2028 PLAN YEAR AMENDMENT to the COVERED CALIFORNIA FOR SMALL BUSINESS QUALIFIED HEALTH PLAN ISSUER CONTRACT FOR 2026 – 2028 FOR THE SMALL GROUP MARKET

between

Covered California

and

xxx ("Contractor")

October 8, 2026

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COVERED CALIFORNIA
QUALIFIED HEALTH PLAN ISSUER CONTRACT
between
Covered California
and
_____ ("Contractor")

THIS QUALIFIED HEALTH PLAN ISSUER CONTRACT ("Agreement") is entered into by and between Covered California, an independent entity established within the government of the State of California doing business as Covered California and _____, a health insurance issuer as defined in Title 10 California Code of Regulations ("CCR") § 6410 ("Contractor"). (Except as otherwise expressly defined, capitalized terms shall have the meaning set forth at Article 14 Definitions).

RECITALS

A. Covered California is authorized under the Federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the Federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) (collectively, "Affordable Care Act"), and the California Patient Protection and Affordable Care Act, (Chapter 655, Statutes of 2010 and Chapter 659, Statutes of 2010) ("California Affordable Care Act") to selectively contract with Health Insurance Issuers in order to make available to Covered California Enrollees health care coverage choices that seek to provide the optimal combination of choice, value, access, quality, and service to Employers;

B. The Application process conducted by Covered California is based on the assessment of certain requirements, criteria and standards that: (i) Covered California determines are reasonable and necessary for bidding Health Insurance Issuers to market, offer, and sell Qualified Health Plans (QHPs) through Covered California, (ii) are set forth in the Application, and (iii) are required under applicable laws, rules and regulations or otherwise necessary to meet the needs of Covered California Enrollees, including, those set forth at Government Code § 100500 et seq. and 45 C.F.R. Part 155 et seq.;

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C. In connection with the evaluation of the responses to the Application received from Health Insurance Issuers, Covered California is required under : (i) to evaluate the proposed QHP Issuer's compliance with requirements imposed under the Application, and (ii) to give greater consideration to potential QHP Issuers that further the mission of Covered California by promoting, among other items, the following: (1) affordability for the consumer – both in premiums and at point of care, (2) "value" competition based upon quality, service, and price, (3) competition based upon meaningful QHP Issuer choice and ability to demonstrate product differentiation: Patient-Centered Benefit Designs, (4) competition throughout the State, (5) alignment with Providers and delivery systems that serve the low-income population, (6) delivery system improvement, effective prevention programs, and payment reform, (7) administrative capability and financial solvency, and (8) robust customer service;

D. Contractor is a Health Insurance Issuer authorized to provide Covered Services to Enrollees under applicable laws, rules and regulations pursuant to: (i) a certificate of authority issued by the California Department of Insurance ("CDI") under § 699 et seq. of the California Insurance Code, or (ii) a license issued by the Department of Managed Health Care ("DMHC") pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (§ 1340 et seq. of the California Health and Safety Code). (Except as otherwise stated, references to "Codes" set forth herein shall refer to the laws of the State of California.);

E. Based on Covered California's evaluation of the proposal submitted by Contractor in response to the Application ("Proposal") and its consideration of other factors required to be considered under applicable laws, rules and regulations and/as otherwise necessary to meet the needs of Covered California Enrollees, Covered California intends to designate Contractor as a QHP Issuer (as defined at 10 CCR § 6410) pursuant to Covered California's determination that Contractor's proposed QHPs meet the requirements necessary to provide health insurance coverage as a QHP to Employers who purchase health insurance coverage through Covered California;

F. Contractor desires to participate in Covered California as a QHP Issuer; and

G. Contractor and Covered California desire to enter into this Agreement to set forth the terms and conditions of Contractor's role as a QHP Issuer and operation of the QHPs through Covered California.

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ARTICLE 1 – GENERAL PROVISIONS

1.1 Purpose

This Agreement sets forth the expectations of Covered California and Contractor with respect to: (i) the delivery of services and benefits to Covered California Enrollees; (ii) the respective roles of Covered California and Contractor related to enrollment, eligibility, and customer service for Covered California Enrollees; (iii) coordination and cooperation between Covered California and Contractor to promote quality, high value care for Covered California Enrollees and other health care consumers; (iv) Covered California's expectation of enhanced alignment between Contractor and its participating providers to deliver high quality, high value health care services; and (v) administrative, financial, and reporting relationships and agreements between Covered California and Contractor.

Covered California enters into this Agreement with Contractor to further its mission to increase the number of insured Californians, improve health care quality and access to care, promote health, lower costs, and reduce health disparities. Covered California seeks to accomplish this mission by creating an innovative and competitive marketplace that empowers consumers to choose the health plan and providers that offer the best value. Covered California's "Triple Aim" framework seeks to improve the patient care experience, including quality and satisfaction, improve the health of the population, and reduce the per capita costs of Covered Services. Through the execution of this Agreement, Covered California and Contractor jointly commit to be actively engaged in promoting change and working collaboratively to define and implement additional initiatives to continuously improve quality and value.

1.2 Applicable Laws and Regulations

a) This Agreement is in accord with and pursuant to the California Affordable Care Act, Section 100500 et seq., Title 22 of the California Government Code (Chapter 655, Statutes of 2010 and Chapter 659, Statutes of 2010) and the implementing regulations, Title 10, Chapter 12 of the California Code of Regulations, § 6400 et seq., as enacted or as modified during the course of this Agreement. This Agreement is also in accord with and pursuant to the Federal Patient Protection and Affordable Care Act and its implementing Federal regulations, as enacted or modified during the course of this Agreement, including standards for QHP certification set forth at 45 C.F.R.

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Part 156 et seq. (Subpart C: Qualified Health Plan Minimum Certification Standards).

b) Contractor is subject to the obligations imposed on Contractor under applicable laws, rules and regulations of the Federal Affordable Care Act, the California Affordable Care Act, and any other applicable Federal, State or local laws, rules and regulations. The parties to this Agreement recognize and acknowledge there may be material changes to the above-referenced rules and regulations and other applicable Federal, State, or local laws, rules and regulations. Should such an event arise, the parties agree that revisions to this Agreement may be necessary to align provisions contained herein with the changes made to these laws. Nothing in this Agreement limits such obligations imposed on Contractor, including any failure to reference a specific State or Federal regulatory requirement applicable to Covered California or Contractor. In those instances where Covered California imposes a requirement in accordance with the California Affordable Care Act or as otherwise authorized by California law that exceeds a requirement of the Federal Affordable Care Act or other Federal law, the State law and Covered California requirement shall control unless otherwise required by law, rules and regulations.

c) Compliance Programs. Contractor shall, and shall require Participating Providers and all Subcontractors to, comply with all applicable Federal, State, and local laws, regulations, executive orders, ordinances and guidance, including, the Affordable Care Act, the California Affordable Care Act, the Americans with Disabilities Act, the Anti-Kickback Statute, the Public Contracts Anti-Kickback Act, the Stark Law, the Knox-Keene Health Care Service Plan Act of 1975, and California Insurance Code, as applicable.

1.3 Relationship of the Parties

a) Independent contractors. The parties acknowledge that in performance of the duties under this Agreement Covered California and Contractor are acting and performing as independent contractors. Nothing in this Agreement shall be construed or deemed to create a relationship of employer or employee or partner or joint venture or principal and agent between Covered California and Contractor. In accordance with State and Federal law, Covered California is not operating on behalf of Contractor or any Subcontractor of Contractor. Neither Contractor nor its Participating Providers, authorized Subcontractors, or any agents, officers, or employees of Contractor shall be deemed as agents, officers, employers, partners, or associates of Covered California.

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b) Subcontractors. Contractor shall require any Subcontractor or assignee to comply with applicable requirements in this Agreement. Nothing in this Agreement shall limit Contractor's ability to hold Subcontractor liable for performance under a contract between Contractor and its Subcontractor(s). Contractor's obligations pursuant to this Agreement and applicable laws, rules and regulations shall not be waived or released if Contractor subcontracts or otherwise delegates services of this contract. Contractor shall exercise due diligence in the selection of Subcontractors and monitor services provided by Subcontractors for compliance with the terms of this Agreement and applicable laws, rules or regulatory requirements or orders.

   i. Notwithstanding any relationship(s) that Contractor may have with delegated and Downstream Entities, Contractor maintains responsibility for its compliance and the compliance of any of its delegated or Downstream Entities with all applicable federal standards related to Exchanges. Contractor maintains responsibility for ensuring its delegated and Downstream Entities comply with the Federal standards related to Exchanges, including the standards in 45 C.F.R. Part 156, subpart C with respect to each of its QHPs on an ongoing basis, as well as the Exchange processes, procedures, and standards in accordance with 45 C.F.R. Part 155, subpart K,, unless the standard is specifically applicable to a Federally-facilitated Exchange.

   ii. Contractor's delegation agreements shall comply with the specifications included in 45 C.F.R. § 156.340 and must include language stating that Covered California may demand and receive the delegated or downstream entity's books, contracts, computers, or other electronic systems, including medical records and documentation, relating to Contractor's obligations in accordance with federal standards until ten (10) years from the final date of the agreement period.

c) Contractor shall notify Covered California in advance of assignment or delegation of duties under this Agreement. Notification to Covered California shall apply to new assignment and delegation as well as changes or amendments to existing assignment or delegation for the following:

   i. Enrollment and Eligibility
   ii. Customer Service Call Center
   iii. Managed Behavioral Health Organizations (MBHOs) or Behavioral Health Vendor
   iv. Third Party Administrator for Dental Providers
   v. Third Party Administrator for Provider Contracts

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vi. Third Party Administrator for Claims Administration

1.4 General Duties of Covered California

Covered California is approved by the United States Department of Health and Human Services ("DHHS") pursuant to 45 C.F.R. § 155.105 and performs its duties in accordance with State and Federal laws and this Agreement. The duties of Covered California include:

a) Certification of QHP Issuers (45 C.F.R. Part 155, Subpart K);

b) Consultation with stakeholders (45 C.F.R. § 155.130);

c) Consumer assistance tools and programs, including operation of a toll-free call center (45 U.S.C. § 18031 (d) and 45 C.F.R. § 155.205);

d) Eligibility and enrollment determinations in Covered California for the Individual Market (45 C.F.R. Part 155, Subparts D and E);

e) Financial support for continued operation of Covered California (45 C.F.R. § 155.160);

f) Non-interference with Federal law and nondiscrimination standards (45 C.F.R. § 155.120);

g) Notices to Enrollees (45 C.F.R. § 155.230);

h) Oversight, financial, and quality activities (45 C.F.R. § 155.200);

i) Participation of brokers to enroll Employers in QHPs (45 C.F.R. § 155.220);

j) Privacy and security of Personally Identifiable Information (PII) (45 C.F.R. § 155.260);

k) Use of standards and protocols for electronic transactions (45 C.F.R. § 155.270);

l) Establishment of Covered California for Small Business (CCSB) to assist Employers and facilitate enrollment of Employees into QHPs (45 C.F.R. Subpart H, § 155.700 et seq.);

m) Operation and management of the CCSB eligibility and enrollment system. Covered California also has a duty, as part of its management of the CCSB eligibility and enrollment system, to determine how the CCSB eligibility and enrollment system presents information about cost, quality, and provider availability for consumers to inform their selection of issuer and benefit design

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in Covered California. Covered California shall solicit comment from Contractor on the design but retains final authority to make design and presentation decisions in its sole discretion; and

n) Covered California agrees to provide a dedicated team member responsible for working with Contractor to resolve any and all issues that arise from implementation of Covered California.

1.4.1 Confidentiality of Contractor Documents

Covered California shall treat as confidential and exempt from public disclosure all documents and information provided by Contractor to Covered California, or to the vendor for Covered California, provided the documents or information are deemed to be, or qualify for treatment as, confidential information under the Public Records Act, Government Code § 7920.000 et seq, or other applicable Federal and State laws, rules and regulations. Documents and information that Covered California will treat as confidential include provider rates and Contractor's business or marketing plans.

1.5 General Duties of Contractor

Contractor and Covered California acknowledge and agree that Contractor's QHPs are important to furthering Covered California's goal of delivering better care and higher value. Contractor agrees that Contractor's QHPs submitted and certified through the annual certification process for the current Plan Year, shall be offered through Covered California to provide access to Covered Services to Covered California Enrollees in accordance with the terms and conditions required by this Agreement and as required for designation of each health insurance plan as a QHP.

Contractor shall maintain the organizational and administrative capacity to support and ensure implementation and operation of this Agreement. This requirement includes the following:

a) Contractor maintains the legal capacity to contract with Covered California and complies with the requirements for participation in Covered California pursuant to this Agreement and applicable Federal and State laws, rules and regulations;

b) A dedicated liaison is available as the primary contact person to coordinate and cooperate with Covered California in the implementation of this Agreement and the contact person and/or other personnel are available to

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Covered California as needed to fulfill Contractor's duties under this Agreement.

i. Key individual(s) who will have primary responsibility for servicing the Covered California account and flow of responsibilities include the following representatives: Chief Executive Officer, Chief Finance Officer, Chief Operations Officer, Chief Medical Officer, and Dedicated Liaison.

1. Contractor shall timely notify Covered California within ten (10) Days in the event of a change of key individual(s) (as defined in 1.5b)i.)) occurs.

c) Contractor's QHPs are offered in accordance with the terms and conditions of this Agreement and comply with the Affordable Care Act and the California Affordable Care Act and implementing regulations, and with applicable Federal and State laws, rules and regulations, as may be amended from time to time as required under applicable laws, rules and regulations, or as otherwise authorized under this Agreement;

d) Notify Covered California of:

i. all routine or non-routine surveys and audits conducted by State and Federal Regulators concerning Contractor's Covered California lines of business;

ii. any material concerns identified by Contractor or material concerns including any enforcement actions resulting in monetary penalties equal to or exceeding $100,000, identified by State and Federal Regulators that may impact Contractor's performance under this Agreement within ten (10) Days following Contractor's knowledge of such concern;

iii. in the event Contractor fails to meet Medical Loss Ratio (MLR) minimum standards in the small group market, Contractor shall notify Covered California of such failure on or before the date on which Contractor reports MLR rebate information to the U.S. Department of Health and Human Services pursuant to 45 C.F.R. § 158.260. The notice to Covered California shall include: (i) Contractor's MLR, (ii) the number of subscribers for both on and off-exchange in the small group market to whom issuer will pay a MLR rebate directly and the number of small group policy holders receiving a MLR rebate on behalf of enrollees, (iii) the amount of rebates provided as a premium credit, (iv) the amount of rebates provided in lump sum, and (v) the amount of rebates that were de

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minimis and the number of subscribers who did not receive a rebate because it was de minimis;

e) Provide Covered California with copies of any preliminary or final reports, findings, or orders related to Subsection (d) of this Section 1.5, within five (5) business days of Contractor receiving them from State and Federal Regulators; and

f) Participate in Business Review meetings between Covered California and Contractor to report and review program performance results, including all Services and components of the program, i.e., clinical, financial, contractual reporting requirements, customer service, appeals, and any other program recommendations.

g) All notifications shall be made according to the "Contract Reporting Requirements" table posted on Contractor's extranet website provided by Covered California (Carrier Management (External) page, PMD Resources, Contract Reporting Compliance folder).

1.6 Coordination with Other Programs

Contractor and Covered California recognize that the performance of Services under this Agreement depends upon the joint effort of Covered California, Contractor, Participating Providers, and other authorized Subcontractors of Contractor. Contractor shall coordinate and cooperate with Participating Providers and such Subcontractors to the extent necessary, and as applicable, to promote compliance by Participating Providers and such Subcontractors with the terms set forth in this Agreement. Contractor shall also coordinate and comply with requirements of other State agencies that affect its Enrollees, including the Department of Health Care Services ("DHCS") and California Department of Insurance ("CDI"), as may be required under inter-governmental agency agreements or other laws, rules, regulations, or program instructions.

1.7 Changes in Requirements

The parties agree that Covered California may make prospective changes to benefits and services during a contract year to incorporate changes in State or Federal laws, requirements imposed by State and Federal Regulators, or as mutually agreed by Covered California and Contractor. The projected cost of any such benefit or service change will be included in the cost of health care projections and changes to the Monthly Rates will be implemented after

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Contractor has demonstrated the cost impact of the benefit or service change in accordance with the requirements set forth in Article 6.

1.8 Evaluation of Contractor Performance

Covered California shall evaluate Contractor's performance during Business Review meetings with respect to fulfillment of its obligations under this Agreement on an ongoing basis, including as described in Section 1.5 f). In the event evaluations conducted by Covered California reveal a significant problem or pattern of non-compliance with terms of this Agreement as reasonably determined and documented by Covered California, Covered California shall have the right, without limitation, to conduct reasonable additional reviews of Contractor's compliance and operational performance. Such evaluations shall also be considered in connection with decisions relating to re-certification and de-certification in accordance with the terms set forth at Article 8.

1.9 Required Notice of Contractor Changes

Notices pursuant to this Section shall be provided by Contractor promptly within ten (10) Days following Contractor's knowledge of such occurrence; provided, however, such notice shall be provided immediately if such occurrence may reasonably be deemed to adversely affect the quality of care or safety of Covered California Enrollees.

All written notices from Contractor pursuant to this Section shall contain sufficient information to permit Covered California to evaluate the events under the same criteria that were used by Covered California in its award of this Agreement to Contractor. Contractor agrees to provide Covered California with such additional information as Covered California may request. If Contractor requests confidential treatment for any information it provides, Covered California shall treat the information as confidential, consistent with Section 1.4.1.

Contractor shall notify Covered California in writing upon the occurrence of any of the following events:

a) Contractor is in breach of any of its obligations under this Agreement;

b) Change in the majority ownership, control, or business structure of Contractor;

c) Change in Contractor's business, partnership or corporate organization that may reasonably be expected to have a material impact on Contractor's

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performance of this Agreement or on Covered California's rights under this Agreement;

d) Breach by Contractor of any term set forth in this Agreement or Contractor otherwise ceases to meet the requirements for a QHP Issuer, including those set forth at 45 C.F.R. § 156.200 et seq. (Subpart C Qualified Health Plan Minimum Certification Standards);

e) Immediate notice in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudicated bankrupt, or a receiver is appointed and qualifies; and

f) Changes in Contractor's Provider Network by notice consistent with Section 4.3.

   i. Contractor shall notify Covered California with respect to any material changes to its Essential Community Provider (ECP) contracting arrangements; and

   ii. Significant changes in operations of Contractor that may reasonably be expected to significantly impair Contractor's operation of QHPs or delivery of Covered Services to Covered California Enrollees.

1.10 Nondiscrimination

a) Services and Benefits. During the performance of this Agreement, Contractor shall not, and shall require Participating Providers and other Subcontractors, as well as their agents and employees to not, in accordance with the Affordable Care Act Section 1557 (42 U.S.C. § 18116), cause an individual to be excluded on the grounds prohibited under Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), or subject to any other applicable State and Federal laws, from participation in, be denied the benefits of, or be subjected to discrimination under, any health program or activity offered through Covered California.

b) Employment and Workplace. Contractor shall not, and shall require Participating Providers and other Subcontractors, as well as their agents and employees to not, unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race,

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color, ancestry, religious creed, national origin, physical disability (including Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS)), mental disability, medical condition (including health impairments related to or associated with a diagnosis of cancer for which a person has been rehabilitated or cured), age (40 or over), marital status, genetic information, sexual orientation, gender identity, or use of family and medical care leave. Contractor shall, and shall require Participating Providers and other Subcontractors, as well as their agents and employees, to evaluate and treat employees and applicants for employment in a manner that is free from such discrimination and harassment. Contractor shall, and shall require Participating Providers and Subcontractors, as well as their agents and Employees, to comply with the provisions of the Fair Employment and Housing Act (Government Code § 12900 et seq.) and the applicable regulations promulgated thereunder (2 CCR § 10000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code §12990, set forth in CCR Chapter 5 of Division 4.1 of Title 2, including, 2 CCR § 11102 et seq., are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor shall, and shall require Participating Providers and other Subcontractors to, give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

1.11 Conflict of Interest; Integrity

Contractor shall be, and shall require Participating Providers to be free from any conflicts of interest with respect to Services provided under this Agreement. Contractor represents that Contractor and its personnel do not currently have, and will not have throughout the term of the Agreement, any direct interest that may present a conflict in any manner with the performance of Services required under this Agreement. Contractor also represents that it is not aware of any conflicts of interest of any Participating Provider or any basis for potential violations of Contractor or Participating Provider with respect to laws, rules and regulations that govern referrals required for the provision of certain Covered Services, including Federal and State anti-kickback and anti-self-referral laws, rules and regulations. Contractor shall immediately (i) identify any conflict of interest that is identified during the term of the Agreement, and (ii) take any necessary action to assure that any activities are not improperly influenced by a conflict of interest.

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Contractor shall comply with any and all other policies adopted by Covered California regarding conflicts of interest and ethical standards, copies of which shall be made available by Covered California for review and comment by Contractor prior to implementation.

1.12 Other Financial Information

In addition to financial information to be provided to Covered California under other provisions of this Agreement or pursuant to applicable laws, rules and regulations, at the request of Covered California, Contractor shall provide Covered California with financial information that is (i) provided by Contractor to State and Federal Regulators or other regulatory bodies, or (ii) reasonable and customary information prepared by Contractor, including supporting information relating to Contractor's Enrollees. Possible requests may include annual audited financial statements and annual profit and loss statements.

1.13 Other Laws

Contractor shall comply with applicable laws, rules and regulations, including the following:

a) Americans with Disabilities Act. Contractor shall comply with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA, unless specifically exempted.

b) Drug-Free Workplace. Contractor shall comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code § 8350 et seq.).

c) Child Support Compliance Act. Contractor shall fully comply with all applicable State and Federal laws relating to child and family support enforcement, including disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with § 5200) of Part 5 of Division 9 of the Family Code.

d) Domestic Partners. Contractor shall fully comply with Public Contract Code § 10295.3 with regard to benefits for domestic partners.

e) Environmental. Contractor shall comply with environmental laws, rules and regulations applicable to its operations, including, those relating to compliance with the requirements of the Electronic Waste Recycling Act of

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2003, Chapter 8.5, Part 3 of Division 30, commencing with § 42460 of the Public Resources Code, relating to hazardous and solid waste.

f) Other Laws. Contractor shall comply with any and all other State and Federal laws, rules and regulations applicable to this Agreement, to the operation of Covered California, and to Contractor's provision of Services under this Agreement.

1.14 Contractor's Representations and Warranties

Contractor represents and warrants that neither the execution of this Agreement by Contractor, nor the acts contemplated hereby, nor compliance by Contractor with any provisions hereof will:

a) Violate any provision of the charter documents of Contractor;

b) Violate any laws, rules, regulations, or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Contractor; or

c) Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the occurrence of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities, or condition (financial or otherwise) of Contractor.

Due Organization. Contractor represents and warrants that it is duly organized, validly existing, and in good standing under the laws of the state of its incorporation or organization.

Power and Authority. Contractor represents and warrants that: (i) it has the power and authority to enter into this Agreement and to carry out its obligations hereunder; (ii) the execution of this Agreement has been duly authorized and executed by Contractor and no other internal proceeding on the part of Contractor is necessary to authorize this Agreement; and (iii) to the best of its knowledge, Contractor has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents, or examinations required by any State and Federal Regulators and other government or governmental authority for its acts contemplated by this Agreement.

1.15 Fraud, Waste and Abuse; Ethical Conduct

Contractor shall maintain and enforce policies, procedures, processes, systems, and internal controls (i) to reduce Fraud, Waste, and Abuse, and (ii) to enhance

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compliance with other applicable laws, rules, and regulations in connection with the performance of Contractor's obligations under this Agreement.

a) Contractor shall maintain an effective compliance program that includes a minimum of the following "7 Core Elements" as defined by CMS: Written Policies, Procedures and Standards of Conduct; Compliance Program Oversight; Training and Education Communication; Auditing and Monitoring; Consistent Discipline; and Corrective Actions and meets the requirements of applicable laws, rules, and regulations. Contractor shall provide evidence of such compliance program as reasonably requested by Covered California.

b) Contractor shall communicate within ten (10) Days to Covered California any material concerns identified by Contractor or material concerns including any enforcement actions resulting in monetary penalties equal to or exceeding $100,000, by State and Federal Regulators related to regulatory compliance that may impact performance under this Agreement following Contractor's knowledge of such occurrence; provided, however, such notification shall be provided immediately if such occurrence may reasonably be deemed to adversely affect the quality of care or safety of Covered California Enrollees. All notifications shall be made according to the "Contract Reporting Requirements" table posted on Contractor's extranet website provided by Covered California (Carrier Management (External) page, PMD Resources, Contract Reporting Compliance folder).

c) If Contractor receives any preliminary or final reports, findings, or orders related to material concerns identified by State and Federal Regulators that may impact performance under this Agreement pursuant to this Section, it shall provide Covered California with copies of them within five (5) business days of receiving them from State and Federal Regulators.

d) Contractor shall provide Covered California with a description of its fraud, waste, and abuse detection and prevention programs and report total monies recovered by Contractor in the most recent 12-month period for Contractor's total book of business as well as total monies recovered for Covered California business only. This description shall be updated during each year that this Agreement is in effect and shall include an overview of fraud and abuse detection and prevention program activities conducted by Contractor, Participating Providers, other Subcontractors and their authorized Agents, including a summary of key findings, relevant data analytics and fraud risk assessments to circumvent fraud, waste, and abuse, and the development, implementation, and enforcement of any

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corrective action plans for changing, upgrading, or improving these programs.

e) Contractor shall maintain and enforce a code of ethical conduct and make it available to Covered California upon request.

f) Contractor shall refer potential fraud activities identified through fraud detection and response measures to Covered California. Contractor shall follow the established Carrier Referral Process posted on Contractor's extranet website provided by Covered California (Carrier Management (External) page, Contractor's folder, Data Integrity, Fraud Referral folder).

g) Contractor shall not terminate Covered California Enrollee coverage for fraud without prior review and approval from Covered California.

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ARTICLE 2 – ELIGIBILITY AND ENROLLMENT

2.1 Eligibility and Enrollment Responsibilities

2.1.1 Covered California Responsibilities

a) Covered California shall be solely responsible for the determination of eligibility and enrollment of Small Employers and Employees in the Covered California for Small Business in accordance with applicable Federal and State laws, rules and regulations.

b) Covered California shall notify Contractor regarding each eligible applicant who has completed an application for enrollment and selected Contractor as the QHP Issuer. Covered California shall transmit information required for Contractor to enroll the applicant within seven (7) business days of receipt of verification of eligibility and selection of Contractor's QHP.

c) Covered California shall send 834 member-related files in EDI or CSV format to all Contractors with enrollment information to Contractor on a daily or on an as-needed basis.

d) Covered California shall send group files using XML format to all Contractors on a daily or on an as-needed basis.

e) Covered California shall send the 820 Payment Remittance Information File in EDI or CSV format to all Contractors who received a payment, once a month.

2.1.2 Contractor Responsibilities

a) Contractor shall comply with all Federal and State eligibility and enrollment laws and regulations, including the Affordable Care Act § 1411 et seq. (42 U.S.C. § 18081 et seq.), 45 C.F.R. § 155.400 et seq., Government Code §§ 100503 and 100503.4, and 10 CCR § 6400 et seq.

b) Contractor shall comply with all Covered California eligibility and enrollment determinations, including those made through the CCSB eligibility and enrollment system that result from an Employer's appeal of a Covered California determination. Within ten (10) Days of receiving a request from Covered California to implement the appeals decision, Contractor shall implement appeals decisions and provide communication to Covered California with evidence the appeal resolution has been implemented. Contractor shall immediately notify Covered California if it receives an appeal decision that does not have all necessary data elements required for

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Contractor to implement the appeal decision. In the event that an Employee and/or Dependent requires immediate care, the QHP Issuer will work closely with Covered California to implement any eligibility or enrollment changes as soon as reasonably possible. Contractor shall accept all Employees assigned by Covered California except as otherwise authorized by policies and procedures of Covered California or upon the approval of Covered California.

c) Contractor shall input the enrollment information into Contractor's membership enrollment and financial databases. Contractor shall review and reconcile its membership enrollment and financial databases with Covered California enrollment reconciliation file on a monthly basis. Contractor will use the Monthly Reconciliation File provided by Covered California in an EDI or CSV format to perform eligibility and financial validation and reconciliation. Contractor shall prepare a comparison extract in accordance with the file validations and resolution timelines, as mutually agreed upon between Covered California and Contractor. The eligibility and/or financial discrepancies shall be reported to Covered California via FTP.

d) Contractor will follow the discrepancy reconciliation process mutually developed with Covered California and their enrollment vendor. Contractor will work to receive all data reconciliation files electronically to expedite and automate data reconciliation. If a discrepancy is detected, CCSB will notify Contractor and note discrepancies on the daily reconciliation report until resolved. Contractor will make all efforts to prioritize reconciliation of enrollment data discrepancies that may lead to subscriber or dependent Access to Care (ATC) events. These data points include member effective date, member enrollment status, member Date of Birth (DOB) or other related demographic data which would impact ATC for services. For the purpose of monitoring discrepancies and preventing member ATC events, CCSB will monitor and report all discrepancies until the discrepancy is reconciled.

e) Contractor shall ingest Standard X12 EDI benefit enrollment and maintenance set files (834) furnished by Covered California and ensure Interchange acknowledgement files (999/TA1) are transmitted between Contractor and Covered California in a mutually agreed format. This includes all X12 response files (834 effectuation, TA1/999, etc.).

f) Once the 834 File has been sent to Contractor, Covered California should receive a 999/TA1 Acknowledgement File in return from Contractor, confirming the 834 File has been received. Contractor shall adhere to the agreed upon turn-around time (TAT) for processing 834 Files to add a new member. Contractor shall send Covered California the return 834 Effectuation

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File which will include the member's information and Contractor assigned member ID number. After Covered California receives the 834 Effectuation File from Contractor, Covered California shall send Contractor a 999/TA1 Acknowledgement File confirming Contractor's file was received and processed.

g) After Covered California has sent the monthly 820 Payment Remittance File to Contractor, Contractor shall send a 999/TA1 Acknowledgement File confirming the 820 File was received and processed.

h) Contractor shall provide a supplemental file for those members with identified enrollment discrepancies. Contractor shall provide this file within two weeks of the receipt of the weekly reconciliation file.

i) Contractor shall rely upon Covered California as the system of record for eligibility and enrollment during the term of this Agreement; provided, however, that Contractor shall: (i) reconcile premium payment information with enrollment and eligibility information received from Covered California on a monthly basis, and (ii) Contractor shall only accept changes to eligibility information submitted by Employers or Employees when Covered California notifies or confirms such change to Contractor.

2.2 Covered California for Small Business

Covered California has established Covered California for Small Business to assist Employers by facilitating enrollment of Employees into QHPs. Contractor shall process Covered California for Small Business enrollments from small businesses determined by Covered California to be eligible for coverage in accordance with the terms set forth in this Agreement and Federal and State laws, rules, and regulations. All specified Employees and their Dependents, of Employers who are eligible in accordance with the Affordable Care Act, California Affordable Care Act, and Regulations may obtain coverage through Covered California for Small Business as permitted by State and Federal laws, rules, and regulations. Covered California will assume statutory obligation as required as part of initial enrollment that would otherwise be carried out by Contractor, such as assuring completion of Agent attestation, if applicable.

2.2.1 Covered California for Small Business Enrollment Periods

Contractor agrees to allow Employers and Employees to purchase coverage in Covered California for Small Business at any point during the year ("rolling enrollment period") and as a result of specified triggering events, during Special Enrollment Periods. Contractor shall accept changes to enrollment received from

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Covered California other than during the Employer's Open Enrollment Period for qualifying events as required under State and Federal laws, rules, and regulations. Contractor agrees to accept new Employers, Employees and eligible Dependents who enroll during these periods in Covered California for Small Business.

2.2.2 Covered California for Small Business Coverage Effective Dates

a) Upon verification of eligibility and selection of Contractor's QHP, Covered California shall: (i) process enrollment of Employees into Contractor's QHPs, (ii) establish effective dates of Employee coverage, and (iii) transmit enrollment information for Employees to Contractor. Contractor shall notify Employees of the effective date of coverage.

b) Contractor shall coordinate and cooperate with Covered California to the extent necessary during Covered California's enrollment process following Covered California's acceptance of the single Employer and single Employee application forms. Contractor shall provide Services as may be required to support Covered California during the enrollment process conducted by Covered California in accordance with Covered California's responsibilities under State and Federal laws, rules and regulations. Such Services shall include support of Covered California's performance of the following activities that must occur before the effective date of coverage: (i) determination of Employer eligibility, (ii) selection of Contractor's QHPs coverage levels by Employers and Employees, and (iii) verification of Employee's eligibility.

c) Covered California for Small Business coverage shall commence on the first (1st) Day of a month or such other date as may be established by Covered California under its enrollment timeline and processes in accordance with State and Federal laws, rules and regulations. The specific terms and conditions relating to commencement of coverage, including cancellation or postponement of the effective date of coverage in the event of nonpayment or partial payment of an initial premium will be determined in accordance with applicable laws, rules and regulations.

d) Contractor shall provide Covered California for Small Business with all information necessary to send the renewal notifications to Covered California Small Businesses, including information needed to satisfy any applicable language accessibility requirements.

2.2.3 Covered California for Small Business Premiums and Agent Compensation

Covered California for Small Business will be responsible for collection of premiums, including delinquent payments. Contractor shall review and reconcile information received from Covered California on a monthly basis relating to the administration of premium payments, including information required under 45 C.F.R. § 155.705 and other applicable laws, rules and regulations necessary to the administration of premiums. Such reconciliation process will include Contractor's review of information relating to the receipt of premium amounts due to Covered California from each Employer and Employee in Covered California for Small Business. Contractor shall provide Covered California notice of any reconciling enrollment information with premium payment information, which shall be evaluated by Covered California in consultation with Contractor.

Contractor shall not be entitled to collect from Covered California Enrollees or receive from Employers any amounts or funds above the premium amounts except with respect to cost-sharing amounts or to the extent that such payment (i) is expressly authorized under the QHPs, such as out-of-network services that comply with the notice requirements set forth at Section 4.4.3, or (ii) relates to a charge for non-sufficient funds or transaction fees initiated by a Covered California Enrollee at rates that are reasonable and customary for such transactions. Contractor shall not pursue collections of any said fees from Covered California.

Premiums charged to individuals includes the assessment of the Participation Fee of four point twenty-five (4.25) percent of the premium due by each Covered California Enrollee, as well as a percentage for distribution related expenses. Distribution related expenses shall be set at a rate as set forth in Attachment 5. Covered California for Small Business shall collect a percentage of the premium in order to compensate Agents and General Agents. Contractor acknowledges that Covered California for Small Business may have excess funds as a result of collecting a percentage of Covered California Enrollee premiums for distribution related expenses. In no event shall Covered California for Small Business be required to remit any excess funds to Contractor. Any excess funds shall belong to Covered California for Small Business.

2.2.4 Covered California for Small Business Terminations of Coverage

Contractor acknowledges and agrees that Covered California shall be responsible for the aggregation and administration of premiums for Covered California for Small Business. Covered California shall be responsible for: (1) the submission of bills to each Employer on a monthly basis in a form that identifies Employer and Employee contributions and the total amount due, (2) collecting

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the amounts due from each Employer, and (3) making payments to Contractor for Covered California Enrollees in Contractor's QHPs on a monthly basis or such other intervals as mutually agreed upon by Covered California and Contractor. In no event shall Covered California be liable to Contractor with respect to any interest or other charges relating to premium funds received by Covered California that are not yet disbursed by Covered California to QHP Issuers.

The specific terms and conditions relating to terminations, including Contractor's right to terminate an Employer in connection with the receipt of nonpayment or partial payments from Employers, shall be established by Covered California in accordance with applicable laws, rules and regulations.

Except as otherwise required under applicable laws, rules or regulations, an Employee's enrollment through Employer may be terminated in connection with the termination of Employer's coverage and/or with respect to the events described above. With respect to an Employee, their eligibility shall cease at such time as they are no longer a qualified Employee to whom Employer has offered coverage. Covered California will notify Contractor within five (5) business days of any Employer or Employee termination.

Contractor shall request termination of a Covered California Enrollee for fraud or misrepresentation through the Carrier Referral Process (posted on Contractor's extranet website provided by Covered California (Carrier Management (External) page, Contractor's folder, Data Integrity, Fraud Referral folder) and provide Covered California with supporting documentation which substantiates Contractor's request to terminate. Contractor shall not terminate for fraud or misrepresentation without prior approval from Covered California.

2.2.5 Covered California for Small Business Minimum Participation Rates

Contractor shall comply with minimum participation and contribution rates for Employers participating in Covered California for Small Business in accordance with 10 CCR § 6522. Participation rates shall be established by Covered California in consultation with Health Insurance Issuers and may be modified by Covered California no more frequently than annually based on consideration of various factors, including, prevailing market standards and changes in applicable laws, rules, and regulations. Covered California will provide Contractor notice of such to the minimum participation, if any, at least two hundred ten (210) Days prior to the effective date of the proposed change. Changes to the minimum

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participation and contribution rates will be published on the Covered California for Small Business website.

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ARTICLE 3 – PROMOTING ENROLLMENT

Covered California selectively contracts with Health Insurance Issuers that agree to actively support and work to achieve Covered California's mission of increasing the number of insured Californians—and maintaining their coverage across programs. Having insurance coverage is a vital first step toward assuring all Californians get the best care possible and to improving health equity and reducing health disparities. Given California's diversity, Covered California and Contractor agree to engage in diverse and varied efforts to promote enrollment and support consumers moving between forms of coverage. Covered California and Contractor agree to conduct independent, coordinated and complementary efforts to reduce gaps in coverage by supporting Enrollee transitions between coverage programs, conduct active marketing and outreach efforts and to support Agents to provide Enrollees the in-person and in-language education and enrollment support they need to make informed choices. Covered California and Contractor agree to support these efforts as enumerated in this Article.

Although the requirements and expectations in this Article are not included as performance standards in Attachments 2 — Performance Standards with Penalties and Attachment 3 — Performance Standards and Expectations, Covered California will actively monitor Contractor's performance with respect to its obligations under this Article and will factor in such performance in its decisions to recertify Contractor's QHPs in future years.

3.1 Transitions of Coverage

To further Covered California's mission of ensuring that as many individuals as possible have the benefit of insurance coverage, Contractor agrees to establish policies and practices in coordination with Covered California that maximize smooth transitions and facilitate coverage for Enrollees to and from Covered California and other health coverage programs, including between Medicare, and other governmental health care programs, and employer-sponsored insurance (ESI). Contractor shall coordinate with Covered California to make best efforts to ensure all consumers leaving ESI, including those who may be eligible for coverage required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and the California Continuation Benefits Replacement Act, Health and Safety Code § 1366.20 et seq. ("Cal-COBRA"), understand the options they may have for coverage through Covered California. Covered California expects Contractor to fully assist enrollee transition to other eligible coverage either in Medicare, or Covered California, as applicable and permitted by such programs.

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Covered California will assist enrollee transition from Covered California to coverage through Medi-Cal, Medicare or a non-CCSB ESI.

To the extent Contractor has enrollees in small and large group ESI, to further the parties' commitment to maximizing enrollment in health insurance coverage, Contractor will work with Covered California to develop and implement operational processes to ensure continuity of coverage for Enrollees transitioning from Contractor's non-exchange lines of businesses to Covered California. This includes conducting consumer outreach efforts and supporting Covered California in the implementation of auto-enrollment or facilitated enrollment activities.

Contractor shall conduct Consumer outreach to include an annual notification to Enrollees in Contractor's individual and group health care coverage regarding their potential eligibility for reduced or no-cost coverage through Covered California as required by Health and Safety Code § 1366.50 and California Insurance Code §10786, and as further required by those statutes, shall provide Enrollee contact data for Covered California's outreach to consumers who terminated from ESI coverage and are not known to have transitioned to other health coverage. Contractor shall make best efforts to assist Enrollees with transitioning to and from other programs, including prominently displaying information in termination of coverage material, on Contractor's website, and by educating Service Center representatives on eligibility and enrollment considerations.

3.2 Marketing and Enrollment

3.2.1 Enrollment and Marketing Coordination and Cooperation

Covered California and Contractor recognize that effective enrollment of eligible individuals depends on robust marketing, outreach, education, and engagement efforts undertaken by both parties and effective coordination of those activities to promote enrollment. Covered California invests a substantial portion of its annual budget on multi-cultural marketing campaigns during the Open Enrollment and Special Enrollment Periods, complemented by year-round initiatives that build and sustain trust in the Covered California brand, to promote enrollment in its QHPs, and support retention and member engagement.

3.2.1.1 Covered California Activities to Promote Enrollment

Covered California will take such action as it deems necessary and feasible to develop and implement programs and activities to support Contractor in its marketing and enrollment efforts, in accordance with applicable laws, rules and

regulations. Such activities may include making available the following programs and resources for use by or for the benefit of Contractor:

a) Education, marketing, and outreach programs that will seek to increase enrollment and retention through Covered California and inform consumers, including Contractor's current Enrollees, that there is a range of QHPs available in Covered California in addition to Contractor's QHPs;

b) A standard interface through which Contractor shall electronically accept from Covered California the initial binder payment (via Automated Clearing House or Electronic Funds Transfer) to effectuate coverage and accept subsequent premium payment in Covered California for Small Business;

c) Complete documentation and reasonable testing timelines for interfaces with Covered California's eligibility and enrollment system;

d) Eligibility and enrollment training for Contractor's staff and for licensed Agents;

e) Joint marketing activities of Covered California, Contractor, and other Health Insurance Issuers designed to drive awareness and enrollment in Covered California;

f) Covered California's annual marketing plans, including retention and renewal efforts; and

g) Customer service support that will include substantially extended customer service hours during Open Enrollment Periods.

Covered California will treat as confidential, all Contractor marketing plans, materials, and spend reports consistent with Section 1.4.1. The obligation of Covered California to maintain confidentiality of this information shall survive termination or expiration of this Agreement.

3.2.1.2 Contractors Activities to Promote Enrollment

Contractor shall support marketing and enrollment efforts as follows:

a) Educate its Agents on Contractor's QHPs offered in Covered California, work with Covered California to efficiently educate its Agents about Covered California's small business marketplace, and inform Agents that a prospective Enrollee's health status is irrelevant to advice provided with respect to health plan selection other than informing individuals about their estimated out-of-pocket costs;

b) Make any translated marketing and outreach materials available concurrently with English materials;

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c) Cooperate with Covered California to develop and implement a Covered California Enrollee retention plan;

d) Submit to Covered California a high-level summary of marketing plan as defined in Section 3.2.2.2;

e) Submit to Covered California annual actualized spend amounts for the Calendar Year as defined in Section 3.2.2.2; and

f) Have successfully tested interfaces with Covered California's eligibility and enrollment system or be prepared to complete successful interface tests by dates established by Covered California.

3.2.2 Enrollee Materials and Branding Documents

3.2.2.1 Co-branded Materials

a) Contractor shall include the Covered California for Small Business logo on Covered California Enrollee termination notices. Contractor shall include the Covered California for Small Business logo and other information in notices and other materials based upon the mutual agreement of Covered California and Contractor as to which materials will include the Covered California for Small Business logo. Contractor must submit these materials to Covered California as defined in Section 3.2.2.2. Contractor may include the Covered California for Small Business logo on identification cards and welcome packets.

b) Contractor shall comply with Covered California co-branding requirements related to the format and use of the Covered California logo as outlined in the Covered California Brand Style Guide. Covered California shall post the Brand Style Guide on Contractor's section of the extranet website provided by Covered California (Hub page, Marketing Resources library).

c) Except as otherwise provided in Section 3.2.2.2, Contractor may, at its discretion, co-brand other marketing materials such as TV, radio, out-of-home, print, digital, social, etc.

3.2.2.2 Marketing Materials that Must Be Submitted to Covered California

a) Co-branded Materials. Contractor must submit all co-branded marketing materials to Covered California at least ten (10) Days prior to releasing materials publicly unless specified otherwise within this Section. The materials provided to Covered California under this Section will not require prior approval by Covered California before Contractor distributes such materials; provided, however, that Contractor shall make a good faith effort

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to incorporate any changes proposed by Covered California with respect to such materials.

b) Marketing Materials. Upon request, Contractor shall provide Covered California with marketing materials and related collateral used by Contractor to promote enrollment inside and outside Covered California, such as point-of-sale collateral, print, digital, social, or any other media channel used in the campaigns. Materials submitted should be a representative sample of the larger body of work. Covered California shall treat these materials as confidential consistent with Section 1.4.1.

c) Identification Cards. Contractor shall issue identification cards to Covered California Enrollees in a form that shall be agreed to by Covered California. Identification cards should include the product name matching the naming convention on the Covered California website and provider directory. Contractor shall submit card design to Covered California by September 30th of each Calendar Year.

d) Marketing Plans. The parties shall create and share high-level marketing strategies and plans on an annual basis and at such other intervals as may be reasonably requested by Covered California. Contractor shall submit to Covered California an annual marketing plan at least thirty (30) Days prior to January 1st of each year for the upcoming Calendar Year that highlights marketing approach for acquisition and renewal. This summary should outline activities to support Agents as well as a marketing campaign targeted at small businesses. Contractor shall provide marketing approaches, communication strategies, channel distribution strategies, and samples of any planned marketing materials and related collateral. Contractor shall include this information for both on and off-exchange small group market efforts. Covered California shall treat these materials as confidential consistent with Section 1.4.1.

e) Actualized Spend Reports. Contractor shall submit to Covered California a Marketing Actualized Spend Report for the Calendar Year sixty (60) Days after the end of the Calendar Year. Covered California shall treat these materials as confidential consistent with Section 1.4.1.

f) Contractor Logo. In the event of a logo modification or rebrand, Contractor shall submit new logo to Covered California in a high-resolution design file format. Covered California will make a reasonable effort to update Contractor logo on all platforms in a timely manner. If Covered California advertising or collateral assets are already in production or live in market,

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Contractor acknowledges there may be some delay with incorporating the new version of the logo across all applicable assets.

3.2.2.3 Member Communications Materials

Upon request, Contractor shall provide Covered California with at least one (1) copy, unless otherwise specified, of any information Contractor intends to send or make available to all Covered California Enrollees, including Evidence of Coverage (EOC), Enrollee newsletters, new Enrollee materials, health education materials, and special announcements. The materials provided to Covered California under this Section will not require prior approval by Covered California before Contractor distributes such materials; provided, however, that Contractor shall duly evaluate any changes proposed by Covered California with respect to such materials. Contractor shall maintain an electronic file that is open to Covered California, or email requested materials to Covered California. Such files shall be accessible by Covered California as required by applicable laws, rules and regulations, and as otherwise mutually agreed upon by the parties.

3.2.2.4 Mailing Addresses; Other Enrollment Information

Contractor shall update a Covered California Enrollee's address and other enrollment information on a continuous basis based on information Contractor receives from Covered California.

3.2.2.5 Evidence of Coverage on Contractor's Website

During each year of this Agreement which carries over into a subsequent Plan Year, Contractor shall make the Evidence of Coverage (EOC), including any documents referenced in the EOC, for the next benefit year available on Contractor's website no later than sixty (60) Days prior to the plan's coverage effective date provided that Contractor has received any revisions in the material that is to be included in the EOC from Covered California and the State Regulators in sufficient time to allow for posting. The EOC for the then-current benefit year shall remain on Contractor's website through the Plan Year coverage end date.

3.3 Agents in Covered California for Small Business

Covered California recognizes that Agents provide an indispensable service to the Exchange and its QHPs, enrolling and renewing Covered California's Enrollees. Agents provide Enrollees the proactive in-language support, plan expertise, and encouragement crucial to capturing and maintaining a healthy risk

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mix for Covered California and increasing enrollment among historically underserved and uninsured populations. In addition, many Agents maintain and staff Covered California-branded storefronts, providing walk-in enrollment locations for Enrollees hesitant to seek coverage online or by phone. Agents also provide help on demand to consumers, including outside of standard business hours.

The successful continuance of Covered California's robust enrollment and healthy risk mix depends on the efforts of its Agents.

a) Compensation. The provisions of this Section apply to Agents who sell Contractor's QHPs through Covered California for Small Business.

b) Agency and Agent Compensation. Covered California recognizes that Agents provide critical services and education to consumers, including Contractor's current Enrollees, which assists consumers and Enrollees with determining the best QHP to suit their health insurance coverage needs. Covered California's intent is to pay market level broker and General Agent commissions. In order to facilitate Covered California's ability to administer enrollment in Covered California for Small Business based on efforts that are consistent for non-Covered California products and to achieve consistency in compensation arrangement for products sold inside and outside Covered California: (i) Covered California shall enter into arrangements with Agencies and Agents employed or contracted to write business for the benefit of an Agency to sell Contractor's QHPs through Covered California for Small Business, (ii) Covered California will be responsible for payment of Agencies and Agents employed or contracted to write business for the benefit of an Agency, and (iii) Covered California will provide Covered California Enrollee specific and Agency/Agent-specific information to Contractor regarding compensation paid to either Agency or Agent.

c) General Agents. The commission rate payable to a General Agent by Covered California shall be established by Covered California based on its evaluation of market data, including pricing information submitted in connection with its rate bids and pursuant to other policies that are established by Covered California from time to time. Covered California will contract with multiple General Agents to represent the Covered California for Small Business.

d) Incentive Compensation Program. In order to enhance consistency in sales efforts for products offered inside and outside of Covered California, Contractor shall consider information provided by Covered California regarding sales commissions in order to credit the Agent's sale of QHPs through

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Covered California for Small Business to the Agent's sale of Contractor's plans and policies outside Covered California for purposes of determining Agent's aggregate sales that shall be used by Contractor to determine incentive or other compensation payable by Contractor to Agent. Contractor shall provide information as may reasonably be required by Covered California from time to time to monitor Contractor's compliance with the requirements set forth in this Section.

e) Agent Appointments. Agents enrolling Employers in Covered California for Small Business do not need to be appointed by each individual health plan that participates in Covered California for Small Business. As long as the Agent is licensed by the California Department of Insurance and certified by Covered California, the Agent may enroll Employers in Covered California for Small Business. Covered California's appointment standards are intended to encourage all qualified Agents who sell for Covered California for Small Business to maintain or receive issuer appointments; provided, however that not all qualified Agents are required to receive an issuer appointment in order to sell QHPs through Covered California for Small Business. Contractor shall not take any action that may restrict Agents certified by Covered California from becoming appointed by all Health Insurance Issuers that elect to market products through an Agent.

f) Agent Conduct. Contractor shall implement policies, procedures, training, monitoring and other processes to ensure that Agents who sell Contractor's QHPs through Covered California for Small Business will fairly and objectively represent all Health Insurance Issuers and all products offered on Covered California that market through Agents in order to present health plan options in an unbiased manner and that minimizes steerage.

g) Training. Agents shall receive training and certification in order to promote the offer of the broad array of potential products available to potential Enrollees.

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ARTICLE 4 – QHP ISSUER PROGRAM REQUIREMENTS

4.1 Basic Requirements

4.1.1 Licensed in Good Standing

Contractor shall be licensed and in good standing to offer health insurance coverage through its QHPs offered under this Agreement. For purposes of this Agreement, each QHP Issuer must be in "good standing," which is determined by Covered California pursuant to 45 C.F.R § 156.200(b)(4) and shall require: (i) Contractor to hold a certificate of authority from CDI or a health care service plan ("HCSP") license from DMHC, as applicable, and (ii) the absence of any material statutory or State Regulatory violations, including penalties, during the year prior to the date of the Agreement and throughout the term of Agreement, with respect to the State Regulators categories identified at Table 4.1.1 below ("Good Standing"). Covered California, in its sole discretion and in consultation with the appropriate State Regulators determines what constitutes a material violation for this purpose.

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Table 4.1.1 Definition of Good Standing	Agency
Verification that issuer holds a state health care service plan license or insurance certificate of authority.	
• Approved for lines of business sought in Covered California (e.g. commercial, small group, individual)	DMHC and CDI
• Approved to operate in what geographic service areas	DMHC and CDI
• Most recent financial exam and medical survey report reviewed	DMHC
• Most recent market conduct exam reviewed	CDI
Affirmation of no material[1] statutory or regulatory violations, including penalties levied, during the year prior to the date of the Agreement or throughout the term of Agreement in relation to any of the following, where applicable:	
• Financial solvency and reserves reviewed	DMHC and CDI
• Administrative and organizational capacity acceptable	DMHC
• Benefit Design	
• State mandates (to cover and to offer)	DMHC and CDI
• Essential health benefits (State required)	DMHC and CDI
• Basic health care services	DMHC and CDI
• Copayments, deductibles, out-of-pocket maximums	DMHC and CDI
• Actuarial value confirmation (using the Federal Actuarial Value Calculator as applicable.)	DMHC and CDI
• Network adequacy and accessibility standards are met	DMHC and CDI
• Provider contracts	DMHC and CDI
• Language Access	DMHC and CDI
• Uniform disclosure (summary of benefits and coverage)	DMHC and CDI
• Claims payment policies and practices	DMHC and CDI
• Provider complaints	DMHC and CDI
• Utilization review policies and practices	DMHC and CDI
• Quality assurance/management policies and practices	DMHC and CDI
• Enrollee/Member grievances/complaints and appeals policies and practices	DMHC and CDI
• Independent medical review	DMHC and CDI
• Marketing and advertising	DMHC and CDI
• Guaranteed issue individual and small group	DMHC and CDI
• Rating Factors	DMHC and CDI
• Medical Loss Ratio	DMHC and CDI
• Premium rate review	DMHC and CDI
• Geographic rating regions	
• Rate development and justification is consistent with ACA requirements	DMHC and CDI

[1]Covered California, in its sole discretion and in consultation with the appropriate health insurance regulator, determines what constitutes a material violation for this purpose.

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4.1.2 Certification

Contractor shall comply with requirements for QHPs set forth in this Agreement and under the California Affordable Care Act, the Affordable Care Act and other State and Federal laws, rules and regulations. Contractor shall maintain timely compliance with standards required for certification that are issued, adopted, or recognized by Covered California to demonstrate that each health plan it offers in Covered California qualifies as a QHP.

4.1.3 Plan Naming Conventions

Contractor must adhere to Covered California's Plan Naming Conventions on all State Regulators plan filings, marketing materials, Enrollee materials, and SERFF submissions for on-exchange plans and off-exchange mirror products.

Covered California's Plan Naming Conventions are referenced each year during the Certification Application process in the "Covered California Plan Naming Conventions Memo."

4.1.4 Operational Requirements and Liquidated Damages

The timely and accurate submission of Contractor's QHP filings and documents to Covered California for upload into CalHEERS is critical to the successful launch of each Open Enrollment Period. When submissions are late, or inaccurate, Covered California suffers financial harm with each resubmission and such actions put the renewal and Open Enrollment process at risk. The parties agree that the liquidated damages below are proportional to the damages Covered California incurs from each respective error made by Contractor. Therefore, Contractor agrees to meet the following operational requirements:

a) SERFF Template Completion. Contractor must submit complete and accurate SERFF Templates to Covered California each year. Covered California will participate in two rounds of validation with Contractor. Contractor agrees to pay liquidated damages in the amount of $5,000 for each additional round of validation beyond the first two rounds. Changes to any or all of Contractor's SERFF Templates counts as one round of validation. If instructions provided by Covered California include inaccurate information which necessitates an additional round of validation, or an additional round of validation is necessary due to required changes by Covered California or Contractor's State Regulators, those rounds of validation will not be counted in the two rounds of validations.

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b) CCSB Eligibility and Enrollment System Test and Load Deadlines. Contractor must participate in CCSB eligibility and enrollment system testing and provide certification of plan data and documents to CCSB. Contractor is responsible for the accuracy of all plan data and documents provided for upload. There are no liquidated damages for system test and load deadlines.

   If liquidated damages are applied by Covered California under this Section, then no other remedies under Section 8.2.4 will apply to Contractor for that same or any related action.

c) Deadlines for Regulatory Approval. Covered California reserves the right to require that Contractor receive regulatory approval for licensure, rates, products, Summary of Benefits and Coverage, Evidence of Coverage (EOC), policy documents, network, and Service Area prior to uploading documents.

d) Communication with Plan Manager and Covered California. Contractor shall notify Covered California in a timely manner of any system or operational changes which impact Covered California, Covered California Enrollees, or the CCSB eligibility and enrollment system.

4.2 Benefit Standards

4.2.1 Essential Health Benefits

Each QHP offered by Contractor under the terms of this Agreement shall provide essential health benefits in accordance with the Benefit Plan Design requirements described in the Covered California Patient-Centered Benefit Plan Designs as approved by the Board for the applicable Plan Year, and as required under this Agreement, and applicable laws, rules and regulations, including California Health and Safety Code § 1367.005, California Insurance Code § 10112.27, California Government Code § 100503(e), and as applicable, 45 C.F.R. § 156.200(b).

4.2.2 Patient-Centered Standard Benefit Designs

a) During the term of this Agreement, Contractor shall ensure its QHPs provide the benefits and services at the cost-sharing and actuarial cost levels described in the Covered California Patient-Centered Benefit Plan Designs as approved by the Board for the applicable Plan Year.

b) In addition to standardized benefit designs, Contractor may submit alternate benefit designs (ABD) for Contractor's licensed geographic service area. Alternate benefit designs are optional. Alternate benefit designs must comply

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with state statutory and regulatory requirements. The alternate benefit design offering should incorporate the commission rate guidance utilized for all Covered California for Small Business plans.

4.2.3 Offerings Outside of Covered California

a) Contractor acknowledges and agrees that as required under State and Federal law, QHPs and plans that are identical in benefits, service area, and cost sharing structure offered by Contractor outside Covered California must be offered at the same premium rate whether offered inside Covered California or outside Covered California directly from Contractor or through an Agent.

b) In the event that Contractor sells products outside Covered California, Contractor shall fairly and affirmatively offer, market, and sell all products made available to Small Businesses in Covered California to Small Businesses seeking coverage outside Covered California consistent with California law.

c) For purposes of this section, “product” does not include contracts entered into pursuant to Part 6.2 (commencing with § 12693) of Division 2 of the Insurance Code between the Department of Health Care Services (DHCS) and health care service plans for Healthy Families beneficiaries or to contracts entered into pursuant to Chapter 7 (commencing with § 14000) of, or Chapter 8 (commencing with §14200) of, Part 3 of Division 9 of the Welfare and Institutions Code between the DHCS and health care service plans for enrolled Medi-Cal beneficiaries.

4.2.4 Pediatric Dental Benefits

When Contractor elects to embed and offer Pediatric Dental Essential Health Benefit services either directly, or through a subcontract with a dental plan issuer authorized to provide specialized health care services, Contractor shall require its dental plan Subcontractor to comply with all applicable provisions of this Agreement, including standard benefit designs for the embedded pediatric dental benefit, as well as any network adequacy standards applicable to dental provider networks and any pediatric dental quality measures as determined by Covered California.

Coordination of Benefits. If a Contractor’s QHP provides coverage for the pediatric dental essential health benefit, Contractor shall include a Coordination of Benefits (COB) provision in its Evidence of Coverage (EOC) or policy form that (i) is consistent with Health and Safety Code § 1374.19 or Insurance

Code § 10120.2, and (ii) provides that the QHP is the primary dental benefit plan or policy under that COB provision. This provision shall apply to Contractor's QHPs offered both inside and outside of Covered California for Small Business, except where 28 CCR § 1300.67.13 or 10 CCR § 2232.56 provides for a different order of determination for COB in the small group market.

4.2.5 Prescription Drugs

a) Formulary changes. Except in cases where patient safety is an issue, Contractor shall give affected Covered California Enrollees, and their prescribing provider(s), sixty (60) Days' written notice prior to the removal of a drug from formulary status, unless it is determined that a drug must be removed for safety purposes more quickly. If Contractor is not reasonably able to provide sixty (60) Days' written notice, Contractor must provide affected Covered California Enrollees with a sixty (60) Day period to access the drug as if was still on the formulary, that begins on the date the drug is removed from the formulary. This notice requirement shall apply only to single source brand drugs and the notice shall include information related to the appropriate substitute(s). The notice shall also comply with all requirements of the Health and Safety Code and Insurance Code, including provisions prohibiting Contractor from limiting or excluding coverage for a drug to a Covered California Enrollee in cases where the drug had been previously approved for coverage by Contractor for a medical condition of the Covered California Enrollee, except under specified conditions. To the extent permitted in State and Federal law, an exception to the notice requirement will be allowed when Contractor continues to cover a drug prescribed for a Covered California Enrollee without interruption and under the same conditions, including copayment and limits that existed prior to the removal of the drug from formulary status.

b) Internet Link to Formularies. Contractor shall comply with applicable State and Federal laws relating to prescription drug formularies, including posting the formularies for each product offered on Contractor's website as required by Health and Safety Code § 1367.205 and Insurance Code § 10123.192. Contractor shall provide to Covered California and regularly update information necessary for Covered California to link to Contractor's drug formularies for each of the QHPs Contractor offers so that Covered California can ensure it complies with its obligation under Government Code § 100503.1.

c) Contractor shall have an opt-out retail option for mail order drugs to allow consumers to receive in-person assistance, and this option shall have no

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additional cost. However, as specified in the Covered California Patient-Centered Benefit Plan Designs, Contractor may offer mail order prescriptions at a reduced cost-share.

d) Contractor shall provide consumers with an estimate of the range of costs for specific drugs.

e) Contractor shall have a sufficient number of customer service representatives available during call center hours for consumers and advocates to obtain clarification on formularies and consumer cost-shares for drug benefits.

4.2.6 Hearing Aid Coverage for Children Program

a) Contractor shall provide information to Enrollees regarding the availability of the California Department of Health Care Service's (DHCS) Hearing Aid Coverage for Children Program (HACCP) within its Evidence of Coverage (EOC). Information shall include notice that some Enrollees under age 21 in need of hearing aids and related benefits not covered in the QHP may be eligible for such benefits through the HACCP and provide contact information for the HACCP for Enrollees to find more information and apply for benefits.

4.3 Network Requirements

4.3.1 Service Areas

a) Service Area Listing. During each year of this Agreement, Contractor agrees to offer QHPs in the Service Area listing set forth in the applicable Plan Year SERFF templates tested and validated by Contractor. Any such changes to Contractor's previous years' Service Areas shall be effective as of January 1 of the applicable Contract Year. In the event ZIP codes are added to the current Service Area by the United States Postal Service, the parties agree such added ZIP codes shall be automatically included in the Service Area and shall be reflected in the next scheduled update of the Service Area Listing.

Contractor shall comply with Covered California's standards, developed in consultation with Health Insurance Issuers, regarding the development of Service Area listings based on ZIP code, including, those relating to: (i) the timing of such submissions prior to the Open Enrollment Period, (ii) the assignment of Covered California Enrollees residing in ZIP codes split across two rating regions, and (iii) required updates and notice of changes in ZIP codes within Contractor's region.

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b) Withdrawal. Contractor shall not withdraw from any geographic region (as defined in Health and Safety Code § 1357.512 and California Insurance Code § 10753.14) for the small group market or modify any portion of its Service Area where Contractor provides Covered Services to Covered California Enrollees without providing prior written notice to, and obtaining prior written approval from Covered California, which shall not be unreasonably denied, and to the extent required, the State Regulators with jurisdiction over Contractor.

c) Service Area Eligibility. In order to facilitate Covered California's compliance with State and Federal law, Contractor shall monitor information it receives directly, or indirectly or through its Subcontractors to assure continued compliance with eligibility requirements related to participation by Employers in Covered California for Small Business, including requirements related to residency in Contractor's service area.

   Contractor shall notify Covered California if it becomes aware that an Employer no longer meets the requirements for eligibility, based on place of business. Covered California will evaluate such information to determine Covered California Enrollee's continuing enrollment in Contractor's Service Area under Covered California's policies which shall be established in accordance with applicable laws, rules and regulations.

4.3.2 Network Adequacy

a) Network Standards. Contractor's QHPs shall comply with the network adequacy standards established by Covered California and the applicable State Regulators responsible for oversight of Contractor, including, those set forth at Health and Safety Code § 1367.03 and 28 CCR § 1300.67.2 or Insurance Code § 10133.5 and 10 CCR § 2240 et seq., and, as applicable, other laws, rules, and regulations, including, those set forth at 45 C.F.R. § 156.230. Contractor shall cooperate with Covered California to implement network changes as necessary to address concerns identified by Covered California.

b) Participating Provider Stability. Contractor shall maintain policies and procedures that are designed to preserve and enhance Contractor's network development by facilitating the recruitment and retention of Participating Providers necessary to provide access to Covered Services. Such policies and procedures shall be consistent with applicable laws, rules and regulations, and will include an ongoing assessment of turnover rates of its

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Participating Providers to ensure that the turnover rates do not disrupt the delivery of quality care.

4.3.3 Network Stability

a) Contractor shall implement policies and practices designed (i) to reduce the potential for disruptions in Contractor's provider networks, and (ii) to minimize the amount of uncertainty, disruption, and inconvenience of Enrollees in the execution of the transition of care as required under State laws, rules and regulations in connection with any such disruption. Contractor agrees to maintain adequate records, reasonably satisfactory to Covered California, documenting its policies and its compliance with these requirements by Contractor and Participating Providers.

b) Block Transfers. If Contractor experiences a termination of a Provider Group(s) or hospital(s) that constitutes a block transfer as defined in Health and Safety Code § 1373.65 and Title 28, C.C.R. § 1300.67.1.3, Contractor shall provide Covered California with copies of the written notices Contractor proposes to send to affected Enrollees, in compliance with the notice requirements of Health and Safety Code § 1373.65, prior to mailing the notices to Enrollees.

c) Network Disruptions. If Contractor experiences any network hospital with a pending contract termination, including any hospitals that may experience a break in maintaining a continuous contract, Contractor shall provide prior notice to Covered California as defined in 3.3.3 c) i. If Contractor experiences any other provider network disruptions or other similar circumstances that make it necessary for at least ten percent (10%) of Enrollees residing within any county of an affected region to change Participating Providers, as detailed in the QHP Network Disruption Reporting Template, Contractor agrees to provide prior notice to Covered California as defined in 4.3.3c)i., in accordance with advance notice, meeting, and other requirements set forth in applicable laws, rules, and regulations, including Insurance Code § 10199.1 and Health and Safety Code §§ 1367.23 and 1366. 1.

   i. Contractor shall notify Covered California with respect to changes in its provider network as follows:

      1. Contractor shall notify Covered California of any pending change in the composition of its provider network, as defined in 4.3.3 c), within any of the regions it covers, or its participating provider contracts, of and throughout the term of this Agreement at least sixty (60) Days prior to

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any change or immediately upon Contractor's knowledge of the change if knowledge is acquired less than sixty (60) Days prior to the change, and cooperate with Covered California in planning for the orderly transfer of plan members; and

2. Contractor shall ensure that Covered California Enrollees have access to care when there are changes in the provider network, including mid-year contract terminations between Contractor and Participating Providers.

d) Employee/Dependent transfers. In the event of a change in Participating Providers or QHPs related to network disruption, block transfers, or other similar circumstances, Contractor shall, and shall require Participating Providers to, cooperate with Covered California in planning for the orderly transfer of Employees/Dependents as necessary and as required under applicable laws, rules and regulations including, those relating to continuity of care.

4.3.4 Essential Community Providers

a) Contractor must provide reasonable and timely access to Covered Services for Low-income and Medically Underserved populations in each geographic rating region where Contractor's QHPs provide services to Covered California Enrollees, by providing access to Essential Community Providers (ECPs) as specified in this Section. Contractor shall comply with other laws, rules and regulations relating to arrangements with ECPs, as applicable, including those rules set forth at 45 C.F.R. § 156.235. For the purposes of this Section the following definitions shall apply:

i. "Low-income" populations are individuals and families living at or below 200% of Federal Poverty Level.

ii. "Medically Underserved" populations are:

1. Individuals with HIV/AIDS,

2. American Indians and Alaska Natives,

3. Individuals living in Maternity Care Target Areas, as published by the Health Resources and Services Administration (HRSA),

4. Individuals living in designated Health Professional Shortage Areas, as published by HRSA,

5. Individuals living in designated Medically Underserved Areas, as published by HRSA, and

6. Individuals belonging to designated Medically Underserved Populations, as published by HRSA.

b) General ECP standard. Contractor shall maintain in its provider network a sufficient number and sufficient geographic distribution of ECPs, as specified below. A Contractor that provides a majority of Covered Services through providers employed by Contractor or through a single contracted medical group, as determined by Covered California, may instead comply with the Alternate ECP standard, specified in (c).

i. Provider sufficiency. Contractor's provider network must, at a minimum:

1. Include a mix of ECPs (hospital and non-hospital) reasonably distributed to serve Low-income and Medically Underserved populations.

2. Include at least one ECP hospital in each county, or, in counties with more than one geographic rating region, one ECP hospital in each geographic rating region, where Contractor's QHPs provide Covered Services to Covered California Enrollees.

3. Include at least fifteen percent (15%) of ECPs providing primary care services as defined in this Section d) x. in each applicable geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees.

4. Include at least fifteen percent (15%) of ECPs providing behavioral health services as defined in this Section d) xi. in each applicable geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees.

5. If Contractor is unable to achieve the sufficiency requirements in this Section b) i. 3. and b) i. 4., include at least fifteen percent (15%) of 340B non-hospital providers in each applicable geographic rating region where Contractor's QHPs provide Covered Services to

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Covered California Enrollees, and increase Contractor's provider network each Plan Year to achieve the sufficiency requirements in this Section b) i. 3. and b) i. 4. no later than Plan Year 2029. Contractor shall annually provide:

a. Documentation of Contractor's good faith efforts to achieve the sufficiency requirements in this Section b) i. 3. and b) i. 4., and

b. Documentation each subsequent Plan Year demonstrating increases in Contractor's percentage of contracts to meet the sufficiency requirements in Section b) i. 3. and b) i. 4.

ii. Sufficient geographic distribution. Covered California shall determine whether Contractor provides sufficient geographic distribution of care based on a consideration of factors, including:

1. The nature, type, and distribution of Contractor's ECP contracting arrangements in each geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees;

2. The balance of hospital and non-hospital ECPs in each geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees; and

3. The extent to which the providers in Contractor's network are accessible to and provide services that meet the needs of Low-income and Medically Underserved populations.

c) Alternate ECP standard. A Contractor that Covered California determines qualifies under the alternate ECP standard, due to its integrated delivery structure, must satisfy the requirement in (a) by providing services to the Low-income and Medically Underserved populations served by the entities listed in each of the ECP categories in (d). It must demonstrate that it does so in each geographic rating region where Contractor's QHPs provide services to Covered California Enrollees, either through its own system or by offering a contract to at least one ECP outside of its system in each such category.

d) ECP categories. ECPs shall include the following categories of entities:

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i. Entities that participate in the program for limitation on prices of drugs purchased by covered entities under Section 340B of the Public Health Service Act (42 U.S.C. § 256B ("340B Entities").

ii. Entities that participate in the program described in Public Health Service Act § 1927(c)(1)(D)(i)(IV).

iii. Entities that participate in California's Disproportionate Share Hospital (DSH) Program, per the final DSH Eligibility List for the current fiscal year.

iv. Federally designated 638 Tribal Health Programs and Title V Urban Indian Health Programs.

v. Federally Qualified Health Centers.

vi. Community Clinics or health centers either licensed as a "community clinic" or "free clinic", by the State under Health and Safety Code section 1204, subdivision (a), or exempt from licensure under Health and Safety Code section 1206.

vii. State-owned family planning service sites or governmental family planning sites not receiving Federal funding under special programs, including Title X of the PHS Act, unless they have lost their status under that section, or sections 340(B) or 1927 of the PHS Act due to violations of Federal law.

viii. Pediatric oral services providers.

ix. Recipients of the Department of Health Care Access and Information's Community-Based Organization (CBO) Behavioral Health Workforce Grant Program.

x. Medi-Cal primary care providers located in quartiles 1 and 2 of the California Healthy Places Index.

xi. Medi-Cal behavioral health providers located in quartiles 1 and 2 of the California Healthy Places Index.

e) Covered California will post a non-exhaustive list of ECPs annually. If Contractor believes an entity it contracts with falls within one or more of the ECP categories, but the entity does not appear on Covered California's published list, Contractor may request approval from Covered California to include the entity as an ECP.

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f) Covered California will annually publish a report on Contractor's efforts to achieve compliance with the requirements in Section 4.3.4. This report will include an assessment of Contractor's ability to meet the provider sufficiency requirements in this Section b) i., and if applicable, Contractor's documented approach to achieving the provider sufficiency requirements for ECPs providing primary care and behavioral health services, submitted in Section b) i. 5.

g) Reporting requirements for Contractors under the General ECP standard are contained within the required monthly provider data submission pursuant to Section 4.4.4. Contractor must provide a provider data file to Covered California upon request for the purpose of determining compliance with the ECP standard. This file is separate and distinct from the files provided to the Integrated Health Care Association's Symphony Provider Directory as described in Section 4.4.5.

h) Reporting requirements for Contractors under the Alternate ECP standard are contained within the annual Application for Certification. Contractor must provide access maps to demonstrate the extent to which it provides services to the Low-income and Medically Underserved populations served by the entities listed in each of the ECP categories.

i) Notice of changes to ECP network. Contractor shall notify Covered California with respect to any change as of and throughout the term of this Agreement to its ECP contracting arrangements, geographic distribution, percentage coverage, ECP classification type (e.g., 340B), and other information relating to ECPs within thirty (30) business days of any change in ECP contracts. Contractor shall notify Covered California of any pending change in its ECP contracting arrangements at least sixty (60) Days prior to any change or immediately upon Contractor's knowledge of the change if knowledge is acquired less than sixty (60) Days prior to the change, and shall cooperate with Covered California in planning for the orderly transfer of plan members.

j) Indian Health Care Providers. For Contractor's provider contracts entered into on or after January 1, 2015, Contractor shall reference the Centers for Medicare & Medicaid Services "Model QHP Addendum for Indian Health Care Providers" ("Addendum").

Contractor is encouraged to adopt the Addendum whenever it contracts with those Indian health care providers specified in the Addendum. Adoption of the Addendum is not required; it is offered as a resource to assist Contractor in including specified Indian providers in its provider networks.

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4.4 Participating Providers

4.4.1 Provider Contracts

a) Contractor shall include in all of its contracts with Participating Providers the requirement for all Covered Services to be provided by duly licensed, certified or accredited Participating Providers consistent with the scope of their license, certification or accreditation and in accordance with applicable laws, rules, regulations, the standards of medical practice in the community, and the terms set forth in agreements entered into by and between Contractor and Participating Providers ("Provider Agreement").

b) Contractor shall include in each Provider Agreement a requirement that Participating Providers comply with all other applicable laws, rules and regulations.

c) Contractor shall use commercially reasonable efforts to require the provisions of Subsection (d) to be included in each: (i) Provider Agreement entered into by and between Contractor and a Participating Provider, and (ii) any subcontracting arrangement entered into by a Participating Provider.

d) Provision of Covered Services. Contractor shall undertake commercially reasonable efforts to ensure that each Participating Provider Agreement and each subcontracting arrangement entered into by each Participating Provider complies with the applicable terms and conditions set forth in this Agreement, as mutually agreed upon by Covered California and Contractor, and which may include the following:

   i. Coordination with Covered California and other programs and stakeholders;

   ii. Relationship of the parties as independent contractors (Section 1.3(a)) and Contractor's exclusive responsibility for obligations under the Agreement (Section 1.3(b));

   iii. Participating Provider Directory requirements (Section 4.4.4);

   iv. Symphony Provider Directory requirements (Section 4.4.5);

   v. Implementation of processes to enhance stability and minimize disruption to provider network (Section 4.3);

   vi. Notices, network requirements, and other obligations relating to costs of out-of-network services and other benefits (Section 4.4.3);

vii. Provider credentialing, including, maintenance of licensure and insurance (Section 4.4.2);

viii. Customer service standards (Section 4.6);

ix. Utilization management (Section 5.3);

x. Maintenance of a corporate compliance program (Section 1.2);

xi. Enrollment and eligibility determinations and collection practices (Article 2);

xii. Appeals and grievances (Section 4.6.2);

xiii. Enrollee and marketing materials (Section 3.2);

xiv. Disclosure of information required by Covered California, including, financial and clinical (Section 1.12), Quality, Network Management and Delivery System Standards (Article 5), and other data, books, and records (Article 11));

xv. Nondiscrimination (Section 1.10);

xvi. Conflict of interest and integrity (Section 1.11);

xvii. Other laws (Section 1.13);

xviii. Advancing Equity, Quality, and Value to the extent applicable to Participating Providers (Article 5), including, disclosure of contracting arrangements with Participating Providers as required pursuant to Attachment 1 — Advancing Equity, Quality, and Value;

xix. Performance Measures, to the extent applicable to Participating Providers (Article 7);

xx. Continuity of care, coordination and cooperation upon termination of Agreement and transition of Covered California Enrollees (Section 4.3.3 and Article 8);

xxi. Security and privacy requirements, including compliance with HIPAA (Article 10); and

xxii. Maintenance of books and records (Article 11).

4.4.2 Provider Credentialing

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Contractor shall perform, or may delegate activities related to, credentialing and re-credentialing Participating Providers in accordance with a process reviewed and approved by State Regulators.

4.4.3 Enrollee Costs; Disclosure

Contractor shall, and shall require Participating Providers to, comply with applicable laws, rules and regulations governing liability of Enrollees for Covered Services provided to Enrollees, including, those relating to holding an Enrollee harmless from liability in the event Contractor fails to pay an amount owed by Contractor to a Participating Provider as required by Federal and State laws, rules and regulations.

To the extent that Contractor's QHPs either (i) provide coverage for out-of-network services, or (ii) impose additional fees for such services, Contractor shall disclose to the Covered California Enrollee, at the Covered California Enrollee's request, the amount Contractor will pay for covered proposed non-emergency out-of-network services. Contractor shall require its Participating Providers to inform every Covered California Enrollee in a manner that allows the Covered California Enrollee the opportunity to act upon a Participating Provider's proposal or recommendation regarding (i) the use of a non-network provider or facility, or (ii) the referral of a Covered California Enrollee to a non-network provider or facility for proposed non-emergency Covered Services. Contractor shall require Participating Providers to disclose to a Covered California Enrollee considering accessing non-emergency services from a network provider if a non-network provider or facility will be used as part of the network provider's plan of care. Contractor's obligation for this provision can be met through routine updates to its provider manual. Participating Providers may rely on Contractor's provider directory in fulfilling their obligation under this provision.

4.4.4 Covered California Provider Directory

Contractor shall make its provider directory available to (i) Covered California electronically for publication online in accordance with guidance from Covered California, and (ii) in hard copy when potential Enrollees make such request. Unless otherwise agreed to by Covered California, Contractor shall continue to provide information describing all Participating Providers in its QHP networks in a format prescribed by Covered California on a monthly basis to support Covered California's centralized provider directory containing every QHP's network providers, this includes testing, implementation, and continued evaluation. Contractor acknowledges that Covered California may use Contractor's

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Participating Provider data for any non-commercial purposes. If Covered California's centralized provider directory is not operational, Contractor shall continue to provide Participating Provider information to Covered California on a monthly basis.

The network and directory information provided to Covered California shall take into consideration the ethnic and language diversity of providers available to serve Covered California Enrollees.

Once the Symphony Provider Directory is fully operational, Covered California will utilize it to populate Covered California's centralized provider directory as detailed in Article 4, Section 4.4.5.

4.4.5 Use of Symphony Provider Directory

a) In order to fulfill its obligation to assist Enrollees in making informed decisions when considering health care coverage choices and in choosing QHP Issuers and their associated network of Providers, Covered California is committed to implementing and participating in the Symphony Provider Directory, formerly known as the California Provider Directory Utility, being developed by the Integrated Health Care Association (IHA). Once fully operational, Covered California will utilize the Symphony Provider Directory to populate the Covered California Provider Directory.

   All QHP Issuers shall utilize the Symphony Provider Directory to populate, maintain, and continually update, provider network data including demographic, licensure, and other relevant information with respect to all their QHPs, as well as to provide information regarding the terms and restrictions governing such Providers' participation in the QHPs offered by Contractor through Covered California.

b) Contractor agrees to participate in the Symphony Provider Directory. In connection with such participation, Contractor shall:

   i. Execute such reasonable participation, subscription, or other agreements required by Covered California or IHA or their vendors to participate in the Symphony Provider Directory;

   ii. Populate, maintain, and continually update the Symphony Provider Directory with all relevant information with respect to its contracted Providers' participation in its QHPs, including all information regarding the terms and restrictions governing such Providers' participation in the QHPs offered through Covered California, identifiers for Covered California

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providers, and provider network data for Contractor's embedded dental plans;

iii. Once fully operational with sufficient health plan and provider participation, use the Symphony Provider Directory as the exclusive platform to populate and maintain the information published in the Covered California Online Provider Directory concerning its QHPs; and

iv. Work with Covered California, IHA and their respective vendors to ensure that the Symphony Provider Directory serves its primary purpose of effectively and efficiently assisting Enrollees in making informed decisions in selecting QHPs and Providers.

v. Agree to participate in testing and validation of Symphony Provider Directory functionality that may be required prior to the Directory becoming fully operational.

c) At a time and manner mutually agreed upon by Covered California and Contractor, Contractor agrees to report on its strategies to ensure that Contractor, and its contracted Providers, maintain compliance with the provisions of this Section 4.4.5.

4.5 Premium Rate Setting

4.5.1 Rating Variations

Contractor shall charge the premium rate in each geographic rating area for each of Contractor's QHPs as agreed upon with Covered California. Contractor may vary premiums by geographic area, family size, and age band (within 3:1 range requirement) as permitted by State law, including the requirements of State Regulators regarding rate setting and rate variation set forth at Health and Safety Code §§ 1357.512 and 1399.855, Insurance Code §§ 10753.14 and 10965.9, 10 CCR § 2222.12 and, as applicable, other laws, rules and regulations, including, 45 C.F.R. § 156.255(b).

Contractor shall comply with rate filing requirements imposed by its State Regulator, including, those set forth under Insurance Code § 10181 et seq. or Health and Safety Code § 1385.01 et seq. and as applicable, other laws, rules and regulations.

4.5.2 Covered California for Small Business Rates

Covered California for Small Business rates will be established through an annual bid Application process. Contractor shall also submit rate information in

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such form and at such date as shall be established by Covered California to provide Covered California with sufficient time for necessary analysis and actuarial certification. Covered California will permit an update of rates to be offered on Covered California for Small Business no more frequently than on a quarterly basis. Contractor may choose to make quarterly rate updates for the second, third and fourth quarters by submitting rate updates at least 120 Days prior to the quarter begin date. Following applicable regulator rate review, quarterly rate updates shall be in effect for the 12-month period subsequent to the initial effective dates for all employer groups. Updates can only be made on the calendar quarter or such later time as Covered California and Contractor agree to.

4.5.3 Rate Methodology

Contractor shall provide, upon Covered California's request, in connection with any contract negotiation or recertification process as reasonably requested by Covered California, detailed documentation on Covered California-specific rate development methodology. Contractor shall provide justification, documentation, and support used to determine rate changes, including providing adequately supported cost projections. Cost projections include factors impacting rate changes, assumptions, transactions, and other information that affects the Covered California specific rate development process. Information pertaining to the key indicators driving the medical factors on trends in medical, pharmacy, or other healthcare Provider costs may also be requested to support the assumptions made in forecasting and may be supported by information from the Plan's actuarial systems pertaining to the Covered California-specific account.

4.6 Customer Service Standards

4.6.1 Basic Customer Service Requirements

Contractor acknowledges that superior customer service is a priority of Covered California. Contractor shall work closely with Covered California in an effort to ensure that the needs of Covered California Enrollees are met. Contractor shall provide and maintain all processes and systems required to ensure customer service, record protection and uninterrupted service to Covered California and Contractor's Covered California Enrollees in accordance with the standards set forth in this Section 4.6, applicable laws, rules and regulations, including, those consumer assistance tools and programs required to be offered through Covered California as set forth at 45 C.F.R. § 155.205 and 45 C.F.R. § 155.210.

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800 Numbers: Contractor shall make information available regarding Covered California pursuant to Contractor's toll-free hotline (i.e. 1-800 number) that shall be available to enrollees of Contractor. The hotline and information services shall be staffed and operated in accordance with the Customer Service Standards set forth in this Section 4.6 to provide support to Covered California Enrollees and in a manner designed to assure compliance with these Performance Standards. Contractor shall meet all State and Federal requirements for language assistance services applicable to its commercial lines of business. Covered California and Contractor will continue to evaluate on an ongoing basis the adequacy of language services provided for verbal and written communications and consider the adoption of additional standards as appropriate. Contractor shall provide this information to Covered California upon request.

4.6.2 Covered California Enrollee Appeals and Grievances

a) Internal Grievances and Appeals. Contractor shall maintain an internal review process to resolve a Covered California Enrollee's written or oral expression of dissatisfaction regarding Contractor and Participating Providers, including appeals of claim and benefit determinations, and complaints relating to the scope of Covered Services required to be covered under the QHP. Contractor's processes shall comply with State and Federal laws, rules and regulations relating to Enrollee rights and appeals processes, specifically including grievance requirements set forth at Health and Safety Code § 1368, regardless of the State Regulator for Contractor's QHPs.

b) External Review. Contractor shall comply with State and Federal laws, rules and regulations relating to the external review process, including independent medical review, available to Covered California Enrollees for Covered Services.

4.6.3 Applications and Notices

a) Contractor shall provide applications, forms, and notices to applicants and Enrollees in plain language and in a manner that is accessible and timely to individuals: (i) living with disabilities, including accessible websites and the provision of auxiliary aids and services at no cost to the individual in accordance with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, or (ii) with limited English language proficiency.

b) Contractor shall provide applications, forms, and notices, including correspondence, in a manner that is accessible and timely to individuals who are limited English proficient as required by Health and Safety Code

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§§ 1367.04, 1367.041, 1367.042, and Insurance Code §§ 10133.8, and 10133.11. Contractor shall inform individuals of the availability of the services described in this section and otherwise comply with notice requirements imposed under applicable laws, rules and regulations, including, those set forth at 45 C.F.R. § 156.250 and Government Code § 100503(k).

4.6.4 Customer Service Call Center (Call Center)

a) Contractor and Covered California shall maintain a Call Center with the following hours of operation:

   i. Monday through Friday eight o'clock (8:00) a.m. to (6:00) p.m. (Pacific Standard Time). Contractor may adjust hours as required by customer demand with prior agreement of Covered California.

   ii. Outages and Temporary Closures. Contractor will inform Covered California of any unplanned changes to Call Center hours or functionality immediately upon Contractor's knowledge of such occurrence.

b) Contractor's Call Center shall be staffed at levels reasonably necessary to handle call volume and achieve compliance with Performance Standards set forth in Article 7 as specified in Attachment 3 — Performance Standards and Expectations. Contractor shall staff the Call Center with highly trained individuals to provide detailed benefit information, answer Enrollee questions about QHP benefits and coverage, and to resolve claim and benefit issues.

c) Contractor shall use a telephone system that includes welcome messages in English, Spanish, and other languages as required by State and Federal laws, rules, and regulations.

d) Contractor shall make oral interpreter services available at no cost for non-English speaking or hearing-impaired Enrollees during regular business hours as required by Federal and State law. Contractor shall monitor the quality and accessibility of call center services on an ongoing basis. Contractor shall report to Covered California monthly, in a format determined by Covered California, on the volume of calls received by the call center and Contractor's rate of compliance with related Performance Standards as outlined in Attachment 3 — Performance Standards and Expectations.

e) Contractor shall meet all State and Federal requirements for language assistance services for all of its commercial lines of business.

4.6.5 Customer Service Transfers

a) During Contractor's regularly scheduled customer service hours, Contractor shall have the capability to accept and handle calls transferred from Covered California and respond to callers requesting additional information from Contractor. Contractor shall maintain staff resources to comply with Performance Standards and sufficient to facilitate a live transfer (from Covered California to Contractor) of customers who call Covered California with escalated issues or complaints that need to be addressed by Contractor. Covered California shall maintain staff resources sufficient to facilitate a live transfer (from Contactor to Covered California) of customers who call Contractor with escalated issues, complaints, or address changes that need to be addressed by Covered California. Contractor and Covered California shall establish a designated customer service team available to handle the live transfer of escalated calls.

b) Examples of issues or complaints may include premium billing or claims issues; benefit coverage questions (before and after enrollment); complaints; network or provider details; and Contractor-specific questions or issues.

c) Contractor shall refer Enrollees and applicants with questions regarding premium tax credits and Covered California eligibility determinations to Covered California's website or Service Center, as appropriate.

d) Contractor shall work with Covered California to develop a mechanism to track handling and resolution of calls referred from Covered California to Contractor (such as through the use of call reference numbers).

4.6.6 Customer Care

a) Contractor shall comply with the applicable requirements of the Americans with Disabilities Act and provide culturally competent customer service to all Covered California Enrollees in accordance with the applicable provisions of 45 C.F.R. § 155.205 and § 155.210, which refer to consumer assistance tools and the provision of culturally and linguistically appropriate information and related products.

b) Contractor shall comply with HIPAA rules and other laws, rules and regulations respecting privacy and security.

4.6.7 Notices

a) For all forms of notices required under Federal and State law to be sent to Covered California Enrollees regarding rates, benefit design, network changes, or security/HIPAA references, Contractor shall submit an electronic

copy to Covered California at least five (5) business days in advance of the message transaction. If Contractor is unable to notify Covered California in advance due to Federal or State notice requirements, Contractor shall send Covered California notification simultaneously.

b) Contractor shall provide a link to the Covered California website on its website.

c) When Contractor provides direct contacts for getting membership assistance, Contractor shall also include the Covered California website for Covered California-related issues.

d) Contractor shall use standardized member renewal language, developed by Covered California, and approved by DMHC and CDI for all Covered California Enrollee renewal notices.

e) All legally required notices sent by Contractor to Covered California Enrollees shall be translated into and available in languages other than English as required under applicable Federal and State laws, rules and regulations, including, Health and Safety Code §§ 1367.04, 1367.041, 1367.042, and Insurance Code §§ 10133.8, 10133.10, 10133.11.

f) Contractor shall release notices in accordance with Federal and State law. All such notices shall meet the accessibility and readability standards in applicable Federal regulations (45 C.F.R. Parts 155 and 156) and Covered California regulations located in 10 CCR §§ 6400 et seq.

g) Notwithstanding the provisions of this section which require Contractor to release all required notices pursuant to Federal and State law, Covered California shall, at its sole and absolute discretion, send the required notices under Health and Safety Code §§ 1374.21-1374.22 and Insurance Code §§ 10199.1-10199.2 on behalf of Contractor. To the extent permissible by State and Federal law, Covered California shall also send the required notices under Health & Safety Code § 1365(a)(6)(A) and Insurance Code § 10273.4(e) on behalf of Contractor. Covered California reserves the sole right to remove these exceptions at any time, upon written notice to Contractor. The parties may add to these exceptions upon written mutual agreement of the parties. The parties may exercise these rights without amendment to the Agreement. Covered California assumes no liability for Contractor adherence to state and federal law.

4.6.8 Contractor-Specific Information

Upon request, Contractor shall provide training materials and participate in Covered California customer service staff training.

Contractor shall provide summary information about its administrative structure and the QHPs offered on Covered California. This summary information will be used by Covered California customer service staff when referencing Contractor or QHP information.

4.6.9 Covered California Enrollee Materials: Basic Requirements

a) Contractor shall provide or make available to Covered California Enrollees Plan materials required under the terms of the Agreement and applicable laws, rules and regulations. Such materials shall be available in languages as required by Federal and State law and receive any necessary regulatory approvals from the relevant State Regulators, be provided to Covered California as directed by Covered California, and shall include information brochures, a summary of the Plan that accurately reflects the coverage available under the Plan (a Summary of Benefits and Coverage), and related communication materials. Contractor shall, upon request by Covered California, provide copies of Covered California Enrollee communications and give Covered California the opportunity to comment and suggest changes in such material.

b) Covered California Enrollee materials shall be available in English, Spanish and other languages as required by applicable laws, rules and regulations. Contractor shall comply with Federal and State laws, rules and regulations regarding language access. To the extent possible, Covered California Enrollee materials shall be written in plain language, as that term is defined in applicable laws, rules and regulations. Plan materials that require Covered California notification before usage are those that communicate specific eligibility and enrollment and other key information to Covered California Enrollees. Such materials may include:

   i. Welcome letters;

   ii. Covered California Enrollee ID card;

   iii. Billing notices and statements;

   iv. Notices of actions to be taken by QHP Issuer that may impact coverage or benefit letters;

   v. Termination Grievance process materials;

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vi. Drug formulary information;

vii. Uniform Summary of Benefits and Coverage; and

viii. Other materials required by Covered California.

4.6.10 New Covered California Enrollee Enrollment Packets

a) Contractor shall mail or provide online enrollment packets to all new Covered California Enrollees in CCSB QHPs within ten (10) business days of receiving complete and accurate enrollment information from Covered California and the binder payment. Contractor may deliver Covered California Enrollee materials pursuant to other methods that are consistent with: (i) Contractor's submission of materials to Enrollees of its other plans; (ii) the needs of Covered California Enrollees; (iii) the consent of the Covered California Enrollee; and (iv) with applicable laws, rules and regulations. Contractor shall report to Covered California monthly, in a format mutually agreed upon by Covered California and Contractor, on the number and accuracy rate of identification cards that were sent to new Covered California Enrollees and Contractor's compliance with the Performance Standards set forth in this Agreement. The enrollment packet shall include, at the minimum, the following:

i. Welcome letter;

ii. Covered California Enrollee ID card, in a form approved by Covered California;

iii. If Covered California Enrollee ID card is not included in the enrollment packet, Contractor must send a notice to the Covered California Enrollee that states the ID card will be sent separately, when the Covered California Enrollee should expect to receive it, and provide the information necessary for the Covered California Enrollee to receive services and for providers to file claims;

iv. Summary of Benefits and Coverage;

v. Pharmacy benefit information;

vi. Nurse advice line information; and

vii. Other materials required by Covered California.

b) Contractor shall maintain access to enrollment packet materials; Summary of Benefits and Coverage; claim forms and other Plan-related documents in both

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English and Spanish and any other languages required by State and Federal laws, rules and regulations to the extent required to timely meet all requirements of this Agreement for timely mailing and delivery of Plan materials to Covered California Enrollees. Contractor shall be responsible for printing, storing, and stocking, as applicable, all materials.

4.6.11 Summary of Benefits and Coverage

Contractor shall develop and maintain a Summary of Benefits and Coverage as required by Federal and State laws, rules, and regulations. The Summary of Benefits and Coverage must be available online and the hard copy sent to Covered California Enrollees on request shall be available to Covered California Enrollees in English, Spanish, and other languages as required by Federal and State laws, rules, and regulations. Contractor shall update the Summary of Benefits and Coverage annually and Contractor shall make the Summary of Benefits and Coverage available to Covered California Enrollees pursuant to Federal and State laws, rules, and regulations.

4.6.12 Electronic Listing of Participating Providers

Contractor shall create and maintain a continually updated electronic listing of all Participating Providers and make it available online for Covered California Enrollees, potential Enrollees, and Participating Providers, 24 hours a Day, 7 Days a week as required by Federal and State laws, rules, and regulations, including requirements to identify Providers who are not accepting new Enrollees.

4.6.13 Access to Medical Services Pending ID Card Receipt

Contractor shall promptly coordinate and ensure access to medical services for Covered California Enrollees who have not received ID cards but are eligible for services.

4.6.14 Explanation of Benefits

Contractor shall send each Covered California Enrollee an Explanation of Benefits to Covered California Enrollees in Plans that issue Explanation of Benefits or similar documents as required by Federal and State laws, rules, and regulations. The Explanation of Benefits and other documents shall be in a form that is consistent with industry standards.

4.6.15 Secure Plan Website for Enrollees and Providers

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Contractor shall maintain a secure website, 24 hours, 7 Days a week. All content on the secure Enrollee website shall be available in English and Spanish and any other languages required under State and Federal law. If Contractor is new to offering coverage on Covered California, Contractor shall meet the requirements of this section within ninety (90) Days after the Effective Date of this Agreement. The secure website must include, at a minimum, the following information about the Plan:

a) Upon implementation by Contractor, benefit descriptions, information relating to Covered Services, cost sharing, and other information available;

b) Ability for Covered California Enrollees to view their claims status such as denied, paid, unpaid;

c) Ability to respond via e-mail to customer service issues posed by Covered California Enrollees and Participating Providers;

d) Ability to provide online eligibility and coverage information for Participating Providers;

e) Support for Covered California Enrollees to receive Plan information by e-mail; and

f) Covered California Enrollee education tools and literature to help Covered California Enrollees understand health costs and research condition information.

4.6.16 Required Reports

Contractor shall submit required reports as defined in this contract. For Contractor's convenience, all required reports are listed in the "Contract Reporting Requirements" table posted on Contractor's extranet website provided by Covered California (Carrier Management (External) page, PMD Resources, Contract Reporting Compliance folder).

Upon request, Contractor shall submit standard reports as described below in a manner and time as specified by Covered California:

a) Enrollee customer service reports including phone demand and responsiveness, initial call resolution, response to written correspondence, and number/accuracy/timeliness of ID card distribution;

b) Use of Plan website;

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c) Enrollment reports; and

d) Premiums collected.

4.6.17 Contractor Staff Training about Covered California

Contractor shall arrange for and conduct staff training regarding the relevant laws, mission, administrative functions and operations of Covered California, including Covered California program information and products in accordance with Federal and State laws, rules and regulations, using training materials developed by Covered California.

Upon request by Covered California, Contractor shall provide Covered California with a list of upcoming staff trainings and make available training slots for Covered California staff to attend upon request.

4.6.18 Customer Service Training Process

Contractor shall demonstrate to Covered California that it has in place initial and ongoing customer service protocols, training, and processes to appropriately interface with and participate in Covered California. As part of this demonstration, Contractor shall permit Covered California to inspect and review its training materials. Covered California will share its customer service training modules with Contractor.

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ARTICLE 5 – ADVANCING EQUITY, QUALITY, AND VALUE

5.1 Covered California Quality and Equity Initiatives

The parties acknowledge and agree that furthering the shared goals of improved health, reduced health disparities, and high quality healthcare require Contractor to work with the other QHP Issuers and its contracted providers to play an active role in building and supporting models of care to meet consumer and social needs for providing better care, promoting health and lowering per capita costs through improvement.

Contractor agrees to work with Covered California to develop or participate in initiatives to promote models of care that (i) promote a culture of continuous quality and value improvement, health promotion, and the reduction of health disparities to the benefit of all Enrollees and, to the extent feasible, other health care consumers, (ii) minimize unpredictable quality, (iii) reduce inefficiencies of the current system, and (iv) target excessive costs.

In order to further the mission of Covered California with respect to these objectives and to provide the Covered Services required by Enrollees, Covered California and Contractor shall coordinate and cooperate with respect to health equity and quality improvement activities conducted by Covered California in accordance with the terms set forth in this section and in Covered California's Attachment 1 — Advancing Equity, Quality, and Value.

5.2 Quality Improvement and Disparities Reduction Program

5.2.1 General Requirements

a) Contractor shall maintain a quality improvement program to foster continuous quality improvement among its Participating Providers and other Subcontractors. Contractor's quality improvement program shall be subject to review by Covered California annually to evaluate Contractor's compliance with requirements set forth in Attachment 1 — Advancing Equity, Quality, and Value.

b) Contractor shall take steps to foster a culture of equity within its health plan operations and through its Participating Providers. Contractor shall maintain a disparities reduction program including collection of Enrollee demographic data, stratification of quality measures by demographic factors, and implementation and evaluation of interventions to reduce health disparities. Contractor's disparities reduction program shall be subject to review by

Covered California annually to evaluate Contractor's compliance with requirements set forth in Attachment 1 — Advancing Equity, Quality, and Value.

c) Contractor shall coordinate and cooperate with Covered California in implementing Attachment 1 — Advancing Equity, Quality, and Value, including (i) participating in meetings and other programs as reasonably requested from time to time by Covered California, (ii) providing mutually agreed upon data and other information required under Attachment 1 — Advancing Equity, Quality, and Value, and (iii) other activities as otherwise reasonably requested by Covered California. The parties acknowledge and agree that quality related activities contemplated under this Article 5 will be subject to and conducted in compliance with any and all applicable laws, rules and regulations including those relating to the confidentiality of medical information and will preserve all privileges set forth at Health and Safety Code § 1370.

d) Contractor shall conduct quality improvement and disparities reduction activities compliant with federally-required Quality Improvement Strategy (QIS) requirements.

e) Each of Contractor's products is required to meet or exceed the requirements, standards, and equity and quality benchmarks established in Attachment 1 — Advancing Equity, Quality, and Value.

f) Contractor shall seek written approval from Covered California and its state regulator prior to offering consumer incentive programs to Covered California Enrollees. Consumer incentive programs shall be nondiscriminatory and comply with guidelines issued by Covered California as to program design, eligibility criteria, and reward amounts.

5.3 Utilization Management

Contractor shall maintain a utilization management program that complies with applicable laws, rules and regulations, including Health and Safety Code § 1367.01 and other requirements established by the applicable State Regulators responsible for oversight of Contractor.

5.4 Transparency and Quality Reporting

a) Pursuant to 45 C.F.R. § 156.220 and Centers for Medicare & Medicaid Services Transparency in Coverage requirements, Contractor shall provide Covered California and Enrollees with information reasonably necessary to

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provide transparency in Contractor's coverage, and report to Covered California and Enrollees, the data as required by Covered California. This includes information relating to claims payment policies and practices, periodic financial disclosures, enrollment, disenrollment, claims denials, appeals, rating practices, cost-sharing, payments with respect to any out-of-network coverage, and Enrollee rights. Contractor shall provide information required under this Section to Covered California and Enrollees in plain language.

b) Contractor shall timely respond to a Covered California Enrollee's request for cost sharing information and shall make cost sharing information available to individuals through the internet and pursuant to other means for individuals without internet access in a timely manner.

5.5 Quality Rating System

Contractor shall collect and annually report to Covered California, for each QHP Product Type, its Health Care Effectiveness Data and Information Set (HEDIS), Consumer Assessment of Health Care Providers and Systems (CAHPS) data, and other performance data (numerators, denominators, and rates) as required for the federal Quality Rating System and as outlined in Attachment 1 — Advancing Equity, Quality of this Agreement.

5.6 Data Submission Requirements

Contractor shall provide to Covered California information regarding Contractor's membership through Covered California in a manner consistent with applicable federal and California State law, as well as the terms and conditions of this Agreement as detailed in Attachment 1 — Advancing Equity, Quality, and Value and Article 5, Section 5.02.1 Data Submission (Healthcare Evidence Initiative).

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ARTICLE 6 – FINANCIAL PROVISIONS

6.1 Covered California for Small Business

6.1.1 Rates and Payments

a) Schedule of Rates. The rates for the Covered California for Small Business Plan Year 2026 and the annual update for Plan Years 2027 and 2028 are those rates submitted by Contractor during the Certification Process and subsequently uploaded and validated by Contractor through the SERFF Templates for each Plan Year. The parties acknowledge and agree that the premium rates for Covered California for Small Business are actuarially determined to assure that premium revenues and cost sharing contributions will provide the total dollar amount necessary to support (i) the provision of Covered Services by Contractor through its QHPs, (ii) administrative expenses and reasonable reserves by Contractor to meet the requirements outlined in this Agreement and in accordance with applicable laws, rules, and regulations, and (iii) Contractor's payment of the Participation Fee to Covered California. The Participation Fee payable to Covered California during each month of this Agreement shall be equal to four point twenty-five (4.25) percent of the gross premium attributable to each Enrollee in Contractor's QHP for such month. The Participation Fee is in addition to a fee specified by Covered California as necessary to support distribution-related expenses. Contractor acknowledges and agrees that any Participation Fees due to Covered California from Contractor shall be withheld by Covered California before passing through any premium payments received by Covered California from Employers and Employees to Contractor in accordance with paragraph (d) of this Section 6.1.1. Should Covered California need to collect or refund any premiums, the Participation Fee shall be calculated pursuant to the QHP Issuer Agreement that was in place during the applicable Plan Year or years.

b) Updates. The Monthly Rates shall be established in accordance with the procedures set forth at Section 4.5. Covered California may authorize an update of rates no more frequently than on a quarterly basis in Covered California for Small Business in accordance with requirements and update schedules to be determined by Covered California.

c) Rate Determinations. Rates will be determined by Covered California in accordance with applicable laws, rules and regulations. Rates for Employers and all covered Employees and their Dependents will be determined by the ZIP Code of the Employer's primary business address. Rates for an Employer

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and all covered Employees will be determined and frozen at initial enrollment, or upon renewal, for twelve (12) months, until the next group renewal. Rates for all Employees and their Dependents, including new Employees or Employees with qualifying events during the Employer Plan Year, will be determined by the prevailing rates at group enrollment.

d) Collection and Remittance. Covered California agrees to perform collection and aggregation of monthly premiums with respect to Contractor's QHPs in Covered California for Small Business and will remit said premiums, net of (i) Participation Fees payable to Covered California and (ii) the fee associated with distribution related expenses paid by Covered California pursuant to Section 2.2.3 and Attachment 5.

e) Covered California's collection of premiums and remittance of net amounts to Contractor as described in this Section shall be made on a monthly basis.

f) Grace Period. Contractor acknowledges and agrees that applicable laws, rules and regulations, including, the Knox-Keene Act and Insurance Code, set a grace period with respect to the delinquent payment of premiums for the small group market. Contractor agrees to comply with the requirements set forth at Section 2.2.2 and required under applicable laws, rules, and regulations with respect to these grace periods.

6.1.2 Covered California for Small Business Participation Fees

a) Contractor understands and agrees that (i) under the Affordable Care Act and the California Affordable Care Act, Covered California may generate funds through Participation Fees on Contractor's QHPs and (ii) Covered California shall collect Participation Fee and distribution related expenses from premiums remitted by Employers and Employees.

b) Contractor recognizes that the total cost of all Participation Fees for Covered California must be spread across Contractor's entire book of business in the single risk pool (both inside and outside Covered California) for the small employer market.

c) With respect to Covered California for Small Business, Contractor acknowledges that (i) Covered California is responsible for collecting premiums from Employers and Employees, and (ii) Covered California will remit applicable Employer and Employee premiums collected by Covered California to Contractor, net of (1) Participation Fees computed in accordance with the Participation Methodology - Covered California for Small Business, and (2) Distribution related expenses determined in accordance with the

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terms set forth at Sections 2.2.3 and 3.3. Covered California for Small Business shall transfer funds to Contractor on a monthly basis or such other intervals as mutually agreed upon by Covered California and Contractor and shall establish a process to resolve any disagreements on premium amounts due in a timely manner and prior to transfer of funds to Contractor as required under this Section.

d) In the event that Contractor disputes the amount of Participation Fees billed or deducted by Covered California, Contractor shall submit a written notice of such dispute to Covered California within thirty (30) Days following receipt of such bill or deduction by Covered California. Contractor's notice will document the nature of the discrepancies, including, reconciliation of any differences identified by Contractor in enrollment or premiums collected. Covered California will respond to Contractor within forty-five (45) Days of receipt of the notice by either (i) paying the amount claimed by Contractor or (ii) providing a detailed explanation for the denial of the refund. If Contractor still disputes the findings of Covered California, Contractor may pursue additional remedies in accordance with Section 13.1.

f) Subject to the provisions of Section 11.5, Contractor agrees to a periodic audit or other examination by Covered California or its designee regarding the computation and payment of Participation Fees. In the case of material non-compliance with Participation Fee payments, Contractor shall implement any necessary corrective action. Covered California may perform follow up audits or examinations more frequently than annually to monitor Contractor's implementation of such corrective actions.

g) Contractor acknowledges that Covered California is required under Government Code § 100520(c) to maintain a prudent reserve as determined by Covered California.

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ARTICLE 7 – PERFORMANCE STANDARDS

7.1 Performance Standards

Contractor shall comply with the Performance Standards set forth in Attachment 3 — Performance Standards and Expectations. Covered California will conduct or arrange for a review of Contractor's performance under the Performance Standards. Covered California shall be responsible for the actual and reasonable costs of the review, including the costs of any third-party designated by Covered California to perform such review. The review shall be in addition to any ongoing monitoring that may be performed by Covered California with respect to the Performance Standards.

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ARTICLE 8 – CONTRACT TERM; RECERTIFICATION AND DECERTIFICATION

8.1 Agreement Term

The term of this Agreement is specified on the STD 213, which is the signature page of this Agreement.

8.2 Agreement Termination

8.2.1 Covered California Termination

Covered California may, by ninety (90) Days' written notice to Contractor, and without prejudice to any other of the Covered California remedies, terminate this Agreement for cause based on one or more of the following occurrences:

a) Contractor fails to fulfill an obligation that is material to its status as a QHP Issuer or its performance under the Agreement;

b) Contractor no longer holds a license or certificate that is required for Contractor to perform its obligations under this Agreement or Contractor otherwise fails to maintain compliance with the "good standing" requirements pursuant to Section 4.1.1 and which impairs Contractor's ability to provide Services under the Agreement;

c) Contractor breaches any material term, covenant, warranty, or obligation under this Agreement that is not cured or substantially cured to the reasonable satisfaction of Covered California within forty-five (45) Days after receipt of notice of default from Covered California; provided, however, that such cure period may not be required and Covered California may terminate the Agreement immediately if Covered California determines pursuant to subparagraph (e) below that Contractor's breach threatens the health and safety of Covered California Enrollees;

d) Contractor knowingly has a director, officer, partner, or person with a beneficial ownership of more than five percent (5%) of Contractor's equity or has an employment, consulting, or other Subcontractor agreement for the provision of Services under this Agreement who is, or has been: (i) excluded, debarred, or suspended from participating in any federally funded health care program, (ii) suspended, or debarred from participation in any state contract or procurement process, or (iii) convicted of a felony or misdemeanor (or entered a plea of nolo contendere) related to a crime or violation involving the acquisition or dispersal of funds or delivery of Covered Services to beneficiaries of any State or Federal health care program;

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e) Covered California reasonably determines that (i) the welfare of Covered California Enrollees is in jeopardy if this Agreement continues, as such determination shall be made in the reasonable discretion of Covered California based on consideration of professionally recognized standards and benchmarks, requirements imposed by accreditation agencies, and applicable laws, rules, and regulations; or (ii) Contractor fails to comply with a change in laws, rules or regulations occurring during the term of this Agreement and/or does not take any and all actions that may be required to amend the Agreement and otherwise establish and document compliance with any such changes; and (iii) Covered California reasonably determines, based on consultation with legal counsel and/or State and Federal Regulators and/or other State-based or Federal health benefit exchanges, that it may be at risk of being found noncompliant with Federal or State laws, rules, or regulations.

8.2.2 Contractor Termination

Contractor may, by ninety (90) Days' written notice to Covered California, and without prejudice to any other of the remedies, terminate this Agreement for cause based on one or more of the following occurrences:

a) Covered California breaches any material term, covenant, warranty, or obligation under this Agreement that is not cured or substantially cured to the reasonable satisfaction of Contractor within forty-five (45) Days after receipt by Covered California of notice from Contractor; or

b) Covered California fails to comply with a change in laws, rules or regulations occurring during the term of this Agreement or does not take any and all actions that may be required to amend the Agreement and otherwise establish and document compliance with any such changes, and Contractor reasonably determines, based on consultation with legal counsel and/or other State and Federal regulators and/or other State-based or Federal health benefit exchanges, that it may be at risk of being found noncompliant with Federal or State laws, rules, or regulations.

8.2.3 Notice of Termination

If Covered California determines, based on reliable information, that there is a substantial probability that Contractor will be unable to continue performance under this Agreement or Contractor will be in material breach of this Agreement in the next thirty (30) Days, then Covered California shall have the option to demand that Contractor provide Covered California with a reasonable assurance of performance. Upon Contractor's receipt of such a demand from Covered

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California, Contractor shall provide to Covered California a reasonable assurance of performance responsive to Covered California's demand. If Contractor fails to provide assurance within ten (10) Days of Covered California's demand that demonstrates Contractor's reasonable ability to avoid such default or cure within a reasonable time period not to exceed thirty (30) Days, the failure shall constitute a breach by Contractor justifying termination of the Agreement by Covered California.

In case a party elects to terminate this Agreement in whole or in part under Section 8.2, the notifying party shall give the other party ninety (90) Days' written notice of termination for default, specifying the default or defaults justifying the termination. The termination shall become effective after the expiration of such notice period if the defaults specified by the notifying party in its notice remain uncured at that time; provided, however, that Covered California may require Contractor to discontinue the provision of certain Services if Covered California determines that the continuing provision of services may cause harm to Covered California Enrollees, Participating Providers, or other stakeholders.

Covered California shall be entitled to retain any disputed amounts that remain in the possession of Covered California until final resolution of all claims by the parties against each other arising out of any Contractor default alleged by Covered California.

8.2.4 Remedies in Case of Contractor Default or Breach

a) In addition to the termination provisions in Section 8.2.1, Covered California shall have full discretion to institute any of the following remedies, in accordance with Subsection (b) of this Section, in case of Contractor's breach, whether material or not, or default:

   i. Removing Contractor's provider directory from the Covered California website;

   ii. Freezing Contractor's enrollment during Open or Special Enrollment Periods;

   iii. Recovery of damages to Covered California caused by the breach or default; and

   iv. Specific performance of particular covenants made by Contractor hereunder.

b) Prior to instituting any of the remedies in Subsection (a), Covered California shall provide written notice to Contractor that Contractor is in breach or

default of this Agreement, identify the basis for such breach or default, and provide Contractor with a thirty (30) Day period to cure. During the cure period, the parties agree to meet and confer in an effort to informally resolve the breach or default. Contractor shall have thirty (30) Days from the date Contractor received notice of the breach or default to fully cure the breach or default unless the parties mutually agree to a longer cure period. If Contractor has not cured the breach or default within the thirty (30) Day period, or a longer cure period that has been mutually agreed upon, Covered California may institute any of the remedies identified in Subsection (a) of this section. All remedies of Covered California under this Agreement for Contractor default or breach are cumulative to the extent permitted by law.

c) This section shall not apply to any contractual requirements that are associated with a performance guarantee in Attachment 3 — Performance Standards and Expectations, or for failure to meet any quality targets in Attachment 1 — Advancing Equity, Quality, and Value.

8.2.5 Contractor Insolvency

Contractor shall notify Covered California immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudicated bankrupt, or a receiver is appointed and qualifies. In case any of the foregoing events occurs, Covered California may terminate this Agreement upon five (5) Days written notice. If Covered California does so, Covered California shall have the right to recover damages from Contractor as though the Agreement had been terminated for Contractor default.

8.3 Recertification

8.3.1 Recertification Process

During each year of this Agreement, Covered California will evaluate Contractor for recertification based on an assessment process conducted by Covered California in accordance with its procedures and on a basis consistent with applicable laws, rules and regulations. Covered California shall consider Contractor for recertification unless (i) the Agreement is terminated sooner than the Expiration Date by Covered California in accordance with the requirements set forth at Section 8.2 or pursuant to other terms set forth in the Agreement, or (ii) Contractor makes a Non-Recertification Election pursuant to Section 8.3.2.

8.3.2 Non-Recertification Election

a) Contractor election. Contractor shall provide Covered California with notice on or before February 15th of each Plan Year whether Contractor will elect to not seek recertification of its QHPs for the following Plan Year ("Non-Recertification Election"). Contractor shall comply with conditions set forth in this Section 8.3.2 with respect to continuation of coverage and transition of Covered California Enrollees to new QHPs following Covered California's receipt of Contractor's Non-Recertification Election.

   For Contractor's QHPs in CCSB that are certified on a non-Calendar Year basis, Contractor shall provide Covered California with notice of Non-Recertification Election at least six (6) months prior to expiration of the certification for those QHPs.

b) Continuation and Transition of Care. Except as otherwise set forth in this Section 8.3.2, Contractor shall continue to provide Covered Services to Covered California Enrollees in accordance with the terms set forth in the Agreement from and after Contractor's Non-Recertification Election up through the termination of coverage for Covered California Enrollees, as such termination of coverage shall be determined in accordance with the requirements of this section.

   Contractor shall take any further action reasonably required by Covered California to provide Covered Services to Covered California Enrollees and transition care following the Non-Recertification Election.

   Contractor shall coordinate and cooperate with respect to communications to Covered California Enrollees in Covered California for the Individual Market and other stakeholders regarding the transition of Covered California Enrollees to another QHP.

c) In the event that Contractor continues to offer small group coverage in the State following the Notice of Non-Recertification Election, Contractor shall comply with applicable laws, rules and regulations relating to the discontinuation of a benefit package, including those set forth at Section 1365 of the Health and Safety Code and Section 10713 of the Insurance Code.

   The termination of the Agreement shall occur upon the termination of coverage which shall be determined as follows:

   i. Contractor shall continue to provide coverage to Employers and Employees until the expiration of the Employer's Plan Year of Contractor's last Certified Year.

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ii. Contractor shall notify Employers and Employees that Contractor's QHP will not be available for renewal at least ninety (90) Days prior to policy expiration. Non-renewal notification must be in a format approved by CCSB. To the extent permissible by state and federal law, CCSB may begin sending non-renewal notices on behalf of Contractor pursuant to the terms in Section 4.6.7(f) of the Agreement.

d) Contractor shall comply with other requirements of Covered California relating to the continuation and transition of coverage following Contractor's Non-Recertification Election, including, without limitation, those relating to protocols and timing for the removal of Contractor from the listing of QHPs to be selected by Employers and Employees, the commencement of coverage for new Employers and Employees, and termination and transition of coverage.

8.4 Decertification

Notwithstanding any other language set forth in this Section 8.4, the Agreement shall expire on the Expiration Date set forth in Section 8.1 in the event that Covered California elects to decertify Contractor's QHP based on Covered California's evaluation of Contractor's QHP during the recertification process that shall be conducted by Covered California pursuant to Section 8.2.

8.5 Effect of Termination

a) This Agreement shall terminate on the Expiration Date unless otherwise terminated earlier in accordance with the provisions set forth in this Agreement.

b) Contractor's QHPs shall be deemed decertified and shall cease to operate as QHPs as defined at 10 CCR § 6410 immediately upon termination or expiration of this Agreement in the event uninterrupted continuation of agreement between Covered California and Contractor is not achieved pursuant to either: (i) an extension of the term of the Agreement based upon the mutual agreement of the parties that is documented pursuant to a written amendment, or (ii) Contractor and Covered California enter into a new agreement that is effective immediately upon the expiration of this Agreement. There shall be no automatic renewal of this Agreement or recertification of Contractor's QHPs upon expiration of the term of this Agreement. Contractor may appeal the decertification of its QHP that will result in connection with the termination of this Agreement and such appeal

shall be conducted pursuant to Covered California's process and in accordance with applicable laws, rules and regulations.

c) All duties and obligations of Covered California and Contractor shall cease upon termination of the Agreement and the decertification of Contractor's QHPs that shall occur upon the termination of this Agreement, except as set forth below or otherwise provided in the Agreement:

   i. Each party shall remain liable for any rights, obligations, or liabilities that have accrued or arise from activities carried on by it under this Agreement prior to the effective date of termination.

   ii. Any information of the other party that is in the possession of the other party will be returned promptly, or upon the request of owner of such property, destroyed using reasonable measures to protect against unauthorized access to or use of the information in connection with its destruction, following the earlier of: (i) the termination of this Agreement, (ii) receipt of a written request to return or destroy the Information Assets, or (iii) the termination of the business relationship between the parties. If both parties agree that return or destruction of information is not feasible or necessary, the receiving party will continue to extend the protections outlined in this Agreement to all assets in its possession and will limit further use of that information to those purposes that make the return or destruction of the information or assets. Covered California reserves the right to inspect the storage, processes, and destruction of any Information Assets provided under this Agreement.

d) Contractor shall comply with the requirements set forth at Section 8.3.2 in the event that Contractor makes a Non-Recertification Election.

e) Contractor shall cooperate fully to effect an orderly transfer of Covered Services to another QHP during (i) any notice period set forth at Sections 8.2.3, 8.2.5, or 8.3.2, and (ii) if requested by Covered California to facilitate the transition of care or otherwise required under Section 8.6, following the termination of this Agreement. Such cooperation shall include the following:

   i. Upon termination, Contractor, if offering an HMO, shall complete the processing of all claims for benefit payments under the QHP for Covered Services other than Capitated Services, and if offering a PPO, shall complete the processing of all medical claims for benefit payments under

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Contractor's QHP for Covered Services rendered on or before the termination date.

ii. Contractor will provide communications developed or otherwise approved by Covered California to communicate new QHP information to Covered California Enrollees in accordance with a timeline to be established by Covered California.

iii. In order to ensure the proper transition of Services provided prior to, and subsequent to, termination, Contractor will forward to any new QHP Issuer the electronic and direct paper claims that are received by Contractor, but which relate to Services provided by new contractor. Any such information shall be subject to compliance with applicable laws, rules and regulations and shall be sent at such time periods and in the manner requested by Covered California for a period of up to three (3) months following the termination date.

iv. Contractor shall provide customer service to support the processing of claims for Covered Services rendered on or before the termination date for a period of two (2) months or such other longer period reasonably requested by Covered California at a cost to be mutually agreed upon per Covered California Enrollee.

v. If so instructed by Covered California in the termination notice, Contractor shall promptly discontinue the provision of Services requested by Covered California to be discontinued as of the date requested by Covered California.

vi. Contractor will perform reasonable and necessary acts requested by Covered California and as required under applicable laws, rules, regulations, consistent with industry standards to facilitate transfer of Covered Services herewith to a succeeding Contractor. Contractor shall comply with requirements reasonably imposed by Covered California relating to (i) the discontinuation of new enrollment or re-enrollment in Contractor's QHP, (ii) the transfer of Covered California Enrollee coverages to another QHP prior to the commencement date, (iii) the expiration of existing quotes, and (iv) such other protocols that may reasonably be established by Covered California.

vii. Contractor will reasonably cooperate with Covered California and any successor QHP Issuer in good faith with respect to taking such actions

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that are reasonably determined to be the best interest of the QHP Issuer, and Covered California Enrollees, and Employers.

f) Contractor shall cooperate with Covered California's conduct of an accounting of amounts paid or payable and Covered California Enrollees enrolled during the month in which termination is effective in order to assure an appropriate determination of premiums earned by and payable to Contractor for Services rendered prior to the date of termination, which shall be accomplished as follows:

   i. Mid-Month Termination: For a termination of this Agreement that occurs during the middle of any month, the premium for that month shall be apportioned on a pro rata basis. Contractor shall be entitled to premiums from Covered California Enrollees for the period of time prior to the date of termination and Covered California Enrollees shall be entitled to a refund of the balance of the month. Contractor shall follow the methodology specified in 10 CCR § 6500 (i) for the refund of any excess premiums paid.

   ii. Responsibility to Complete Contractual Obligations: Contractor is responsible for completing submission and corrections to Encounter Data for Covered Services received by Covered California Enrollees during the period of the Agreement. Contractor is responsible for submitting any outstanding financial or other reports required for Covered Services rendered or Claims paid during the term of the Agreement.

g) Contractor shall (i) provide such other information to Covered California, Covered California Enrollees and/or the succeeding QHP Issuer, and/or (ii) take any such further action as is required to effect an orderly transition of Covered California Enrollees to another QHP in accordance with requirements set forth under this Agreement and/or necessary to the continuity and transition of care in accordance with applicable laws, rules, and regulations.

8.6 Coverage Following Termination and Decertification

a) Upon the termination of the Agreement or decertification of one or more of Contractor's QHPs, Contractor shall cooperate fully with Covered California in order to effect an orderly transition of Covered California Enrollees to another QHP as directed by Covered California. This cooperation shall include: (i) attending post-termination meetings, (ii) providing or arranging for the provision of Covered Services as may be deemed necessary by Participating

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Providers to assure the appropriate continuity of care, and (iii) communicating with affected Covered California Enrollees in cooperation with Covered California and the succeeding contractor as applicable, as reasonably requested by Covered California.

b) In the event the termination or expiration of the Agreement requires the transfer of some or all Covered California Enrollees into any other health plan, the terms of coverage under Contractor's QHP shall not be carried over to the replacement QHP, but rather the transferred Covered California Enrollees shall be entitled only to the extent of coverage offered through the replacement QHP as of the effective date of transfer to the new QHP.

c) Notwithstanding the foregoing, the coverage of a Covered California Enrollee under Contractor's QHP may be extended to the extent that a Covered California Enrollee qualifies for an extension of benefits including, those to effect the continuity of care required due to hospitalization or disability. For purposes of this Agreement, "disability" means that the Covered California Enrollee has been certified as being totally disabled by the Covered California Enrollee's treating physician, and the certification is approved by Contractor. Such certification must be submitted for approval within thirty (30) Days from the date coverage is terminated. Recertification of Covered California Enrollee's disability status must be furnished by the treating Provider not less frequently than at sixty (60) Day intervals during the period that the extension of benefits is in effect. The extension of benefits shall be solely in connection with the condition causing total disability. This extension, which is contingent upon payment of the applicable premiums, shall be provided for the shortest of the following periods:

   i. Until total disability ceases;

   ii. For a maximum period of twelve (12) months after the date of termination, subject to plan maximums;

   iii. Until the Covered California Enrollee's enrollment in a replacement plan; or

   iv. Recertification.

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ARTICLE 9 –INSURANCE AND INDEMNIFICATION

9.1 Contractor Insurance

9.1.1 Required Coverage

a) Without limiting Covered California's right to obtain indemnification or other forms of remedies or relief from Contractor or other third-parties, Contractor shall, at its sole cost and expense, obtain, and during the term of this Agreement, maintain in full force and effect, the insurance coverage described in this section and as otherwise required by law, including coverage required to be provided and documented pursuant to § 1351 (o), (p), and (r) of the Health and Safety Code and relating to insurance coverage or self-insurance: (i) to respond to claims for damages arising out of the furnishing of Covered Services, (ii) to protect against losses of facilities where required by the director, and (iii) to protect against workers' compensation claims arising out of work-related injuries that might be brought by the employees and staff of Contractor. All insurance shall be adequate to provide coverage against losses and liabilities attributable to the acts or omissions of Contractor in performance of this Agreement and to otherwise protect and maintain the resources necessary to fulfill Contractor's obligations under this Agreement. Contractor shall arrange for continuous insurance coverage throughout the term of this Agreement. The minimum acceptable limits shall be as indicated below; Covered California may modify these limits based on Contractor's organization type and size:

   i. Commercial general liability or equivalent self-insurance covering the risks of bodily injury (including death), property damage, and personal injury, including coverage for contractual liability, with a limit of not less than $1 million per occurrence/$2 million general aggregate;

   ii. Employers liability insurance covering the risks of Contractor's employees and employees' bodily injury by accident or disease with limits of not less than $1 million per accident for bodily injury by accident, and $1 million per employee for bodily injury by disease, and $1 million disease policy limit;

   iii. Umbrella policy providing excess limits over the primary general liability, automobile liability, and employer's liability policies in an amount not less than $10 million per occurrence and in the aggregate;

   iv. Cyber Liability insurance at such levels consistent with industry standards and reasonably determined by Contractor to cover network security,

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unauthorized access, unauthorized use, receipt or transmission of a malicious code, denial of service attack, unauthorized disclosure or misappropriation of private information and privacy liability Protected Health Information (PHI) and Personally-Identifiable Information (PII). The insurance must cover notification costs, credit card monitoring, and fines and penalties to the extent insurable incurred by Covered California due to Contractor's mistake or error.

9.1.2 Workers' Compensation

Contractor shall, in full compliance with State law, provide or purchase, at its sole cost and expense, statutory California's workers' compensation coverage which shall remain in full force and effect during the term of this Agreement.

9.1.3 Subcontractor Coverage

Contractor shall require all Subcontractors that may be authorized to provide Services on behalf of Contractor or otherwise under this Agreement to maintain insurance commensurate with the nature of such Subcontractors' work and all coverage for Subcontractors shall be subject to all the requirements set forth in this Agreement and applicable laws, rules and regulations. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

9.1.4 Premium Payments and Disclosure

Premium on all insurance policies shall be paid by Contractor or its Subcontractors. Contractor shall provide thirty (30) Days' notice of cancellation to Covered California. Contractor shall furnish to Covered California copies of certificates of all required insurance prior to the Execution Date, and copies of renewal certificates of all required insurance within thirty (30) Days after the renewal date. Covered California reserves the right to review the insurance requirements contained herein to ensure that there is appropriate coverage that is in accordance with this Agreement. Covered California is to be notified by Contractor promptly if any aggregate insurance limit is exceeded. In such event, Contractor must purchase additional coverage to meet these requirements.

9.2 Indemnification

Contractor shall indemnify, defend, and hold harmless Covered California, the State, and all of the officers, trustees, Agents, and Employees of the foregoing, from and against any and all demands, claims, actions, losses, costs, liabilities,

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damages or deficiencies, including interest, penalties and attorneys' fees, related to any of the following:

a) Arise out of or are due to a breach by Contractor of any of its representations, warranties, covenants or other obligations contained in this Agreement; or

b) Are caused by or resulting from Contractor's acts or omissions constituting bad faith, willful misfeasance, negligence, or reckless disregard of its duties under this Agreement or applicable laws, rules, and regulations; or

c) Accrue or result to any of Contractor's Subcontractors, material men, laborers, or any other person, firm, or entity furnishing or supplying services, material, or supplies in connection with the performance of this Agreement.

The obligation to provide indemnification under this Agreement shall be contingent upon Covered California:

a) Providing Contractor with reasonable written notice of any claim for which indemnification is sought;

b) Allowing Contractor to control the defense and settlement of such claim; provided, however, that Contractor consults with Covered California regarding the defense of the claim and any possible settlements and agrees not to enter into any settlement or compromise of any claim or action in a manner that admits fault or imposes any restrictions or obligations on Covered California without Covered California's prior written consent, which will not be unreasonably withheld; and,

c) Cooperating fully with Contractor in connection with such defense and settlement. Indemnification under this section is limited as described herein.

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ARTICLE 10 – PRIVACY AND SECURITY

10.1 Privacy and Security Requirements for Personally Identifiable Data

a) HIPAA Requirements. Contractor agrees to comply with applicable provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), including the Administrative Simplification Provisions of HIPAA, as codified at 42 U.S.C. § 1320d et seq., the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"), and any current and future regulations promulgated under HITECH or HIPAA, all as amended from time to time and collectively referred to herein as the "HIPAA Requirements". Contractor agrees not to use or further disclose any Protected Health Information (PHI), other than as permitted or required by the HIPAA Requirements and the terms of this Agreement.

b) Covered California Requirements. With respect to Covered California General Functions, as outlined in 45 CFR § 155.200, Contractor agrees to comply with the following privacy and security requirements and standards applicable to Personally Identifiable Information (PII) which have been established and implemented by Covered California in accordance with the requirements of 45 CFR § 155.260 ("Covered California Requirements"):

   i. Uses and Disclosures. Pursuant to the terms of this Agreement, Contractor may receive from Covered California PHI and/or PII in connection with Contractor Covered California General Functions that is protected under applicable Federal and State laws and regulations. Contractor shall not use or disclose such PHI or PII obtained in connection with Contractor Covered California General Functions other than as is expressly permitted under Covered California Requirements and only to the extent necessary to perform the Covered California General Functions described within this Agreement.

   ii. Fair Information Practices. Contractor shall implement reasonable and appropriate fair information practices to ensure:

      1. Individual Access. Contractor shall provide access to, and permit inspection and copying of PHI and PII in either an electronic or hard copy format as specified by the individual and as required by law, within thirty (30) Days of such request from the individual. If Contractor denies access, in whole or in part, Contractor must provide a written denial within the time limits for providing access, which includes the

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basis for the denial and a statement of the individual's review rights, if applicable. In the event any individual requests access to PHI or PII maintained by Covered California or another health plan directly from Contractor, Contractor shall within five (5) Days forward such request to Covered California and the relevant health plan as needed.

2. Amendment. Contractor shall provide an individual with the right to request an amendment of inaccurate PHI and PII. Contractor shall respond to such individual within sixty (60) Days of such a request either by making the correction and informing the individual of such correction or notifying the individual in writing that the request was denied, which notice shall provide an explanation for the denial and explain that the individual may submit a statement of disagreement with the denial.

3. Openness and Transparency. Contractor shall make available to individuals applicable policies, procedures, and technologies that directly affect such individuals and/or their PHI and PII.

4. Choice. Contractor shall provide individuals with a reasonable opportunity and capability to make informed decisions about the collection, use, and disclosure of their PHI and PII.

5. Limitations. Contractor represents and warrants that all PHI and PII shall be collected, used, and/or disclosed under this Agreement only to the extent necessary to accomplish a specified purpose under the terms of this Agreement or as permitted by Covered California Requirements and never to discriminate inappropriately.

6. Data Integrity. Contractor shall implement policies and procedures reasonably intended to ensure that PHI and PII in its possession is complete, accurate, and current, to the extent necessary for Contractor's intended purposes, and has not been altered or destroyed in an unauthorized manner.

7. Safeguards. Contractor must have in place administrative, physical, and technical safeguards that meet or exceed the standards published in the National Institute of Standards and Technology (NIST), Special Publication 800-53 rev 5, or in the ISO/IEC 27001 to appropriately protect the confidentiality, integrity, and availability of the PHI and PII that it creates, receives, maintains, or transmits pursuant to the Agreement and to prevent the use or disclosure of PHI and/or PII other

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than as provided for in this Agreement, or as required by law. In furtherance of compliance with such requirements, Contractor shall:

a. Encrypt all PHI and/or PII that is in motion and at rest, including data on portable media devices, consistent with the current Federal Information Processing Standards (FIPS) Publication 140 encryption;

b. Implement a contingency plan for responding to emergencies and/or disruptions to business or systems used to deliver services pursuant to this Agreement without degradation of the PHI and/or PII security, and is tested at least annually;

c. Maintain a Security Incident response plan; mitigate to the extent practicable, any harmful effect that is known to Contractor of any Security Incident related to PHI and/or PII or of any use or disclosure of PHI and/or PII by Contractor or its Subcontractors or Agents in violation of the requirements of this Agreement or applicable privacy and security laws and regulations and agency guidance;

d. Ensure that each individual user, including Contractor's employees, Sub-contractors, Agents or other such individuals, of any Covered California computer system through which PHI and/or PII is accessed be assigned and maintain their own unique user-id and password. Contractor shall immediately notify Covered California via the current provisioning process for access permissions by Covered California once any such employees, Sub-contractors, Agents or other such individuals are no longer employed, retained, or acting in a role that does not require access to PHI and/or PII by Contractor. Contractor shall likewise cooperate in good faith to ensure the accounts of any such individuals are de-activated to prevent unauthorized access to PHI and/or PII through any such Covered California computer system; and

e. Destroy PHI and PII in a manner consistent with applicable State and Federal laws, regulations, and agency guidance on the destruction of PHI and PII, including NIST special publication 800-88 "Guidelines for Media Sanitization; and

f. Comply with all applicable Covered California policies within Section 10.2. Protection of Information Assets, including executing

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non-disclosure agreements and other documents required by such policies. Contractor shall also require any Subcontractors and Agents to comply with all such Covered California policies.

c) Compliance with California Requirements. With respect to all provisions of information under this Agreement, Contractor agrees to comply with all applicable California state health information privacy and security laws applicable to PII, including the Confidentiality of Medical Information Act, the California Insurance Information and Privacy Protection Act, and the Information Practices Act, all collectively referred to as "California Requirements."

   i. With respect to the IPA, Contractor agrees to adhere to the standards and requirements of the IPA as if Contractor were Covered California itself. Contractor is therefore required to meet the same standards of privacy and information handling as Covered California and must comply with all applicable sections of the IPA related to the collection, use, storage, security, and disclosure of personal information as applicable and when handling any PII received from, or collected on behalf of Covered California.

d) Interpretation. Notwithstanding any other provisions in this section, to the extent a conflict arises between the permissibility of a use or disclosure of PHI or PII under the HIPAA Requirements, Covered California Requirements, or California Requirements with respect to Covered California General Functions, the applicable requirements imposing the more stringent privacy and security standards to such uses and disclosures shall apply. In addition, any ambiguity in this Agreement regarding the privacy and security of PHI and/or PII shall be resolved to permit Covered California and Contractor to comply with the most stringent of the applicable privacy and security laws or regulations.

e) Breach Notification.

   i. Contractor shall report to Covered California any Breach or Security Incident reasonably calculated to result in the Breach of PII or PHI created or received in connection with Covered California General Functions in accordance with the provisions set forth herein. For purposes of this Paragraph (e), a "Breach" shall, in accordance with the HIPAA Breach Notification Rule, mean the impermissible use or disclosure of PII or PHI within Contractor's custody or control which is reasonably calculated to compromise the security or privacy of any such PII or PHI

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[45 CFR § 164.400-414]. A “Security Incident” shall, in accordance with the HIPAA Security Rule, mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or the interference with system operations in an information system [45 CFR § 164.304].

ii. Contractor shall, without unreasonable delay, but no later than within three (3) business days after Contractor’s discovery of a Breach or Security Incident reasonably calculated to result in a Breach of PII or PHI subject to this Agreement, submit an initial report regarding any such Breach or Security Incident to Covered California. Reports shall be made on a form made available to Contractor by Covered California.

iii. Contractor shall cooperate with Covered California in investigating any such Breach or Security Incident and in meeting Covered California’s obligations, if any, under applicable State and Federal security breach notification laws, regulatory obligations, or agency requirements. If the cause of the Breach or Security Incident is attributable to Contractor or its Agents or Subcontractors, Contractor shall be responsible for Breach notifications and reporting as required under applicable Federal and State laws, regulations, and agency guidance. Such notification(s) and required reporting shall be done in cooperation with Covered California.

iv. To the extent possible, Contractor’s initial report shall include: (i) the names of the individual(s) whose PHI and/or PII has been, or is reasonably believed by Contractor to have been accessed, acquired, used, or disclosed. In the event of a Security Incident, Contractor shall provide such information regarding the nature of the information system intrusion and any systems potentially compromised; (ii) a brief description of what happened including the date of the incident and the date of the discovery of the incident, if known; (iii) a description of the types of PHI and/or PII that were involved in the incident, as applicable; (iv) a brief description of what Contractor is doing or will be doing to investigate, to mitigate harm to the individual(s) and to its information systems, and to protect against recurrences; and (v) any other information that Covered California determines it needs to include in notifications to the individual(s) or relevant regulatory authorities under applicable privacy and security requirements.

v. Within three (3) Days of conducting its investigation, unless an extension is granted by Covered California, Contractor shall file a final report, which shall identify and describe the results and outcome of Contractor’s above-

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referenced investigation and mitigation efforts. Contractor shall make all reasonable efforts to obtain the information listed above and shall provide an explanation if any information cannot be obtained. Contractor and Covered California will cooperate in developing content for any public statements.

f) Other Obligations. The following additional obligations apply to Contractor:

i. Subcontractors and Agents. Contractor shall enter into an agreement with any Agent or Subcontractor that will have access to PHI and/or PII that is received from, or created or received by, Contractor on behalf of Covered California or in connection with this Agreement, or any of its contracting Plans pursuant to which such Agent or Subcontractor agrees to be bound by the same or more stringent restrictions, terms and conditions as those that apply to Contractor pursuant to this Agreement with respect to such PHI and PII.

ii. Covered California Operations. Unless otherwise agreed to by Contractor and Covered California, Contractor shall provide patient medical and pharmaceutical information needed by Covered California to fulfill its health oversight obligations under applicable law and effectively oversee and administer the Plans.

iii. Records and Audit. Contractor agrees to make its internal practices, books and records relating to the use and disclosure of PHI and/or PII received from Covered California, or created or received by Contractor on behalf of Covered California or in connection with this Agreement available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining Contractor's and/or Covered California's compliance with HIPAA Requirements. In addition, Contractor shall provide Covered California with information concerning its safeguards described throughout this section and/or other information security practices as they pertain to the protection of PHI and PII, as Covered California may from time to time request. Failure of Contractor to complete or to respond to Covered California's request for information within the reasonable timeframe specified by Covered California shall constitute a material breach of this Agreement. In the event of a Breach or Security Incident related to PHI and/or PII or any use or disclosure of PHI and/or PII by Contractor in violation of the requirements of this Agreement, Covered California will be permitted access to Contractor's facilities in order to review policies, procedures, and controls relating solely to compliance with the terms of this Agreement.

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iv. Electronic Transactions Rule. In conducting any electronic transaction that is subject to the Electronic Transactions Rule on behalf of any Plan, Contractor agrees to comply with all applicable requirements of the Electronic Transactions Rule set forth in 45 C.F.R. Part 162. Contractor agrees to require that any Agent, including a Subcontractor, of Contractor that conducts standard transactions with PHI and/or PII of the Plan comply with all applicable requirements of the Electronic Transactions Rule.

v. Minimum Necessary. Contractor agrees to request and use only the minimum necessary type and amount of PHI required to perform its services and will comply with any regulations promulgated under the HIPAA Requirements and agency guidance concerning the minimum necessary standard pertaining to PHI. Contractor will collect, use, and disclose PII only to the extent necessary to accomplish a specified purpose under this Agreement.

vi. Indemnification. Contractor shall indemnify, hold harmless, and defend Covered California from and against any and all costs (including mailing, labor, administrative costs, vendor charges, and any other costs Covered California determines to be reasonable), losses, penalties, fines, and liabilities arising from or due to a Breach or other non-permitted use or disclosure of PHI and/or PII by Contractor or its Subcontractors or Agents, including (i) damages resulting from any action under applicable (1) HIPAA Requirements, (2) Covered California Requirements or (3) California Requirements, and (ii) the costs of Covered California actions taken to: (1) notify the affected individual(s) and other entities of and to respond to the Breach; (2) mitigate harm to the affected individual(s); and (3) respond to questions or requests for information about the Breach or other impermissible use or disclosure of PHI and/or PII.

g) Privacy Policy. Covered California shall notify Contractor of any limitation(s) in its Privacy Policy, to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or PII.

h) Reporting Violations of Law. Contractor may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. § 164.502(j)(2), other provisions within the HIPAA Requirements, or any other applicable State or Federal laws or regulations.

i) Survival. Notwithstanding anything to the contrary in the Agreement, the provisions of this Section 10.1 on the Protection of PII shall survive

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termination of the Agreement with respect to information that relates to Covered California General Functions until such time as all PII and PHI is destroyed by assuring that hard copy PII and PHI will be shredded and electronic media will be cleared, purged, or destroyed consistent with NIST Guidelines for Media Sanitization, or is returned to Covered California, in a manner that is reasonably acceptable to Covered California.

j) Contract Breach. Without limiting the rights of the parties pursuant to this Agreement, if Contractor breaches its obligations under this section, Covered California may, at its option: (i) exercise any of its rights of access and inspection under this Agreement; (ii) require Contractor to submit to a plan of monitoring and reporting, as Covered California may determine necessary to maintain compliance with this Agreement and such plan shall be made part of this Agreement; or (iii) notwithstanding any other provisions of this Agreement, after giving Contractor opportunity to cure the breach, terminate this Agreement. If Contractor materially breaches its obligations under this section, Covered California may terminate this Agreement, with or without opportunity to cure the breach. Covered California's remedies under this section and any other part of this Agreement or provision of law shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other.

10.2 Protection of Information Assets

a) The following terms shall apply as defined below:

i. "Information Assets" means any information, including Confidential Information, necessary to the operation of either party that is created, stored, transmitted, processed, or managed on any hardware, software, network components, or any printed form, or is communicated orally. "Information Assets" does not include information that has been transferred from the Disclosing Party to the Receiving Party under applicable laws, regulations, and agency guidance, and that is being maintained and used by the Receiving Party solely for purposes that are not Covered California General Functions.

ii. "Confidential Information" includes any information (whether oral, written, visual, or fixed in any tangible medium of expression), relating to either party's services, operations, systems, programs, inventions, techniques, suppliers, customers and prospective customers (excluding Covered California), cost and pricing data, trade secrets, know-how, processes, plans, reports, designs, and any other information of or relating to the

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business or either party, including Contractor's programs, but does not include information that (i) is described in the Evidence of Coverage (EOC); (ii) was known to the Receiving Party before it was disclosed to the Receiving Party by the Disclosing Party, (iii) was or becomes available to the Receiving Party from a source other than the Disclosing Party, provided such fact is evidenced in writing and the source is not bound by a confidentiality obligation regarding such information to Disclosing Party, or (iv) is developed by either party independently of the other party's Confidential Information, provided that such fact can be adequately documented.

iii. "Disclosing Party" means the party who sends Information Assets that it owns to the other party for the purposes outlined in this Agreement.

iv. "Receiving Party" means the party who receives Information Assets owned by the other party.

b) The Receiving Party shall hold all Information Assets of the Disclosing Party in confidence and will not use any of the Disclosing Party's Information Assets for any purpose, except as set forth in this Agreement, or as otherwise required by law, regulation, or compulsory process.

c) The Receiving Party must take all reasonable and necessary steps to prevent the unauthorized disclosure, modification, or destruction of the Disclosing Party's Information Assets. The Receiving Party must, at a minimum, use the same degree of care to protect the Disclosing Party's Information Assets that it uses to protect its own Information Assets.

d) The Receiving Party agrees not to disclose the Disclosing Party's Information Assets to anyone, except to employees or third parties who require access to the Information Assets pursuant to this Agreement, but only where such third parties have signed agreements regarding the Information Assets containing terms that are equivalent to, or stricter than, the terms of this section, or as otherwise required by law.

e) In the event the Receiving Party is requested to disclose the Disclosing Party's Information Assets pursuant to a request under the California Public Records Act (PRA), a summons, subpoena, or in connection with any litigation, or to comply with any law, regulation, ruling, or government or public agency request, the Receiving Party shall, to the extent it may do so lawfully, give the Disclosing Party five (5) business days' notice of such requested disclosure and afford the Disclosing Party the opportunity to review the

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request before Receiving Party discloses the Information Assets. The Disclosing Party shall, in accordance with applicable law, have the right to take such action as it reasonably believes may be necessary to protect the Information Assets, and such action shall not be restricted by the dispute resolution process of this Agreement. If such request is pursuant to the PRA, Covered California shall give Contractor five (5) business days' notice to permit Contractor to consult with Covered California prior to disclosure of any Confidential Information. This subdivision shall not apply to restrict disclosure of any information to the State or in connection with a dispute between Covered California and Contractor or any audit or review conducted pursuant to this Agreement.

f) The Receiving Party shall notify the Disclosing Party in writing of any unauthorized disclosure, modification, or destruction of the Disclosing Party's Information Assets by the Receiving Party, its officers, directors, employees, contractors, Agents, or third parties. The Receiving Party shall make this notification promptly upon becoming aware of such disclosure, modification, or destruction, but in any event, not later than four (4) Days after becoming aware of the unauthorized disclosure, modification, or destruction. After such notification, the Receiving Party agrees to cooperate reasonably, at the Receiving Party's expense, with the Disclosing Party to remedy or limit the unauthorized disclosure, modification, or destruction, and/or its effects.

g) The Receiving Party understands and agrees the Disclosing Party may suffer immediate, irreparable harm in the event the Receiving Party fails to comply with any of its obligations under this section, that monetary damages will be inadequate to compensate the Disclosing Party for such breach and that the Disclosing Party shall have the right to enforce this section by injunctive or other equitable remedies. The provisions of this section shall survive the expiration, or termination, for any reason, of this Agreement.

h) To the extent that information subject to this section on Protection of Information Assets is also subject to HIPAA Requirements, Covered California Requirements or California Requirements in Section 10.1(b) and (c), such information shall be governed by the provisions of Section 10.1. In the event of a conflict or inconsistency between the requirements of the various applicable sections and attachments of this Agreement, including Section 10.1 and this Section 10.2, Contractor shall comply with the provisions that provide the greatest protection against access, use, or disclosure.

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i) Survival. Notwithstanding anything to the contrary in the Agreement, the provisions of this Section 10.2 on Information Assets shall survive termination of the Agreement until such time as all Information Assets provided by Covered California to Contractor, or created, received, or maintained by Contractor on behalf of Covered California, is destroyed by assuring that hard copy Information Assets will be shredded and electronic media will be cleared, purged, or destroyed consistent with National Institute of Standards and Technology Guidelines for Media Sanitization or is returned to Covered California, in a manner that is reasonably acceptable to Covered California.

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ARTICLE 11 – RECORDKEEPING

11.1 Clinical Records

Except with respect to any longer periods that may be required under applicable laws, rules and regulations, Contractor shall maintain, and require each Participating Provider and Subcontractor to maintain, a medical record documentation system adequate to fully disclose and document the medical condition of each Enrollee and the extent of Covered Services provided to Enrollees. Clinical records shall be retained for at least seven (7) years following the year of the final Claims payment. Except as otherwise required by State and Federal laws, rules, and regulations, if an audit, litigation, research, evaluation, claim, or other action involving the records has not been concluded before the end of the seven (7) year minimum retention period, the clinical records must be retained until all issues arising out of the action have been resolved. If responsibility for maintenance of medical records is delegated by Contractor to a Participating Provider or Subcontractor, Contractor shall require such Participating Provider or other Subcontractor to comply with the document retention requirements set forth in this Agreement and as otherwise required by applicable laws, rules and regulations.

11.2 Financial Records

a) Except as otherwise required to be maintained for a longer period by law or this Agreement, financial records, supporting documents, statistical records and all other records pertinent to amounts paid to or by Contractor in connection with this Agreement shall be retained by Contractor for at least ten (10) years from the date of the final claims payment. Contractor shall maintain accurate books, accounts, and records and prepare all financial statements in accordance with Generally Accepted Accounting Principles, applicable laws, rules and regulations, and requirements imposed by any governmental, or State or Federal Regulator having jurisdiction over Contractor.

b) Contractor shall maintain adequate data customarily maintained and reasonably necessary to properly document each of its transactions with Participating Providers, Covered California, and Enrollees during the period this Agreement remains in force and will keep records of claims, including medical review and high dollar special audit claims, for a period of ten (10) years or for such length of time as required by Federal or State law, whichever is longer. Subject to compliance with applicable laws, rules and regulations, including, those relating to confidentiality and privacy, at the end

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of the ten (10) year retention period, at the option of Covered California, records shall either be transferred to Covered California at its request or destroyed.

c) Contractor shall maintain historical claims data and other records and data relating to the utilization of Covered Services by Enrollees online for two (2) years from date that the Agreement is terminated with respect to Covered Services provided to Enrollees during the term of this Agreement. These records shall include the data elements necessary to produce specific reports mutually agreed upon by Covered California and Contractor and in such form reasonably required by Covered California that is consistent with industry standards and requirements of State Regulators regarding statistical, financial, and/or data reporting requirements, including information relating to diagnosis, treatment, amounts billed (allowed and paid), dates of service, procedure numbers, deductible, out-of-pocket, and other cost sharing for each claim.

11.3 Storage

Such books and records shall be kept in a secure location at Contractor's office(s), and books and records related to this Agreement shall be available for inspection and copying by Covered California, Covered California representatives, and such consultants and specialists as designated by Covered California, at any time during normal business hours as provided in Section 11.5 hereof and upon reasonable notice. Contractor shall also ensure that related books and records of Participating Providers and Subcontractors shall be accurately maintained. If any inquiry, audit, investigation, litigation, claim, or other action involving the records is ongoing and has not been finally concluded before the end of the ten (10) year minimum retention period, the applicable financial records must be retained until all issues arising out of the action have been resolved.

11.4 Back-Up

Contractor shall maintain a separate back-up system for its electronic data processing functions and a duplicate data file which is updated regularly and stored off-site in a secured, controlled environment. Contractor's back-up system shall comply with applicable laws, rules and regulations, including, those relating to privacy and confidentiality, and shall be designed to meet or exceed industry standards regarding the preservation of access to data.

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11.5 Examination and Audit Results

a) Contractor shall submit to Covered California the results of final financial, market conduct, or special audits/reviews performed by State and Federal Regulators that have jurisdiction where Contractor serves Covered California Enrollees within five (5) business days of receiving them.

b) Contractor agrees to subject itself to Covered California for audits/reviews, either by Covered California or its designee, or the Department of General Services, California State Auditors, other state and federal regulatory agencies or their designee. Audits/reviews include the evaluation of the correctness of premium rate setting, Covered California's payments to Agents based on Contractor's report, questions pertaining to Covered California Enrollee premium payments and advance premium tax credit payments and State premium assistance payments, participation fee payments which Contractor made to Covered California, Contractor's compliance with the provision set forth in this contract, and review of Contractor's internal controls to perform the duties specified in this contract. Contractor also agrees to all audits subject to applicable State and Federal law regarding the confidentiality of and release of confidential Protected Health Information (PHI) of Covered California Enrollees.

c) Contractor agrees that Covered California, the Department of General Services, the California State Auditors, other state and federal regulatory agencies, or their designated representative, shall, subject to applicable State and Federal law regarding the confidentiality and release of PHI of Enrollees, have the right to access, review and to copy any information and records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records, information and supporting documentation during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.

d) Contractor agrees to implement any necessary corrective action in response to an audit/review findings within an agreed upon timeline. In the instance Contractor cannot implement the corrective action of a finding within the agreed upon timeline, it shall submit a status report to Covered California

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stating why it cannot correct the finding within the specified time frame and shall propose another date for correction which shall also include a mitigation strategy. Should Contractor disagree with Covered California's decision on an audit/review finding, Contractor may pursue additional remedies in accordance with Section 13.1.

11.6 Notice

Contractor shall promptly notify Covered California in writing of any inquiry, audit, investigation, litigation, claim, examination, or other proceeding involving Contractor, or any Contractor personnel, Participating Provider or other authorized Subcontractor, that is threatened or commenced by any State and Federal Regulatory agency or other party that a reasonable person might believe could materially affect the ability of Contractor to perform in accordance with the terms set forth in this Agreement. Such notice shall be provided by Contractor to Covered California within ten (10) Days of Contractor's receipt of notice regarding such action; provided, however, that any such exchange of information shall be subject to compliance with applicable laws, rules and regulations, and shall not occur to the extent prohibited by order of the court, administrative agency or other tribunal, or State or Federal regulatory authority having jurisdiction over the matter or by the laws and regulations governing the action. This section shall not be required with respect to disputes relating to claims and other matters noticed to Covered California in the ordinary course of business pursuant to other terms and conditions set forth in this Agreement or required by law.

11.7 Confidentiality

Covered California understands and agrees that Contractor shall only be obligated to provide access to such information to the extent that: (i) access to such information is permitted by applicable State and Federal law and regulation, including State and Federal law or regulation relating to confidential or private information; and (ii) it would not cause Contractor to breach the terms of any contract to which Contractor is a party. Contractor shall use efforts reasonably acceptable to obtain any necessary consents relating to Contractor's access to information.

11.8 Tax Reporting

Contractor shall provide such information to Covered California upon request and in such form as mutually agreed upon by the parties and reasonably required to document Contractor's compliance with, and/or to fulfill Covered California's

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obligations with respect to, income tax eligibility, computation and reporting requirements required under applicable laws, rules and regulations applicable to the operation of Covered California, including, those relating to premium tax credit, and other operations of Covered California set forth at 45 C.F.R. Part 155.

11.9 Electronic Commerce

Contractor shall use commercially reasonable efforts, which shall include Contractor's development, implementation and maintenance of processes and systems consistent with industry standards, to comply with the requirements of Covered California and applicable laws, rules and regulations relating to Contractor's participation in electronic commerce activities required under the terms of this Agreement. Contractor shall comply with service levels and system interface specifications documented by Covered California for Small Business.

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ARTICLE 12 – INTELLECTUAL PROPERTY

12.1 Warranties

a) Contractor represents, warrants and covenants to the best of its knowledge that:

i. It has secured and will secure all rights and licenses necessary for its performance of this Agreement, including consents, waivers, releases from all authors of or owners of any copyright interests in music or performances used, individuals, and talent (radio, television, and motion picture talent), owners of any interest in and to real estate site, locations, property, or props that may be used or shown.

ii. To the best of Contractor's knowledge, neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary or contractual right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.

iii. Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute false or misleading advertising or a libel or slander against any person or entity.

iv. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to Covered California in this Agreement.

v. It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

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vi. It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this agreement.

b) EXCEPT AS EXPRESSLY STATED ELSEWHERE IN THIS AGREEMENT, COVERED CALIFORNIA AND CONTRACTOR MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ANY WARRANTY, EXPRESS OR IMPLIED, THAT THEIR INTELLECTUAL PROPERTY OR THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT IS MERCHANTABLE, FIT FOR A PARTICULAR PURPOSE, OR DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

12.2 Intellectual Property Indemnity

a) Subject to Subsection (c) hereof, Contractor agrees to indemnify and hold Covered California harmless from any expense, loss, damage, or injury; to defend at its own expense any and all claims, suits, and actions; and to pay any judgments or settlements against Covered California to the extent they arise or are due to infringement of third-party intellectual property rights enforceable in the U.S., misuse of third-party confidential or trade secret information, failure to obtain necessary third-party consents, waivers or releases, violation of the right of privacy or publicity, false or misleading advertising, libel or slander, or misuse of social media, by Contractor or any Contractor Intellectual Property. Contractor's indemnification obligations under this section are subject to Contractor receiving prompt notice of the claim after Covered California becomes aware of such claim and being given the right to control the defense of such claim. Should any Intellectual Property licensed by Contractor to Covered California under this Agreement become the subject of an Intellectual Property infringement claim or other claim for which Contractor is obligated to indemnify Covered California, Contractor will promptly take steps reasonably and in good faith to preserve Covered California's right to use the licensed Intellectual Property in accordance with this Agreement at no expense or disruption to Covered California, except as otherwise stated in this Agreement. Covered California shall have the right to monitor and appear through its own counsel (at Covered California's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for Covered California to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is

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functionally equivalent to the original licensed Intellectual Property, as its sole remedy.

b) Notwithstanding anything to the contrary in this Agreement, any such indemnification obligation of Contractor shall not extend to any infringement or alleged infringement to the extent that such infringement or alleged infringement resulted from (i) specific instructions to use certain Intellectual Property given to Contractor by Covered California; (ii) Covered California's unauthorized modification of Contractor Intellectual Property; (iii) Covered California's use of Contractor Intellectual Property in combination with any service or product not supplied, recommended or approved by Contractor, or used by Covered California in a manner for which it was not authorized; or (iv) Intellectual Property created or derived by Covered California.

c) Contractor agrees that damages alone would be inadequate to compensate Covered California for breach of any term of this Article by Contractor. Contractor acknowledges Covered California would suffer irreparable harm in the event of such breach and agrees Covered California shall be entitled to seek equitable relief, including an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

12.3 Federal Funding

If this Agreement is funded in whole or in part by the federal government, Covered California may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 C.F.R. § 401.14 and except as stated herein. However, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

12.4 Ownership and Cross-Licenses

a) Intellectual Property Ownership. As between Contractor and Covered California, each Party shall remain at all times the sole and exclusive owner of all rights, title and interest in and to the Intellectual Property that it owned or used prior to entry into this Agreement, or that it developed in the course of performance of this Agreement. Any Intellectual Property created by either Party in the performance of this Agreement shall not be considered a "work made for hire" of the other Party, as "work made for hire" is defined in the

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United States Copyright Act, 17 U.S.C. § 101. Any rights not licensed to the other Party hereunder are expressly reserved exclusively by the originating Party.

b) License of Intellectual Property. Each Party (a "Licensor") grants the other Party (a "Licensee") the non-exclusive, royalty-free, paid-up, worldwide, irrevocable, right, during the term of this Agreement, to use the Licensor's Intellectual Property solely for the purposes of this Agreement and to carry out the Party's functions consistent with its responsibilities and authority as set forth in the enabling legislation and regulations. Such licenses shall not give the Licensee any ownership interest in or rights to the Intellectual Property of the Licensor. Each Licensee agrees to abide by all third-party license and confidentiality restrictions or obligations applicable to the Licensor's Intellectual Property of which the Licensor has notified the Licensee in writing.

c) Definition of Intellectual Property. For purposes of this Agreement, "Intellectual Property" means recognized protectable rights and interests such as: patents (whether or not issued), copyrights, trademarks, service marks, applications for any of the foregoing, inventions, Confidential Information, trade secrets, trade dress, domain names, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or hereafter come into existence, and all registrations, renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction. For the avoidance of doubt, Protected Health Information (PHI) and Personally Identifiable Information (PII) are not included in the definition of Intellectual Property, and are addressed under Article 10.

d) Definition of Works. For purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of

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expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works do not include articles submitted to peer review or reference journals or independent research projects.

12.5 Survival

The provisions set forth in this section shall survive any termination or expiration of this Agreement.

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ARTICLE 13 – SPECIAL TERMS AND CONDITIONS

13.1 Dispute Resolution

a) If any dispute arising out of or in connection with this Agreement is not resolved within thirty (30) Days, or such other reasonable period of time determined by Contractor and Covered California staff normally responsible for the administration of this Agreement, the parties shall attempt to resolve the dispute through the submission of the matter for executive level involvement. The executive officer of each party or their designated representative shall meet and confer to attempt to resolve the dispute. If the parties agree, a neutral third party mediator may be engaged to assist in dispute resolution at either the line employee level or the executive level, or both. If after expending reasonable efforts at executive level resolution of the dispute, no resolution can be reached within thirty (30) Days or such other reasonable period determined by Contractor and Covered California, then either party may seek its rights and remedies in a court of competent jurisdiction or otherwise available under this Agreement or applicable laws, rules and regulations.

b) Each party shall document in writing the nature of each dispute and the actions taken to resolve any disputes utilizing this dispute resolution procedure. Each party shall act in good faith to resolve such disputes. Neither party may seek its rights and remedies in court respecting any such notice of termination for default without first following the dispute resolution process stated in this Section.

c) Covered California and Contractor agree that the existence of a dispute notwithstanding, they will continue without delay to carry out all their responsibilities under this Agreement which are not affected by the dispute.

d) Either party may request an expedited resolution process if such party determines that irreparable harm will be caused by following the timelines set forth in Section 13.1(a). If the other party does not consent to such expedited process, the requesting party will hire, at its sole cost and expense, an independent mediator to determine whether such an expedited process is necessary to avoid or reduce irreparable harm. In the event that the mediator determines that irreparable harm may result from delays required under the thirty (30) Day period required under Section 13.1(a), the parties will engage in an expedited process that will require the parties to resolve the dispute

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within five (5) business days or such other period as mutually agreed upon by the parties.

e) This Section shall survive the termination or expiration of this Agreement.

13.2 Attorneys' Fees

In the event of any litigation between the parties to enforce or interpret the provisions of this Agreement, the non-prevailing party shall, unless both parties agree, in writing, to the contrary, pay the reasonable attorneys' fees and costs of the prevailing party arising from such litigation, including outside attorneys' fees and allocated costs for services of in-house counsel, and court costs. These attorneys' fees and costs shall be in addition to any other relief to which the prevailing party may be entitled.

13.3 Notices

Any notice or other written communication that may or must be given hereunder shall be deemed given when delivered personally, or if it is mailed, three (3) Days after the date of mailing, unless delivery is by express mail, telecopy, electronic mail or telegraph, and then upon the date of the confirmed receipt, to either the representative executing the STD 213 or the following representatives:

For Covered California:

Covered California
Attention: James DeBenedetti
1601 Exposition Blvd.
Sacramento, CA 95815
Telephone No. (916) 228-8665
Email: James.DeBenedetti@covered.ca.gov

For Contractor:

Name:
Address:
City, State, Zip Code:
Telephone No. _____ FAX No._____
Email: _____

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or other communications thereafter are to be addressed.

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13.4 Amendments

a) By Covered California. In the event that any law or regulation is enacted or any decision, opinion, interpretive policy, or guidance of a court or governmental agency is issued (any of the foregoing, a "Change in Law") that Covered California determines, based on its consultation with legal counsel, regulators or other state-based or Federal health benefit exchanges: (i) affects or may affect the legality of this Agreement or any provision hereof or cause this Agreement or any provision hereof to prevent or hinder compliance with laws, rules or regulations, or (ii) adversely affects or may adversely affect the operations of Covered California or the ability of Covered California or Contractor to perform its respective obligations hereunder or receive the benefits intended hereunder, Covered California may, by written notice to Contractor, amend this Agreement to comply with or otherwise address the Change in Law in a manner reasonably determined by Covered California to carry out the original intent of the parties to the extent practical in light of such Change in Law. Such amendment shall become effective upon sixty (60) Days' notice, or such lesser period as required for compliance or consistency with the Change in Law or to avoid the adverse effect of the Change in Law. If Contractor objects to such amendment, it must notify Covered California in writing within twenty (20) Days of receipt of notice from Covered California. If the parties are unable to agree on an amendment within thirty (30) Days thereafter, Covered California may terminate this Agreement effective immediately.

b) Other Amendments. Except as provided in Section 13.4(a), this Agreement may be amended only by mutual consent of the parties. Except as provided herein, no alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

13.5 Time is of the Essence

Time is of the essence in this Agreement.

13.6 Publicity

Contractor shall coordinate with Covered California with respect to communications to third parties regarding this Agreement; provided, however, that no external publicity release or announcement or other such communication concerning this Agreement or the transactions contemplated herein shall be

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issued by Contractor without advance written approval by Covered California unless such communication complies with standards that may be issued by Covered California to Contractor based on consultation with Contractor from time to time.

13.7 Force Majeure

Except as prohibited by applicable laws, rules and regulations, neither party to this Agreement shall be in default of its obligations hereunder for delay or failure in performing that arises out of causes beyond the control and without the fault or negligence of either party and arising from a catastrophic occurrence or natural disaster, such as Acts of God or of the public enemy, acts of the State in its sovereign capacity, acts of the State Controller's Office or other State agency having an impact on Covered California's ability to pay its obligations, acts of the State legislature, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes. However, each party shall utilize its best good faith efforts to perform under this Agreement in the event of any such occurrence.

13.8 Further Assurances

Contractor and Covered California agree to execute such additional documents, and perform such further acts, as may be reasonable and necessary to carry out the provisions of this Agreement.

13.9 Binding Effect

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions, and obligations of Contractor and Covered California contained therein, shall be binding upon the parties and their successors, assigns, and legal representatives.

13.10 Titles/Section Headings

Titles or headings are not part of this Agreement, are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

13.11 Severability

Should one or more provisions of this Agreement be held by any court to be invalid, void, or unenforceable, such provision(s) will be deemed to be restated to affect the original intentions of the parties as nearly as possible in accordance

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with applicable law. The remaining provisions shall nevertheless remain and continue in full force and effect.

13.12 Entire Agreement/Incorporated Documents/Order of Precedence

This Agreement represents the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda, or agreements are replaced in total by this Agreement. This Agreement shall consist of:

a) The terms of this Agreement, including obligations set forth in other documents that are referenced herein;

b) All attached documents, which are expressly incorporated herein;

c) Terms and conditions set forth in the Application, to the extent that such terms are expressly incorporated by reference in specific sections of this Agreement and/or otherwise not inconsistent with the Agreement or Proposal; and,

d) The Proposal, which is expressly incorporated herein to the extent that such terms are not superseded by the terms set forth in this Agreement.

e) In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used:

   i. Applicable laws, rules and regulations;

   ii. The terms and conditions of this Agreement, including attachments; and

   iii. Application.

13.13 Waivers

No delay on the part of either party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof. No waiver on the part of either party of any right, power, or privilege hereunder, nor any single or partial exercise of any right, power, or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power, or privilege hereunder.

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13.14 Incorporation of Amendments to Applicable Laws

Any references to sections of Federal or State statutes or regulations shall be deemed to include a reference to any subsequent amendments thereof and any successor provisions thereto made from time to time from and after the date of this Agreement.

13.15 Choice of Law, Jurisdiction, and Venue

This Agreement shall be administered, construed, and enforced according to the laws of the State (without regard to any conflict of law provisions) to the extent such laws have not been preempted by applicable Federal law. Any suit brought hereunder shall be brought in the state or federal courts sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in person jurisdiction over it and consents to service of process in any manner authorized by California law.

13.16 Counterparts

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

13.17 Ambiguities Not Held Against Drafter

This Agreement having been freely and voluntarily negotiated by all parties, the rule that ambiguous contractual provisions are construed against the drafter of the provision shall be inapplicable to this Agreement.

13.18 Clerical Error

No clerical error shall operate to defeat or alter any terms of this Agreement or defeat or alter any of the rights, privileges, or benefits of any Covered California Enrollee or Employer.

13.19 Administration of Agreement

a) Covered California may adopt policies, procedures, rules and interpretations that are consistent with applicable laws, rules and regulations and deemed advisable by Covered California to promote orderly and efficient administration of this Agreement. The parties shall perform in accordance with such policies and procedures; provided, however, that any changes to

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policies and procedures that are not disclosed to Contractor prior to the Agreement Effective Date shall not result in additional obligations and risks to Contractor existing at the Agreement Effective Date except as otherwise mutually agreed upon by the parties.

b) Covered California shall provide ninety (90) Days' prior written notice by letter, newsletter, electronic mail, or other media of any material change (as defined below) in Covered California's policies, procedures or other operating guidance applicable to Contractor's performance of Services. The failure by Contractor to object in writing to any material change within thirty (30) Days following Contractor's receipt of such notice shall constitute Contractor's acceptance of such material change. For purposes of this section, "material change" shall refer to any change that could reasonably be expected to have a material impact on Contractor's compensation, Contractor's performance of Services under this Agreement, or the delivery of Covered Services to Covered California Enrollees.

13.20 Performance of Requirements

To the extent the Agreement requires performance under the Agreement by Contractor but does not specifically specify a date, the date of performance shall be based on the mutual agreement of Contractor and Covered California.

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ARTICLE 14 – DEFINITIONS

Except as otherwise expressly defined, capitalized terms used in the Agreement and/or the Attachments shall have the meaning set forth below.

Affordable Care Act (Act) – The Federal Patient Protection and Affordable Care Act, (P.L. 111-148), as amended by the Federal Health Care and Education Reconciliation Act of 2010 (P.L. 111 -152), known collectively as the Affordable Care Act.

Agent(s) – Individuals who are licensed and in good standing as a life licensee under Insurance Code § 1626 by the California Department of Insurance to transact in accident and health insurance. The term used in this Agreement will only apply to Agents certified by Covered California to transact business in Covered California for the Individual and Covered California for Small Business Markets.

Agent Compensation – Funds remitted to Agents and General Agents to compensate them for facilitating enrollment of Employers and Employees into Covered California for Small Business Health Plans.

Agreement – This Agreement attached hereto, including attachments and documents incorporated by reference, entered into between Covered California and Contractor.

Agreement Effective Date – The effective date of this Agreement established pursuant to Section 8.1 of this Agreement.

Accreditation Association for Ambulatory Health Care (AAAHC) – A nonprofit accrediting agency for ambulatory health care settings.

Application – The Qualified Health Plan Certification Application for Plan Years 2026 – 2028.

Behavioral Health – A group of interdisciplinary services concerned with the prevention, diagnosis, treatment, and rehabilitation of mental health and substance abuse disorders.

Board – The executive board responsible for governing Covered California under Government Code § 100500.

Business Review – Meetings between Covered California and Contractor at a cadence, schedule, and location to be determined by Covered to report and review program performance results including all Services and components of the program, i.e., clinical, financial, contractual reporting requirements, customer service, appeals and any other program recommendations.

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California Affordable Care Act – The California Patient Protection and Affordable Care Act, AB 1602 and SB 900 (Chapter 655, Statutes of 2010 and Chapter 659, Statutes of 2010).

CAL COBRA – The California Continuation Benefits Replacement Act, or Health and Safety Code § 1366.20 et seq and Insurance Code § 10128.50 et seq.

Calendar Year – Calendar Year means the period of time beginning on January 1 and ending on December 31 of each year.

CalHEERS – The California Healthcare Eligibility, Enrollment and Retention System, a project jointly sponsored by Covered California and DHCS, with the assistance of the Office of Systems Integration to maintain processes to make the eligibility determinations regarding Covered California and other State health care programs and assist Enrollees in selection of health plan. For the purposes of this contract, CalHEERS includes any other eligibility and enrollment system used by Covered California, including the system operated by CCSB's contractor.

CCR – The California Code of Regulations.

CDI – The California Department of Insurance.

COBRA – Federal law (Consolidated Omnibus Budget Reconciliation Act of 1985) requiring continuing coverage of group health benefits to employees and their families upon the occurrence of certain qualifying events where such coverage would otherwise be terminated.

Confidentiality of Medical Information Act (CMIA) – The Confidentiality of Medical Information Act (California Civil Code § 56 et seq.) and the regulations issued pursuant thereto or as thereafter amended, to the extent applicable to operation of Contractor.

Contract Year – The full twelve (12) month period commencing on the effective date and ending on the Day immediately prior to the first anniversary thereof and each full consecutive twelve (12) month period thereafter during which the Agreement remains in effect.

Contractor – The Health Insurance Issuer contracting with Covered California under this Agreement to offer a QHP and perform in accordance with the terms set forth in this Agreement.

Covered California – The California Health Benefit Exchange, doing business as Covered California and an independent entity within the Government of the State.

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Covered California Enrollee – Refers to every individual enrolled in Covered California for the purpose of receiving health benefits. Also referred to as “on-exchange”.

Covered California for the Individual Market – The Covered California program providing coverage to Covered California Enrollees, formerly referred to as the Individual Exchange.

Covered California for Small Business (CCSB) – Covered California program providing coverage to eligible small businesses and their employees, formerly referred to as the Small Business Health Options Program (SHOP) and described in Government Code 100502(m).

Covered Services – The Covered Services that are covered benefits under the applicable Contractor and described in the Evidence of Coverage (EOC).

Days – Wherever in this Agreement a set number of days is stated or allowed for a particular event to occur, the days are understood to include all calendar days, including weekends and holidays, unless otherwise specified.

DHCS – The California Department of Health Care Services.

DHHS – The United States Department of Health and Human Services.

DMHC – The California Department of Managed Health Care.

Dependent – A dependent as defined in Section 1357.500(b) of the Health and Safety Code and in Section 10753(e) of the Insurance Code and may also include a non-registered domestic partner who meets the requirements established by the qualified Employer for non-registered domestic partners as permitted by 10 CCR § 6520(a)(4).

Downstream Entity (Entities) – An individual or an entity that has an agreement with a Subcontractor or another Downstream Entity that relates directly or indirectly to the performance of Contractor’s services under this Agreement. A provider is not a Downstream Entity solely because it enters into a provider agreement.

Effective Date – The date on which a Plan’s coverage goes into effect.

Eligibility Information – The information that establishes an Enrollee’s eligibility.

Eligibility File – The compilation of all Eligibility Data for an Enrollee or group of Enrollees into a single electronic format used to store or transmit the data.

Employee – A “qualified employee,” as defined in 45 C.F.R. § 155.20.

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Employer – A “qualified employer,” as defined in § 1312(f)(2) of the Affordable Care Act.

Encounter – Any Health Care Service or bundle of related Covered Services provided to one Enrollee by one Health Care Professional within one time period. Any Covered Services provided must be recorded in the Enrollee’s health record.

Encounter Data – Detailed data about individual services provided by a capitated managed care entity. The level of detail about each service reported is similar to that of a standard claim form.

Enrollee – Enrollee means each and every individual enrolled for the purpose of receiving health benefits in the health plan or market referenced. If no health plan or market is referenced, this term is used to reference individuals enrolled in both on-exchange QHPs and off-exchange mirrored products.

Evidence of Coverage (EOC) – The State-Regulator approved document which describes the benefits, exclusions, limitations, conditions, and the benefit levels of the applicable Plans issued to a Subscriber or Member.

Explanation of Benefits (EOB) – A statement sent from Contractor to an Enrollee listing services provided, amount billed, eligible expenses and payment made by the Plan.

Explanation of Payment (EOP) – A statement sent from Contractor to Providers detailing payments made for Covered Services.

Family Member – An individual who is within an Enrollee’s family, as defined in 26 U.S.C. § 36B (d)(1).

Formulary – A list of outpatient prescription drugs, selected by the Plan(s) and revised periodically, which are available to Enrollees.

Fraud, Waste, and Abuse –

Fraud – Consists of an intentional misrepresentation, deceit, or concealment of a material fact known to the defendant with the intention on the part of the defendant of thereby depriving a person of property or legal rights or otherwise causing injury. (CA Civil Code §3294 (c)(3), CA Penal Code §§470-483.5). Prevention and early detection of fraudulent activities is crucial to ensuring affordable healthcare for all individuals. Examples of fraud include false applications to obtain payment, false information to obtain insurance, billing for services that were not rendered.

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Waste – Intentional or unintentional, extravagant careless or needless expenditures, consumption, mismanagement, use, or squandering of resources, to the detriment or potential detriment of entities, but without an intent to deceive or misrepresent. Waste includes incurring unnecessary costs because of inefficient or ineffective practices, systems, decisions, or controls.

Abuse – Excessive, or improper use of something, or the use of something in a manner contrary to the natural or legal rules for its use; the intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of resources; or extravagant or excessive use to abuse one's position or authority. Often, the terms fraud and abuse are used simultaneously with the primary distinction is the intent. Inappropriate practices that begin as abuse can quickly evolve into fraud. Abuse can occur in financial or non-financial settings. Examples of abuse include excessive charges, improper billing practices, payment for services that do not meet recognized standards of care and payment for medically unnecessary services.

Grace Period – A specified time following the premium due date during which coverage remains in force and a Covered California Enrollee or Employer or other authorized person or entity may pay the premium without penalty.

Good Standing – See Table 4.1.1

Health Care Professional – An individual with current and appropriate licensure, certification, or accreditation in a medical or behavioral health profession, including medical doctors (including psychiatrists), dentists, osteopathic physicians, psychologists, registered nurses, nurse practitioners, licensed practical nurses, certified medical assistants, licensed physician assistants, mental health professionals, chemical dependency counselors, clinical laboratory professionals, allied health care professionals, pharmacists, social workers, physical therapists, occupational therapists, and others to provide Covered Services.

Health Information Technology for Economic and Clinical Health Act (HITECH Act) – The Health Information Technology for Economic and Clinical Health Act, which was enacted as part of the American Recovery and Reinvestment Act of 2009, and the regulations issued pursuant thereto or as thereafter amended.

Health Insurance Issuer – Health Insurance Issuer has the same meaning as that term is defined in 42 U.S.C. § 300gg-91 and 45 C.F.R. § 144.103. Also referred to as "Carrier", "Health Issuer", or "Issuer".

Health Insurance Portability and Accountability Act of 1996 (HIPAA) – The Health Insurance Portability and Accountability Act of 1996 and the regulations issued pursuant thereto or as thereafter amended.

Health Plan Employer Data and Information Set (HEDIS) – The data as reported and updated annually by the National Committee for Quality Assurance (NCQA).

Individual Exchange – Covered California through which Qualified Individuals may purchase QHPs.

Individually Identifiable Health Information (IIHI) – The "individually identifiable health information" as defined under HIPAA.

Information Practices Act (IPA) – The California Information Practices Act, Civil Code § 1798, et seq. and the regulations issued pursuant thereto or as thereafter amended.

Insurance Information and Privacy Protection Act (IIPPA) – The California Insurance Information and Privacy Protection Act, Insurance Code §§ 791-791.28, et seq., and the regulations issued pursuant thereto or as thereafter amended.

Integrated Delivery Systems – An integrated delivery system (IDS) is a network of physicians and healthcare facilities that provide a continuum of healthcare services managed under one organization or one parent company. Similar to an ACO, an IDS includes population-based care coordinated across the continuum including multi-discipline physician practices, hospitals, and ancillary Providers with combined risk sharing arrangements and incentives between health plans and Providers, and among Providers across specialties and institutional boundaries. The IDS is held accountable for nationally recognized evidence-based clinical, financial, and operational performance, as well as incentives for improvements in population outcomes.

Medicaid – The program of medical care coverage set forth in Title XIX of the Social Security Act and the regulations issued pursuant thereto or as thereafter amended.

Medicare – The program of medical care coverage set forth in Title XVIII of the Social Security Act and the regulations issued pursuant thereto or as thereafter amended.

Medicare Part D – The Medicare prescription drug program authorized under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA), effective January 1, 2006, and the regulations issued pursuant thereto or as thereafter amended.

Monthly Rates – The rates of compensation payable in accordance with the terms set forth at Article 6 to Contractor for Services rendered under this Agreement.

NCQA – The National Committee for Quality Assurance, a nonprofit accreditation agency.

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Nurse Advice Line – An advice line staffed by registered nurses (RNs) who assess symptoms (using triage guidelines approved by the Plan to determine if and when the caller needs to be seen by a Provider); provide health information regarding diseases, medical procedures, medication usage and side effects; and give care advice for managing an illness or problem at home.

Open Enrollment or Open Enrollment Period – The fixed time period as set forth in 45 C.F.R. § 155.410, Health and Safety Code § 1399.849 (c)(3), and Insurance Code § 10965.3 (c)(3) for individual applicants and Enrollees to initiate enrollment or to change enrollment from one health benefits plan to another. For benefit years beginning on or after January 1, 2019, references to Open Enrollment include the allowance for Special Enrollment Periods for all individuals as described in Health and Safety Codes § 1399.849(c)(3), and Insurance Code § 10965.3(c)(3).

Participating Hospital – A hospital that, at the time of an Enrollee's admission, has a contract in effect with Contractor to provide Covered Services to Enrollees.

Participating Physician – A physician or a member of a Medical Group that has a contract in effect with Contractor to provide Covered Services to Enrollees.

Participating Provider – An individual Health Care Professional, hospital, clinic, facility, entity, or any other person or organization that provides Covered Services and that, at the time care is rendered to a Enrollee, has (or is a member of a Medical Group that has) a contract in effect with Contractor to provide Covered Services to Enrollees and accept copayments for Covered Services.

Participation Fee – The user fee on QHPs authorized under § 1311(d)(5) of the Affordable Care Act, 45 C.F.R. §§ 155.160(b)(1) and 156.50(b), and Government Code § 100503(n) to support Covered California operations.

Performance Standard – A financial assurance of service delivery at levels agreed upon between Covered California and Contractor.

Personally Identifiable Information (PII) – Any information that identifies or describes an individual, including their name, social security number, physical description, home address, home telephone number, education, financial matters, medical or employment history, and statements made by, or attributed to, the individual. It also includes any identifiable information collected from or about an individual for purposes of determining eligibility for enrollment in a Qualified Health Plan, determining eligibility for other insurance affordability programs, determining eligibility for exemptions from the individual responsibility provisions, or any other use of such individual's identifiable information in connection with Covered California.

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Pharmacy Benefit Manager (PBM) – The vendor responsible for administering the Plan's outpatient prescription drug program. The PBM provides a retail pharmacy network, mail order pharmacy, specialty pharmacy services, and coverage management programs.

Plan(s) – The QHPs Covered California has entered into a contract with a Health Insurance Issuer to provide, hereinafter referred to as the Plan(s).

Plan Data – All the utilization, fiscal, and eligibility information gathered by Contractor about the Plans exclusive programs, policies, procedures, practices, systems and information developed by Contractor and used in the normal conduct of business.

Plan Year – Plan Year has the same definition as that term is defined in 45 C.F.R. § 155.20.

Premium – The dollar amount payable by the Employer and transmitted by CCSB to the QHP Issuer to effectuate and maintain coverage.

Premium Rate or Monthly Rate – The monthly premium due during a Plan Year, as agreed upon by the parties.

Primary Care – The provision of integrated, accessible health care services by clinicians who are accountable for addressing a large majority of personal health needs, developing a sustained partnership with patients, and practicing in the context of family and community. (Institute of Medicine, 1978) Contractors may allow Enrollees to select Nurse Practitioners and Physician Assistants to serve as their Primary Care clinician. Covered California does not require that Primary Care clinicians serve as a "gatekeeper" or the source of referral and access to specialty care. Covered California recognizes Internal Medicine, OBGYN, Pediatrics, General Practice, and Family Medicine as primary care specialties.

Proposal – The proposal submitted by Contractor in response to the Application.

Protected Health Information (PHI) or Personal Health Information (PHI) – Protected health information, including electronic protected health information (EPersonal Health Information) as defined in HIPAA that relates to an Enrollee. Protected Health Information also includes "medical information" as defined by the California Confidentiality of Medical Information Act (CMIA) at California Civil Code § 56, et seq.

Provider – A licensed health care facility or as stipulated by local or international jurisdictions, a program, agency or health professional that delivers Covered Services.

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Provider Claim(s) – Any bill, invoice, or statement from a specific Provider for Covered Services or supplies provided to Enrollees.

Provider Group – A group of physicians or other Health Care Professionals that is clinically integrated, financially integrated, or that contract together to provide care to patients in a coordinated manner.

Qualified Dental Plan or QDP – A dental care service plan contract or policy of insurance offered by a QDP Issuer and certified by Covered California. QDP means either a Children's Dental Plan or a Family Dental Plan.

Qualified Dental Plan Issuer or QDP Issuer – A licensed specialized health care service plan or insurer that has been selected and certified by Covered California to offer QDPs through Covered California.

Qualified Health Plan or QHP– A health care service plan contract or policy of insurance offered by a QHP Issuer and certified by Covered California.

Qualified Health Plan Issuer or QHP Issuer – A licensed health care service plan or insurer that has been selected and certified by Covered California to offer QHPs through Covered California, as specified in 10 CCR § 6410.

Qualified Individual – Qualified Individual has the same meaning as that term is defined in § 1312(f)(1) of the Affordable Care Act.

Quality Management and Improvement – The process for conducting outcome reviews, data analysis, policy evaluation, and technical assistance internally and externally to improve the quality of care to Enrollees.

Regulations – The regulations adopted by Covered California Board. (California Code of Regulations, Title 10, Chapter 12, §t 6400, et seq.)

Risk-Adjusted Premiums – Actuarially calculated premiums utilizing risk adjustment.

Risk-Based Capital or RBC – The approach to determine the minimum level of capital needed for protection from insolvency based on an organization's size, structure, and retained risk. Factors in the RBC formula are applied to assets, premium, and expense items. The factors vary depending on the level of risk related to each item. The higher the risk related to the item, the higher the factor, and vice versa.

Risk Adjustment – An actuarial tool used to calibrate premiums paid to Health Insurance Issuers based on geographical differences in the cost of health care and the relative differences in the health risk characteristics of Enrollees enrolled in each plan.

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Risk adjustment establishes premiums, in part, by assuming an equal distribution of health risk among Health Benefits Plans in order to avoid penalizing Enrollees for enrolling in a Health Benefits Plan with higher than average health risk characteristics.

Run-Out Claims – All claims presented and adjudicated after the end of a specified time period where the health care service was provided before the end of the specified time period.

Security Incident – The attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system.

Service Area – The designated geographical areas where Contractor provides Covered Services to Covered California Enrollees and comprised of the ZIP codes set forth in Contractor's current Plan Year SERFF templates tested and validated by Contractor.

Services – The provision of Services by Contractors and Subcontractors required under the terms of the Agreement, including, those relating the provision of Covered Services and the administrative functions required to carry out the Agreement.

Special Enrollment Period – The period during which a Qualified Individual, Enrollee, Qualified Employee, or dependent who experiences certain qualifying events, as defined in applicable Federal and State laws, rules and regulations, may enroll in, or change enrollment in, a QHP through Covered California outside of the initial and annual Open Enrollment Periods.

State – The State of California

State Regulators – California Department of Insurance and Department of Managed Health Care, as applicable.

State and Federal Regulators – Department of Managed Health Care, California Department of Health Care Services, California Department of Insurance, US Department of Health and Human Services, and any other regulatory entity within the State of California that has jurisdiction over Contractor, as applicable.

Subcontractor(s) – An individual or entity that has an agreement with a Contractor that relates directly or indirectly to the performance of Contractor's services under this Agreement. A provider is not a Subcontractor solely because it enters into a provider agreement.

Utilization Management – Pre-service, concurrent or retrospective review which determines the Medical Necessity of hospital and skilled nursing facility admissions and selected Covered Services provided on an outpatient basis.

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Utilization Review Accreditation Commission (URAC) – The independent and nonprofit organization that promotes health care quality through its accreditation and certification programs. It offers a wide range of quality benchmarking programs and Services and validates health care industry organizations on their commitment to quality and accountability.

Virtual Interactive Physician/Patient Capabilities – Capabilities allowing Enrollees to have short encounters with a physician on a scheduled or urgent basis via telephone or video chat from the Enrollee's home or other appropriate location.

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