

ADMINISTRATIVE SERVICES AGREEMENT

between

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

and

CITY OF GAINESVILLE

This Administrative Services Agreement (hereinafter referred to as the "Agreement"), made this 9th day of ~~June~~^{July}, 2015 is by and between Blue Cross and Blue Shield of Florida, Inc. d/b/a Florida Blue, a Florida corporation having its principal place of business at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 (hereinafter referred to as "Florida Blue") and City of Gainesville, a municipal corporation, located at P.O. Box 490, Gainesville, Florida 32602 (hereinafter referred to as the "Employer").

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

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

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

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

SECTION I

TERM

1.1 Initial Term

The initial term of this Agreement shall be from January 1, 2015 (the "Effective Date") and shall end on December 31, 2019 (the "Termination Date"), unless the Agreement is terminated earlier in accordance with the provisions of this Agreement.

1.2 Renewal Terms

After the Initial Term, the Employer may renew this Agreement for an additional two year term at the renewal rates then in effect. The Employer shall give notice of its intent to renew this Agreement at least 30 days prior to the Termination Date.

SECTION II

DUTIES AND RESPONSIBILITIES OF EMPLOYER

2.1 Final Authority

Employer retains all final authority and responsibility for the Group Health Plan including, but not limited to eligibility and enrollment for coverage under the Group Health Plan, the existence of coverage, the benefits structure of the Group Health Plan, claims payment decisions, cost containment program decisions, utilization benefits management, compliance with the requirements of COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985, as amended), compliance with the requirements of ERISA (Employee Retirement Income Security Act of 1974, as amended), compliance with reporting and remitting abandoned property funds, and compliance with any other state and federal law or regulation applicable to Employer, the Group Health Plan, or the administration of the Group Health Plan.

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

2.2 Eligibility and Enrollment

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

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

2.3 Financial Obligations

A. Claims Payment

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

B. Administrative Fees

Employer agrees to promptly pay all administrative fees as set forth in Exhibit "B". Administrative fees are not subject to change during the initial term of this Agreement, except as set forth below. In accordance with Part VII of Chapter 218, Florida Statutes, the administrative fees shall be payable

to Florida Blue within 45 days of submitting an invoice to Employer of the amount owed.

C. Late Charges

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

D. Pharmacy Related Financial Arrangements

Pharmacy Related Financial Arrangements do not renew automatically from year to year. Pharmacy Related Financial Arrangements must be approved by Florida Blue on a multi-year basis. Following conclusion of the initial term of this Agreement, the Administrative Fees set forth in Exhibit B may be subject to adjustment in accordance with the Pharmacy Financial Arrangements set forth in Exhibit D of this Agreement.

E. Modifications

Florida Blue, at any time, may modify the administrative fee, if Employer substantially modifies the Group Health Plan or changes enrollment.

2.4 Use of Names and Logos

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

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

2.5 Public Records; Confidential and Trade Secret Information

As required by Section 119.0701, Florida Statutes, by entering into this Agreement, Florida Blue agrees to keep and maintain all public records, as defined in Section 119.011(12), Florida Statutes, that ordinarily and necessarily would be required by the Employer and provide the public with access to public

records on the same terms and conditions that the Employer would provide the records and at a cost that does not exceed the cost provided by law.

Florida Blue will ensure that all public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law and meet all requirements for retaining public records and transfer to the Employer, at no cost, all public records in possession of Florida Blue upon termination of this Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Employer in a format that is compatible with the information technology systems of the Employer; and Florida Blue will promptly provide the Employer with a copy of any request to inspect or copy public records in possession of Florida Blue and promptly provide the Employer a copy of its response to each such request.

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

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

Notwithstanding the foregoing, with respect to any information that Florida Blue identifies and requests be treated as confidential and exempt from Florida's public records law or as a trade secret and exempt from disclosure pursuant to Section 815.045, Florida Statutes, Employer has not and will not determine whether Florida Blue's assertion of such confidentiality and/or trade secret exemption is legally supportable. Such a determination is strictly factual and all

facts supporting confidentiality and exemption from public records law are in the hands of Florida Blue. In the event Employer receives a public records request for any information that Florida Blue has identified as confidential and exempt, Employer will notify Florida Blue of the request and give Florida Blue the opportunity to seek judicial relief preventing the release of the information claimed to be confidential and exempt. If Florida Blue does not file for judicial relief within 3 business days of notification of the public records request by Employer, Florida Blue will be deemed to have waived any assertion of confidentiality and Employer will release the information to the requestor. If Florida Blue timely files, Employer will maintain the confidentiality of the information pursuant to Florida Blue's assertions until judicially determined otherwise.

SECTION III

DUTIES AND RESPONSIBILITIES OF FLORIDA BLUE

3.1 Generally

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

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

3.2 Enrollment; Forms and I.D. Cards

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

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

3.3 Claims Processing

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

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

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

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

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

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

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

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

3.4 Program Administration

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

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

3.5 Inaccurate Payments

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

Additionally, Employer delegates to Florida Blue the discretion and authority to pursue recoveries for claims paid as a result of fraud, abuse or other inappropriate action by a third party, including the right to opt-out or opt-in Employer from any class action. These claims include, but are not limited to, all legal claims Employer can assert whether based on common law or statute such as RICO, antitrust, deceptive trade practices, consumer fraud, insurance fraud, unjust enrichment, breach of fiduciary duty, breach of contract, breach of covenant of good faith and fair dealing, torts (including fraud, negligence, and product liability), breach of warranty, medical monitoring, false claims and kickbacks. If Florida Blue obtains a recovery from any of these efforts, Florida Blue will reimburse Employer's pro rata share of the recovery. This share is

calculated from Employer's claims history or covered members at the time of such recovery, less Employer's pro rata share of costs, if any, fees paid to outside counsel and any other costs incurred in obtaining that recovery. Florida Blue will not charge Employer for any costs if Florida Blue does not obtain a recovery that exceeds those costs.

3.6 Records and Reports

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

3.7 Pharmacy Financial Disclosure

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

3.8 Pharmacy Rebates

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

The PBM will pass a zero withhold or a Rebate of 100% to the City as part of its Compensation for its services.

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

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

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

3.9 Claims Payments

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

3.10 Providers Outside the State of Florida

A. Inter-Plan Programs

Florida Blue has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Programs." Whenever members access healthcare services outside the geographic area Florida Blue serves, the claim for those services may be processed through one of these Inter-Plan Programs and presented to Florida Blue for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Programs available to members under this Agreement are described generally below.

Typically, members, when accessing care outside the geographic area Florida Blue serves, obtain care from healthcare providers that have a contractual agreement (i.e., are "participating providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, members may obtain care from non-participating healthcare providers. Florida Blue's payment practices in both instances are described below.

Under the Inter-Plan Program called BlueCard®, when members access covered healthcare services within the geographic area served by a Host Blue, Florida Blue will remain responsible to Employer for fulfilling Florida Blue's contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, Florida Blue's action will be consistent with the spirit of this description.

B. Liability Calculation Method Per Claim

The calculation of the member liability on claims for covered healthcare services processed through the BlueCard Program will be based on the lower of the participating healthcare provider's billed covered charges or the negotiated price made available to Florida Blue by the Host Blue.

The calculation of Employer liability on claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to Florida Blue by the Host Blue. Sometimes, this negotiated price may be greater than billed charges if the Host Blue has negotiated with its participating healthcare provider(s) an inclusive allowance (e.g., per case or per day amount) for specific healthcare services.

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

(i) an actual price. An actual price is a negotiated payment without any other increases or decreases, or

(ii) an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements, and performance-related bonuses or incentives, or

(iii) an average price. An average price is a percentage of billed covered charges representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustments may mean that a current price reflects additional amounts or credits for claims already paid to providers or anticipated to be paid to or received from providers). However, the amount paid by the member and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims. The BlueCard Program requires that the price submitted by a Host Blue to Florida Blue is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

If a Host Blue uses either an estimated price or an average price on a claim, it may also hold some portion of the amount that Employer pays in a variance

account, pending settlement with its participating healthcare providers. Because all amounts paid are final, neither variance account funds held to be paid, nor the funds expected to be received, are due to or from Employer. Such payable or receivable would be eventually exhausted by healthcare provider settlements and/or through prospective adjustment to the negotiated prices. Some Host Blues may retain interest earned, if any, on funds held in variance accounts.

A small number of states require Host Blues either (i) to use a basis for determining member liability for covered healthcare services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (ii) to add a surcharge.

Should the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, Florida Blue would then calculate member liability and Employer liability in accordance with applicable law.

C. Return of Recoveries

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

Unless otherwise agreed to by the Host Blue, Florida Blue may request adjustments from the Host Blue for full refunds from healthcare providers due to the retroactive cancellation of membership but only for one year after the date of the Inter-Plan financial settlement process for the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery conflicts with the Host Blue's state law or healthcare provider contracts or would jeopardize its relationship with its healthcare providers.

D. BlueCard Fees and Compensation

Employer understands and agrees to reimburse Florida Blue for certain fees and compensation which Florida Blue is obligated under the BlueCard Program to pay to the Host Blues, to the Blue Cross and Blue Shield Association (BCBSA), and/or to BlueCard Program vendors, as described below. Fees and compensation under the BlueCard Program may be revised in accordance with the Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by any Employers. Such revisions typically are made annually as a result of Program policy changes and/or vendor

negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Employer's benefit period under this Agreement.

Where applicable, access fees will be applied each time a claim is processed through the BlueCard Program, and will be billed to Employer as an additional claim liability. Other fees including, but not limited to, administrative expense allowance fees, Central Financial Agency fees, ITS Transaction Fees, an 800 number fee and a fee for providing provider directories, if applicable, are included as a component of the administrative fee and will not be a separate charge to Employer.

Only the BlueCard Program access fee may be charged separately each time a claim is processed through the BlueCard Program. If one is charged, it will be a percentage of the discount/differential Florida Blue receives from the Host Blue, based on the current rate in accordance with the Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any claim. All other BlueCard Program-related fees are included in Florida Blue's general administrative fee.

E. Non-Participating Providers

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

Employer understands and agrees to reimburse Florida Blue for certain fees and compensation which Florida Blue is obligated under applicable Inter-Plan Programs requirements to pay to the Host Blues, to the Blue Cross and Blue Shield Association, and/or to Inter-Plan Programs vendors. Fees and compensation under applicable Inter-Plan Programs may be revised in accordance with the specific Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by any Employers. Such revisions typically are made annually as a result of Inter-Plan Programs policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Employer's benefit period under this Agreement.

F. Inconsistencies

To the extent of any inconsistency between the above provision titled "Providers Outside the State of Florida" and other terms or conditions of the Agreement, the above provision controls.

SECTION IV
TERMINATION

4.1 Administration After Termination

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

4.2 Unilateral Termination

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

4.3 Termination On Termination Date

This Agreement shall terminate as of the Termination Date , unless Employer has given at least 30 days prior written notice to Florida Blue of its intention to renew this Agreement as required by Section 1.2.

4.4 Termination Upon Default

Upon the occurrence of any of the following events, as determined by Florida Blue, this Agreement will automatically terminate at the end of the 8th business day following the day upon which Employer is notified in writing of any of the events of default set forth hereunder, and then only in the event that Employer has not cured the incident of default:

1. Employer's failure to provide adequate funds, as set in Exhibit "B", as necessary for the payment of claims pursuant to the Group Health Plan;
2. Employer's failure to pay any administrative fees or late penalty as set forth in Exhibit "B" of this Agreement;
3. Employer ceases to maintain a Group Health Plan;
4. Employer modifies the Group Health Plan without the prior written consent of Florida Blue;

5. At any time Florida Blue has reasonable grounds for insecurity with respect to Employer's financial ability to adequately fund the Group Health Plan, and Employer has failed to immediately provide adequate assurances of financial soundness to Florida Blue;
6. At any time any judicial or regulatory body determines that this Agreement, or any provision of this Agreement, is invalid or illegal, or that this arrangement constitutes an insurance policy or program which is subject to state and/or federal insurance regulations and/or taxation;
7. At any time Employer otherwise materially breaches this Agreement.

4.5 Rights and Responsibilities Upon Termination

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

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

SECTION V

LEGAL ACTION; INDEMNIFICATION

5.1 Standard of Care

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

5.2 Liability; Sovereign Immunity.

Florida Blue shall not be liable to Employer or any other person for any mistake of judgment or other action taken in good faith, or for any loss or damage occasioned thereby, unless the loss or damage is due to Florida Blue's gross negligence, criminal conduct or fraudulent acts.

Nothing in this Agreement shall be interpreted as a waiver of the Employer's sovereign immunity as granted under Section 768.28, Florida Statutes.

5.3 Legal Actions

Florida Blue will provide the Employer with available data and materials that are reasonably necessary for the preparation of the defense of any lawsuit, proceeding or other action related to this Agreement.

SECTION VI

MISCELLANEOUS PROVISIONS

6.1 Amendment

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

6.2 Subsidiaries and Affiliates

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

6.3 Governing Law

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

6.4 Venue

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

6.5 Waiver of Breach

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

6.6 Inconsistencies

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

6.7 Notices

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

6.8 Entire Agreement

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

6.9 Severability

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

6.10 Binding Effect of Agreement

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

6.11 Survival

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

6.12 Independent Relationship

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

6.13 Execution of Agreement

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

6.14 Insurance

Florida Blue shall maintain and provide proof of insurance coverage as follows:

Worker's Compensation Insurance providing coverage in compliance with Chapter 440, Florida Statutes.

Commercial General Liability Insurance (other than automobile) consisting of broad form comprehensive general liability insurance including contractual coverage \$1,000,000 per occurrence (combined single limit for bodily injury and property damage.)

Errors and Omissions coverage minimum \$1,000,000.

Employer shall be an additional insured on such Commercial General Liability Insurance and Florida Blue shall provide a certificate of insurance naming Employer as additional insured.

Automobile Liability Insurance providing Property Damage \$500,000 per occurrence (combined single limit for bodily injury and property damage).

Florida Blue shall furnish Employer a certificate of insurance in a standard ACORD form to Employer for the insurance required. Employer will be given 30 days written notice (or 10 days for non-payment) prior to cancellation by Florida Blue.

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

ATTEST OR WITNESS:

Alicia Dennison
Title: Executive Assistant

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

Lynn Espartero
Title: VP Sales Operations

ATTEST OR WITNESS:

Karen E. Pries
Title: EXECUTIVE ASST SR

CITY OF GAINESVILLE, FLORIDA

Russ D. Galloway
Title: City Manager

APPROVED AS TO FORM AND LEGALITY

Nicole M. Shalley
City Attorney

EXHIBIT "A"
to the
ADMINISTRATIVE SERVICES AGREEMENT
between
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.D/B/A FLORIDA BLUE
and
CITY OF GAINESVILLE

GROUP HEALTH PLAN

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

EXHIBIT "B"
to the
ADMINISTRATIVE SERVICES AGREEMENT
between
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE
and
CITY OF GAINESVILLE

FINANCIAL ARRANGEMENTS
Banking Arrangement

I. Effective Date.

The effective date of this Exhibit is January 1, 2015.

II. Bank Account.

The Employer agrees to establish a bank account prior to the effective date of this Agreement, in its own name, at the bank designated by the Administrator. The Employer authorizes the Administrator to write checks on the bank account in order to pay claims pursuant to this Agreement. The Employer agrees to maintain the bank account and the reserve amount as set forth below. The Employer shall be responsible for the reconciliation of its bank account, based on information and reports provided by the Administrator and the bank.

III. Special Banking Information.

- A. Name of Employer (as it is to appear on the checks) - no more than 25 characters:

C I T Y O F G A I N E S V I L L E

- B. Employer Bank Account Reference Number - 5 characters:

1 0 0 2 5

- C. Reserve Requirement: \$325,000

- D. Funding Frequency: Daily

- E. Method of Funding: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$25.67 per enrolled employee with single coverage per month from January 1, 2015 through December 31, 2017. These fees include a \$1.00 discount as long as the City retains Stop Loss with Florida Blue.

\$61.19 per enrolled employee with dependent coverage per month from January 1, 2015 through December 31, 2017. These fees include a \$1.00 discount as long as the City retains Stop Loss with Florida Blue.

\$26.44 per enrolled employee with single coverage per month from January 1, 2018 through December 31, 2019. These fees include a \$1.00 discount as long as the City retains Stop Loss with Florida Blue.

\$63.03 per enrolled employee with dependent coverage per month from January 1, 2018 through December 31, 2019. These fees include a \$1.00 discount as long as the City retains Stop Loss with Florida Blue.

B. Administrative fees after the termination of the Agreement: 15% of claims paid. If the Employer remains enrolled with Florida Blue through the end of the contract term the Administrative fees will be lowered to 10% of claims paid.

V. Late Payment Penalty

A. In accordance with Part VII of Chapter 218, Florida Statutes, all administrative fees due from the Employer and not paid within 45 days of receipt of a proper invoice from Florida Blue bear interest from 30 days after the due date at the rate of 1 percent per month on the unpaid balance. Florida Blue must invoice the Employer for any interest accrued in order to receive the interest payment. Any overdue period of less than 1 month is considered as 1 month in computing interest. Unpaid interest is compounded monthly. For the purposes of this section, the term "1 month" means a period beginning on any day of one month and ending on the same day of the following month.

VI. Expected Enrollment

- A. The administrative fees and reserve requirement referenced above are based on an expected enrollment of: 2,550.
- B. If the actual enrollment is materially different from this expected enrollment, the Administrator reserves the right to adjust the administrative fees and the reserve requirement as set forth in the Agreement. Administrative fees will be charged based on actual enrollment.

EXHIBIT "C"
to the
ADMINISTRATIVE SERVICES AGREEMENT
between
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE
and
CITY OF GAINESVILLE

HIPAA-AS ADDENDUM TO ADMINISTRATIVE SERVICES AGREEMENT

This addendum ("Addendum") is effective upon execution and amends that Administrative Services Agreement ("Agreement") made as of January 1, 2015 by and among Blue Cross and Blue Shield of Florida, Inc. d/b/a Florida Blue ("Florida Blue"); City of Gainesville ("Employer") and City of Gainesville Group Health Plan ("GHP").

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

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

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

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

PART 1—DEFINITIONS

I. DEFINITIONS

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

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

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

PART 2--FLORIDA BLUE'S RESPONSIBILITIES

II. SERVICES PROVIDED BY FLORIDA BLUE

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

III. PRIVACY AND SECURITY OF PROTECTED HEALTH INFORMATION

A. Preservation of Privacy

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

B. Prohibition on Non-Permitted Use or Disclosure

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

C. Permitted Uses and Disclosures

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

1. GHP's Payment Activities and Health Care Operations

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

 X include (but are not limited to)

 do not include

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

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

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

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

3. Provider's Treatment Activities

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

4. Covered Person Permission

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

5. Florida Blue's Own Management and Administration

a. Protected Health Information Use

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

b. Protected Health Information Disclosure

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

6. De-Identified Health Information

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

7. **Limited Data Set**

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

- e: **Permitted Subcontractors, and Agents.** Florida Blue will require any agent or subcontractor to which it discloses the Limited Data Set, to agree to comply with the same restrictions and conditions that apply to Florida Blue's use and disclosure of the Limited Data Set pursuant to this Section III.C.6.
- f. **Breach of Privacy Obligations.** Florida Blue will report to GHP any use or disclosure of the Limited Data Set that is not permitted by this Section III.C.6 of which Florida Blue becomes aware.

D. Minimum Necessary

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

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

E. Disclosure to GHP and GHP's Business Associates

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

F. Disclosure to Florida Blue's Subcontractors and Agents

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

G. Disclosure to Employer

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

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

1. Privacy Breach

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

2. Security Incidents

Florida Blue will report to GHP any incident of which Florida Blue becomes aware that is (a) a successful unauthorized access, use or disclosure of Electronic Protected Health Information; or (b) a successful major (i) modification or destruction of Electronic Protected Health Information or (ii) interference with system operations in an Information System containing Electronic Protected Health Information. Upon GHP's request, Florida Blue will report any incident of which Florida Blue becomes aware that is a successful minor (a) modification or destruction of Electronic Protected Health Information or (b) interference with system operations in an Information System containing Electronic Protected Health Information.

I. Duty to Mitigate

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

J. Termination of Addendum

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

K. Disposition of Protected Health Information

1. Return or Destruction Feasible

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

2. Return or Destruction Not Feasible

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

3. Ongoing Privacy and Security Obligations

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

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

A. Access

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

B. Amendment

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

C. Disclosure Accounting

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

1. Disclosure Tracking

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

2. Disclosure Tracking Time Periods

Florida Blue will have available for Covered Person the disclosure information for each Accountable Disclosure for at least six (6) years immediately following the date of the Accountable Disclosure (except Florida Blue will not be required to have disclosure information for disclosures occurring before April 14, 2003).

3. Provision of Disclosure Information

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

D. Restriction Requests

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

E. Confidential Communications

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

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

F. Complaint Process

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

V. GHP'S PRIVACY PRACTICES NOTICE

A. Preparation of GHP's Privacy Practices Notices

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

B. Distribution of GHP's Privacy Practices Notice

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

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

C. Florida Blue to Comply with Notices

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

VI. ISSUANCE OF CERTIFICATE OF CREDITABLE COVERAGE

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

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

VII. SAFEGUARDING PROTECTED HEALTH INFORMATION

A. Privacy of Protected Health Information

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

B. Security of Electronic Protected Health Information

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

VIII. INSPECTION OF INTERNAL PRACTICES, BOOKS, AND RECORDS

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

PART 3—EMPLOYER'S RESPONSIBILITIES

IX. DATA EXCHANGE BETWEEN EMPLOYER AND FLORIDA BLUE

A. Enrollment Data

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

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