

**ATHENS AREA HEALTH PLAN SELECT, INC.
HMO / POINT OF SERVICE / PPO
GROUP HEALTHCARE CONTRACT**

This **Group Healthcare Contract** ("Group Contract" or the "Contract"), effective as of the ____ day of _____, 20__ (the "Effective Date") is made by and between **Athens Area Health Plan Select, Inc.** ("HPS"), a Georgia non-profit health maintenance organization, and _____ ("Employer").

W I T N E S S E T H:

WHEREAS, HPS has agreed to arrange for the provision of the Healthcare Services described in the HPS Evidence of Coverage, attached hereto and made a part hereof, subject to the terms herein and the payment of the required premiums; and

WHEREAS, Employer has agreed to comply with its obligations as described herein and in the Evidence of Coverage and to pay the required premiums according to the terms set forth herein; and

WHEREAS, Employer desires to have its Eligible Employees and their Eligible Dependents, as identified in the Application for Coverage, covered pursuant to the terms of this Group Contract and as provided in the Evidence of Coverage.

NOW THEREFORE, for and in consideration of the promises and mutual covenants set forth below the parties agree to the following:

**ARTICLE 1
DEFINITIONS**

Section 1.1 **Actively at Work.** The term "Actively at Work" means performing the job duties assigned by the Employer for pay. It includes temporary assignment away from the Employer's place of business.

Section 1.2 **Capitalized Terms.** The capitalized terms used in this Group Contract shall have the definitions set forth herein or in the Evidence of Coverage. In the event that the definitions set forth herein conflict with those set forth in the Evidence of Coverage, the definitions in the Evidence of Coverage shall govern.

Section 1.3 **Contract Anniversary.** The term "Contract Anniversary" shall mean the anniversary of the Effective Date. If such date falls on Saturday, Sunday, or a holiday, the Contract Anniversary shall be the next business day.

Section 1.4 **Dependent.** The term "Dependent" shall mean any individual described as a "Dependent" in Section II of the Evidence of Coverage.

Section 1.5 **Employee(s) or Eligible Employee(s).** The terms “Employee” or “Eligible Employee” shall mean only those Employees who are actively at work (or on sick leave or hospitalized on the effective date of coverage) and are employed for at least thirty (30) hours or more on average per week in the preceding calendar quarter prior to application and who continue to meet the definition of “Eligible Employees” set forth in Section III, A, of the Evidence of Coverage. Relatives and other persons who do not perform job duties for an Employer are not considered Employees.

Section 1.6 **Employer.** The term “Employer” shall include the Policyholder or Employer and each of the Policyholder or Employer's Included Companies.

Section 1.7 **Group Benefit Plan.** The term “Group Benefit Plan” shall mean the HPS Health Benefit Plan selected by the Employer and described in the attached Evidence of Coverage.

Section 1.8 **Included Companies.** The term “Included Companies” shall mean the Policyholder or Employer's subsidiaries and affiliates which are included under the Employer's Health Plan and which are listed on Schedule A, attached hereto and incorporated herein by reference.

Section 1.9 **Initial Open Enrollment Period.** The term “Initial Open Enrollment Period” shall mean the first open enrollment period (see below) subsequent to the execution of this Group Contract.

Section 1.10 **Member.** The term “Member” shall mean an Eligible Employee or Dependent enrolled in the Group Benefit Plan.

Section 1.11 **Open Enrollment Period.** The term “Open Enrollment Period” shall mean the month prior to the employer's contract anniversary in which Eligible Employees and Dependents can enroll for coverage in accordance with the terms of the Evidence of Coverage.

Section 1.12 **Employer's Health Plan.** The term “Employer's Health Plan” shall mean the health benefits program established and sponsored by the Policyholder or Employer, pursuant to other written documents, for the benefit of the Eligible Employees.

Section 1.13 **Provider Directory.** The term “Provider Directory” shall mean that certain directory provided by HPS which identifies the providers participating in the HPS network, as such directory may be amended from time to time.

Section 1.14 **Initial Eligibility Period.** The term “Initial Eligibility Period” shall mean the 31 days following the date of hire or change in employment status that entitles the employee to enroll in health coverage.

Section 1.15 **Small Employer.** The term “Small Employer” shall mean an Employer who employed an average of at least two (2) employees but not more than fifty (50) employees on

typical business days during the preceding calendar year and who employs at least two (2) employees on the first day of the Plan year.

ARTICLE 2 EMPLOYER OBLIGATIONS

Section 2.1 Employer Eligibility. During the term of this Group Contract, the Employer will promptly notify HPS of any significant changes in the Employer's group composition, eligibility requirements, health benefits design or Employees' costs associated with coverage. Any such change that is deemed adverse by HPS (unless agreed to in writing by HPS prior to such change) shall give HPS the option, in its discretion, of: a) adjusting premium rates (in accordance with Section 5.3 of this Group Contract); b) limiting enrollment; or c) offering the Employer coverage under any other health benefits product as may be offered by HPS from time to time. HPS may exercise its option at the time of coverage renewal.

Section 2.2 Minimum Enrollment. The Employer must maintain, at all times, a minimum enrollment of two (2) full-time Employees as Members.

Section 2.3 Employer Contribution. The Employer agrees that, unless otherwise agreed to in writing by HPS, it shall contribute at least fifty percent (50%) of the required single portion Premium Contribution applicable to each covered Employee. Any remaining portion of the Premium Contribution may be collected from each Employee for remittance by the Employer to HPS.

Section 2.4 Health Plan Administrator. The Employer's Health Plan is an "employee welfare benefit plan" within the meaning of ERISA. The Employer agrees that the Employer, and not HPS, is responsible for all obligations arising under ERISA and the Internal Revenue Code of 1986, as amended (the "Code"). The Employer specifically agrees that HPS is not the "administrator", "plan sponsor" or a named or unnamed "fiduciary" as defined by ERISA, and that HPS has no obligation pursuant to this Group Contract to comply with any responsibilities, obligations or duties mandated by ERISA, and that HPS has no obligation or responsibility to provide any person with any notice required by the Code or ERISA that is required to be provided by the Employer, another Employer, or the plan administrator of any plan sponsored by the Employer.

Section 2.5 Payments for Ineligible Members. In the event that an Employee or Dependent receives Healthcare Services at any time such Employee or Dependent does not meet eligibility criteria or the Employer has terminated this Contract, the Employer and the Employee or Dependent receiving such services shall be jointly and severally obligated to reimburse HPS for any amounts paid by HPS for such services within thirty (30) days of receipt of notice from HPS requesting such reimbursement

Section 2.6 Minimum Participation. The minimum participation level for Small Employers shall be (1) One hundred (100%) percent of Eligible Employees for Employers with three (3) or less employees; and (2) Seventy-five (75%) percent of Eligible Employees for Employers with

more than three (3) but no more than fifty (50) employees. For Small Employers, as defined in Section 1.15, Eligible Employees who have other group health insurance from an unaffiliated insurer as a spouse or dependent shall not be counted in determining minimum participation levels. A minimum participation level of seventy-five (75%) percent of all employees shall be required for Employers with fifty-one (51) or more employees.

ARTICLE 3 HPS OBLIGATIONS

Section 3.1 Material Provided to Employees. For each Member, HPS shall provide to Policyholder or Employer: a) an individual identification card; b) an Evidence of Coverage, including a Schedule of Benefits; c) information on riders selected by the Employer; and d) a Provider Directory.

Section 3.2 Payment to Providers. HPS will pay providers for any Covered Healthcare Services, as defined in the Evidence of Coverage, provided to Members, excepting: a) any required co-payments, deductibles, and coinsurance; b) any payments for periods in which the applicable premium has not been paid by the Employer; or c) any payments for periods in which the Employee has ceased to be a Member.

ARTICLE 4 ELIGIBILITY AND ENROLLMENT OF INDIVIDUALS

Section 4.1 Eligible Employees and Individuals. Eligible Employees of the Employer and their eligible Dependents shall be those persons who meet the criteria for eligibility set forth in the Evidence of Coverage ("Eligible Persons"). Individuals are eligible for enrollment hereunder only upon meeting and continuing to meet the requirements set forth in this Article and as further defined in the Evidence of Coverage.

Section 4.2 Extension of Eligibility. HPS and the Employer may agree, in writing prior to the Effective Date, to the extension of eligibility to persons other than those provided for in the Evidence of Coverage. HPS and the Employer shall consider only those persons who are contemplated in O.C.G.A. § 33-30-1(1) through (6). Any such agreement shall be attached as an amendment to this Group Contract.

Section 4.3 Enrollment Procedures. In order to enroll, an Eligible Employee must submit to his Employer a completed Enrollment/Change Form and any other information which HPS may reasonably request. The Employer must submit the Enrollment/Change Form to HPS within thirty-one (31) days of the date the Employee first becomes eligible for coverage. Applicants will be considered enrolled only after HPS has accepted the Enrollment Form and notified Employer, in writing, of such acceptance. HPS' acceptance will be based upon timely receipt of the Enrollment Form, the receipt of the first month's premium for such Employee, and satisfaction of all of the requirements of this Group Contract, including the Evidence of Coverage.

Section 4.4 Subsequent Enrollment. After the Employer's first open enrollment period during which Eligible Persons may enroll in the HPS Health Benefit Plan, Eligible Persons may enroll in the Plan during any subsequent annual open enrollment period or within 31 days of their initial eligibility period, with coverage commencing on the first day of the month following satisfaction of the Employer's eligibility requirements (including any waiting period). In order to enroll, Eligible Persons must submit to the Employer a completed Enrollment Form and any other information, which HPS may reasonably request. Applicants will be considered enrolled only after HPS has accepted the Enrollment Form and notified Employer, in writing, of such acceptance. HPS' acceptance of the Enrollment Form will be based upon timely receipt from the Employer of the completed Enrollment Form, the receipt of the applicable premium, and satisfaction of all of the requirements of this Group Contract including the Evidence of Coverage.

Section 4.5 Special Enrollment. If eligible Employees make a written declination of enrollment for themselves or their Dependents (including a spouse) because of other health insurance coverage, they may in the future be able to enroll themselves or their Dependents in this Plan, provided that they request enrollment within thirty-one (31) days after their other coverage ends. In addition, if they have a new Dependent as a result of marriage, birth, adoption or placement for adoption, they may be able to enroll themselves and their Dependents, provided that they request enrollment within thirty-one (31) days after the marriage, birth, adoption, or placement in the home for adoption.

Section 4.6 Verification of Employment Status. The Employer expressly agrees that HPS may investigate the employment status of any person applying for coverage or covered as an Employee of the Employer and expressly agrees to provide whatever documentation is requested, including but not limited to: payroll records; tax filings; employment contracts; etc. to verify or confirm the hours worked and employment status of any person who has filed an Enrollment/Change Form applying for coverage or who is claiming to be an Employee of the Employer. HPS may require, at any time, completion of an employment questionnaire or affidavit concerning the hours worked or employment status of any person covered as an Employee or the Employer. HPS may also require legal documentation of dependent status or completion of an affidavit concerning the dependent status of anyone covered or applying for coverage as a Dependent of an Employee. Failure to cooperate fully in providing this information shall result in denial of coverage for the person applying for Coverage or claiming to be an Employee or Dependent.

Section 4.7 Audits. Employer expressly agrees that HPS may request information from Employer's records or conduct an audit of Employer's employment records on an annual basis to confirm that the participation and other eligibility requirements for coverage under the HPS plan are met by the Employer.

Section 4.8 Waiting Periods. The Employer may determine the length of the Waiting Period for new Employees. The Waiting Period is the length of time an Employee must be employed before becoming eligible for coverage and may be any period permitted by law. The Waiting Period must be selected at the time the Application for Group Coverage is made and cannot be

waived by the Employer. The Waiting Period can only be changed by the Employer on a Renewal Date by giving at least sixty (60) days written notice to HPS of its desire to change the Waiting Period prior to the Renewal Date of the coverage.

ARTICLE 5 PREMIUMS

Section 5.1 Payment of Premiums. The Employer shall pay premiums to HPS for the duration of this Group Contract, in accordance with the Schedule of Premium Rates set forth in Schedule B, attached hereto and incorporated herein by reference. Except as indicated below in Section 5.3, the rates shall remain in effect throughout the term of this Group Contract. All premiums are due on or before the first day of the month for which Coverage is to be provided (the "Premium Due Date"). Only Members for whom the applicable premium is actually received by HPS shall be entitled to Covered Services hereunder and then, only for the period for which such premium is applicable. If payment for any Member or the Group is not made within the grace period set forth in 5.6 below, HPS may terminate coverage of the individual Member or the Group, as appropriate, under this Group Contract. If coverage is terminated under the terms of this provision, any Member for whom premium payment was not made but who receives healthcare services under the plan will be responsible for payment of all charges for services and supplies received after the effective date of termination. The Employer shall also be responsible for such charges in accordance with Section 8.2 of this Agreement.

Section 5.2 Time of Payment. All premiums are due on or before the first day of the month for which Covered Services are to be provided (the "Premium Due Date").

Section 5.3 Rate Changes. HPS retains the right to amend the premium rates under this Group Contract on any of the following dates:

- (a) Any Contract Anniversary; or
- (b) At any time that the extent or nature of the risk under the Group Contract is changed by amendment to this Group Contract or by amendment to any applicable federal or state law or directive. If the federal or state government mandates a new benefit be included in the package of benefits or a benefit is removed, the Evidence of Coverage shall be amended to add the new benefit or delete the benefit removed, and the premiums shall be adjusted accordingly.

HPS will provide notice to the Employer of any such rate changes as required in Section 6.1 of this Group Contract.

Section 5.4 Additions and Terminations. HPS will bill Premium Contributions for additions and terminations of Members during any month as follows:

- (a) Additions effective as of the first fifteen (15) days of the monthly billing cycle will be billed for a full month's

- Premium Contribution for that month;
- (b) Additions effective between the sixteenth (16th) and twenty-ninth (29th) day of the monthly billing cycle will be billed for one-half (1/2) month's Premium Contribution for that month;
- (c) Additions effective as of the thirtieth (30th) or thirty-first (31st) day of the month will be billed no Premium Contribution for that month; and
- (d) Terminations effective during any day of a given month will result in a full month's Premium Contribution being billed in accordance with Section 7.7.

Section 5.5 Retroactive Adjustments. The Employer must notify HPS in writing within ten (10) days of the receipt of a completed Enrollment Form and within ten (10) days of receipt of all termination and change forms. At the discretion of HPS, retroactive adjustments may be made for any additions or terminations not reflected in HPS' records at the time Premium Contributions are calculated if timely notice of such changes is made by the Employer as set out above. However, no retroactive credit will be given for any period which is more than sixty (60) days prior to the date on which HPS received notice of termination of the Member or change in coverage class. Additionally, no retroactive adjustment will be made if claims for Covered Services have been made for dates of service subsequent to the requested termination date. **Employer understands and agrees that no retroactive terminations can be made for clerical mistakes or failure by the Employer to promptly notify HPS of the termination of employment of a Covered Employee or the loss of eligibility of any Dependent.**

Section 5.6 Grace Period. Employer is entitled to a grace period of up to thirty-one (31) days for the payment of any premium due under this Group Contract. During the grace period, this Group Contract will remain in full force and effect, unless the Employer has given notice of termination in accordance with Section 7.2. Employer shall be liable for payment of a pro rata portion of the premium for such time the Contract was in force. The Employer understands and agrees that if payment is not received or postmarked prior to the end of the grace period coverage will be terminated.

Section 5.7 Reinstatement. If the premium is not paid within the Grace Period and the coverage is terminated according to the terms of this Agreement the Employer may request that coverage be reinstated. If the request is received within ten business days of the last day of the Grace Period and all past due premium and a \$500.00 reinstatement fee is paid with the request coverage will be reinstated. **Reinstatement will only be allowed one time. No exceptions will be made.** Following the one time reinstatement, coverage will be terminated if premium is not paid within the Grace Period.

Section 5.8 Failure to Respond to Renewal Notice. HPS shall provide notices of renewal terms at least sixty (60) days prior to the renewal date. If Employer fails to return the renewal form prior to the renewal date and wishes to chose a benefit plan other than the plan indicated on the renewal notice the Employer will be charged an administrative fee of \$35.00 to reflect the additional administrative workload necessary to change benefit plans.

Section 5.9 Dishonored Checks. If a premium check is dishonored for any reason, including but not limited to, insufficient funds or a stop payment order, Employer agrees to pay the current service and administrative fee charged by HPS at the time the check is returned by the bank. HPS reserves the right to modify or adjust the service fee to reflect changes in bank fees or administrative costs. If a check is not honored and no further payment is made during the grace period, coverage will be terminated for non-payment of premium in accordance with the terms of this Group Contract.

ARTICLE 6 NOTICE

Section 6.1 HPS Notice Requirements. HPS shall provide written notice to the Policyholder or Employer in the event that:

- (a) any changes are made by HPS to any premium rates in accordance with Section 5.3 above. Such notice will be provided by HPS at least sixty (60) days prior to such change in rate;
- (b) Employer defaults on its obligation to make Premium Contributions and fails to cure as provided by Section 5.6, resulting in termination of the Group Contract; or
- (c) HPS terminates or amends the Group Contract pursuant to Section 7.2 below. Such notice will be provided by HPS at least sixty (60) days prior to any such change.

Section 6.2 Employer Notice Requirements to HPS. The Employer shall provide written notice to HPS in the event that:

- (a) a new Member enrolls in the Group Benefit Plan;
- (b) a Member terminates coverage under the Group Benefit Plan;
- (c) an Included Company, listed on Schedule A, is no longer covered under the Policyholder or Employer's Health Plan;
- (d) any company or other entity is added to the Policyholder or Employer's Health Plan;
- (e) any eligibility requirement or other plan design changes with respect to the Policyholder or Employer's Health Plan; or
- (f) any Employees' cost associated with coverage under the Group Benefit Plan changes.

Any such change that is deemed adverse by HPS (unless agreed to in writing by HPS prior to such change) shall give HPS the option, in its discretion, of: a) terminating this Group Contract; b) adjusting rates (in accordance with Section 5.3 of this Group Contract); or c) offering the Employer coverage under any other health benefits product as may be offered by HPS from time

to time. HPS may exercise its option by giving the Employer at least sixty (60) days prior written notice.

Section 6.3 Employer Notice Requirements to Employees. The Policyholder or Employer shall provide written notice to the appropriate Employees in the event that:

- (a) the Group Contract is terminated, including the effective date of termination and whether individual conversion coverage is available; or
- (b) any Employee's or Dependent's coverage under the Group Benefit Plan is terminated.

ARTICLE 7 TERM AND TERMINATION

Section 7.1 Term. The term of this Group Contract shall be for one (1) year beginning on the Effective Date as set forth herein. The Group Contract shall be renewed automatically thereafter from year to year, subject to changes in HPS' premiums and Evidence of Coverage forms as approved by the Georgia Department of Insurance, unless otherwise terminated pursuant to this Article 7. Upon termination of this Group Contract the Employer shall require that all Covered Employees immediately cease using their HPS Member Identification Card to obtain prescription drugs or other benefits unless the Member is covered under an extension of benefits provision as set out in the Evidence of Coverage.

Section 7.2 Termination without Cause. The Group Contract may be terminated by either party without cause by giving sixty (60) days written notice prior to the expiration of any one-year term of the Group Contract, or by either party giving at least sixty (60) days written notice prior to any Premium Due Date.

Section 7.3 Failure to Pay Premiums. If payment for any Member or the Group is not made within the grace period set forth in 5.6 above, HPS may terminate coverage of the individual Member or the Group, as appropriate, under this Group Contract. If coverage is terminated under the terms of this provision, any Member for whom premium payment was not made but who continues to receive healthcare services under the plan will be responsible for payment of all charges for services and supplies after the effective date of termination. The Employer shall also be responsible for such charges in accordance with Section 8.2 of this Agreement.

Section 7.4 Failure to Maintain Minimum Enrollment or Participation. In the event that enrollment falls below the Minimum Enrollment set forth in Section 2.2, or Employer fails to maintain the minimum participation levels required in Section 2.6, HPS may terminate this Group Contract by giving the Employer sixty (60) days prior written notice. During this notice period, the Employer shall have the opportunity to notify HPS in writing that it has increased enrollment above the Minimum Enrollment or increased participation to the minimum level, which, upon HPS' review and approval, will allow this Group Contract to continue without interruption.

Section 7.5 Termination with Cause. Unless otherwise provided, HPS may terminate this Group Contract due to a material breach by the Policyholder or Employer, provided that HPS has provided Policyholder or Employer with written notice of such breach and intent to terminate and Policyholder or Employer fails to cure such breach to the reasonable satisfaction of HPS within sixty (60) days of receiving HPS' notice of breach.

Section 7.6 Termination of Included Company. On any date when an Employer ceases to be an Included Company, this Group Contract will terminate with respect to the Employees of such Included Company, except for any Employee that may be an Eligible Employee of the Policyholder or Employer or another Included Company.

Section 7.7 Termination of Individual Coverage. Coverage as to a Member under this Group Contract will terminate: a) at midnight of the last day of the month in which the Member ceases to meet the eligibility requirements described in the Evidence of Coverage; or b) on the termination date as described in the Evidence of Coverage. It shall be the responsibility of the Employer to notify the Member of the termination. Employer and Members shall be obligated, jointly and severally, to pay to HPS all charges for all Healthcare Services and benefits received by a Member after eligibility ceases. Upon termination of a Member's coverage, HPS will provide the Member (and his/her family, if applicable) with a certificate of creditable coverage, showing all the days accumulated under one or more types of creditable coverage.

Section 7.8 Change in Employer's Business. If the Employer ceases its business operations, ceases to maintain a place of business, does not renew or loses its business license, or is not a valid ongoing business this Group Healthcare Contract may be terminated by HPS upon giving sixty (60) days written notice. It is understood by the Policyholder that HPS only provides health benefit plans to valid employer groups and that if the Policyholder terminates its business operations the coverage under this Contract will end (except for the extension of benefits for disabled members as described in Section 8.4.)

ARTICLE 8 EFFECTS OF TERMINATION

Section 8.1 General. Upon termination, whether by failure to pay premiums or otherwise, all rights to benefits shall terminate at the end of the period for which all required premiums have been made except as noted in Sections 8.3 and 8.4 below..

Section 8.2 Employer/ Employee Liability. **It is expressly understood and agreed that both the Employer and Member shall be obligated, jointly and severally, to reimburse HPS for any and all claims paid by HPS after the Employer's coverage terminates or the Member's coverage terminates.** If the Employer fails to give its Employees timely notice of the termination of coverage of an Employee the Employer agrees to reimburse HPS for any claims paid by HPS after that Member's coverage terminates. Upon receiving notice of the termination of coverage under this Plan the Employer shall immediately notify all Covered Employees of the termination and shall collect all HPS Identification Cards from all Members.

Section 8.3 **Inpatients.** Upon termination, hospital coverage shall end for Members who are inpatients of Hospital or Skilled Nursing Facility on the later of the date of discharge from the facility or the date on which the Member's benefit would have expired, absent the termination.

Section 8.4 **Disabled Members.** For those Members who are totally disabled at the time of termination, coverage shall continue for the disabling condition for the lesser of the period for which the person remains totally disabled or twelve (12) months from the date coverage is terminated. Notice of such total disability shall be required from that Member's physician within thirty (30) days of the termination of coverage and as may be reasonably requested by HPS thereafter.

ARTICLE 9 THE GROUP CONTRACT

Section 9.1 **Contract Documents.** The parties agree that the entire Group Contract shall consist of the following parts: a) this Group Contract; including any Schedules or Exhibits attached hereto; b) the Evidence of Coverage with its Schedule of Benefits; and c) any riders, endorsements, or amendments to this Group Contract or the Evidence of Coverage.

Section 9.2 **Amendment of Group Contract.** This Group Contract may be amended: a) by HPS upon change in federal or state law, regulation or interpretation as provided herein; b) as requested in writing by Employer and agreed to by HPS; or c) as requested in writing by HPS and agreed to by Employer. To be effective, a change must: a) in the case of a federal or state law, regulation or interpretation, be set out in an amendment and signed by an officer of HPS; b) in the case of a change requested by the Employer, be indicated in an endorsement signed by both the Employer and an officer of HPS; or c) in the case of a change requested by HPS, be reflected in an amendment that is signed by an HPS officer and accepted by Employer. Any change or amendment requiring approval by the Georgia Department of Insurance must be approved by that department prior to inclusion in this Contract.

ARTICLE 10 GENERAL PROVISIONS

Section 10.1(A) **Records.** The parties agree that it is necessary for HPS to obtain and review certain information about Members in order to meet its obligations under this Group Contract. Except as required by law, HPS is under no obligation to tell, nor obtain the consent of, a Member to obtain such information. Employer agrees to provide any necessary information to HPS needed to pay a claim submitted by or on behalf of a Member. HPS will keep a record of all Members, including key facts about their coverage under the Group Contract. Employer agrees to notify HPS immediately upon any change in any Member's eligibility, including termination of the Employee's employment. If Employer fails to notify HPS of such a change in eligibility, Employer shall be responsible for any benefits provided to any Member, as set forth herein. HPS agrees to retain in confidence any medical information it possesses concerning a

Member, but may release such information to its authorized agents and Participating Providers as necessary to process a claim.

Section 10.1(B) HIPAA. Employer understands and agrees that all Protected Health Information (PHI) of Employees is subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HPS must collect certain medical information which constitutes PHI in order to underwrite, set premium rates, and process and pay claims for Covered Persons. Employees' and Dependents' PHI cannot be released to or discussed with the Employer without the authorization of the Employee or Dependent. The Employer agrees to protect the confidentiality of any PHI in its possession and to disclose PHI to the minimum number of persons necessary to perform its required duties pursuant to this Contract. HPS will protect and maintain the confidentiality of all PHI in accordance with HIPAA and other state and federal laws and will only collect and use PHI as permitted by law and as required to perform its health insurance functions, including treatment, payment of claims, and health insurance operations, as set out in this Contract and the Evidence of Coverage. Employer will cooperate with HPS in complying with HIPAA and other state and federal laws.

Section 10.2 Independent Contractors. Each party, including its officers, agents, and employees is, at all times, an independent contractor as to the other party. Nothing in this Group Contract shall be construed to make or render either party or any of its officers, agents, or employees an agent, servant, or employee of, or joint venturer of or with, the other party.

Section 10.3 Compliance with Terms. Failure to insist upon strict compliance with any term herein (by way of waiver or breach) by either party hereto shall not be deemed to be a waiver of any other term herein or a continuous waiver in the event of any future breach or waiver of any condition hereunder.

Section 10.4 Arbitration. Any claim or dispute concerning issues of fact or law arising out of or relating to this Group Contract, its performance or alleged breach by either party, which is not disposed of by agreement of the parties, shall be the subject of non-binding mediation. The parties shall appoint a disinterested mediator (if they cannot agree on a mediator, either party may petition the Chief Judge of the Clarke County Superior Court to appoint a mediator), whose expenses shall be shared equally. If the claim or dispute is not resolved by mediation, the issue may be resolved by arbitration. The party seeking arbitration must serve written notice of its intent to arbitrate upon the other within thirty (30) days of the conclusion of the mediation process. Each party shall choose one arbitrator and the arbitrators so chosen shall choose the third arbitrator. The decision of the arbitrators shall be by majority vote. The claim or dispute shall be arbitrated in Athens, Georgia or such other mutually agreeable location, pursuant to the Rules of Commercial Arbitration of the American Arbitration Association. Each party shall pay one half of the arbitrators' expenses and fees as a condition of its participation in such arbitration. The arbitrators may award costs and attorneys fees to the prevailing party, but shall not award punitive damages to any party. The arbitrators shall adopt appropriate rules and procedures, and shall render their decision with a view to affecting the intent of this Agreement. The decision of the arbitrators shall be final subject to appeal by either party in any court of record having jurisdiction over the subject matter and over the party against whom enforcement is sought.

Section 10.5 Assignment. This Group Contract may not be assigned, delegated or transferred by either party without the express written consent of the other party, and any such unauthorized transfer or assignment shall be void; provided, however, that HPS may assign this Group Contract to any affiliated entity that controls, is controlled by, or that is under common control with it now or in the future, or which succeeds to its business through a sale, merger, or other corporate transaction, without the prior written consent of the Employer.

Section 10.6 Benefits. This Group Contract shall be binding upon, and shall inure to the benefit of the parties hereto and their respective successors and assigns. Participating Providers are third-party beneficiaries of HPS' rights under this Group Contract.

Section 10.7 Gender and Number. The use of the masculine, feminine, or neutral gender and the use of the singular and plural shall not be given the effect of any exclusion or limitation herein; and the use of the word "person" or "party" shall mean and include any individual, trust, corporation, partnership, or other entity.

Section 10.8 Severability. If any portion of this Group Contract shall, for any reason, be invalid or unenforceable, such portion shall be ineffective only to the extent of any such invalidity or unenforceability, and the remaining portion or portions shall nevertheless be valid, enforceable and of full force and effect; provided, however, that if the invalid provision is material to the overall purpose and operation of this Group Contract, then this Group Contract shall terminate upon the severance of such provision.

Section 10.9 Amendment. This Group Contract may only be amended as set forth above, effective on the date of the amendment or at such other time as said amendment may provide. It is expressly understood and agreed that the execution of a Group Healthcare Contract subsequent to this Contract by the parties hereto shall operate to terminate this Group Healthcare Contract and any previous Group Healthcare Contracts entered into by the parties.

Section 10.10 Waiver of Breach. Waiver of breach of any provision of this Group Contract shall not be deemed a waiver of any other breach of the same or different provision of this Agreement.

Section 10.11 Governing Law. This Group Contract shall be governed by the laws of the State of Georgia.

Section 10.12 Notices. Any notice, request, demand, instruction, or other document to be given pursuant to this Group Contract by either party shall be in writing and delivered personally or sent by certified mail, postage prepaid, to the other party at the address set forth below, or at such other address as such party may from time to time designate by such notice:

As to HPS: Athens Area Health Plan Select, Inc.
295 West Clayton Street
Athens, Ga. 30601
Attn: Director of Marketing

As to Employer:

All notices given hereunder shall be deemed effective on the date delivered if delivered personally and three (3) days after the postmarked date if sent by certified mail, postage pre-paid. Either party may change its address for receipt of notices upon ten (10) days' prior written notice to the other party.

IN WITNESS WHEREOF, the undersigned have executed this Group Contract, effective as of the Effective Date.

The Health Plan selected by the Employer is Plan #: _____ with a Deductible of _____.

Employer:

(AUTHORIZED SIGNATURE)

NAME: _____

TITLE: _____

DATE: _____

Athens Area Health Plan Select, Inc.

(AUTHORIZED SIGNATURE)

NAME: _____

TITLE: _____

DATE: _____

Schedule A
INCLUDED COMPANIES

Schedule B
PREMIUM RATE SCHEDULE