY and/or SCHOOL DEPARTMENT that were provided to WBCH.

5.4.1. Covered Claims, Fees, and Funding.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH shall fund the Plan, pay all Covered Claims, and pay all Administrative Fees and other fees and charges in accordance with the terms of the Plan and the terms of this Agreement.

5.4.2. Reporting.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH assume all responsibility for tax reporting relating to the payment to or reimbursement of any benefit for a Member, and for operation of the Plan, including but not limited to income withholding, employer-based reporting, and Form 5500, to the extent required.

5.4.3. Subrogation and Third-Party Recovery.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH represent and warrant that the Plan and the summary plan description provide for rights of subrogation and third-party recovery. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH shall assist BCBSRI in its subrogation and other third-party recovery efforts by providing

BCBSRI (or any affiliate or subcontractor to which BCBSRI has delegated, in whole or in part, subrogation and third-party recovery efforts) with requested information and documentation. Moreover, to the extent any third party makes a claim for health care benefits on behalf of the Plan or a Member, including but not limited to claims raised by the federal government under the Medicare Secondary Payer laws, MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH acknowledges and agrees that it is responsible for the amount of such claims, including all costs of defending against such claims or handling such claims, as appropriate (except as provided under the Indemnification provisions of Section 14), and MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH shall provide all reasonable cooperation requested by BCBSRI.

5.4.4. Financial Settlements.

SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges and agrees that BCBSRI completes financial settlements with hospitals and providers on a periodic basis, and that the outcome of these settlements could result in an additional charge or credit to SCHOOL DEPARTMENT and/or WBCH as its agent. The Parties understand and agree that any such charge or credit shall not result in a corresponding adjustment to the amounts paid or not paid by Members in connection with Covered Claims relating to the settlement.

5.4.5. Confidentiality of Financial Terms.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH shall keep confidential and shall not disclose to any third party the financial terms of this Agreement or any amendments hereto without the prior written consent of BCBSRI; provided, however, that said financial terms may be disclosed to MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH 's agents and independent contractors who have executed a confidentiality agreement with MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH that protects said financial terms from disclosure. Financial terms include, but are not limited to, the contents of Section 5 of this Agreement, any exhibits containing financial terms, any amendments to the financial terms, and any other fees, charges, or credits. Notwithstanding the foregoing, in the event that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH is ordered to disclose the financial terms of this Agreement pursuant to a judicial or governmental request, requirement, or order, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall immediately notify BCBSRI and take reasonable steps to assist BCBSRI in contesting such request, requirement, or order or otherwise protecting the confidentiality of said financial terms. The terms of this section shall survive termination of this Agreement.

5.5. Responsibilities of WBCH.

5.4.6. Exclusive Carrier.

Subject to the terms of this Agreement, WBCH shall make available to all of the current members of WBCH as described on Exhibit A to this Agreement, attached hereto and incorporated herein by reference (hereinafter referred to as the "WBCH Members") all BCBSRI products and services of the type that are offered through WBCH and that are available in the municipal market. During the term of this Agreement, WBCH shall not make any health benefit plan, coverage, or arrangement, other than BCBSRI products available to any WBCH Member or any eligible Employee or eligible dependent of a WBCH Member. WBCH shall make good faith and reasonable effort to encourage the WBCH Members to use BCBSRI as their exclusive carrier.

5.4.7. Transition to Most Current Standard Version of BCBSRI Products.

WBCH shall make every good faith and reasonable effort to review and discuss the most current standard version of BCBSRI group health benefit products with the WBCH Members.

5.4.8. Billing and Remittance.

WBCH shall establish, bill for, and receive amounts due from the SCHOOL DEPARTMENT and/or WBCH under this Agreement in accordance with Section 3 of this Agreement. WBCH shall remit all amounts due under this Agreement to BCBSRI as required by Section 3.3 of this Agreement.

5.4.9. Financial Records.

Annually, during the term of this Agreement, WBCH shall provide BCBSRI with copies of its audited financial statements.

5.4.10. New Members.

New members of WBCH may be added at any time; provided, however, that new members shall be limited to municipalities and public school districts located in Rhode Island. The Administrative Fee for any such new member of WBCH shall be the same as the then in-force Administrative Fee of existing WBCH Members. The Administrative Fee is set forth in the Financial Addendum attached hereto.

SECTION 6. OBLIGATIONS AND DUTIES OF BCBSRI.

In exchange for the full performance by MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent of its duties under this Agreement, BCBSRI agrees to perform the obligations and assume the duties set forth in this section and in Financial Addendum during the Term of this Agreement. BCBSRI provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims.

6.1. Claims Administration.

On behalf of SCHOOL DEPARTMENT and/or WBCH as its agent, and in accordance with the Benefit Documents (as described in Section 1.5), BCBSRI's administrative policies, medical policies, reimbursement policies, practices, network rules, and this Agreement, BCBSRI shall administer and determine initial claims for benefits and certain appeals of claims. SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges and agrees that, subject to Section 6.2 of this Agreement, BCBSRI and/or its designated agents shall have sole responsibility for managing the benefits as described in the applicable Benefit Documents for Members and that all decisions concerning payment of a claim for services shall be made solely by BCBSRI and/or its designated agents. BCBSRI shall make paper copies of the Explanation of Benefits (EOB) available to Members.

6.2. Claims Appeal.

With respect to administrative appeals (i.e. a full or partial denial of payment for services that were denied because (a) BCBSRI determined that the services were not covered under the Plan, (b) the Member or provider did not follow BCBSRI requirements for coverage, (c) BCBSRI determined that the Member was not eligible for coverage under the Plan, or (d) a coverage limitation on an otherwise covered benefit exists under the Plan), BCBSRI shall review each properly filed appeal of an adverse benefit determination and process the same in accordance with its determination.

With respect to medical appeals (i.e. a full or partial denial of payment for services that were denied because BCBSRI determined that the services were not medically necessary or appropriate, experimental, or investigational), BCBSRI shall review each properly-filed appeal of an adverse benefit determination and process the same in accordance with its determination.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent reserves the right to review and overturn an appeal determination by BCBSRI on administrative or procedural grounds; provided, however, that in no event shall MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent conduct a prospective, concurrent, or retrospective assessment of the medical necessity and/or appropriateness of the allocation of health care services of a provider, given or proposed to be given to a Member; and provided, further, that MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent may not review or overturn any determination by BCBSRI unless the action is consistent with applicable law, including, but not limited to, ACA, and BCBSRI consents. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent represents and warrants that the Plan (and all Plan documents) provides MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent with authority and discretion to take such actions. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent understands that such actions may be regulated by state and/or federal law, and that there may be tax implications to such actions. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent agrees and warrants that it, and not BCBSRI, shall be responsible for any liabilities that are a direct or indirect result of such actions, and that MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent shall indemnify and hold BCBSRI, its officers, employees, agents, contractors, attorneys, and accountants harmless in respect of any such liabilities. In the event that MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent elects to review a determination by BCBSRI, it shall be responsible to: (a) timely notify BCBSRI of any decision it has made to overturn or modify the determination made by BCBSRI; (b) direct BCBSRI in writing to process the claim in accordance with the MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent's determination (in a form acceptable to BCBSRI) that is signed by an individual with discretionary authority to make the determination; (c) pay the claim in accordance with MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent's determination (if applicable); (d) provide notice of MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent's determination to the

applicable Member(s), including appeal right notices, to the extent required by law, and (e) indemnify and hold BCBSRI and its officers, employees, agents, contractors, attorneys, and accountants harmless against liability to a Member or third party for withholding payment as directed by MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent, for any future or additional request by the Member based on or in any way related to MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent's determination, for Covered Claims that were paid by BCBSRI prior to notification by MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent of its determination, and for any other damages or harm suffered by BCBSRI arising from or related to MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent's determination.

6.3. Claims Processing.

On behalf of MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent, and in accordance with BCBSRI payment methodologies (including applicable provider rate adjustment methodologies), rules of the Blue Cross and Blue Shield Association, this Agreement and, if applicable, a written direction by MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent to process the claim in accordance with its determination, BCBSRI shall process Covered Claims up to and after termination of this Agreement in accordance with the Financial Addendum.

Claims will be processed in the order received by BCBSRI, regardless of the date services were performed or the terms of any Stop-Loss Insurance.

BCBSRI will make payment directly to a participating provider for Covered Claims. Participating providers have agreed to accept payment from BCBSRI as payment in full for covered services performed for Members, except where certain maximums, copayments, coinsurance, or deductibles are specified in the Benefit Documents. If services are rendered by a provider that is not a participating provider, BCBSRI will make payment to either the provider or the Member according to the Benefit Documents, BCBSRI policies, and the Blue Cross and Blue Shield Association policies, and any difference between the non-participating provider's charge and BCBSRI's payment shall be the personal responsibility of the Member. BCBSRI shall not accept an assignment of benefits to any non-participating provider unless otherwise specifically permitted under the Benefit Documents.

BCBSRI will not pay any Covered Claim if MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent has directed BCBSRI to withhold payment.

6.4. Claims Review and Third-Party Recoveries.

Unless otherwise directed by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, BCBSRI is hereby delegated full authority to pursue other carrier liabilities (e.g. subrogation claims, coordination of benefits, workers' compensation claims), manage payment policy, and assure correct coding and related third-party recovery rights, including pre- and post-payment claims review. To that end, BCBSRI may engage the services of affiliates and subcontractors to assist with the identification and management of such efforts or BCBSRI may conduct the activities itself. Fees charged by BCBSRI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for such services shall equal no more than thirty percent (30%) of any recovery or amount passed through to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, and may be deducted from any recovery or amount passed through to SCHOOL DEPARTMENT and/or WBCH as its agent. To the extent that BCBSRI administers subrogation under this Agreement, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges that subrogation is not performed on prescription drug claims.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH retains the authority and discretion to pursue recovery of any payment made in excess of the amount allowable under the Plan as a Covered Claim. BCBSRI shall not be liable for any such overpayment unless it is determined by direct proof, or by a court of competent jurisdiction, that: (a) the overpayment was caused by fraudulent or criminal activity by BCBSRI or an act or omission by BCBSRI that was an intentional disregard of its obligations under this Agreement; (b) all reasonable means of recovery under the circumstances have been exhausted; and (c) the acts or omissions of BCBSRI were not undertaken at the express direction of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH. In its discretion, considering the chances of successful recovery, the potential costs, and the cooperation of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, BCBSRI will attempt to recover any overpayment, and pursue all reasonable means of recovery, but is not obligated to commence litigation unless otherwise specifically agreed to by the Parties. Such recovery received by BCBSRI is net of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's proportionate share of costs and fees charged by third-party counsel for services related to the Class Action, if any.

BCBSRI will follow the coordination of benefits provisions of the Benefit Documents, as may be amended from time to time; provided, however, that, to the extent BCBSRI administers the payment of prescription drugs under this Agreement, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH acknowledges that, in most cases, coordination of benefits is not performed on such claims. BCBSRI shall coordinate sending a Member's eligibility information under this Plan to the Centers for Medicare & Medicaid Services ("CMS") contractor for Members who are enrolled in Medicare as their primary coverage.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH and BCBSRI recognize that, from time to time, BCBSRI or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH may receive notice of a pending class action that seeks recovery from a third party on behalf of a class that may include BCBSRI or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH (or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan) (a "Class Action"). MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH hereby authorizes BCBSRI to participate in any such Class Action on behalf of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH (or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan) unless MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH notifies BCBSRI in writing no less than thirty (30) days prior to the claims filing deadline that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH (or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan) chooses not to participate. Any MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH (or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan) that has given BCBSRI such notice shall be responsible for giving any required notice of opting out of the Class Action to pursue its own recovery, or filing its own claim. BCBSRI shall remit any recovery directly attributable to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan from such Class Action to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH within a reasonable time following receipt of such recovery.

Except as explicitly provided in this Agreement, BCBSRI has no obligation to pursue a recovery from any other parties, including, but not limited to providers, manufacturers or distributors of health care products or services or manufacturers or distributors of pharmaceutical products or services.

6.5. Access to Provider Network and Negotiated Rates.

BCBSRI will provide MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH and its Members access to its provider network, including an electronic listing of network providers, which is subject to change from time to time and will be updated from time to time. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH may recommend providers or file complaints concerning providers with BCBSRI for appropriate consideration or action, but BCBSRI has sole authority to select and credential providers for its network. Unless otherwise disclosed to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, BCBSRI shall fully credit to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent any discounted or negotiated payment arrangements with network providers; such discounted or negotiated payment arrangements do not include rebate credits and any Variance amounts as set forth in Section 3.1.4.

6.6. Identification Cards.

Based upon information provided by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and subject to standard BCBSRI and Blue Cross and Blue Shield Association practices, BCBSRI shall issue identification cards to each Member. Cards are issued for identification only, and possession of such a card does not confer any right to services or benefits under the Plan unless the holder is, in fact, a Member.

6.7. Reporting.

BCBSRI will provide its standard reports, in electronic format, to the designated Plan representative, in accordance with then current BCBSRI policies and procedures. BCBSRI will provide information within its custody and control, if requested by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and to the extent reasonably necessary, to complete IRS Form 5500. All other data and reports shall be provided only as the Parties mutually agree, and BCBSRI reserves the right to charge additional fees for such data and information in accordance with its then current policies and procedures.

6.8. Account Management.

BCBSRI will provide its standard account management service offerings, as described in Exhibit C. Other account management services shall be provided only as the Parties mutually agree and BCBSRI reserves the right to charge additional fees for such other account management services.

6.9. Value-Based Programs in the BCBSRI Service Area.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges that Members may access covered healthcare services from providers in the BCBSRI service area that participate in Value-Based Programs. (Section 11.1.3 Special Cases: Value-Based Programs describes Value-Based Programs provided by providers outside of the BCBSRI service area.) Value-Based Programs may include, but are not limited to, Accountable Care Organizations, Global Payment/Total Cost of Care arrangements, and Patient-Centered Medical Homes. Under Value-Based Programs, BCBSRI may pay providers for reaching agreed upon cost/quality goals through Provider Incentives and Shared Savings arrangements. MUNICIPALITY and/or SCHOOL

DEPARTMENT and/or WBCH as its agent is billed by BCBSRI for Provider Incentives/Shared Savings for only those Members that have healthcare services with a provider that participates in Value-Based Programs (“Attributed Members”). The Attributed Member Per Member Per Month (PMPM) billing amount is a Covered Claim cost and is invoiced to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent as described in the section of the Financial Addendum entitled “Covered Claims Billing.” BCBSRI will provide a quarterly report detailing Value Based program fees for WBCH member municipalities.

The amounts used to calculate Attributed Member 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. The amounts needed to fund a Value-Based Program may be changed before the end of a Rating 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.

In addition, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent is billed by BCBSRI for Care Coordination Fees for Attributed Members as PMPM Billings. The amounts used to calculate Attributed Member PMPM billings for Care Coordination Fees are fixed amounts that pay for the cost of Care Coordination. The Attributed Member PMPM billing amount is a Covered Claim cost and is invoiced to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent as described in the section of the Financial Addendum entitled “Covered Claims Billing.” The provisions of this Section 6.9 shall be operative and shall survive the termination of this Agreement.” BCBSRI will provide a detailed quarterly report on an aggregate basis of all Care Coordination fees.

6.10. Customer Service.

BCBSRI will provide its standard customer service offerings and programs, including access to customer services professionals by telephone, online, in person, and by mail, in accordance with then current BCBSRI policies and procedures. All additional customer service offerings, including dedicated customer service line, designated customer service team, and customized interactive voice response systems, shall be provided only as the Parties mutually agree, and BCBSRI reserves the right to charge additional fees for such services in accordance with its then current policies and procedures.

6.11. Utilization Management.

BCBSRI will provide utilization management services, as specified in the Benefits Documents and in accordance with standard BCBSRI policies and procedures. Utilization management services are a set of techniques used to manage the cost of health care and applicable law by influencing patient-care decision making through case-by-case assessments of the appropriateness of care based on accepted practices.

6.12. Optional Services.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent may purchase such other optional administrative services that BCBSRI provides to self-funded customers as of the Effective Date. All optional services shall be provided only as the Parties mutually agree and BCBSRI reserves the right to charge additional fees for such optional services in accordance with its then current policies and procedures.

6.13. Digital Musculoskeletal Care Program

Effective March 1, 2025, BCBSRI will make available to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent a digital musculoskeletal care program (“MSK Program”). The MSK Program provides online coaching, education, virtual exercise therapy sessions, and related services, as specified in the Financial Addendum, Exhibit B, and in accordance with standard BCBSRI policies and procedures.

Members that enroll in the MSK Program and complete digital sessions (“MSK Program Members”) must be eighteen years or older. Digital sessions include exercise therapy, virtual sessions with a health coach or physical therapist, and other options. The digital sessions and services made available under the MSK Program are separate from the physical and occupational therapy covered services described in the Benefit Document and are not counted toward visit limits, if any, for such covered services.

Fees payable by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for sessions and services in which the MSK Program Members have enrolled shall be invoiced as a Covered Claims cost, as set forth in the section of the Financial Addendum entitled “MSK Program Billing” and “Covered Claims Billing.”

SECTION 7. RECORDS, CONFIDENTIAL INFORMATION, AND AUDITS.

7.1. Records.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent, upon request, shall be entitled to receive from BCBSRI such records as may be reasonably necessary to confirm that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH has been billed by BCBSRI in accordance with the terms of this Agreement.

BCBSRI reserves the right not to provide to MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH, or its consultants or audit vendors, access to its contracts with providers or other documents or records that are not publicly available (including data, reports, or other information from which the terms of contracts could be determined), or to provide access only in a manner that BCBSRI determines would protect the confidential and proprietary information contained in those records and documents.

Upon request, BCBSRI will provide Covered Claims data obtained in the course of providing services to MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH (in summary or de-identified form, as provided under HIPAA) for purposes of soliciting premium bids or amending, modifying or terminating MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Health Plan or enrollment/disenrollment information, unless otherwise permitted by BCBSRI policies and applicable law.

7.2. Confidential Information.

7.2.1. The Agreement.

The terms and conditions set forth in this Agreement are confidential, and each Party shall maintain the confidentiality of this Agreement, except as necessary to carry out its responsibilities hereunder or as required by law or regulation.

7.2.2. Confidential and Proprietary Information other than Confidential Health or Financial Information.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent, individually and on behalf of the Plan, and BCBSRI acknowledge that in the course of performing under this Agreement they may disclose or make available to each other information, as is reasonably and minimally required to perform their obligations under this Agreement, which is commercially valuable, confidential, or proprietary, the value of which might be lost if confidentiality is not maintained. Each Party, therefore, agrees as follows:

For purposes of this section, “Confidential Information” means all information learned in connection with the performance of this Agreement or from contact with employees of Plan, MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent, or BCBSRI and any information, technical data, or know-how, including, but not limited to, that which relates to contracts, price lists, provider information, utilization data, reports, software programs, processing policies, operating procedures, trade secrets, customer identities, needs, and preferences, BCBSRI programs and services, written materials regarding same, and Blue Cross and Blue Shield programs and policies. “Confidential Information” does not include information which: (a) is in the possession of the receiving Party at the time of disclosure as demonstrated by the receiving Party’s files and records immediately prior to the time of disclosure; (b) is or becomes public knowledge other than as a result of any inaction or action of the receiving Party; (c) is lawfully provided to the receiving Party by a third party without restriction as to use or disclosure; or (d) is independently developed by the receiving Party.

The Parties shall take all reasonable measures to protect the secrecy of and avoid access, disclosure or use of Confidential Information in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized hereunder to have any such information, which measures shall include the highest degree of care that either Party utilizes to protect its own Confidential Information of a similar nature. Neither Party shall use, attempt to use, nor permit any other person to use any Confidential Information for any purpose other than the facilitation of the provision of services under this Agreement. Either Party may share such information with its auditors, internal or external, who are working under confidentiality agreements for the purpose of verification of rebate calculations and receipt. To the extent Confidential Information is provided in aggregate form, neither Party shall de-aggregate the information in order to identify individuals or other entities. The existence of this Agreement may be shared as necessary with Plan’s accounts. For avoidance of doubt, the preceding requirements do not prohibit disclosure of provider price and quality information subject to the protections of the Title II, division BB of the Consolidated Appropriations Act, 2021.

Neither Party shall permit any other person to: (a) make or retain any copy of any Confidential Information except as specifically authorized by this Agreement; (b) modify, adapt, translate or create derivative works based upon the Confidential Information; (c) remove, erase or tamper with any copyright or other proprietary notice printed or stamped on, affixed to, or encoded or recorded in any Confidential Information, or fail to preserve all copyright and other proprietary notices in any copy of any Confidential

Information; (d) sell, market, license, sublicense, distribute or otherwise grant to any person, including any outsourcer (except as otherwise agreed herein), vendor, consultant or partner, any right to use any Confidential Information; or (e) place the Confidential Information onto a server so that it is accessible via a public network such as the Internet.

BCBSRI does not confer, assign, transfer or sell to Plan or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH any interest in the materials, software, or know-how used or developed to provide services under this Agreement. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall not commingle Confidential Information with other MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH group health plan information or third-party data, without BCBSRI prior written consent. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall, from time to time during regular business hours and upon reasonable notice, permit BCBSRI or its representatives to perform an audit of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's policies, procedures and records that relate to the performance of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's obligations with respect to Confidential Information under this Agreement.

Upon the termination of this Agreement, the receiving Party will return or destroy the original and all copies of any Confidential Information provided. If both Parties agree that such return or destruction is not feasible, or if either Party is required by applicable regulation, rule or statutory retention schedule to retain beyond the life of this Agreement, the receiving Party will extend the protections of this section of the Agreement to the Confidential Information not returned or destroyed, and refrain from further use or disclosure of such information for as long as the Party retains the Confidential Information

Notwithstanding anything in this Agreement or its Exhibits to the contrary, BCBSRI's disclosure of Confidential Information, PHI or other individually identifiable information, shall be subject to the terms of such confidentiality and indemnification agreements, authorizations, consents, designations, certifications, or other understandings as BCBSRI deems necessary and appropriate to comply with applicable BCBSRI policies and procedures and applicable laws.

7.2.3. Breach and Survival of Provisions.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, Plan, and BCBSRI acknowledge, agree, and stipulate that:

The Parties shall promptly give written notice to each other of any actual or suspected breach by it of any of the provisions of this section, whether or not intentional, and the breaching Party shall, at its expense, take all steps reasonably requested by the other Party to prevent or remedy the breach.

Breach of this section may cause the other Party irreparable harm that may not be compensated by monetary damages.

In the event of a breach or threatened breach of these provisions, either Party may seek an injunction restraining the disclosure of other continued or threatened breach, without showing or proving any actual damage sustained by the complaining Party; provided, however, that the complaining Party may seek damages as determined at the time of the breach, based on the applicable facts and circumstances.

7.3. Audits.

7.3.1. Audit Agreement.

Before commencement of any audit, SCHOOL DEPARTMENT and/or WBCH as its agent and its consultant or audit vendor, if any, shall execute a written audit agreement with BCBSRI which sets forth the terms, conditions and scope of the audit, including the protection of confidential and proprietary information and compliance with HIPAA and applicable state law relating to confidential health care information.

7.3.2. Audit Procedure and Limitations.

Notice and Frequency. MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent must provide BCBSRI with not less than sixty (60) days' notice, in writing, of its desire to conduct an audit. Audits are limited to the most recently completed Rating Period, and must be completed no later than eleven (11) months after the end of that Rating Period. MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent may not request or conduct more than one audit, claims or financial, per Rating Period. MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent may not conduct more than one (1) on-site audit during any twelve (12) month period. MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent may not conduct any audit for the same scope, timeframe, or portion of a timeframe previously audited unless one or more of the following conditions exists: (a) MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent is required to audit such time period by a

governmental agency; (b) reasonable evidence exists of fraud; or (c) a prior audit identified a systemic discrepancy that is acknowledged by BCBSRI and strongly suspected to have existed prior to the audit period; provided, however, that even in this event the audit is limited to the three (3) most recently completed Rating Periods, including the current audit period, and may be conducted solely for the purpose of examining such suspected systemic discrepancy.

Timing and Scope. Audits shall be conducted during normal working business hours at the offices of BCBSRI by an auditor mutually acceptable to the Parties. Subject to the confidentiality restrictions described in this section and imposed by applicable law, BCBSRI will provide appropriate records and documents for MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent to evaluate the services provided under this Agreement.

Qualifications and Standards. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall employ qualified third party audit firms (other than employees of the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH or a subsidiary, affiliate, division, or office of the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH) with substantial experience in conducting audits of similar employee benefit plans and with sufficient staff to conduct such audits in a timely fashion. Compensation of the auditor shall not be tied, in any way, to the results of the audit, nor shall there be any other financial incentive for the auditor based on audit results. Auditors shall adhere to the Code of Ethics for the Professional Practice of Internal Auditing and generally accepted auditing standards, including but not limited to the use of reasonable processes to validate exceptions, defining deviation conditions based on recognized standards or policies, and use of professionally recognized and/or generally accepted methodologies for determining sample size, defining strata, and allocating the sample to the stratum.

7.3.3. Expenses.

Except as otherwise indicated in this section, all expenses incurred by BCBSRI, MUNICIPALITY and/or SCHOOL DEPARTMENT, and WBCH as its agent relating to an audit conducted under this section shall be borne by MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH. BCBSRI may charge MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH an additional fee for any audit, including but not limited to a charge of one thousand dollars (\$1,000) per day for each day beyond ten (10) days.

7.3.4. Audit Adjustments.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH acknowledges and agrees that, due to timely filing requirements (including, but not limited to, applicable requirements under Medicare and BlueCard), BCBSRI will be limited in its ability to make adjustments to claims. In addition, MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH acknowledges and agrees that in no event shall BCBSRI recognize errors identified through the use of extrapolation methodologies to calculate errors on the basis of a sample.

7.3.5. Audit Records and Confidentiality.

MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH agrees that it shall request information from BCBSRI only for purposes of conducting financial audits, management audits, program evaluations, and actuarial or similar studies. All information obtained by MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH, its auditing firm, or any qualified personnel in preparation for or during an audit, evaluation, or study ("audit records"), and any report produced as a result of such audit, evaluation or study ("audit report") is confidential and shall not contain any confidential health care information, Confidential Information, PHI or other information protected by law from disclosure to MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH, or otherwise disclose any individual's identity. In addition, such audit records and audit reports shall not contain information which would disclose negotiated discounts or other financial arrangements BCBSRI has or had with any hospital or other health care providers. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH agrees that it shall not disclose to any third parties any confidential or proprietary information of BCBSRI which may be contained in any such audit records or audit reports. It is expressly understood and agreed that MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH's rights to examine records are limited to the foregoing. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH agree to establish and maintain those security procedures required by the Rhode Island Confidentiality of Health Care Communications and Information Act, the Gramm Leach Bliley Act and the Health Insurance Portability and Accountability Act (collectively, the "Act"), required for third parties receiving confidential health care information, including, but not limited to (a) limiting authorized access to personally identifiable confidential health care information to those individuals having a need to know, (b) identifying the individual(s) who have a responsibility for maintaining security procedures for confidential health care information, (c) providing each Employee a written statement concerning the necessity of

maintaining confidentiality of confidential health care information and penalties provided for unauthorized use, and (d) taking no disciplinary or punitive action against any Employee or agent solely for bringing a violation of the Act to the attention of any person.

7.3.6. Types of Audits.

Subject to the requirements of this section, applicable laws and regulations, and BCBSRI's corporate policies, the MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH may conduct the following audits:

Medical Claims Audits. An audit of Covered Claims paid under the medical benefit ("medical Covered Claims") of this Agreement may be conducted, limited to reviews of claim records, membership data, benefit file summaries, and other documents BCBSRI considers relevant and applicable. Operational review surveys or questionnaires are not included in an audit of medical Covered Claims. Any audit sampling methodology must be mutually agreed upon by the Parties and based on the claims under review; provided, however, that BCBSRI shall make no adjustment or refund on the basis of statistical projections or extrapolations of actual errors. If the MUNICIPALITY and/or SCHOOL DEPARTMENT has one thousand (1,000) or more Employees enrolled in the Rating Period under audit, the MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent may audit up to two hundred (200) claims at no cost; if the MUNICIPALITY and/or SCHOOL DEPARTMENT has fewer than one thousand (1,000) Employees enrolled in the Rating Period under audit, the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent may audit up to one hundred (100) claims at no cost; if the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent elects to audit additional claims, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall be assessed a charge of fifty dollars (\$50) per additional claim audited. A preliminary draft of the auditor's report must be submitted to BCBSRI at least fifteen (15) days prior to the issuance of the final report, and BCBSRI must be provided a reasonable opportunity to review and comment on the audit report prior to finalization. BCBSRI will notify the auditor of any incorrect information or disputed findings and request that the information or finding be corrected; if the auditor fails or refuses to correct the report, a statement drafted by BCBSRI and stating its disagreement with the information or finding shall be included in the final audit report delivered to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent. BCBSRI shall receive a copy of the final audit report contemporaneously with the delivery of the final audit report to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH. Reimbursement of any overpayments found during the course of an audit will be made on a case-by-case basis under Section 6.4 of this Agreement relating to overpayments, unless the audit report is contested, in which case the overpayments will be handled in accordance with Section 3.2.3, relating to disputes.

Financial Audits. An audit performed by a public accounting firm to certify MUNICIPALITY and/or SCHOOL DEPARTMENT financial statements may be conducted, limited to an examination of BCBSRI's records of provider charges, reimbursements, and amounts invoiced to the Plan under this Agreement. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall reimburse BCBSRI for personnel time spent on any financial audit requiring more than fifty (50) hours of BCBSRI's time at the rate of fifty dollars (\$50) per hour for each hour over fifty (50). MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent also shall reimburse BCBSRI for the actual cost of any non-standardized reporting requested as part of the audit.

Prescription Drug Guarantee Audits. MUNICIPALITY and/or SCHOOL DEPARTMENT and WBCH as its agent shall have the right to audit prescription drug discount guarantees and Prescription Drug Rebate guarantees based on the terms and provisions as set forth in Exhibit D and the Financial Addendum: Prescription Drug Rebate Guarantees of this Agreement. The audit shall be limited to pharmacy covered claims billed during the most recently completed Rating Period, irrespective of claim incurred and paid dates. Operational review surveys or questionnaires are not included in an audit of pharmacy covered claims. The MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent auditor shall audit the Prescription Drug Rebate guarantees and prescription drug discount guarantees in this Agreement as set forth in their reconciliation settlement. Any reconciliation report delivered to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent by the auditor shall only contain aggregated data.

SECTION 8. STOP-LOSS INSURANCE.

Under a separate agreement, MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent may purchase Stop-Loss Insurance through BCBSRI or a stop-loss carrier other than BCBSRI ("Third Party Stop-Loss Carrier") to mitigate its risk under this Agreement. In the event MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent chooses to purchase Stop-Loss Insurance through BCBSRI, BCBSRI will issue a separate Stop-Loss Insurance agreement which will reflect the responsibilities of the Parties and the appropriate stop-loss premiums; provided, however, that such Stop-Loss Insurance agreement shall provide, at minimum, that in the event of a retroactive addition or termination of Members under Section 5.3.2, BCBSRI shall not be responsible for denials under Stop-Loss Insurance, and that BCBSRI will process Covered Claims in excess of the Stop-Loss Insurance attachment point.

Should MUNICIPALITY and/or SCHOOL DEPARTMENT choose a Third Party Stop-Loss Carrier, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees, acknowledges, and certifies that: (i) any Stop-Loss Insurance will not cover claims below a Minimum Attachment Point or provide direct coverage of health care expenses for an individual; (ii) BCBSRI is not a party to MUNICIPALITY and/or SCHOOL DEPARTMENT's stop-loss agreement and; (iii) BCBSRI shall have no responsibility for selecting a Third Party Stop-Loss Carrier, or for determining the appropriateness of levels of coverage, attachment points, and/or stop-loss premiums, or for seeking to enforce the rights or comply with the obligations of either MUNICIPALITY and/or SCHOOL DEPARTMENT or the Third Party Stop-Loss Carrier under the agreement between MUNICIPALITY and/or SCHOOL DEPARTMENT and such Third Party Stop-Loss Carrier. For purposes of this Agreement, the term "Minimum Attachment Point" shall mean: (A) an annual attachment point for claims incurred per individual that equals or exceeds \$20,000; (B) an annual aggregate attachment point, for groups of fifty (50) or fewer, that equals or exceeds the greater of: (i) \$4,000 times the number of group members, (ii) one hundred twenty (120%) percent of expected claims, or (iii) \$20,000; and (C) an annual aggregate attachment point for groups of fifty-one (51) or more that equals or exceeds (i) one hundred and twenty (120%) percent of expected claims, or (ii) \$20,000.

Notwithstanding the foregoing, BCBSRI may provide MUNICIPALITY and/or SCHOOL DEPARTMENT or WBCH as its agent, upon request, certain reporting and claim filing services to facilitate MUNICIPALITY and/or SCHOOL DEPARTMENT coverage with and/or payments from such Third Party Stop-Loss Carrier. The formatting, timing, and provision of such reporting and claim filing shall be determined by BCBSRI. In addition, BCBSRI may, but is not obligated to, process Covered Claims in excess of the Stop-Loss Insurance attachment point until MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH funds the claim in accordance with Section 5.4 and the Financial Addendum; provided, however, that if BCBSRI processes such Covered Claims, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH will reimburse BCBSRI for such amounts without regard to any payment or lack of payment by the Third Party Stop-Loss Carrier; and provided, further, that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH will hold BCBSRI harmless for any Covered Claims that are not reimbursed by the Third Party Stop-Loss Carrier.

The Administrative Fee charge, as shown in the Financial Addendum, will in part be based on whether MUNICIPALITY and/or SCHOOL DEPARTMENT is using BCBSRI or a Third Party Stop-Loss Carrier. As a result, the Administrative Fee may change if MUNICIPALITY and/or SCHOOL DEPARTMENT changes its stop-loss carrier or discontinues Stop-Loss Insurance altogether.

SECTION 9. PHARMACY BENEFIT MANAGER.

MUNICIPALITY and/or SCHOOL DEPARTMENT uses BCBSRI PBM. BCBSRI will process pharmacy related Covered Claims and will exchange data with BCBSRI PBM as necessary to provide those services. The Administrative Fee charge, as shown in the Financial Addendum, is based, in part, on whether MUNICIPALITY and/or SCHOOL DEPARTMENT is using BCBSRI PBM. As a result, the Administrative Fee may change if MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent changes its pharmacy benefit manager or discontinues use of a pharmacy benefits manager altogether.

In addition, BCBSRI shall charge an additional fee, set forth in the Financial Addendum, for the transfer of files, including but not limited to, data transfer files, accumulator files, and participant data files, if MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent terminates the use of BCBSRI PBM or terminates this Agreement.

In the event that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent terminates use of BCBSRI PBM during the Term of this Agreement, then within thirty (30) days of such termination, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall pay to BCBSRI an amount equal to the liquidated damages amount set forth in the section of the Financial Addendum entitled "Liquidated Damages". The Parties acknowledge and agree said sum (a) shall be liquidated damages and not a penalty, and (b) is reasonable given the difficulty of ascertaining the precise loss BCBSRI would suffer as a result of such termination.

SECTION 10. COMPLIANCE WITH LAWS.

10.1. In General.

BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH hereby represent and warrant that they will comply in all material respects with all applicable federal, state and local laws. In general, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH is responsible for compliance by both MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH and the Plan with all applicable laws relating to the maintenance and operation of the Plan, including, unless otherwise specifically delegated to BCBSRI in this Agreement, all filings and all notices, disclosures, and distribution of information to Members and others in accordance with applicable laws and regulations. In general, BCBSRI is responsible for compliance with all applicable laws relating to its performance of the services described in this Agreement.

10.2. Federal and State Privacy Laws.

The rights and responsibilities of the Parties under federal and state privacy laws shall be governed by the Self-Funded HIPAA Agreement attached hereto and incorporated herein as Exhibit B, and any other applicable federal privacy laws and regulations as amended from time to time.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH also acknowledges that compliance with HIPAA Regulations may not be sufficient for the release of individually identifiable information pertaining to certain sensitive health conditions such as HIV/AIDS, mental health, and drug and alcohol abuse, which are subject to additional state and federal privacy laws, and information that identifies such conditions shall not be disclosed by BCBSRI unless the appropriate authorizations and consents have been obtained to comply with those laws.

In addition to complying with requirements under HIPAA and any other applicable federal privacy laws, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, Plan, and BCBSRI also shall comply with Rhode Island law governing the privacy of medical records to the extent applicable, including, but not limited to, the Rhode Island Confidentiality of Health Care Communications and Information Act (R. I. Gen. Laws 5-37.3 et. seq., as amended from time to time). Such responsibilities include, but are not limited to, (a) limiting authorized access to personally identifiable confidential health care information to those individuals having a need to know, (b) identifying the individual(s) who have a responsibility for maintaining security procedures for confidential health care information, (c) providing each Employee a written statement concerning the necessity of maintaining confidentiality of confidential health care information and penalties provided for unauthorized use, (which statement shall be provided by BCBSRI), and (d) taking no disciplinary or punitive action against any Employee or agent solely for bringing a violation of the Act to the attention of any person.

Moreover, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, Plan, and BCBSRI, shall act in accordance with the provisions of BCBSRI's Privacy Policy and Title V of the Gramm-Leach-Bliley Act of 1999 and implementing regulations, and shall maintain in confidence all nonpublic personal information and shall not disclose, use, duplicate, sell, transfer, or broker for employment, marketing, or any commercial purpose or purposes such information, except as contemplated in this Agreement to accomplish the purposes hereof, or as otherwise permitted by BCBSRI's Privacy Policy.

10.3. Obligations Under ERISA.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH and BCBSRI agree that BCBSRI is not the plan administrator or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Plan. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall be responsible for its compliance with ERISA and other applicable federal and state statutes or regulations applicable to group health plans (as defined by ERISA), and BCBSRI shall not have any reporting or other responsibilities under ERISA or any other applicable federal or state statute or regulations, except as expressly provided herein.

As provided in Section 6.1, and subject to Section 6.2, BCBSRI agrees to act as claims administrator to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Plan. The MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH expressly delegates to BCBSRI, and BCBSRI shall have, the sole discretionary authority to decide all claims for benefits under the Benefit Document, and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall defer to the determination of BCBSRI with respect to the disposition of claims under the Benefit Document. When and to the extent BCBSRI is acting in its capacity as claims administrator, BCBSRI agrees that it acts as a fiduciary and that it shall act in accordance with the requirements of ERISA and any applicable state law. In all other capacities, BCBSRI performs only ministerial duties on behalf of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, and shall not be deemed to be acting as a fiduciary, including but not limited to with regard to the holding, disposition, or investment of plan assets, making eligibility determinations on behalf of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, preparation and/or distribution of ERISA required plan documents (including without limitation, plan documents, summary plan descriptions, and summaries of material modifications), or for any other purpose.

BCBSRI agrees to provide MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH with timely and accurate information as necessary to allow the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH to file Form 5500.

10.4. Creditable Coverage.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall provide BCBSRI with all information BCBSRI deems necessary for its timely generation of Certificates of Creditable Coverage in accordance with HIPAA. Such information shall include, but not be limited to, enrollment dates and the existence and length of any waiting periods imposed by the Plan. BCBSRI may rely on the information provided, and shall not be responsible for (or for any compliance failure or resulting penalties imposed

as a result of) any error or omission contained therein or any failure of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH to provide information on a timely basis.

10.5. COBRA and Other Continuation Coverage.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH retains full responsibility for notifying Members (or former Members) of their termination of coverage and their rights to continuation of coverage, whether such coverage is pursuant to COBRA, including regulations and guidance prescribed pursuant thereto, the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), and other applicable state or federal continuation of coverage laws, and for the maintenance of records relating to same. BCBSRI shall have no obligation to ensure that any instructions provided to or received by Members (or former Members), or the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH comply with the requirements of COBRA, USERRA, or other applicable law. Plan or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall indemnify and hold harmless BCBSRI from any and all liability arising from the failure of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH to comply with COBRA, USERRA, or other applicable law.

10.6. Obligations to States.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH is and shall remain responsible for compliance with Plan obligations to make payment of assessments and/or surcharges due under state law or regulation, including but not limited to the Rhode Island Vaccine Assessment Program, the Massachusetts Health Safety Net Trust Fund, and other similar state laws. BCBSRI shall pay the amount due on MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's behalf, and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall reimburse BCBSRI for all such payments as provided in its weekly invoice.

BCBSRI hereby agrees to make payment of the Indigent Care Surcharge and Covered Lives Assessment on behalf of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH pursuant to NYHCRA, beginning on this Effective Date or the first day of the month following the filing (and acceptance) of appropriate form(s) with the state of New York, whichever is later (the "NYHCRA Effective Date"); provided, however MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall immediately notify BCBSRI of the NYHCRA Effective Date. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH acknowledges that claims processed through the BlueCard system include payment of the Indigent Care Surcharge, and agrees to reimburse the full amount paid by BCBSRI to the Host Blue for any such BlueCard claim. Further, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH agrees to reimburse BCBSRI for payments made to the state of New York on its behalf. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall provide such information as BCBSRI may reasonably request in order to make NYHCRA payments on behalf of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall be solely responsible for its compliance obligations prior to the NYHCRA Effective Date.

10.7. Patient Protection and Affordable Care Act (ACA).

The MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, as plan administrator of the Plan and as the employer, retains full responsibility for ensuring that the Plan complies with ACA, including, but not limited to, provisions regarding the summary of benefit and coverage and W-2 reporting requirements and claims and appeals requirements.

With respect of any fees and taxes imposed on the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH under ACA, (including, but not limited to, the reinsurance fees and the patient centered outcomes research trust fund fee), calculation and payment of such fees and taxes to the applicable agency shall be the sole responsibility of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH.

10.8. Consolidated Appropriations Act, 2021.

10.8.1 No Surprises Act (Surprise Billing)

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH remains responsible for Plan compliance with Surprise Billing requirements. BCBSRI shall process Covered Claims subject to the Surprise Billing requirements in accordance with the statute's member cost share and provider payment requirements. When the required payment amount is the Qualifying Payment Amount, BCBSRI shall calculate such amount based on the contracted rates for all self-funded group health plans administered by BCBSRI, unless otherwise agreed to by the Parties. BCBSRI shall also post on its public website and include on explanations of benefits a plain language notice of the Surprise Billing protections.

Covered Claims subject to the Surprise Billing requirements processed through the BlueCard Program will reflect the applicable payment amount calculations performed by the Host Blue. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH authorizes BCBSRI to negotiate payment amounts with providers and participate in the independent dispute resolution (IDR) process on MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's behalf. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH remains responsible for the Covered Claims payment amount determined either through the negotiation process with the provider or the IDR process, and any fees charged by the IDR entity. Reporting on Surprise Billing payments shall be made available upon request.

10.8.2 Prescription Drug Reporting

As of December 27, 2022, in accordance with Section 204 of the CAA, BCBSRI shall include Plan prescription drug information in its annual submission of all self-funded group health plan data to the federal agencies. If Plan pharmacy benefits are administered by a third-party pharmacy benefit manager, BCBSRI will include Plan Medical Drug data as part of its submission.

10.9 Transparency in Coverage Rule.

10.9.1 Machine Readable Files.

As of July 1, 2022, as long as BCBSRI maintains its own machine-readable files for purposes of the Transparency in Coverage requirements, BCBSRI shall provide MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH with a link to such files it makes publicly available on its own website. These files provide information for only those medical benefits administered by BCBSRI and are updated monthly. If BCBSRI ceases to maintain its own machine-readable files for reasons other than the Transparency in Coverage requirements have been repealed or are otherwise no longer in effect, BCBSRI shall provide MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH with written notice at least sixty (60) days in advance of the date on which BCBSRI will cease maintaining such files. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH may post a link to the BCBSRI website on its own website or refer requests for that information to the BCBSRI site.

10.9.2 Consumer Price Transparency Tool.

No later than January 1, 2023, in accordance with Transparency in Coverage requirements, BCBSRI shall make available to Members a personalized cost estimator tool for covered services, including prescription drugs, as applicable. Cost estimates will be available through an internet-based self-service tool or in paper form upon request.

10.9.3 Gag Clause Prohibition Compliance Attestation

To assist MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH with its obligation under the CAA Gag Clause Prohibition Compliance Attestation, BCBSRI shall provide MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH with an annual confirmation as to its compliance with the prohibition with respect to the services BCBSRI provides under this Agreement.

SECTION 11. BLUE CROSS AND BLUE SHIELD ASSOCIATION

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH expressly acknowledges the understanding that this Agreement constitutes an agreement between MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH and BCBSRI and that BCBSRI is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans. The Blue Cross and Blue Shield Association permits BCBSRI to use the Blue Cross and Blue Shield service marks in the State of Rhode Island, and BCBSRI is not contracting as the agent of the Blue Cross and Blue Shield Association. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than BCBSRI, and that no person, entity, or organization other than BCBSRI shall be held accountable or liable to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH for any of BCBSRI's obligations to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of BCBSRI other than those obligations created under other provisions of this Agreement.

11.1. Out of Area Services.

BCBSRI has a variety of relationships with other Blue Cross and/or Blue Shield licensees referred to generally as "Inter-Plan 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 BCBSRI serves, the claim for those services may be processed through one of these Inter-Plan Arrangements. The Inter-Plan Arrangements are described generally below.

Typically, when accessing care outside the geographic area BCBSRI 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 (“non-participating providers”) with the Host Blue. BCBSRI remains responsible for fulfilling our contractual obligations to you. BCBSRI payment practices in both instances are described below.

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

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 paid as medical claims, and those prescription drug benefits or vision care benefits that may be administered by a third party contracted by BCBSRI to provide the specific service or services are not processed through Inter-Plan Arrangements.

11.1.1. BlueCard® Program.

The BlueCard® Program is an Inter-Plan Arrangement. Under this Arrangement, when Members access covered healthcare services outside the geographic area BCBSRI serves, 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.

11.1.1.1. Liability Calculation Method Per Claim – In General.

11.1.1.2. 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 BCBSRI by the Host Blue.

11.1.1.3. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Liability Calculation.

The calculation of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH’s liability on claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to BCBSRI by the Host Blue. 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 providers for specific healthcare services. In cases where the negotiated price exceeds the billed charge, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent 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.

11.1.1.4. 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 BCBSRI by the Host Blue may be represented by one of the following:

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

similar classification of its providers and other claim and non-claim related transactions. Such transactions may include the same ones as noted above for an estimated price.

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 MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent 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 MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent 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 MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent 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 MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent. If MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent terminates, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent 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.

11.1.1.5. BlueCard Program Fees and Compensation.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent understands and agrees to reimburse BCBSRI for certain fees and compensation which BCBSRI are 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 MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent are set forth in the Financial Addendum. BlueCard Program Fees and compensation may be revised from time to time as described in Section 11.6 below.

11.1.2. Negotiated National Account Arrangements.

With respect to one or more Host Plans, instead of using the BlueCard Program, BCBSRI may process your Member claims for covered healthcare services through Negotiated National Account Arrangements.

In addition, if BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH have agreed that Host Blues shall make available custom healthcare provider networks in connection with this Agreement, then the terms and conditions set forth in BCBSRI Negotiated National Account Arrangements with such Host Blues shall apply. These include the provisions governing the processing and payment of claims when Members access such networks. In negotiating such arrangements, BCBSRI is not acting on behalf of or as an agent for MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH group health plan or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Members.

11.1.2.1. Member Liability Calculation.

If BCBSRI has entered into a Negotiated National Account Arrangement with a Host Blue, the Member liability calculation will be based on the lower of either billed covered charges or negotiated price (refer to the description of negotiated price under Section 11.1.1.4, BlueCard Program) that the Host Blue makes available to BCBSRI and that allows MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Members access to negotiated participation agreement networks of specified participating providers outside of BCBSRI service area.

Under certain circumstances, if BCBSRI pays the healthcare provider amounts that are the responsibility of the Member BCBSRI may collect such amounts from the Member.

In situations where participating agreements allow for bulk settlement reconciliations for episode-based payment/bundled payments, BCBSRI may include a factor for such settlement reconciliations as part of the fees BCBSRI charges to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

Where MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees to use reference-based benefits, which are service specific benefit dollar limits for specific procedures, based on a Host Blue's local market rates, Members will be responsible for the amount that the healthcare provider bills for a specified procedure above the reference benefit limit for that procedure. For a participating provider, that amount will be the difference between the negotiated price and the reference benefit limit. For a nonparticipating provider, that amount will be the difference between the provider's billed charge and the reference benefit limit. Where a reference benefit limit exceeds either a negotiated price or a provider's billed charge, the Member will incur no liability, other than any applicable Member cost sharing as described in the Benefit Document.

11.1.2.2. Fees and Compensation.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent understands and agrees to reimburse BCBSRI 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. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as described in Section 11.6 below. In addition, the participation agreement with the Host Blue may provide that BCBSRI must pay an administrative and/or a network access fee to the Host Blue, and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent further agrees to reimburse BCBSRI for any such applicable administrative and/or network access fees. Depending on the Host Blue the administrative and/or network access fee charged to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent may be based on either a per Claim, per Employee per Month, or per Member per month basis. The specific fees and compensation that are charged to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent under Negotiated National Account Arrangements are set forth in the Financial Addendum.

11.1.3. Special Cases: Value-Based Programs.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH'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 National Account 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.

11.1.3.1. Value-Based Programs Administration.

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

- (i) Shared Savings arrangements,
- (ii) Provider Incentives, or
- (iii) Care Coordination Fees.

The Host Blue may pass these provider payments to BCBSRI, which BCBSRI will pass directly on to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH, as its agent 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 as determined by the Host Blue through Actual Pricing. With Actual Pricing, the charge to accounts for Value-Based Programs incentives/Shared Savings settlements is part of the claim. These charges are passed to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent via an enhanced provider fee schedule.

When such amounts are billed separately from the price of the claim, they may be billed as Per Member Per Month (PMPM) billings. PMPM billings for Value-Based Programs incentives/Shared Savings settlements to accounts are outside of the claim system. BCBSRI will pass these Host Blue charges directly through to MUNICIPALITY and/or

SCHOOL DEPARTMENT and/or WBCH as its agent as a Covered Claim cost as listed in the section of the Financial Addendum entitled "Covered Claims Billing.

The amounts used to calculate 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:

- (i) Use any surplus in funds in the variance account to fund Value-Based Program payments or reconciliation amounts in the next measurement period.
- (ii) 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 MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent 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.

11.1.3.2. Care Coordination Fees.

Host Blues may also bill BCBSRI for Care Coordinator Fees for provider services which we will pass on to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent as follows:

- (i) PMPM billings; or
- (ii) 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, BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will not impose Member cost sharing for Care Coordinator Fees.

11.1.3.3. Value-Based Programs under Negotiated National Account Arrangement.

If BCBSRI have entered into a Negotiated National Account Arrangement with a Host Blue to provide Value-Based Programs to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Members, BCBSRI will follow the same procedures for Value-Based Programs administration and Care Coordination Fees as noted in the BlueCard Program section.

As part of this Agreement/contract, BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent may agree to waive Member cost sharing for Care Coordinator Fees.

11.2. Prepayment Review & Return of Overpayments.

If a Host Blue conducts prepayment review activities including, but not limited to, data mining, itemized bill reviews, secondary claim code editing, and DRG audits or engages a third party to perform these activities on its behalf, the Host Blue may bill BCBSRI for these services. These fees may be charged to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, plus an additional administrative assessment, which together shall equal no more than thirty percent (30%) of any recovery or amount passed through to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

Recoveries of overpayments from post-payment review activities can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, audits/healthcare provider/hospital bill audits, credit balance audits, utilization review refunds and unsolicited refunds. Recoveries will be applied so that corrections will be made, in general, on either a claim-by-claim or prospective basis. If recovery amounts are passed on a claim-by-claim basis from a Host Blue to BCBSRI they will be credited to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent account. When a Host Blue identifies and collects these recovery amounts or engages a third party to perform these activities on its behalf, the Host Blue may bill BCBSRI for these services, and these fees may be charged to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, plus an additional administrative assessment, which together shall equal no more than thirty percent (30%) of any recovery or amount passed through to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

11.3. 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, BCBSRI will disclose any such surcharge, tax or other fee to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, which will be MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's liability.

11.4. Nonparticipating Providers Outside BCBSRI Service Area.

11.4.1. Member Liability Calculation-In General.

When covered healthcare services are provided outside of BCBSRI service area by nonparticipating providers, the amounts 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 law. In these situations, the Member may be responsible for the difference between the amount that the nonparticipating provider bills and the payment BCBSRI will make for the covered services as set forth in this paragraph. Payments for out-of-network emergency services will be governed by applicable federal and state law.

11.4.1.1. Exceptions.

In some exception cases, BCBSRI may pay claims from nonparticipating healthcare providers outside of BCBSRI service area based on the provider's billed charge. This may occur in situations where a Member did not have reasonable access to a participating provider, as determined by BCBSRI or by applicable law. In other exception cases, BCBSRI may pay such claims based on the payment BCBSRI would make if BCBSRI were paying a nonparticipating provider inside of BCBSRI service area. This may occur where the Host Blue's corresponding payment would be more than BCBSRI in-service area nonparticipating provider payment. BCBSRI may choose to negotiate a payment with such a provider on an exception basis.

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

11.4.1.2. Fees and Compensation.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH understands and agrees to reimburse BCBSRI 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 MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent are set forth in the Financial Addendum. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in Section 11.6 below.

11.5. Blue Cross Blue Shield Global® Core.

11.5.1. General Information.

If Members are outside the United States (hereinafter: “BlueCard service area”), they may be able to take advantage of Blue Cross Blue Shield Global® Core when accessing covered healthcare services. Blue Cross Blue Shield Global Core is unlike the BlueCard Program available in the BlueCard service area in certain ways. For instance, although Blue Cross Blue Shield Global Core 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.

11.5.2. Inpatient Services.

In most cases, if Members contact the service center for assistance, hospitals will not require Members to pay for covered inpatient services, except for their cost-share amounts/deductibles, coinsurance, etc. In such cases, the hospital will submit Member claims to the 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. Preauthorization is recommended for non-emergency inpatient services.

11.5.3. 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. Preauthorization is recommended for outpatient services.

11.5.4. 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 claim form and send the claim form with the provider’s itemized bill(s) to the service center address on the form to initiate claims processing. The claim form is available from BCBSRI, the service center, or online at www.bcbsglobalcore.com. If Members need assistance with their claim submissions, they should call the service center at 1.800.810.BLUE (2583) or call collect at 1.804.673.1177, 24 hours a day, seven days a week.

11.5.5. Blue Cross Blue Shield Global Core Related Fees.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent understands and agrees to reimburse BCBSRI 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 MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent under Blue Cross Blue Shield Global Core are set forth in the Financial Addendum. Fees and compensation under applicable Inter-Plan Arrangements may be revised from time to time as provided for in Section 11.6 below.

11.6. Modifications or Changes to Inter-Plan Arrangement Fees or Compensation.

Modifications or changes to Inter-Plan Arrangement fees are generally made effective January 1 of the calendar year, but they may occur at any time during the year. In the case of any such modifications or changes, BCBSRI shall provide MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent with at least thirty (30) days advance written notice of any modification or change to such Inter-Plan Arrangement fees or compensation describing the change and the effective date thereof and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH’s right to terminate this Agreement without penalty by giving written notice of termination before the effective date of the change. If MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent fails to respond to the notice and does not terminate this Agreement during the notice period, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will be deemed to have approved the proposed changes, and BCBSRI will then allow such modifications to become part of this Agreement.

SECTION 12. GENERAL PROVISIONS.

12.1. Notices.

Except as otherwise explicitly provided in this Agreement, all notices required to be given hereunder shall be in writing. Notices shall be deemed sufficiently given if delivered or mailed by postage-prepaid certified mail or overnight carrier, return receipt requested, to the signatory and the address shown on the cover page of this Agreement or to such other person and address as may be subsequently provided in writing by either Party to the other. The notice shall be effective on the date indicated on the return receipt.

12.2. Assignment.

This Agreement shall bind and inure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights or obligations of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent hereunder shall be assigned or transferred by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent without the prior written consent of BCBSRI. BCBSRI may assign or transfer this Agreement and/or its rights or obligations hereunder to an affiliate of BCBSRI by providing written notice to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's may terminate this Agreement without penalty by giving written notice of termination before the effective date of the change.

12.3. Change in Ownership

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall provide BCBSRI written notice of the occurrence of any event constituting a change in ownership or effective control as promptly as practical, and in no case later than thirty (30) days, before the occurrence of such event.

12.4. Severability.

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

12.5. Waiver of Provisions.

The failure of any Party to insist upon strict performance of a covenant or representation hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such Party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder, shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any obligation hereunder. No term or provision of this Agreement may be waived unless such waiver is in writing and signed by the Party against whom such waiver is sought to be enforced.

12.6. Entire Agreement.

This Agreement constitutes the entire understanding between the Parties hereto with respect to the transactions contemplated herein.

12.7. Modifications and Amendments.

Notwithstanding any provision contained herein to the contrary and for the purpose of: (a) complying with the provisions of any law, lawful order of court or regulatory authority; or (b) maintaining the consistency of Plan administration with the design of like programs administered by BCBSRI, BCBSRI, upon giving not less than ninety (90) days prior written notice to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, shall have the right to amend this Agreement (including all Exhibits) to the extent necessary to accomplish such purposes. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees to pay any change in claims expense and/or reasonable Administrative Fees resulting from the amendment. If the Parties cannot agree to any such change or amendment, notwithstanding any provision of this Agreement to the contrary, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent or BCBSRI may terminate this Agreement as of the end of any month by giving ninety (90) days prior written notice to the other Party. BCBSRI shall administer claims to conform to the amendment, which shall be deemed to be incorporated by reference into this Agreement. MUNICIPALITY and/or SCHOOL

DEPARTMENT and/or WBCH as its agent assumes all responsibility for communication of Benefit Document amendments to the Members and for other notices that may be required by applicable law.

This Agreement shall not be modified, except in writing executed by all parties hereto; provided, however, that the Financial Addendum shall be modified with respect to any changes to the annual required deposit amount and/or monthly premium amount, as provided in the Financial Addendum, and the Agreement may be amended by BCBSRI in the event of an enrollment reduction as provided in Section 5.3, and any such modification or amendment shall be communicated to the MUNICIPALITY and WBCH by BCBSRI in a writing approved by an officer of BCBSRI and signed by BCBSRI, which writing shall constitute an amendment to this Agreement.

12.8. Exhibits and Financial Addendum.

The attached Exhibits and Financial Addendum shall be deemed a part of this Agreement as if fully set forth herein and, as modified or amended from time to time, are hereby incorporated by reference into this Agreement. If any provision of the Exhibits or Financial Addendum conflicts with or contradicts any other provision of this Agreement, such other provision of this Agreement shall control.

12.9. Headings.

The captions contained in this Agreement are inserted as a matter of convenience and in no way define, limit or extend the scope or intent of any provisions hereof.

12.10. Counterparts.

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

12.11. Governing Law.

This Agreement shall be governed by the laws of the state of Rhode Island.

12.12. Third Party Beneficiaries.

This Agreement is entered into solely between, and may be enforced only by, BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, and this Agreement shall not be deemed to create any rights in third parties, including employees, third party vendors, and customers of BCBSRI or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, or to create any obligations of BCBSRI or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to any such third parties.

12.13. Survival of Terms.

The obligations of the Parties which by their nature would continue beyond the termination, cancellation, or expiration of this Agreement shall survive termination, cancellation, or expiration of this Agreement, including, but not limited to, the provisions of Sections 2.2.3.1 (MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH obligations regarding bankruptcy claims), 3.3.1 (Hospital and Provider Settlement), 3.3.2 (Payments and Billing Upon Termination), 7.2 (Confidential Information), and 10 (Compliance with Laws).

SECTION 13. RHODE ISLAND REGULATORY COMPLIANCE PROVISIONS

The following provisions are included in order to comply with Rhode Island Insurance Regulation 23:

13.1 The validity of this Agreement shall not be contested after it has been in force for two (2) years from its date of issue except for non-payment of premiums and other amounts due.

13.2 No statement made by any eligible employee or eligible dependent shall be used to avoid insurance or reduce benefits unless: such insurance has been in force for a period of less than two (2) years during such individual's lifetime; (2) such statement was contained in a written instrument signed by the individual making the statement; and (3) a copy of the written instrument was provided to the individual.

13.3 A copy of the application, if any, made by the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to obtain coverage under this Agreement shall be attached to this Agreement. All statements made by the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in its application shall be deemed to be representations and not warranties.

13.4 All benefits payable under this Agreement shall be paid not later than sixty (60) days after receipt of proof.

SECTION 14. INDEMNIFICATION

14.1 Indemnification by MUNICIPALITY and/or SCHOOL DEPARTMENT .

To the fullest extent permitted by law, the MUNICIPALITY and/or SCHOOL DEPARTMENT shall indemnify, defend, and hold harmless BCBSRI, its directors, officers, agents, and employees, from and against any and all actions, causes of action, manners of actions, liabilities, demands, claims, fines, or judgments at law and in equity, including all costs and reasonable attorneys' fees associated therewith and incident thereto, arising out of any matters relating to the actions or omissions of WBCH as the MUNICIPALITY and/or SCHOOL DEPARTMENT's agent in the administration of this Agreement, including, but not limited to, the setting of rates.

14.2 Indemnification by WBCH.

WBCH shall indemnify and hold harmless BCBSRI against any and all claims, demands, or liabilities (including fines and penalties, judgments, settlements, expenses, reasonable attorneys' fees, and costs) arising out of, involving, or in any manner relating, directly or indirectly, to non-compliance with the provisions of Rhode Island General Laws Section 27-20.7 or the acts or omissions of WBCH in handling funds or administering benefits for WBCH Members or new members of WBCH including, without limitation, claims by WBCH Members or new members of WBCH against BCBSRI. The foregoing obligations to indemnify and hold harmless will not apply unless BCBSRI (a) promptly notifies WBCH of any matters in respect of which the indemnity may apply and of which BCBSRI has knowledge; and (b) reasonably cooperates with WBCH, at WBCH's cost and expense, in the defense or settlement thereof.

14.3 Indemnification by BCBSRI

BCBSRI shall indemnify, hold harmless and defend WBCH from and against any and all third party claims, losses, liabilities, costs and other expenses (including but not limited to, reasonable attorneys' fees and costs, administrative penalties and fines, costs expended to notify individuals and/or to prevent or remedy possible identity theft, financial harm or any other claims of harm related to a breach) arising directly out of criminal conduct, fraud, or willful misconduct on the part of BCBSRI or its employees under this Agreement.

SECTION 15. PLAN BENEFITS LITIGATION.

If a claim or demand is asserted or litigation, arbitration, or administrative proceedings are commenced by a Member or provider for benefits ("Plan Benefits Litigation") against BCBSRI, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, or the Plan (each a "Defendant" and collectively, "Defendants"):

- a) each Party will select and retain its own defense counsel, unless there is no conflict of interest among one or more Defendants, and such Defendants agree to joint defense counsel;
- b) each Defendant will be responsible for the legal fees, expenses, disbursements, and costs it may incur in defense of Plan Benefits Litigation, subject to the indemnification obligation of any Party, if applicable;
- c) each named Defendant will notify any unnamed Defendant of Plan Benefits Litigation as promptly as reasonably practicable upon receiving notice of, or actual knowledge of, such litigation;
- d) the Defendants will cooperate fully with each other in the defense of any Plan Benefits Litigation;
- e) named Defendants will have the sole discretion to resolve the legal or administrative proceeding in a reasonable manner and for a reasonable amount under the circumstances; and
- f) in any event, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will remain responsible for the full amount of any benefits paid as a result of Plan Benefits Litigation.

15.1 Limitation on Liability.

Neither Party shall be liable to the other for any consequential, punitive, special, or exemplary damages, including lost profits, that result from any breach of this Agreement or from any Party's performance under this Agreement; provided, however, that this limitation does not apply to claims for indemnification by either Party against the other for claims brought by third parties.

SECTION 16. DISPUTES.

16.1 The Parties agree that, before initiating any litigation concerning this Agreement or their respective obligations hereunder, they will attempt in good faith to resolve their dispute, which shall include but not be limited to a meeting between representatives of the Parties with authority to resolve the dispute. If the Parties cannot mutually agree within forty-five (45) days of submission of a dispute, then the dispute will be escalated to senior management of the Parties in an effort to resolve the dispute. Should either Party wish to pursue the matter further, then before initiating any litigation, the Parties will attempt in good faith to resolve their dispute through non-binding mediation, which mediation must be initiated no more than ninety (90) after the date a Party first gave written notification of the dispute to the other Party. Any such mediation shall be non-binding and conducted under the then current Commercial Mediation Rules of the American Arbitration Association, before a single mediator engaged in the practice of law who is knowledgeable about employee benefit plan administration. The mediation shall be held in Providence, Rhode Island or a mutually-agreeable site.

16.2 In any litigation concerning this Agreement or their respective obligations under this Agreement, the Parties agree that the forum shall be a state or federal court of competent jurisdiction in Rhode Island, and the Parties waive any right to a jury trial and any right to maintain claims arising out of this Agreement as a class action.

FINANCIAL ADDENDUM

PAID COST PER EMPLOYEE

This Financial Addendum is made and effective on the Effective Date by and between BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

This Financial Addendum sets forth the financial terms and fees for each Rating Period applicable to the Term of the Agreement and lists the Benefit Document(s) titles and form numbers for the initial Rating Period.

The Parties hereto acknowledge they have read and agree to all terms and conditions stated herein and in the Agreement. The Parties understand this Financial Addendum supersedes all prior oral or written financial proposals, financial representations and other financial communications between the Parties with respect to the Agreement. If any provision of this Financial Addendum conflicts with or contradicts any other provision of the Agreement, such other provision of the Agreement shall control unless this Financial Addendum expressly states that the Parties intend to deviate from the terms and conditions of the Agreement provision.

SELF-FUNDED HEALTH PLAN – FINANCIAL TERMS

Rating Period and Renewal.

Rating Period: The initial Rating Period of the Term begins on the Effective Date and ends on June 30, 2025. Subsequent Rating Periods are set forth in the section entitled “Monthly Per-Employee Charges.”

Renewal: For purposes of Section 2.1.2 of this Agreement, this Agreement shall be extended upon mutual written agreement of the Parties, unless terminated in accordance with the terms of the Agreement. Subsequent Rating Periods are set forth in the section entitled “Monthly Per-Employee Charges”.

Administrative Fee.

The Administrative Fee will be included in the Monthly Per-Employee Charges billing and payable on the same terms as described herein and in Section 3.1.1 of the Agreement entitled “Payment of Financial Terms”. As described in section 3.1.4, the per Employee per month Administrative Fee has been reduced to reflect projected Medical Drug Rebates and any Variance amounts that may be received. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges that BCBSRI will retain these amounts regardless of whether the actual amounts received for that period may be greater than the reduction included in the Administrative Fee, subject to the provisions of Exhibit D, “Prescription Drug Rebate Guarantees.”

BCBSRI reserves the right to adjust the Administrative Fee in the event: (a) there is a Significant Change in the number of enrolled Employees; (b) MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent changes the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH’s Health Plan; or (c) there is a change in the BCBSRI PBM vendor; or (d) there is a change in BCBSRI’s or BCBSRI’s PBM vendor’s ability to offer, deliver or receive Prescription Drug Rebates; or (e) there is a change in the terms of BCBSRI’s contract with its PBM vendor which impacts Prescription Drug Rebates. BCBSRI also reserves the right to revise the Prescription Drug Rebate terms, in the event any state or federal law or regulation reduces, restricts or eliminates the ability of BCBSRI or BCBSRI’s PBM to offer or, deliver or receive the Prescription Drug Rebates.

Monthly Per-Employee Charges.

The Administrative Fee, for each Rating Period during the Term of the Agreement, is included in the Monthly Per-Employee Charges. The items included in the Monthly Per-Employee Charges shall be the Administrative Fees and other additional benefits or services purchased by the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent. Should MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent choose to purchase additional benefits or services not included in the standard package (“Optional Services”), the rate associated with such Optional Services will be set forth in this Financial Addendum for the initial Rating Period. BCBSRI will determine the charge for Administrative Fees and Optional Services prior to each subsequent Rating Period.

The Monthly Per-Employee Charges for the initial Rating Period is based on three hundred sixty three (363) Employees enrolled under the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH’s Health Plan and subject to the terms as described herein and in Section 3.1 of the Agreement. The group numbers, products, items, and rate included in the Monthly Per-Employee Charges for the initial Term shall be:

Group/Subgroup Number(s):	Product Name(s):
00002291/0001	Classic Blue Ded \$100/ER\$0
00002291/0001	HMC2C Coinsurance 100/80 D\$250/ER\$100
00002291/0002, 0003	BlueSolutions
00002291/0004, 0005	HMC2C Coinsurance 100/80 D500

Items	Rates	Rates	Rates
	July 1, 2024 through June 30, 2025	July 1, 2025 through June 30, 2026	July 1, 2026 through June 30, 2027
	Monthly Per-Employee Charges	Monthly Per-Employee Charges	Monthly Per-Employee Charges
Paid Cost Administrative Fee (Using BCBSRI as Stop-Loss Carrier) (Using Third-Party dental carrier) (Using BCBSRI PBM) (Using ACH Debit)	\$41.00	\$41.00	\$42.23
Telemedicine	\$0.50	\$0.50	\$0.50
Total Monthly Per-Employee Charges for the Rating Period:	\$41.50	\$41.50	\$42.73

Effective July 1, 2024, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent has Stop-Loss Insurance with BCBSRI. In the event MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH enters into a Stop-Loss Insurance agreement with a Third-Party Stop-Loss Carrier or discontinues Stop-Loss Insurance altogether, the Administrative Fee shall increase by \$2.50 per Employee per month. The increase shall be effective on the termination date of the BCBSRI Stop-Loss Insurance agreement.

Effective July 1, 2024, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent has dental coverage with a third-party dental carrier. In the event MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent enters into a dental coverage agreement with BCBSRI, the Administrative Fee shall decrease by \$1.00 per Employee per month. The decrease shall be effective on the effective date of the dental coverage agreement with BCBSRI.

The Administrative Fee presumes that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent pays Covered Claims billing via ACH debit. In the event, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent chooses to pay Covered Claims billing by bank wire transfer or check, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent understands and agrees the Administrative Fee shall increase by \$1.50 per Employee per month. The increase shall be effective on the first day of the month following the change from ACH debit to first bank wire transfer or check payment and shall be applied each month that bank wire transfer or check payment is in effect. Notwithstanding the foregoing, in the event MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent pays Covered Claims billing by bank wire transfer or check, BCBSRI, in its discretion, may increase the Required Deposit.

Covered Claims Billing.

Pursuant to the provisions in Section 3.1.1 of the Agreement, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall be billed weekly by BCBSRI for Covered Claims paid by BCBSRI for Members. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall remit payment via BCBSRI initiated ACH debit from the Bank Account.

BCBSRI shall give MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent a minimum of twenty-four (24) hours notice prior to initiating the ACH debit. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall ensure that good and sufficient funds are on deposit in the Bank Account for the payment of such Covered Claims billing.

BlueCard Program Fees

Pursuant to the provisions in Section 11 of the Agreement, only the BlueCard Program Access Fee, the BlueCard Program and Blue Cross Blue Shield Global Core Administrative Expense Allowance (AEA) fee and per claim Negotiated National Account Arrangement fees 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 BCBSRI for making the applicable Host Blue's provider network available to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent's Members. The Access Fee will not apply if the provider does not participate in the applicable Host Blue's network. The Access Fee is charged on a per-claim basis and is charged as a percentage of the discount/differential BCBSRI receives from the applicable Host Blue subject to a maximum of \$2,000 per claim. When charged, BCBSRI passes the Access Fee directly on to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

BlueCard Program Access Fees: A BlueCard Program Access Fee may be charged only if the Host Blue's arrangement with its healthcare provider prohibits billing Members for amounts in excess of the negotiated payment. However, a healthcare provider may bill Members for non-covered healthcare services and for cost sharing (for example, deductibles, copayments and/or coinsurance) related to a particular claim.

How the Blue Card Program Access Fee Affects MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH: Sometimes the Access Fee is a negative amount, which is known as an Access Fee Credit. Any Access Fee Credits will be credited to BCBSRI and BCBSRI will pass the entire Access Fee Credit onto MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

Instances may occur in which the claim payment is zero or BCBSRI 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, BCBSRI will pay the Host Blue's Access Fee and pass it along directly to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent as stated above even though MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent paid little or had no claim liability.

The AEA Fee is a fixed per-claim dollar amount charged by the Host Blue to BCBSRI for administrative services that the Host Blue provides in processing claims for MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent's Members. The dollar amount is normally based on the type of claim (e.g. institutional, professional, international, etc.) and can also be based on the size of your group enrollment. When charged, BCBSRI passes the AEA Fee directly on to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

See the fee listing below for the BlueCard Program Access Fee, BlueCard Program and Blue Cross Blue Shield Global Core AEA Fee, the Nonparticipating Provider Fee, and Negotiated National Account Arrangement Fees, if applicable. See the Financial Addendum for the Administrative Fee. The Administrative Fee includes all other fees relative to the BlueCard Program. These fees include the Central Financial Agency Fee, ITS Transaction Fee, Blue Cross Blue Shield Global Core transaction fees and per Employee or Member Negotiated National Account Arrangement Fees, if applicable.

An Administrative Fee encompasses fees BCBSRI charges to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for administering MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's benefit plan. They may include both local, within BCBSRI'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 and AEA Fee: namely, Central Financial Agency Fee, ITS Transaction Fee, Blue Cross Blue Shield Global Core transaction fees and per Employee or Member per month Negotiated National Account Arrangement Fees, if applicable.

Inter-Plan Arrangements Fees:	The fees listed below are effective July 1, 2024 through June 30, 2025, as noted
<i>BlueCard Program Fees</i>	
Access Fees:	<p><u>July 1, 2024 through December 31, 2024</u> 3.46% of network savings, capped at \$2,000.00 per claim</p> <p><u>January 1, 2025 through June 30, 2025</u> 3.31% of network savings, capped at \$2,000.00 per claim</p>
Administrative Expense Allowances (AEAs):	\$5.00 per claim professional and \$11.00 per claim institutional
<i>Negotiated National Account Arrangement Fees:</i>	
	<p>Up to \$6.54 per claim</p> <p>In some instances, the Negotiated National Account Arrangement Fees are not charged on a per claim basis and instead shall be included in the Administrative Fee.</p> <p>Certain states may not participate in Negotiated National Account Arrangements. In that event, BlueCard Program Fees, indicated above, are billed to the account.</p>
<i>Blue Cross Blue Shield Global Core</i>	
Administrative Expense Allowances (AEAs):	\$3.75 per claim Member-submitted; \$4.75 per professional claim; and \$17.00 per institutional claim.
<i>Nonparticipating Provider Fee:</i>	
Nonparticipating Provider Claims Processing Fee:	\$3.00 per claim for out-of-network claims.

Required Deposit.

As described in Section 3.1.6. of the Agreement, SCHOOL DEPARTMENT and/or WBCH as its agent shall provide a required deposit. The required deposit for the initial Rating Period shall be:

The required deposit amount due for the Rating Period:	\$142, 000
Less the required deposit previously paid by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent:	-\$129, 000
The total required deposit due from MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent is:	\$13, 000
:	The \$13, 000 increase in Required Deposit is waived. Therefore, no additional deposit is required.

Funding.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Health Plan Funding.

As described in Section 3.4 of the Agreement, BCBSRI shall provide to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent Health Plan Funding as follows.

Rating Period	Health Plan Funding
July 1, 2024 through June 30, 2025	\$200,000
July 1, 2025 through June 30, 2026	\$200,000
July 1, 2026 through June 30, 2027	\$200,000

Liquidated Damages

Pursuant to Section 2.2.2.1 of this Agreement, if this Agreement is terminated by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, then MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall pay to BCBSRI an amount calculated by multiplying the average number of enrolled Employees during the final three (3) months before the termination times the then-current Monthly Per-Employee Administrative Fee times one and one-half (1 1/2) months. The Parties acknowledge and agree said sum (a) shall be liquidated damages and not a penalty, and (b) is reasonable given the difficulty of ascertaining the precise loss BCBSRI would suffer as a result of such termination.

Pursuant to Section 9 of this Agreement, if MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent’s use of the BCBSRI PBM under this Agreement is terminated by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, then MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall pay to BCBSRI an amount calculated by multiplying the number of enrolled Employees during the final month before the termination times three (3) months month of the Administrative Fee. The Parties acknowledge and agree said sums (a) shall be liquidated damages and not a penalty, and (b) is reasonable given the difficulty of ascertaining the precise loss BCBSRI would suffer as a result of such terminations.

MSK Program Billing.

Pursuant to the provisions in Section 6.13 of the Agreement, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall be billed by BCBSRI for the MSK Program as described below.

MSK Program Services	Effective March 1, 2025 through June 30, 2025
Service Fee per MSK Program Member	
Enrollment and first completed session (billed once per Rating Period)	\$250
Subsequent completed sessions (billed monthly)	\$50 each

Each service fee includes provider charges and a BCBSRI administrative assessment and shall be invoiced to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in the amounts above. MSK Program Members may engage in an unlimited number of sessions; however, charges to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for the MSK Program are capped at \$1,750 per MSK Program Member for the Rating Period.

In addition, an annual program cap shall apply such that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall not pay more than nine hundred ninety-five (\$995) dollars multiplied by the total number of MSK Program Members (“Maximum MSK Program Payment”) in an applicable Rating Period. Within sixty (60) days of the end of the applicable Rating Period, BCBSRI shall calculate the service fee payments made for the Rating Period and the difference between those payments and the Maximum MSK Program Payment. If the service fee payments made are greater than the Maximum MSK Program Payment,

BCBSRI will notify MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and make payment of the difference to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent within thirty (30) days of that notification.

If the Agreement or MSK Program with BCBSRI is terminated by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent prior to the end of a Rating Period, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges and agrees that the annual program cap described above will no longer be valid or enforceable, and the reconciliation process and potential payment described therein will not be made.

Contingencies.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent represents, covenants, and warrants that the following contingencies shall apply throughout the term of the Agreement.

1. BCBSRI shall be the exclusive administrator of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan for MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for the duration of the Agreement.
2. A minimum of (75%) of eligible Employees must be enrolled in MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan administered by BCBSRI for the duration of the Agreement.

BENEFIT DOCUMENT TITLES

The Benefit Document(s) for the initial Rating Period, July 1, 2024 through June 30, 2025 are shown below:

For self-funded health plan coverage.

Product Name

Classic
HealthMate Coast-to-Coast

EXHIBIT A - LIST OF WBCH MEMBERS

WBCH Members as of July 1, 2024 through June 30, 2025 are:

Account Name	Account #	Group #
Cranston Public Schools	000000767	
Cranston Public Schools		00000767
Warwick Public Schools	000000700	
Warwick Public Schools		00000700
Town of Westerly	000000055	
Town of Westerly		00000055
Town of Westerly HDHP		01002581
Westerly Public Schools		00007682
Coventry Public Schools	000000409	
Coventry Public Schools		00002047
Town of Barrington	000003557	
Town of Barrington		00003557
Town of Barrington HDHP		01002804
Chariho Regional School District	000002291	
Chariho Regional School District		00002291
Foster Gloucester Reg School	000001217	
Foster Gloucester Reg School		00001217
Foster School Department		00001823
Town of Foster		00004131
Town of Cumberland	000000627	
Town of Cumberland		00000627
Cumberland Police HDHP		01002378
Cumberland School Department - Certified		00000765
Town of Scituate	000002473	
Town of Scituate		00002473
Scituate School Department		00002124
Narragansett School System	000003996	
Narragansett School System		00003996
Exeter W Greenwich Regional School	000001804	
Exeter W Greenwich Regional School		00001804

EXHIBIT B - SELF-FUNDED HIPAA AGREEMENT

This Self-Funded HIPAA Agreement, (the “HIPAA Agreement”) is made and entered on the Effective Date by and between BCBSRI and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, on behalf of itself and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent GROUP HEALTH PLAN (as defined in the Recitals, below). This HIPAA Agreement shall replace any HIPAA Agreement previously executed by and between MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI.

RECITALS

WHEREAS, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent sponsors one or more group health plan(s), MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent Group Health Plan(s), (hereinafter referred to as “GROUP HEALTH PLAN”) that provides medical benefits to MUNICIPALITY and/or SCHOOL DEPARTMENT’s and/or WBCH as its agent Employees and other individuals who are eligible to participate in the GROUP HEALTH PLAN; and

WHEREAS, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, GROUP HEALTH PLAN and BCBSRI desire to make clear their respective obligations under the Health Insurance Portability and Accountability Act of 1996 as amended by the Health Information Technology for Economic and Clinical Health Act (“HITECH Act,” collectively “HIPAA”), the HIPAA implementing regulations (“HIPAA Regulations”), along with any guidance and/or regulations issued by the Department of Health and Human Services that are applicable to business associates; and; and

WHEREAS, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent desires to have, and BCBSRI is willing to provide administrative services to administer to the coverage of health benefits by the GROUP HEALTH PLAN; and

WHEREAS, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, in its capacity as plan sponsor, is solely responsible for funding the GROUP HEALTH PLAN.

NOW, THEREFORE, and in consideration of the promises to each other as hereinafter set forth, the Parties hereto do mutually agree as follows:

I. Definitions.

The terms “Electronic Protected Health Information” (ePHI), “Disclosure,” “Genetic Information,” “Protected Health Information” (PHI), “Subcontractor,” and “Use” have the meanings set out in 45 C.F.R. § 160.103. The term “Required by Law” has the meaning set out in 45 C.F.R. § 164.103. The terms “Data Aggregation” and “Health Care Operations” have the meanings set out in 45 C.F.R. § 164.501.

Any other capitalized terms not identified here shall have the meaning as set forth in 45 C.F.R. Parts 160-64 or in the HITECH Act.

II. Relationship of the Parties.

For purposes of HIPAA compliance, the GROUP HEALTH PLAN is a “covered entity” (as defined in 45 C.F.R. § 160.103), MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent is an employer sponsor and plan administrator of GROUP HEALTH PLAN, and BCBSRI is a Business Associate with respect to the GROUP HEALTH PLAN and has access to Protected Health Information (“GROUP HEALTH PLAN’s PHI”). This HIPAA Agreement is intended to constitute a Business Associate agreement as required by the HIPAA Regulations and shall be deemed to include any provisions required by HIPAA or the HITECH Act with respect to a “Business Associate” (BA) agreement.

III. Permitted Uses and Disclosures under HIPAA and the HITECH Act.

- A. From time to time during the course of this HIPAA Agreement, BCBSRI may receive or create PHI receive on behalf of GROUP HEALTH PLAN.
- B. With respect to its use and Disclosure of GROUP HEALTH PLAN’s PHI, BCBSRI agrees to comply with any applicable Business Associate requirements under HIPAA and the HIPAA Regulations. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees, as plan sponsor and plan administrator, that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and GROUP HEALTH PLAN will fully comply with each of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and

GROUP HEALTH PLAN's respective obligations, under HIPAA and the HIPAA Regulations.

- C. GROUP HEALTH PLAN's PHI. With respect to the GROUP HEALTH PLAN's PHI, BCBSRI may:
1. Use and Disclose GROUP HEALTH PLAN's PHI for the performance of administrative services;
 2. Disclose GROUP HEALTH PLAN's PHI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent subject to the provisions of Section VII.A below and the limitations set forth in the Employer Certification (as that term is defined in Section VII.A below) for the purpose of performing plan administrative functions (as that term is defined in the HIPAA Regulations);
 3. Use and Disclose GROUP HEALTH PLAN's PHI for BCBSRI's proper management and administration or to carry out BCBSRI's legal responsibilities, provided that, with respect to Disclosure of GROUP HEALTH PLAN's PHI, either:
 - The Disclosure is Required by Law; or
 - BCBSRI will require any third party, including vendors and agents to which BCBSRI Discloses GROUP HEALTH PLAN's PHI, to provide reasonable assurance evidenced by written contract, that such vendor or agent will:
 - Hold GROUP HEALTH PLAN's PHI in confidence and Use or further Disclose GROUP HEALTH PLAN's PHI only for the purpose for which BCBSRI Disclosed GROUP HEALTH PLAN's PHI to the person or entity or as Required by Law; and
 - Promptly notify BCBSRI (who will in turn notify MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in accordance with Section IV of this Agreement) of any instance of which the person or entity becomes aware in which the confidentiality of GROUP HEALTH PLAN's PHI was breached.
 4. Use and Disclose GROUP HEALTH PLAN's PHI in its capacity as a business associate of GROUP HEALTH PLAN to provide Data Aggregation services relating to the Health Care Operations of GROUP HEALTH PLAN.
 5. Otherwise Use and Disclose GROUP HEALTH PLAN's PHI in any manner that GROUP HEALTH PLAN may Use and Disclose PHI under the HIPAA Regulations.
- D. Subcontractors. BCBSRI shall require any Subcontractor that creates or receives GROUP HEALTH PLAN's PHI to engage in a written agreement requiring that the Subcontractor comply with the same restrictions and conditions that apply through this Agreement to BCBSRI with respect to such PHI. BCBSRI shall require any Subcontractor that creates or receives Electronic PHI to agree in writing to comply with the Security Rule (45 C.F.R. Part 164, Subpart C).
- E. Minimum Necessary. BCBSRI will make reasonable efforts to Use, to Disclose, and to request of the GROUP HEALTH PLAN only the minimum amount of the GROUP HEALTH PLAN's PHI reasonably necessary to accomplish the intended purpose of the Use, Disclosure or request. BCBSRI is not obligated to comply with this minimum necessary limitation with respect to Uses and Disclosures excepted from the requirement in 45 C.F.R. § 164.502(b)(2).
- F. Prohibition on Non-Permitted Uses and Disclosures. BCBSRI will neither use nor disclose GROUP HEALTH PLAN's PHI except as permitted or required by this HIPAA Agreement or in writing by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent or as Required by Law. Except as permitted in Sections III.C.3 and III.C.4 of this Agreement, BCBSRI may not use or disclose GROUP HEALTH PLAN's PHI in a manner that would violate the HIPAA Regulations if done by GROUP HEALTH PLAN. BCBSRI will not sell GROUP HEALTH PLAN's PHI. BCBSRI will not use or disclose Genetic Information except as permitted by 45 C.F.R. § 164.502(a)(5)(i).

IV. Safeguards.

- A. Protected Health Information. BCBSRI will use reasonable and appropriate safeguards to prevent the Use or Disclosure of GROUP HEALTH PLAN's PHI in a manner not permitted by this HIPAA Agreement.
- B. Electronic Protected Health Information. BCBSRI will comply with the Security Rule (45 C.F.R. Part 164, Subpart C) with respect to GROUP HEALTH PLAN's PHI that BCBSRI maintains or transmits in electronic format.

V. BCBSRI Reporting Obligations for a Privacy Breach or Security Incident.

- A. Privacy Breach. BCBSRI will report to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent within ten (10) business days following discovery of any “Breach” of “Unsecured Protected Health Information” as these terms are defined by the HITECH Act and its implementing regulations. Any such report shall include the identification (if known) of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by BCBSRI to have been, accessed, acquired, or Disclosed during such Breach. BCBSRI shall cooperate with MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in investigating the Breach and in meeting GROUP HEALTH PLAN’s obligations under the HITECH Act and any other security breach notification laws and shall provide notices to individuals unless otherwise agreed to by the parties. If required by applicable law, BCBSRI shall offer credit monitoring services to affected individuals for as long as required by such laws.
- B. Other Non-Permitted Disclosures. BCBSRI will provide to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent upon request a report of Uses or Disclosures of GROUP HEALTH PLAN’s PHI that do not qualify as “Breaches” but are nevertheless non-permitted Uses or Disclosures under this HIPAA Agreement.
- C. Security Incident. BCBSRI will report to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent any attempted or successful (i) unauthorized access, Use, Disclosure, modification, or destruction of GROUP HEALTH PLAN’s ePHI; or (ii) interference with BCBSRI’s system operations in BCBSRI’s information systems involving PHI, of which BCBSRI becomes aware. With respect to any incident not reported pursuant to Sections V.A or B, above, BCBSRI will make this report upon MUNICIPALITY and/or SCHOOL DEPARTMENT’s and/or WBCH as its agent request, except if any such incident resulted in significant interference with system operations in BCBSRI’s information systems involving PHI, BCBSRI will make this report to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent within ten (10) business days.
- D. BCBSRI shall cooperate with and provide information to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in investigating any non-permitted Disclosure, breach or security incident involving PHI and in meeting GROUP HEALTH PLAN’s obligations under the HITECH Act. BCBSRI shall not notify individuals of any such unpermitted Disclosure, breach or security incident unless directed by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

VI. Obligation to Provide Access, Amendment, and Accounting of PHI.

- A. Access to PHI. BCBSRI agrees to comply with requirements pertaining to the rights of individuals under the HIPAA Regulations and agrees to respond to enrollee requests for information as they are referred to BCBSRI by GROUP HEALTH PLAN. BCBSRI shall make such information available in an electronic format where directed by GROUP HEALTH PLAN.
- B. Amendment of PHI. BCBSRI will, upon receipt of written notice from GROUP HEALTH PLAN, promptly amend or permit GROUP HEALTH PLAN access to amend any portion of GROUP HEALTH PLAN’s PHI, so that GROUP HEALTH PLAN may meet its amendment obligations under 45 C.F.R. § 164.526.
- C. Accounting of Disclosures of PHI. BCBSRI shall maintain a record of Disclosures of GROUP HEALTH PLAN’s PHI and provide the record to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent as necessary for GROUP HEALTH PLAN’s compliance with 45 C.F.R. § 164.528.
- D. Inspection of Internal Practices, Books and Records. BCBSRI will make its facilities, internal systems, books and records relating to its Use and Disclosure of the GROUP HEALTH PLAN’s PHI available to Department of Health and Human Services to monitor compliance with this HIPAA Agreement and with the Privacy Rule, 45 C.F.R. Part 164, Subpart E.
- E. Delegation. To the extent that GROUP HEALTH PLAN delegates to BCBSRI any obligation imposed on GROUP HEALTH PLAN by the HIPAA Regulations, BCBSRI will comply with the requirements of the Privacy Rule that apply to GROUP HEALTH PLAN in the performance of such delegated obligation.
- F. Return of Destruction of Records. To the extent required by HIPAA, upon termination of this HIPAA Agreement for any reason, BCBSRI shall, if feasible, return or destroy any of the GROUP HEALTH PLAN’s PHI that BCBSRI still maintains in any form, and shall retain no copies of the GROUP HEALTH PLAN’s PHI. If return or destruction is not feasible, BCBSRI shall inform GROUP HEALTH PLAN of the reason it is not feasible. In addition, BCBSRI and its Subcontractors shall continue to extend the protections of the Agreement to such information and limit further Use and Disclosure of such PHI to those purposes that make the return or destruction of such PHI infeasible.

VII. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent Administrative Obligations Under HIPAA.

- A. Certification. As a condition precedent to any BCBSRI disclosure of the GROUP HEALTH PLAN's PHI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent hereby certifies and agrees to the terms of the Employer Certification set forth in Attachment attached hereto and made a part hereof, and shall provide BCBSRI with a copy of the evidence of HIPAA compliance as BCBSRI may from time to time request. Nothing herein shall be construed as requiring BCBSRI to make available GROUP HEALTH PLAN's PHI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and GROUP HEALTH PLAN except as otherwise provided under this HIPAA Agreement and permitted under applicable law. Any release of PHI by BCBSRI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent (or its designated broker or consultant) must be the minimum amount necessary for MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent or its designated broker/consultant to accomplish the specified administrative function for which the PHI is being released.
- B. Indemnification. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall indemnify, hold harmless and defend BCBSRI from and against any and all claims, losses, liabilities, costs and other expenses (including reasonable attorneys' fees) resulting from, or relating to, (a) the acts or omissions of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in connection with representations, duties and obligations of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to comply with HIPAA and the HIPAA Regulations or (b) MUNICIPALITY and/or SCHOOL DEPARTMENT's and/or WBCH as its agent breach of this HIPAA Agreement.
- C. Indemnification by BCBSRI. BCBSRI's indemnification obligations under the Agreement to which this HIPAA Agreement is an Exhibit shall apply to BCBSRI's obligations under this HIPAA Agreement to the same extent as such provisions apply to BCBSRI's obligations under the Agreement.
- D. Privacy Notice. In its capacity as plan sponsor and plan administrator, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall provide each participant in the GROUP HEALTH PLAN a plain language privacy notice that meets requirements under HIPAA, and shall provide BCBSRI with a copy of such notice. As a convenience to GROUP HEALTH PLAN, BCBSRI will agree to provide to GROUP HEALTH PLAN a form of privacy notice for illustrative purposes only. Notwithstanding the foregoing, GROUP HEALTH PLAN shall be solely responsible for complying with its obligations under HIPAA and the HIPAA Regulations, including the provision of a privacy notice.

VIII. Termination of Agreement.

- A. Term. This HIPAA Agreement shall be effective as of the Effective Date and shall continue unless or until this HIPAA Agreement is terminated in accordance with the provisions of this section or the business relationship between the Parties terminates.
- B. Termination by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent may terminate this HIPAA Agreement if it determines that BCBSRI has breached any provision of this HIPAA Agreement and upon written notice to BCBSRI of the breach and BCBSRI fails to cure the breach within thirty (30) days after receipt of the notice. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent may exercise this right to terminate this HIPAA Agreement by providing BCBSRI written notice of termination stating the failure to cure the breach of this HIPAA Agreement that provides the basis for the termination. Any such termination will be effective upon the date specified in MUNICIPALITY and/or SCHOOL DEPARTMENT's and/or WBCH as its agent notice of termination.
- C. Continuing Privacy and Security Obligation. BCBSRI's obligation to protect the privacy and safeguard the security of GROUP HEALTH PLAN's PHI as specified in this HIPAA Agreement will be continuous and survive termination or other conclusion of this HIPAA Agreement.

IX. Miscellaneous Terms.

- A. Federal Law. Each of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI shall comply with their respective obligations under HIPAA, the Gramm-Leach-Bliley Financial Modernization Act (15 U.S.C. §§ 6801-6908), as applicable, and any other applicable federal privacy laws and regulations in effect from time to time.
- B. State Law. In addition to complying with requirements under HIPAA and any other applicable federal privacy laws,

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI also shall comply with Rhode Island law governing the privacy of medical records to the extent applicable, including but not limited to the Rhode Island Confidentiality of Health Care Communications and Information Act (R. I. Gen. Laws §§5-37.3 et. seq., as amended from time to time). Such responsibilities include but are not limited to (i) limiting authorized access to personally identifiable confidential health care information to those individuals having a need to know, (ii) identifying the individual(s) who have a responsibility for maintaining security procedures for confidential health care information, (iii) providing each Employee a written statement concerning the necessity of maintaining confidentiality of confidential health care information and penalties provided for unauthorized use, and (iv) taking no disciplinary or punitive action against any Employee or agent solely for bringing a violation of the Act to the attention of any person.

- C. Amendment. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI agree that amendment of this HIPAA Agreement may be required to ensure that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI comply with changes in state and federal laws and regulations relating to the privacy, security, and confidentiality of PHI. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent may terminate this HIPAA Agreement upon thirty (30) days written notice in the event that BCBSRI does not enter into an amendment that is sufficient to ensure that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will be able to comply with such laws and regulations.
- D. No Third Party Beneficiaries. Nothing express or implied in this HIPAA Agreement is intended or shall be deemed to confer upon any person other than MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, BCBSRI, and their respective successors and assigns, any rights, obligations, remedies or liabilities.
- E. Ambiguities. The Parties agree that any ambiguity in this HIPAA Agreement shall be resolved in favor of a meaning that complies and is consistent with applicable law protecting the privacy, security and confidentiality of PHI, including, but not limited to, HIPAA, the HIPAA Regulations and the HITECH Act.
- F. Primacy. To the extent that any provisions of this HIPAA Agreement conflict with the provisions of any other agreement or understanding between the Parties, this HIPAA Agreement shall control.
- G. Entire HIPAA Agreement. This HIPAA Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereto. No modification, amendment or waiver of any provisions of this HIPAA Agreement shall be effective unless agreed to in writing by the Parties. This HIPAA Agreement shall be governed under the laws of the State of Rhode Island. The invalidity or enforceability of any provision of this HIPAA Agreement shall not affect the remaining provisions..
- H. Notices. All notices required or permitted under this HIPAA Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, postage prepaid, to the respective addresses and attentions set forth on the cover page of this Agreement or to such other person and address as may be subsequently provided in writing by either Party to the other.

EXHIBIT B - ATTACHMENT

FORM OF EMPLOYER CERTIFICATION

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, in its capacity as plan sponsor, performs plan administrative functions for the GROUP HEALTH PLAN and as a result needs access to the Protected Health Information (PHI) of GROUP HEALTH PLAN participants.

MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, in its capacity as plan sponsor, will fully comply with its obligations under HIPAA and the HIPAA Regulations, and certifies and agrees that the GROUP HEALTH PLAN documents have been amended to incorporate the following provisions and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees to:

1. Not Use or further Disclose PHI other than as permitted or required by the plan documents or as required by law;
2. Ensure that any agents, including subcontractors, to whom it provides PHI received from the GROUP HEALTH PLAN agree to the same restrictions and conditions that apply to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent with respect to such information;
3. Not Use or Disclose PHI for employment-related actions and decisions unless authorized to do so by the individual;
4. Not Use or Disclose PHI in connection with any other benefit or employee benefit plan of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent unless authorized to do so by the individual;
5. Report to the GROUP HEALTH PLAN any Use or Disclosure of PHI that is inconsistent with the Uses or Disclosures provided for of which the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent becomes aware;
6. Make available PHI in accordance with 45 CFR 164.524;
7. Make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 CFR 164.526;
8. Make available the information required to provide an accounting of Disclosures in accordance with 45 CFR 164.528;
9. Make its internal practices, books, and records relating to the Use and Disclosure of PHI received from the GROUP HEALTH PLAN available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining compliance by the GROUP HEALTH PLAN with 45 CFR Part 164, subpart E;
10. If feasible, return or destroy all PHI received from the GROUP HEALTH PLAN that the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent still maintains in any form and retain no copies of such PHI when no longer needed for the purpose for which Disclosure was made. If such return or destruction is not feasible, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will limit further Uses and Disclosures to those purposes that make the return or destruction of the PHI infeasible; and
11. Ensure that adequate separation between the GROUP HEALTH PLAN and the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent is established and that the GROUP HEALTH PLAN documents:
 - (a) describe the MUNICIPALITY and/or SCHOOL DEPARTMENT's and/or WBCH as its agent Employees or classes of Employees or other persons under the control of the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent to be given access to PHI;
 - (b) restrict the access to and Use by the persons described in 11(a) to the plan administration functions that the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent performs for the GROUP HEALTH PLAN; and
 - (c) provide an effective mechanism for resolving any issues of inappropriate Use or Disclosure of PHI by persons described in 11(a).

If MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, in its capacity as plan sponsor, has access to Electronic PHI (E PHI), MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent certifies and agrees that the GROUP HEALTH PLAN documents have been amended to incorporate the following provisions and MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent agrees to:

1. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the E PHI that it creates, receives, maintains, or transmits on behalf of the GROUP HEALTH PLAN;
2. Ensure that the adequate separation required in item 11 above is supported by reasonable and appropriate security measures;
3. Ensure that any agent, including a subcontractor, to whom it provides this information agrees to implement reasonable and appropriate security measures to protect the information; and
4. Report to the GROUP HEALTH PLAN any security incident, as defined in the HIPAA Regulations, of which it becomes aware.

EXHIBIT C - ASC SERVICES

Account Management - Services Included:

- Account management team - for service and support that focuses on the needs of the account
- Administration and maintenance of standard number of benefit plan designs - appropriate to the size of the account
- Administration and maintenance of standard group/sub-group structure - appropriate to the size of the account
- Standard promotional material - provided in standard electronic format
- BCBSRI shall provide training on the capabilities and licenses to use BCBSRI's web-based reporting program at least four (4) designated individuals elected by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.
- Summary of Benefits and Coverage (SBC) document - provided in standard electronic format for each plan design for services we administer; Account will distribute to members

Billing, Underwriting, and Stop Loss - Services Included:

- Invoicing of claims billing - on a weekly basis in standard electronic format
- Self-reported admin billing - on a monthly basis
- Annual renewal preparation, including:
 - Cost/benefit analysis of plan design in support of development of working rate
 - Annual claims projections
- Underwriting representation at renewal meetings - upon request

Claims - Services Included:

- Processing of claims - based on account's eligibility determination
- BCBSRI retains claims fiduciary responsibility
- Coordination of Benefits (COB) Administration - for all medical claims
- Subrogation
- Paper Explanation of Benefits (EOB) - available to member
- One annual audit of BCBSRI services - upon request and at accounts own expense; subject to BCBSRI's standard requirements regarding notice, confidentiality, length, time and place and findings
- Secondary Payor Reporting to CMS

Customer Service - Services Included:

- Secure member portal and e-mail messaging via BCBSRI.com - allows members to get plan information including plan specifics such as copayments, coinsurance and deductibles. Members can view their claims history and obtain electronic copies of their Explanation of Benefits. BCBSRI's self-service tools allow members to request duplicate ID cards, obtain temporary proof of coverage in the case of a lost ID card, and update their account.
- Access to retail stores
- Standard toll-free customer service line
- Standard 24/7 automated telephonic interactive voice response (IVR) customer service system - members can check the status of a claim, request ID cards, request claim forms, and hear benefit information at any time

Enrollment and Membership - Services Included:

- Standard enrollment kit - provided in standard electronic format
- One Benefit Document - in standard electronic format for each plan design; Account will distribute to members
- In Area (RI/MA/CT) on-site representative - for open enrollment/education meetings
- Online enrollment and eligibility management - in a standard format
- Employer retains eligibility determination responsibility
- Administration for urgent member additions/deletions
- Integrated ID cards - in a standard format mailed directly to members upon renewal

Implementation - Services Included:

- One-time implementation and annual renewal of the account
- Preparation of standard benefit plan design grids - appropriate to the size of the account
- One-time set-up and implementation of web capabilities

Medical Management - Services Included:

- Utilization management (UM) - includes preservice review, concurrent review and discharging planning, and retrospective review. Authorization reviews occur in response to written, telephonic, faxed, or electronic requests from providers or

members. Qualified clinicians such as physicians, registered nurses, or healthcare practitioners examine the medical necessity and appropriateness of the services proposed for and provided to BCBSRI members.

- Population health / disease management (DM) - programs for the management, integration and outcome measurement for targeted populations aimed to improve the health of an entire population. Members with a target condition are automatically enrolled in a Disease Management program and automatically receive communications by mail and/or automated phone messages. Our multimodal approach to disease management allows members to engage at their desired level of engagement. All communication of general education and gaps in care encourage members to access our Care Coordination services if they need additional coaching or guidance on certain topics.

Pharmacy - Services Included:

- Fully integrated services and claims processing with BCBSRI's Pharmacy Benefit Manager (PBM)
- Pharmacy network management, benefit management, Formulary management and oversight, benefit and claims pricing validation and account management
- Integrated ID card in a standard format - Members have one ID card, one customer service number, one website for both medical and pharmacy
 - BCBSRI Formulary
 - Standard pharmacy clinical programs:
 - Quantity limits, step therapy, over the counter (OTC) and waiver options
 - Concurrent and retrospective drug utilization review, provider-based intervention to address appropriate prescribing of certain medications, compliance program
 - Targeted member education and notifications for certain diagnoses and medications
 - Annual reconciliation of guarantees
 - Fraud, waste, and abuse programs targeting prescribers, pharmacies, and Members identified by analytical review tools searching for patterns of abuse
 - Medication Therapy Management Programs with contracted systems of care practices with embedded pharmacists and our retail network pharmacy partners
 - Mail order customer service and support
 - Disease management

Provider Network - Services Included:

- Access to providers and hospitals in the U.S. through the BlueCard PPO Network
- Access to Blue Distinction Centers of Excellence
- Access to online provider directory and provider finder - to locate participating providers nationwide and read provider reviews written by other BCBSRI members

Reporting - Services Included:

- BCBSRI provides self-funded clients with 100 or more contract holders a number of standard cost and utilization reports available on the Employer Portal at bcsri.com as well as access to Blue Insights, BCBSRI's easy-to-use cloud-based reporting tool that provides more than 40 standard reports to identify trends and pinpoint root causes. Standard reports are as follows:
 - Core and Product Reporting Suites (available on the web)
 - Monthly aggregated reporting with paid claims, contract enrollment, and high cost claimants over \$50K
 - Deductible Suite (available on the web)
 - Monthly report of aggregated deductible accumulation by product
 - Pharmacy Suite (if applicable - available on the web)
 - Monthly aggregated report of pharmacy utilization by generic, brand, and specialty prescriptions
- Account level 5500 for ERISA accounts
- Ad-Hoc claims and enrollment reporting upon request
- Quarterly/Annual standard utilization reporting package in standard electronic format
- Annual Summary of Other Carrier Liability (OCL) - upon request, in standard electronic format
- Annual SSAE 16 audit report - upon request, in standard electronic format
- Savings and recovery report

Wellness - Services Included:

- Blue365 discounts - access to a variety of exclusive discounts for health and fitness related products and services such as hearing aids, vision care, gym memberships, weight management programs, LASIK and more.

EXHIBIT D - PHARMACY COVERAGE

PRESCRIPTION DRUG DISCOUNT GUARANTEE.

As described in Section 3.1.4 of the Agreement, BCBSRI agrees to provide prescription drug discount guarantees for the period of July 1, 2024 through June 30, 2027, pursuant to the following terms. Capitalized terms in Exhibit D not otherwise defined below shall have the meanings assigned to them in the Agreement.

Total number of Employees: 363

Pharmacy Discount Guarantees: Except where noted, all discounts are based off AWP				
		Rating Period July 1, 2024 through June 30, 2025	Rating Period July 1, 2025 through June 30, 2026	Rating Period July 1, 2026 through June 30, 2027
Dispensing Channel	Criteria	Guarantees	Guarantees	Guarantees
Retail Generic	Day supply is less than 84	83.40%	83.40%	83.40%
	Day supply is greater than or equal to 84	85.10%	85.10%	85.10%
Retail Brand	Day supply is less than 84	17.50%	17.50%	17.50%
	Day supply is greater than or equal to 84	20.25%	20.25%	20.25%
Mail Generic		84.50%	84.50%	84.50%
Mail Brand		24.50%	24.50%	24.50%
Specialty		19.50%	19.50%	19.50%
Dispensing Channel	Criteria	Dispensing Fee Guarantees		
Retail Generic	Day supply is less than 84	\$0.75	\$0.75	\$0.75
	Day supply is greater than or equal to 84	\$0.00	\$0.00	\$0.00
Retail Brand	Day supply is less than 84	\$0.75	\$0.75	\$0.75
	Day supply is greater than or equal to 84	\$0.00	\$0.00	\$0.00
Mail Generic		\$0.00	\$0.00	\$0.00
Mail Brand		\$0.00	\$0.00	\$0.00
Medical Drug Guarantees				
Medical Drug Variance		No greater than 12% more in aggregate than amount paid to provider	No greater than 12% more in aggregate than amount paid to provider	No greater than 12% more in aggregate than amount paid to provider

BCBSRI agrees to use the AWP for the original package dispensed to a Member for a paid claim and shall not use the AWP for a repackaged or relabeled NDC to determine pricing for all claims (Retail, Mail Order, and Specialty)

BCBSRI agrees to use the AWP from the same updated Pricing Source file for determining both the paid amount to a network pharmacy and the billed amount to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

BCBSRI shall notify MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent within one hundred and twenty (120) days if the applicable Pricing Source used to calculate Ingredient Cost changes its methodology, or discontinues publishing, or replaces AWP. The Parties agree to discuss, and to thereafter implement in good faith, any pricing or guarantee changes that may be necessary to enable the Parties to maintain economic neutrality based on such change.

BCBSRI shall notify MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent within one hundred twenty (120) days if the Drug Classification Source as reported by Medi-Span® is changing. The Parties agree to discuss in good faith, and to thereafter implement any pricing or guarantee changes that may be necessary to enable economic neutrality of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent based on such change.

Members shall pay the lesser of: a) the adjudicated price of the claim (discounted AWP or MAC list price); b) the U and C price; or c) the applicable Copayment. At Mail Order Pharmacies, there will not be a minimum price for Member payment.

BCBSRI agrees that if a Covered Product is eligible for pricing on both the Specialty list and on a MAC List, then the lesser of the two (2) prices shall be used.

BCBSRI shall charge MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent cost for all claims (including Specialty Drug claims) processed by network pharmacies based upon the lesser of: a) the applicable claim adjudication rate (if any), b) MAC (if any), or c) U and C charge (if any) ("Lesser of Logic").

BCBSRI agrees that any claim that receives Mail equivalent pricing (i.e., 90 days at Retail) may have U and C applied.

BCBSRI agrees that all drugs will be adjudicated (Discount guarantees, Dispensing Fees, and Rebates) according to the Drug Classification as reported by Medi-Span®.

BCBSRI agrees to limit Specialty Products to a maximum thirty (30) day supply, except for those Specialty Products available only in larger days supply packages or to align with FDA approved dosing.

BCBSRI agrees that Specialty Products filled through a BCBSRI-owned or operated Retail pharmacy shall be priced at the same rates as a BCBSRI-owned or operated Specialty Pharmacy, as applicable.

BCBSRI agrees that all Specialty Products will be included in the Specialty Rebate guarantee regardless of dispensing channel.

BCBSRI will perform annual settlements to calculate performance against the guarantees set forth above as to Member incurred claims for all of the WBCH Members with respect to a) the pharmacy discount and dispensing fee and b) Medical Drugs. For purposes of clarity, the guarantees will be measured against all claims incurred by the total enrollment of all WBCH Members during the Rating Period. Guarantees are not applicable to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Member claims on their own, and claims incurred by Members of MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH shall only be measured against the guarantees in aggregate as part of the total enrollment of all WBCH Members.

For the pharmacy discount and dispensing fee guarantees, BCBSRI will calculate performance separately by Dispensing Channel listed above (Retail Generic, Retail Brand, Mail Generic, Mail Brand, and Specialty). BCBSRI will then sum the resulting over- or under-performance to arrive at a cumulative measure of performance, one for the pharmacy discount and another for the dispensing fee.

BCBSRI shall then sum the performance of the two guarantee types and calculate whether the guarantees have been met in the aggregate.

For the Medical Drug guarantees, BCBSRI will calculate performance of the guarantee and shall not include the pharmacy discount and dispensing fees in the calculation.

Performance in the pharmacy discount and dispensing fee guarantees will be considered separately from Medical Drug guarantees. Over- or under-performance in pharmacy discount and dispensing fee guarantees will not offset over- or under-performance in Medical Drug guarantees.

For avoidance of doubt, performance in the guarantees in this Exhibit D does not include or account for performance against the rebate guarantees in Exhibit D.

BCBSRI agrees that Specialty Pharmacy will contact the Member prior to each specialty medication refill (no auto-fill).

BCBSRI shall accept, process, and adjudicate pharmacy member submitted paper claims for pharmacy Covered Products, specified by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, submitted by a Member as a pharmacy paper claim. BCBSRI shall provide, via its website, a pharmacy paper claim form for use by Members to reimburse such Member for amounts paid for pharmacy Covered Products that have not been otherwise reimbursed by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent in accordance with MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH Benefit Document.

BCBSRI agrees that for the purpose of guarantee calculation, discounts associated with Zero Balance Claims are calculated using the Ingredient Cost prior to the application of any copayments, administrative fees, professional fees, Dispensing Fees, taxes or any other fees, adjustments or credits for reconciliation purposes. To clarify these will be reconciled within the guarantees despite the fact that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent did not pay towards the claim.

BCBSRI agrees for the purpose of guarantee reconciliation, all exclusions indicated in this Agreement are excluded prior to any calculations.

BCBSRI agrees that pricing is not contingent on a minimum number of claims (based on 30 day supply adjusted claims) through the Term of the Agreement.

BCBSRI agrees that there is no minimum threshold (claims, dollar or days supply) for mail order vendor claims to be included within pricing and rebate guarantees.

BCBSRI agrees that standard postage fees for Mail Order Pharmacy or Specialty Drug delivery will not increase through the Term of the Agreement. Any expedited delivery fees shall remain the responsibility of the Member and are not considered a covered service.

BCBSRI agrees that both Parties shall make a good faith effort to finalize the Agreement after the implementation date and BCBSRI will not withhold Discounts or Rebate payments from the Plan Sponsor. If the contract is not executed within the first year, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will not lose the dollars at risk for both the implementation Performance Guarantees and first year ongoing Performance Guarantees as well as the implementation credits.

BCBSRI agrees that if a Specialty Product package is lost, stolen, or not delivered, BCBSRI will not charge the Member or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for such Specialty Product, provided that MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent notifies BCBSRI and BCBSRI determines that BCBSRI or PBM is responsible for the item being lost, stolen or not delivered. If MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent does not agree, the dispute resolution process may be initiated.

Upon MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent request, BCBSRI may include a pharmacy provider in its Network of Participating Pharmacies; provided, however, that if such pharmacy provider will not agree to accept BCBSRI's standard rates commensurate with such Network, then BCBSRI shall notify MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, and if MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent approves, BCBSRI may add such pharmacy provider to the Network of Participating Pharmacies for MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent at the rates that such pharmacy provider is willing to accept and charge MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent on a Pass-Through basis for Paid Claims processed through such Participating Pharmacy (and in such case, all such Paid Claims shall be excluded from Pricing guarantees).

For purposes of such annual settlement noted above, the following claims shall be excluded from the pharmacy discount and dispensing fees calculations: paper claims, Coordination of Benefits secondary claims, claims for compound prescriptions, claims for Limited Distribution Drugs, claims for prescriptions drugs dispensed by a provider through the MedVantx program, over the counter products, insulin, vaccines, including COVID vaccines, COVID home test kit, COVID oral antiviral, Long Term Care Pharmacy, Home Infusion Pharmacy, Veteran Affairs Pharmacy, Military/ Department of Defense Pharmacy, Indian HS / TS / TU Pharmacy, U& C claims and claims dispensed from pharmacies located in Guam, Northern Mariana Island, Puerto Rico, and the Virgin Islands.

If there is a resulting liability to WBCH because a) the pharmacy discount and dispensing fee guarantees were not met or b) the Medical Drug guarantees were not met, BCBSRI will notify WBCH no later than one hundred eighty (180) days from the Rating Period end date. Payment of any amount due shall be made within thirty (30) days of that notification provided, however, payment of any amount shall be contingent upon execution of the Agreement or such subsequent amendment that sets forth the Prescription Drug Discount guarantees for the applicable Rating Period. With regard to any payments due from BCBSRI pursuant to this Section entitled "Prescription Drug Discount Guarantee," MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent hereby directs BCBSRI to make such payments to WBCH as its agent, and hereby acknowledges and agrees that such payments to WBCH shall fully and completely discharge BCBSRI of its payment obligations hereunder.

Notwithstanding the foregoing, if the Agreement is terminated prior to the end of the Rating Period for this Exhibit D, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges and agrees that the Prescription Drug Discount guarantees will no longer be valid or enforceable as to the current Rating Period, and any remaining Rating Period(s), and no payment will be made.

BCBSRI reserves the right upon at least thirty (30) days' advance written notice to adjust the above guarantees in the event: (a) there is a Significant Change in the number of enrolled Employees; (b) MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as

its agent changes the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan; or (c) there is a change in the BCBSRI PBM vendor , or (d) there is a change within the PBM marketplace or pharmaceutical industry that would lead to a material deviation from the economic environment upon which the discount guarantees are based. BCBSRI also reserves the right upon at least thirty (30) days' advance written notice to revise the terms in this Exhibit D, in the event any state or federal law or regulation reduces, restricts or eliminates the ability of BCBSRI or BCBSRI's PBM to offer or deliver the discounts as described in this Exhibit D. If MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent does not object within 30 days of receiving the notice, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent will be deemed to have approved the proposed changes, and such modifications will become part of this Agreement as of the end of the 30 days or the date set forth in the notice, if different.

PRESCRIPTION DRUG REBATE GUARANTEE.

With regard to any payments due from BCBSRI to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent pursuant to this Section entitled “Prescription Drug Rebates,” MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent hereby directs BCBSRI to make such payments to WBCH as its agent, and hereby acknowledges and agrees that such payments to WBCH shall fully and completely discharge BCBSRI of its payment obligations to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH hereunder.

As described in Section 3.5 of the Agreement, BCBSRI may receive Prescription Drug Rebates from pharmaceutical manufacturers or distributors directly or through the BCBSRI PBM. BCBSRI shall remit to WBCH, one hundred percent (100%) of Prescription Drug Rebates related to prescription drug claims incurred by Members of all of the WBCH Member entities for each of the three Rating Periods listed below; however, for Manufacturer Administrative Fees, BCBSRI will remit to WBCH fifty percent (50%) of the amounts received by BCBSRI for the Rating Periods listed. The payment of Prescription Drug Rebates shall be as set forth below.

For each calendar quarter of each listed Rating Period, BCBSRI shall make Prescription Drug Rebate payments as follows:

1. **Interim payment:** No later than six (6) months following the end of the applicable calendar quarter, BCBSRI shall pay 90% of Prescription Drug Rebates which have been invoiced by BCBSRI’s PBM for that calendar quarter based on all prescription drug claims incurred by the total enrollment of all WBCH Members. The invoiced amount represents an estimate of Prescription Drug Rebates.
2. **Final payment:** No later than thirteen (13) months following the end of such applicable calendar quarter, BCBSRI shall pay any additional Prescription Drug Rebates received for that calendar quarter less any overpayment made as a result of the estimated Prescription Drug Rebates in the interim payment. In the event an overpayment exceeds the final payment for any quarter such that there would be an amount owed to BCBSRI, BCBSRI may offset future rebate payments by the amount owed.

The quarterly Prescription Drug Rebate payment schedule shall be as follows:

<u>RATING PERIODS AND QUARTERS</u>	DATE OF INTERIM PAYMENT	DATE OF FINAL PAYMENT
Rating Period July 1, 2024 through June 30, 2025		
July 1, 2024 through September 30, 2024	March 31, 2025	October 31, 2025
October 1, 2024 through December 31, 2024	June 30, 2025	January 31, 2026
January 1, 2025 through March 31, 2025	September 30, 2025	April 30, 2026
April 1, 2025 through June 30, 2025	December 31, 2025	July 31, 2026
Rating Period July 1, 2025 through June 30, 2026		
July 1, 2025 through September 30, 2025	March 31, 2026	October 31, 2026
October 1, 2025 through December 31, 2025	June 30, 2026	January 31, 2027
January 1, 2026 through March 31, 2026	September 30, 2026	April 30, 2027
April 1, 2026 through June 30, 2026	December 31, 2026	July 31, 2027
Rating Period July 1, 2026 through June 30, 2027		
July 1, 2026 through September 30, 2026	March 31, 2027	October 31, 2027
October 1, 2026 through December 31, 2026	June 30, 2027	January 31, 2028
January 1, 2027 through March 31, 2027	September 30, 2027	April 30, 2028
April 1, 2027 through June 30, 2027	December 31, 2027	July 31, 2028

If any of the interim or final payments fall on a weekend or state or federal holiday, then payment shall be due the next business day.

For each of the listed Rating Periods, BCBSRI agrees to the following guaranteed minimum Prescription Drug Rebate (“Minimum Rebate Amount” as defined herein). The Minimum Rebate Amount is the sum of the Guaranteed Minimum per Prescription amount set forth below with respect to each prescription drug claim incurred by Members in all of the WBCH Member entities within the Rating Period and for which payment of a Prescription Drug Rebate is available. Within 60 days of the final payment for each Rating Period, BCBSRI shall calculate the difference between the total Prescription Drug Rebate payments made for the Rating Period as to all WBCH Members and the Minimum Rebate Amount for that Rating Period calculated by reference to all WBCH Member claims. If the Minimum Rebate Amount is greater than the total of the interim and final payments made for the Rating Period, BCBSRI will notify WBCH and make payment of the difference to WBCH within thirty (30) days of that notification.

DISPENSING CHANNEL	GUARANTEED MINIMUM PER PRESCRIPTION		
	July 1, 2024 to June 30, 2025	July 1, 2025 to June 30, 2026	July 1, 2026 to June 30, 2027
Retail Brand - (Day supply is less than 84)	\$294.08	\$316.92	\$332.27
Retail Brand - (Day supply is greater than or equal to 84)	\$743.18	\$784.76	\$799.05
Mail Order Brand	\$884.63	\$941.65	\$975.79
Specialty Brand	\$4,329.43	\$4,854.54	\$5,394.96

Brand claims do not include, and BCBSRI shall not pay Guaranteed Prescription Drug Rebates for, prescription drug claims arising from (i) network pharmacies dispensing prescription drugs subject to their own manufacturer rebate contracts or (ii) covered entities, as defined in Section 340B(a)(4) of the Public Health Services Act (PHSA), dispensing prescription drugs directly and not through contract pharmacies subject to their participation in the 340B Drug Pricing Program, codified as Section 340B of the PHSA, or other federal government pharmaceutical purchasing program. If significant changes are made to the 340 B Drug Pricing Program, BCBSRI reserves the right to update the definition of “Brand” as related to 340B Drug Pricing Program. In addition, BCBSRI shall not pay Guaranteed Prescription Drug Rebates for the following: Limited Distribution Drugs, biosimilar products, over the counter products, vaccines, including COVID vaccines, , COVID home test kits COVID oral antivirals, Compound Prescription , Long Term Care Pharmacy, Home Infusion Pharmacy, Veteran Affairs Pharmacy Military/Department of Defense Pharmacy claims, Indian HS / TS / TU Pharmacy claims, and claims dispensed from pharmacies located in Guam, Northern Mariana Island, Puerto Rico, and the Virgin Islands.

BCBSRI reserves the right to adjust the Prescription Drug Rebate payments and the Minimum Rebate Amount in the event any state or federal law or regulation, or governmental agency interpretation of a law or regulation, reduces or eliminates BCBSRI’s or BCBSRI PBM’s ability to provide Prescription Drug Rebates. In addition, BCBSRI reserves the right to adjust the Minimum Rebate Amount in the event (a) there is a Significant Change in the number of enrolled Employees; (b) MUNICIPALITY and/or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH changes the MUNICIPALITY and/or MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH’s Health Plan, including changes to the Formulary; (c) there is a change within the PBM marketplace that would lead to a material deviation from the economic environment upon which the Minimum Rebate Amount is based; (d) upon a Plan design change enacted by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent; and such Plan design change has a material negative impact on Rebates earned and any such adjustment shall be limited to an adjustment that is solely necessary to return BCBSRI to its contracted economic position prior to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent making the Plan design change that resulted in the adjustment. Pursuant to subpart (d) if MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent and BCBSRI cannot reach an agreement after this adjustment MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent may terminate the Agreement without penalty upon ninety (90) days written notice.

BCBSRI agrees that consistent pharmacist-led clinical support, including without limitation, side effect and adherence management, physician interactions as necessary, and questions regarding product administration, will be provided for Members that are prescribed Specialty Products, regardless of the channel that their Specialty Products are filled.

The Prescription Drug Rebate payments and Minimum Rebate Amount set forth herein do not automatically renew at the end of the term of the contract on June 30, 2027. Failure by BCBSRI to meet the Minimum Rebate Amount does not constitute a breach of this Agreement or Cause for termination of this Agreement pursuant to Section 2. The provisions of this subsection entitled “Prescription Drug Rebate” shall be operative and shall survive the termination of the Agreement.

PERFORMANCE GUARANTEES.

**WB COMMUNITY HEALTH Rx
PERFORMANCE GUARANTEES
July 1, 2024 – June 30, 2027**

Total Annual Penalty at Risk Based Upon All Guarantees

Total: \$18,000

Category	Guarantee	Penalty Structure	Type of Report/ Report Frequency	Penalty Band	Maximum Penalty
Account Management Satisfaction	Average annual evaluation score of 4.0 or higher out of a 5-point scale using a scorecard with mutually agreeable criteria.	(Penalty paid if average satisfaction score is less than 4.0%)	Account Level Annual	100% if not met	\$2,000
Account Management Team Changes Notification	Vendor will inform Plan Sponsor of Account Management Team changes and transition plans once known by Vendor.	(Penalty paid if notification & transition plans are not provided)	Account Level / Point-in-time Notification - Performance Reported Annually	100% if not met	\$2,000

¹ A score below a 4 in any service function must be accompanied by documentation that supports the score and will require mutual agreement by WBCH and BCBSRI.

Category	Guarantee	Penalty Structure	Type of Report/ Report Frequency	Penalty Band	Maximum Penalty
System Up-Time	Rx Adjudication system availability will be 99.5%, measured 24 hours a day, 7 days a week. ²	(Penalty paid if less than 99.5% achieved)	Enterprise Level Annual	99.5% or more = 0% 98.5% - 99.4% = 50% 98.4% or less = 100%	\$2,000
Pharmacy Paper Claim Processing	95% of Member submitted clean paper claims will be adjudicated within ten (10) business days of receipt.	(Penalty paid if less than 95% achieved)	BCBSRI Commercial Book of Business Annual	95% or more = 0% 93% - 94% = 50% 92% or less = 100%	\$2,000
Mail Order Accuracy Rate	External Dispensing Accuracy Rate for Class A 1 Errors of 99.99% of all orders shipped.	(Penalty paid if less than 99.99% achieved)	Prime Book of Business Annual	99.99% or more = 0% 99.91% - 99.98% = 50% 99.90% or less = 100%	\$2,000
Mail Order Turn-Around-Time	95% of routine prescriptions received by a mail facility will be processed within two (2) business days after receipt of prescription.	(Penalty paid if less than 95% achieved)	BCBSRI Book of Business Annual	95% or more = 0% 93% - 94% = 50% 92% or less = 100%	\$2,000

² This standard excludes: occurrence of power outages; downtime occurring during the scheduled maintenance window; hardware, software, network or communications failure beyond BCBSRI's control; and downtime/ availability experienced by Client.

Category	Guarantee	Penalty Structure	Type of Report/ Report Frequency	Penalty Band	Maximum Penalty
Retail Network Access	90% of commercial members in urban areas have access to a network pharmacy within 2 miles; 90% of commercial members in suburban areas have access to a network pharmacy within 5 miles; 70% of commercial members in rural areas have access to a network pharmacy within 15 miles of their residence.	(Penalty paid if not achieved)	BCBSRI Commercial Book of Business Annual	100% if not met	\$2,000
Telephone Average Speed of Answer (Mail Order)	Member calls related to Mail Order service will be answered within an average of thirty (30) seconds or less from the call entering the Customer Service queue.	(Penalty paid if greater than 30 seconds)	BCBSRI Book of Business Annual	30 or less = 0% 31 – 35 = 50% 36 or more = 100	\$2,000
Telephone Abandonment Rate (Mail Order)	Mail order customer service abandonment rate of 3% or less of total calls abandoned after thirty (30) seconds.	(Penalty paid if greater than 3%)	BCBSRI Book of Business Annual	3% or less = 0% 4% – 5% = 50% 6% or more = 100%	\$2,000

Performance Guarantee Requirements

- Penalties will be based on the annual cumulative score.
- Performance guarantees apply to those services, set forth in the table above, which BCBSRI provides for the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH's Health Plan.
- Performance guarantees are contingent upon the execution of this Agreement no later than the end date of the initial Rating Period; otherwise performance guarantees are null and void.
- Results are measured using BCBSRI standard reports for each category and supplied to the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent at regular intervals, as indicated above. The reports will be completed within (90) ninety days after the end of the reporting period.
- In the event that BCBSRI's annual cumulative performance does not meet certain guarantees, BCBSRI shall calculate the payment due to the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent by multiplying the Penalty Band percentage by the Maximum Penalty, as set forth in the table above. BCBSRI shall notify MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent of any amount due and BCBSRI shall make payment to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent within (30) thirty days of that notification.

However, if the Agreement is terminated by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for Cause in accordance with Section 2.3.1.1, BCBSRI shall only pay penalty amounts, if any are owed, for those service categories that have a report frequency such that BCBSRI is able to measure results for a partial Rating Period; provided, however, that if the Agreement is terminated for these reasons before the first six months of the Rating Period, no Performance Guarantees shall apply. In addition, if the Agreement is terminated prior to the end of the Term by BCBSRI for Cause in accordance with Section 2.3.1.1, MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges and agrees that the Performance Guarantees will no longer be valid or enforceable, and no payment will be made.

PHARMACY DEFINITIONS.

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

- 1.1. "340B" means a claim identified by the submission of "20" in any of the submission clarification code fields and/or a claim submitted by a pharmacy owned by a covered entity, as defined in section 340(B)(a)(4) of the public health services act, whose 340B status is coded as "39" in the NCPDP DataQ database.
- 1.2. "Average Wholesale Price" or "AWP" means the average wholesale price for any product, as reported Medi-Span®, which shall be based on the actual 11-digit National Drug Code (NDC) for the original product and package size on the date dispensed.
- 1.3. "Brand Name", "Brand", or "Brand Name Drug(s)" means products under a trademark-protected name. Brand Drugs shall be defined as all co-branded products, originator brands and single source brands as set forth by Medi-Span®. The multi-source indicator shall be equal to 'M', 'N', 'O'.
- 1.4. "Biosimilar Drug" shall mean a type of biological product that is licensed (i.e., approved) by the Food and Drug Administration (FDA) because the product is highly similar to an already FDA-approved biological product, known as the reference product, and has been shown to have no clinically meaningful differences from the reference product. A Biosimilar Drug shall also include an "interchangeable biological product" which, in addition to meeting the biosimilarity standard, is expected to produce the same clinical result as the reference product in any given patient. Biosimilar Drugs are determined by the FDA from time to time and are listed in the FDA's Purple Book Biosimilar Drugs are Brand Drugs unless they are required to be classified as Generic Drugs under CMS regulations or FDA standards.
- 1.5. "Compound Prescription" means a prescription that is not commercially available and meets the following criteria: two or more solid, semi-solid, or liquid ingredients, at least one of which is a Covered Product, that are weighed or measured then prepared according to the prescribers' order and the pharmacists art. It excludes medications requiring reconstitution (i.e., powdered oral antibiotics or topical acne medications) or flavoring to any preparation.
- 1.6. "Copayment" means that portion of the payment that is the responsibility of the Member (i.e., copayment, coinsurance, deductible) for a prescription fill or refill of a Covered Product dispensed to a Member, as set forth in the Plan Benefit Document.
- 1.7. "Covered Product(s)" means those prescription drugs, Devices, Specialty Products, OTC Products, non-drug products and other products that are covered under the pharmacy benefit according to the Plan benefit document.
- 1.8. "Devices" means ancillary equipment, supplies, products, and services provided or coordinated by a network pharmacy in connection with dispensing Covered Products to a Member under the Plan, including without limitation, nursing/clinical supplies, in-home infusion and related supplies, patient monitoring supplies, medication pumps, tubing, syringes, gauze pads, sharps containers, lancets, test strips, continuous glucose monitor sensors, other supplies, and durable medical equipment.
- 1.9. "Dispensing Channel" means a discrete channel of Covered Products being dispensed (i.e., Retail 30, Retail 90, etc.).
- 1.10. "Dispensing Fee" means the maximum fee charged to the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCB as its agent for a network pharmacy to dispense a Covered Product to a Member.
- 1.11. Formulary means a comprehensive list of prescription medications which have been reviewed by the BCBSRI Pharmacy & Therapeutics Committee, the list is updated periodically throughout the year is disclosed on BCBSRI website.
- 1.12. "Generic Drug(s)" or "Generic(s)" means products that are identical or bioequivalent to its brand counterpart in dosage form, safety, strength, route of administration and intended use. Generic Drugs are all multi-source generic drugs as set forth by Medi-Span® ("Multi-Source Generic"). The multi-source indicator shall be equal to 'Y'.

- 1.13. "Ingredient Cost" means the costs paid by MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent for a Covered Product on a paid claim, after application of the lesser of logic between the claim adjudication rate, MAC, NADAC, or U and C, excluding administrative fees, copayment, Dispensing Fees and taxes.
- 1.14. "Limited Distribution Drug" or "LDD" means a covered prescription drug that is available for distribution through a limited number of pharmacy providers, as determined by the pharmaceutical manufacturer.
- 1.15. "MAC List" means the confidential and proprietary list established and maintained by BCBSRI PBM of off patent drugs subject to MAC pricing and their corresponding unit prices. and include the dates for which such price was in effect. MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent acknowledges that the MAC List is confidential and proprietary and shall not be disclosed by BCBSRI or BCBSRI PBM.
- 1.16. "Mail Order Pharmacy" means the mail order pharmacy owned or controlled by BCBSRI PBM.
- 1.17. "Manufacturer Administrative Fees" means those administrative fees received from pharmaceutical manufacturers or a drug manufacturer to manage placement of Covered Products on Formulary and administering, invoicing, allocating and collecting rebates that are attributable to Covered Products dispensed to Members.
- 1.18. "Multi-Source Generic" means a Generic Drug that is interchangeable with the comparable brand product and indicated when using Medi-Span by a Multi-Source Code 'Y'.
- 1.19. "Plan Data" means the standard information or data in National Council for Prescription Drug Programs ("NCPDP") or X12 835 formats utilized by BCBSRI to determine pricing, guarantees and/or other calculations for paid claims adjudicated hereunder. Plan Data shall not include Participating Pharmacy agreements, such as MAC lists, specialty fee schedules, or any other pharmacy fee schedules or agreements with pharmaceutical manufacturers, including without limitation, rebate agreements. BCBSRI reserves the right not to provide to MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent, or its consultants or audit vendor, access to documents or records that are not publicly available (including data, reports, or other information from which the terms of contracts could be determined), or to provide access only in a manner that BCBSRI determines would protect the confidential and proprietary information contained in those records and documents. Please note that there may be additional costs associated with the production and delivery of this information.
- 1.20. "Pricing Source" means any third-party drug pricing database that is generally accepted and commonly used in the prescription drug industry to standardize drug pricing and/or classification (e.g., Medi-Span, FDB).
- 1.21. "Specialty Drug" or "Specialty Product" means products in the BCBSRI Formulary, as determined by BCBSRI and amended from time to time that meets a minimum of two or more of the following key characteristics: a) target a chronic, rare or complex disease state; b) produced by biotechnology; c) frequent dosing adjustments and intensive clinical monitoring to decrease the potential for drug toxicity and increase the probability for beneficial treatment outcomes; d) intensive patient training and compliance assistance to facilitate therapeutic goals; e) limited or exclusive product availability and distribution; and/or f) specialized product handling and/or administration requirements. Specialty Drugs are provided to Members through the BCBSRI Specialty pharmacy network.
- 1.22. "Specialty Pharmacy" means pharmacies contracted with BCBSRI or BCBSRI's PBM where prescriptions for Specialty Drugs are dispensed and delivered to Members.
- 1.23. "U and C" means the usual and customary price charged by a Retail Pharmacy, Mail Order Pharmacy or Specialty Pharmacy for a specified prescription drug if purchased by a Member in a cash transaction, as reported on the claim by the Retail Pharmacy, Mail Order Pharmacy or Specialty Pharmacy on the date the drug is dispensed. This includes any sale price for the prescription drug as determined by the Retail Pharmacy, Mail Pharmacy or Specialty Pharmacy.
- 1.24. "Zero Balance Claims" mean paid claims where the ingredient cost + dispensing fee + sales tax associated with the Covered Product is paid in full by the Member and results in no amount due to BCBSRI from the MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent.

PHARMACY REPORTING.

PHARMACY REPORTING

- Quarterly rebate reports in standard BCBSRI format.
- Monthly standard claims detail formatted files in standard BCBSRI format, and additional invoice data as mutually agreed by the parties, via the secure employer portal.
- List of specialty drugs on a monthly basis in standard BCBSRI format.
- Summary report showing actual performance compared to the prescription drug discount guarantees set forth in Exhibit D of this Agreement for each Rating Period within the 180-day period following the end of each Rating Period.
- Annual Performance Guarantee report within 90 days after the end of each Rating Period.

Custom reporting will be assessed on a case-by-case basis and, depending on the complexity and coding requirements, may incur additional fees. The hourly fees are as follows:

Fee Schedule Per Hour Charge:
Pharmacist: \$185
All Other Resources: \$150

BCBSRI PBM TERMINATION.

PBM SERVICES	ASSOCIATED FEES
Transfer of eligibility and claim files upon termination of BCBSRI PBM	➤ \$10,000 per third party vendor for the following suite of files: <ul style="list-style-type: none"> - Claims History - Prior Authorization Files - Open Refill Files Accumulator Files (deductible & out-of-pocket) - Eligibility files
Implementation of the interface between BCBSRI and third party PBM	➤ \$400,000 (MUNICIPALITY and/or SCHOOL DEPARTMENT and/or WBCH as its agent shall pay only its share of the fee, as determined by WBCH, and based on the following assumptions: PBM is one BCBSRI already exchanges files with, approximately 100 unique plans are transitioned, Work Related Injury is not transitioned, files shared include eligibility; additional fees may apply if conditions are other than as assumed.