

## ADMINISTRATIVE SERVICES AGREEMENT

between

BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.

and

SUMTER COUNTY BOARD OF COUNTY COMMISSIONERS

This Administrative Services Agreement (hereinafter referred to as the "Agreement"), made this 9<sup>th</sup> day of September, 2003, is by and between Blue Cross and Blue Shield of Florida, Inc., a Florida corporation having its principal place of business at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 (hereinafter referred to as the "Administrator") and Sumter County Board of County Commissioners located at 209 North Florida Street, Bushnell, Florida 33513 (hereinafter referred to as the "Employer").

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

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

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

### SECTION I

#### TERM

##### 1.1 Initial Term.

The initial term of this Agreement shall be from October 1, 2003 (the effective date) and shall end on September 30, 2004 (the termination date), unless the Agreement is terminated earlier in accordance with the provisions of this Agreement.

##### 1.2 Renewal Terms.

This Agreement will automatically renew each anniversary date for successive one year terms at the renewal rates then in effect, unless either party notifies the other party of its intent not to extend this Agreement at least 30 days prior to the applicable anniversary date.

## SECTION II

### DUTIES AND RESPONSIBILITIES OF THE EMPLOYER

#### 2.1 Final Authority.

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

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

#### 2.2 Eligibility and Enrollment.

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

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

#### 2.3 Financial Obligations.

##### A. Claims Payment; Reserve Requirement

The Employer is financially responsible for the payment of all claims properly submitted and paid in accordance with the Group Health Plan. Financial arrangements regarding the payment of such claims are set forth in Exhibit "B". Additionally, the Employer shall maintain a reserve amount with the Administrator or its designee bank as set forth in Exhibit "B". This reserve amount must be maintained at all times by the Employer and the Employer is immediately required to submit funds to the Administrator or its designee bank whenever the reserve falls below the minimum level.

**B. Administrative Fees**

The Employer agrees to promptly pay all administrative fees as set forth in Exhibit "B". Administrative fees are not subject to change during the initial term of this Agreement, except as set forth below. The administrative fees shall be received by the Administrator by the due date set forth on the written notification to the Employer of the amount owed.

**C. Late Charges**

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

**D. Modifications**

The Administrator may modify the administrative fees or reserve requirement contained in Exhibit "B" at any time on or after the first anniversary of this Agreement's effective date, upon giving forty-five (45) days prior written notice to the Employer. Additionally, the Administrator, at any time, may modify the administrative fee or the reserve requirement, if the Employer substantially modifies the Group Health Plan or changes enrollment.

**2.4 Use of Names and Logos.**

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

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

## SECTION III

### DUTIES AND RESPONSIBILITIES OF THE ADMINISTRATOR

#### 3.1 Generally.

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

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

#### 3.2 Enrollment; Forms and I.D. Cards.

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

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

#### 3.3 Claims Processing.

The Administrator shall provide claims processing services on behalf of the Employer for all properly submitted claims, in accordance with the benefits set forth in Exhibit "A", using funds solely supplied by the Employer, as set forth in Exhibit "B". The Administrator shall furnish each claimant with an explanation of each claim that is paid, rejected or suspended.

For purposes of this Agreement, the term "claim(s)" shall be defined as the amount paid or payable by the Administrator to providers of services and/or

covered group members under this Agreement and the Group Health Plan, and in conformity with any agreements the Administrator enters into with such providers of services.

#### 3.4 Program Administration.

The Administrator shall administer its established Cost Containment Program and Utilization Benefits Management Programs, as selected by the Employer and outlined in the Group Health Plan.

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

#### 3.5 Overpayments.

Whenever the Administrator becomes aware of an overpayment under the Group Health Plan, the Administrator shall make a diligent attempt to recover such overpayment. In the event any part of an overpayment is recovered, the Employer will receive a refund from the Administrator. The Administrator shall notify the Employer whenever attempted recovery is unsuccessful and the Administrator shall not be required to institute any legal proceeding to recover such overpayment.

#### 3.6 Records and Reports.

The Administrator agrees to establish, maintain and provide to the Employer, records and reports generated as a result of the administration of the Group Health Plan for the purposes of reporting claims experience and conducting audits of operations. The Administrator will provide claims information only in accordance with Exhibit C to this Agreement. The Administrator will not provide any information with regard to provider pricing agreements or any other information which is of a confidential or proprietary nature, as determined by the Administrator.

#### 3.7 Claims Payments

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

### 3.8 Providers Outside the State of Florida

#### A. BlueCard

Administrator participates in a program called "BlueCard." Whenever member's access health care services outside the geographic area Administrator serves, the claim for those services may be processed through BlueCard and presented to Administrator for payment in conformity with network access rules of the BlueCard Policies then in effect ("Policies"). Under BlueCard, when members receive covered health care services within the geographic area served by an on-site Blue Cross and/or Blue Shield Licensee ("Host Blue"), Administrator will remain responsible to Employer for fulfilling Administrator contract obligations. However, the Host Blue will only be responsible, in accordance with applicable BlueCard Policies, if any, for providing such services as contracting with its participating providers and handling all interaction with its participating providers. The financial terms of BlueCard are described generally below.

#### B. Liability Calculation Method Per Claim

The calculation of member liability on claims for covered health care services incurred outside the geographic area Administrator serve[s] and processed through BlueCard will be based on the lower of the provider's billed charges or the negotiated price Administrator pay[s] the Host Blue.

The calculation of Employer's liability on claims for covered health care services incurred outside the geographic area Administrator serve[s] and processed through BlueCard will be based on the negotiated price Administrator pay[s] the Host Blue.

The methods employed by a Host Blue to determine a negotiated price will vary among Host Blues based on the terms of each Host Blue's provider contracts. The negotiated price paid to a Host Blue by Administrator on a claim for health care services processed through BlueCard may represent:

- (i) the actual price paid on the claim by the Host Blue to the health care provider ("Actual Price"), or
- (ii) an estimated price, determined by the Host Blue in accordance with BlueCard Policies, based on the Actual Price increased or reduced to reflect aggregate payments expected to result from settlements, withholds, any other contingent payment arrangements and non-claims transactions with all of the Host Blue's health care providers or one or more particular providers ("Estimated Price"), or
- (iii) an average price, determined by the Host Blue in accordance with BlueCard Policies, based on a billed charges discount representing the Host

Blue's average savings expected after settlements, withholds, any other contingent payment arrangements and non-claims transactions for all of its providers or for a specified group of providers ("Average Price"). An Average Price may result in greater variation to the member and Employee from the Actual Price than would an Estimated Price.

Host Blues using either the Estimated Price or Average Price will, in accordance with BlueCard Policies, prospectively increase or reduce the Estimated Price or Average Price to correct for over - or underestimation of past prices. However, the amount paid by the member and Employee is a final price and will not be affected by such prospective adjustment. In addition, the use of a liability calculation method of Estimated Price or Average Price may result in some portion of the amount paid by Employer being held in a variance account by the Host Blue, pending settlement with its participating providers. Because all amounts paid are final, the fund held in a variance account, if any, do not belong to Employer and are eventually exhausted by provider settlements and through prospective adjustment to the negotiated prices.

Statutes in a small number of states may require a Host Blue either (1) to use a basis for calculating member's liability for covered health care services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (2) to add a surcharge. Should any state statutes mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, the Host Blue would then calculate member's liability and Employer liability for any covered health care services consistent with the applicable state statute in effect at the time the member received those services.

#### C. Return of Overpayments

Under BlueCard, recoveries from a Host Blue or from participating providers of a Host Blue can arise in several ways, including but not limited to anti-fraud and abuse audits, provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage third parties to assist in discovery or collection of recovery amounts. The fees of such a third party are netted against the recovery. Recovery amounts, net of fees, if any, will be applied in accordance with applicable BlueCard Policies, which generally require correction on a claim-by-claim or prospective basis.

#### D. BlueCard Fees and Compensation

Employer understands and agrees (1) to pay certain fees and compensation to the Administrator which the Administrator is obligated under BlueCard to pay to the Host Blue, to the Blue Cross Blue Shield Association, or to the BlueCard vendors, unless the Administrator's contract obligations to the Employer require those fees and compensation to be paid only by

Administrator and (2) that fees and compensation under BlueCard may be revised from time to time without Employer's prior approval in accordance with the standard procedures for revising fees and compensation under BlueCard. Some of these fees and compensation are charged each time a claim is processed through BlueCard and include, but are not limited to, access fees, administrative expense allowance fees, Central Financial Agency Fees, and ITS Transaction Fees. Also, some of these claim-based fees, such as the access fee and the administrative expense allowance fee may be passed on to Employer as an additional claim liability. Other fees include, but are not limited to, an 800 number fee and a fee for providing provider directories.

#### E. Inconsistencies

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

### SECTION IV

#### TERMINATION

##### 4.1 Administration After Termination.

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

##### 4.2 Unilateral Termination

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

##### 4.3 Termination On Anniversary Date.

This Agreement shall automatically terminate as of the date of any anniversary of the effective date of this Agreement, if either the Employer or the Administrator has given at least 30 days prior written notice to the other of its intention not to renew this Agreement as of that anniversary date.

#### 4.4 Termination Upon Default.

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

1. The Employer's failure to provide adequate funds, as set in Exhibit "B", as necessary for the payment of claims pursuant to the Group Health Plan;
2. The Employer's failure to pay any administrative fees or late penalty as set forth in Exhibit "B" of this Agreement;
3. The Employer's failure to maintain the reserve requirement as set forth in Exhibit "B";
4. The Employer ceases to maintain a Group Health Plan;
5. The Employer modifies the Group Health Plan without the prior written consent of the Administrator;
6. At any time the Administrator has reasonable grounds for insecurity with respect to the Employer's financial ability to adequately fund the Group Health Plan, and the Employer has failed to immediately provide adequate assurances of financial soundness to the Administrator;
7. At any time any judicial or regulatory body determines that this Agreement, or any provision of this Agreement, is invalid or illegal, or that this arrangement constitutes an insurance policy or program which is subject to state and/or federal insurance regulations and/or taxation;
8. At any time the Employer otherwise materially breaches this Agreement.

#### 4.5 Rights and Responsibilities Upon Termination.

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

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

## SECTION V

### LEGAL ACTION; INDEMNIFICATION

#### 5.1 Standard of Care.

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

#### 5.2 Liability; Indemnification.

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

The Employer hereby agrees to indemnify and hold harmless the Administrator, its directors, officers, employees and agents against any and all actions, claims, lawsuits, settlements, judgments, costs, interest, penalties, expenses and taxes, including but not limited to, attorneys fees and courts costs, resulting from or arising directly or indirectly out of or in connection with any function of the Administrator under this Agreement, including the administration of any Cost Containment or Utilization Benefit Management Programs, or payments made pursuant to the direction of the Employer, unless it is determined that the direct and sole cause of such liability was the result of gross negligence, criminal conduct or fraudulent acts on the part of the Administrator or any of its directors, officers, employees or agents. Further, the Employer agrees to indemnify and hold harmless the Administrator for any taxes or assessments, including penalties and interest, or any other amounts legally levied based on the terms of this Agreement. This provision applies to any amounts imposed, now or later, under the authority of any federal, state, or local taxing jurisdiction. This provision will continue in effect after termination of this Agreement for any reason. This provision shall not be construed as a waiver of Employer's sovereign immunity.

#### 5.3 Legal Actions.

In the event the Administrator is served with process in any lawsuit or is made a party to any arbitration proceeding or other legal action relating to any matter for which indemnification is required under the preceding paragraph, the Employer shall, upon written request by the Administrator, immediately furnish a defense to and indemnify and hold harmless the Administrator in any such lawsuit, proceeding or other action and shall use its best efforts to secure, by motion or otherwise, the dismissal of the Administrator from such lawsuit, proceeding or other action. The

Administrator will provide the Employer with available data and materials that are reasonably necessary for the preparation of the defense of such lawsuit, proceeding or other action. This Provision shall not be construed as a waiver of Employer's sovereign immunity.

## SECTION VI

### MISCELLANEOUS PROVISIONS

#### 6.1 Amendment.

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

#### 6.2 Subsidiaries and Affiliates.

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

#### 6.3 Governing Law.

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

#### 6.4 Venue.

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

#### 6.5 Waiver of Breach.

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

#### 6.6 Inconsistencies.

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

6.7 Notices.

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

6.8 Entire Agreement.

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

6.9 Severability.

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

6.10 Binding Effect of Agreement.

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

6.11 Survival.

The rights and obligations of the parties as set forth herein shall survive the termination of this Agreement to the extent necessary to effectuate the intent of the parties as expressed herein. This provision shall not be construed as a waiver of Employer's sovereign immunity.

6.12 Independent Relationship.

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

### 6.13 Tobacco Litigation Disclosure

The Employer understands and acknowledges that the Administrator is currently a plaintiff, together with a number of other Blue Cross and/or Blue Shield organizations, in an action filed in the United States District Court for the Eastern District of New York on April 29, 1998 against the major tobacco manufacturers and related entities (the "Tobacco Litigation"). The action is entitled Blue Cross and Blue Shield of New Jersey, Inc. et al. v. Philip Morris, Inc. et al. (No. CV98-3287 (JBW)). The Employer further understands and acknowledges that: (1) the suit seeks both injunctive relief and reimbursement of billions of dollars in damages attributable to the payment of health care costs for tobacco-related illnesses; (2) the Administrator has offered to its customers who have an Administrative Services Agreement in effect either (a) as of the date of the filing of the complaint or (b) at a date subsequent to the filing of the complaint up through December 31, 1998 ("ASO customers"), the opportunity to participate in the Tobacco Litigation; (3) certain of those ASO customers have decided to participate in the Tobacco Litigation (those ASO customers of the Administrator that have decided to participate in the Tobacco Litigation are referred to below as the "Participating ASO Customers"); (4) the Administrator intends to seek to recover damages, among other things, for benefits paid for medical care provided to its insureds, and as claims administrator for its Participating ASO Customers, additional damages with respect to benefits paid by them for tobacco-related illnesses during the period that the Administrator served as their claims administrator; (5) the damages the Administrator intends to seek to recover in the Tobacco Litigation cover the period both prior to the filing of the complaint on April 29, 1998 and the period subsequent to the filing of the complaint; (6) the period subsequent to the filing of the complaint for which the Administrator intends to seek to recover damages will likely overlap with the time period during which the Administrator will serve as claims administrator on behalf of the Employer; (7) if the Administrator recovers money by way of a settlement or judgment in the Tobacco Litigation, then the Participating ASO Customers are likely to receive a pro rata share of that monetary recovery and that pro rata share may be substantial; (8) because the Employer was not an ASO customer either as of the date of filing the complaint or at a date subsequent to the filing of the complaint up through December 31, 1998, the Administrator has not offered the Employer the option of participating in the Tobacco Litigation and, as a consequence, if the Administrator recovers money by way of a settlement or judgment in the Tobacco Litigation, the Employer: (a) will not receive any pro rata share of that monetary recovery, (b) will not be entitled to any pro rata share of that monetary recovery, and (c) will not assert or interpose any claim with respect to that monetary recovery; and (9) THE EMPLOYER IS FREE TO BRING A SEPARATE ACTION (EITHER ALONE OR WITH OTHER PLAINTIFFS) AGAINST THE MAJOR TOBACCO MANUFACTURERS AND RELATED ENTITIES IF IT CHOOSES TO DO SO. The Employer hereby agrees to

indemnify and hold harmless the Administrator, its directors, officers, employees and agents against any and all actions, claims, lawsuits, settlements, judgments, costs, interest, penalties, expenses and taxes, including but not limited to, attorney's fees and court costs, resulting from or arising directly or indirectly out of or in connection with the participation, or non-participation, by the Employer in the Tobacco Litigation and/or in any other actions against the major tobacco manufacturers and related entities.

6.14 Execution of Agreement.

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

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

ADMINISTRATOR

BLUE CROSS AND BLUE SHIELD  
FLORIDA, INC.



Signature

William A. Coak

Name (Printed)

V. P. Underwriter

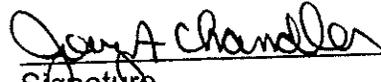
Title

12/10/03

Date

EMPLOYER

SUMTER COUNTY BOARD OF  
COUNTY COMMISSIONERS



Signature

JOEY A. Chandler

Name (Printed)

Vice Chairman

Title

9-9-03

Date

# Board of County Commissioners

## Sumter County, Florida

209 North Florida Street, Suite 3 • Bushnell, FL 33513-6146 • Phone (352) 793-0200 • FAX: (352) 793-0207  
SunCom: 665-0200 • Website <http://bocc.co.sumter.fl.us>

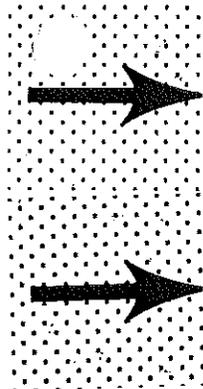


### AGENT OF RECORD APPOINTMENT

This is to certify that Richard D. Childers  
is the Agent of Record for the Board of Sumter County Commissioners  
on employee group insurance and/or health maintenance contracts and is thereby entitled  
to consultant service fees as might be provided through Florida Combined Insurance  
Agency, Inc., Blue Cross and Blue Shield of Florida, Inc., Florida Combined Life  
Insurance Company, Inc. and/or Health Options, Inc., and their other insurance company  
affiliates, for performing advisory and consultative services while such insurance  
coverages are in force for our group account.

We maintain the right to terminate this Appointment at any time by written notice.

Approved this 9<sup>th</sup> day of September, 2003.

  
Joey A. Chandler  
Officer of the Corporation

Vice Chairman  
Title  
Board of Sumter County Commissioners

Andrea Howell  
Witness

Director of Administrative Services  
Title

Benny G. Strickland, Chairman  
Dist 1, (352) 763-1592 or 793-0200  
209 North Florida Street, Suite 3  
Bushnell, FL 33513-6146

Joey A. Chandler, Vice Chairman  
Dist 2, (352) 748-5005  
6255 CR 429  
Lake Panasoffee, FL 33538

Billy "Tiny" Rutter, Dist 3  
(352) 753-1592 or (352) 748-4220  
P.O. Box 37  
Coleman, FL 33521-0037

Jim Roberts, Dist 4  
(352) 793-4776  
209 North Florida Street, Suite 3  
Bushnell, FL 33513-6146

Robin Cox, Dist 5  
(352) 793-6910  
P.O. Box 1482  
Webster, FL 33597

Bernard Dew, County Administrator  
(352) 793-0200  
209 North Florida Street, Suite 3  
Bushnell, FL 33513-6146

Gloria R. Hayward, Clerk & Auditor  
(352) 793-0215  
209 North Florida Street  
Bushnell, FL 33513

Randall N. Thornton  
County Attorney  
(352) 793-4040 P.O. Box 58  
Lake Panasoffee, FL 33538

**EXHIBIT**

**TO THE ADMINISTRATIVE SERVICES AGREEMENT  
Between  
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.  
and**

**CONFIDENTIALITY AND INDEMNITY AGREEMENT**

This Agreement, effective October 1, 2004 is entered into between Blue Cross and Blue Shield of Florida, Inc. (hereinafter "Administrator"), and Sumter County BOCC (hereinafter "Employer"), and Brown and Brown Insurance (hereinafter "Consultant") and Symetra Life Insurance Company (hereinafter "Reinsurer").

WHEREAS, Employer has established and maintains a self-insured Employee Welfare Benefit Plan pursuant to the Employee Retirement Income Security Act of 1974 to provide certain benefits as its Group Health Plan (hereinafter "Plan") for covered group members and their covered dependents; and

WHEREAS, Administrator and Employer have entered into an agreement for the administration of the Group Health Plan (hereinafter "Administrative Services Agreement"); and

WHEREAS, Employer has directed Administrator to provide Consultant and/or Reinsurer access to certain Confidential Information (hereinafter defined) for cases which meet the criteria set forth in attached Exhibit 1, which Employer has determined is necessary for Consultant and/or Reinsurer to perform the certain services for the Employer; and

WHEREAS, Administrator desires to safeguard the confidentiality of the medical claims and other information acquired with regard to the covered group members and their covered dependents and to safeguard information regarding Administrator's policies and procedures which are regarded as confidential and proprietary; and

WHEREAS, Employer, Consultant, and Reinsurer recognize the legitimate interests of Administrator and the individuals whose health benefits are administered by Administrator in the proprietary, confidential, and private nature of such Confidential Information, and Administrator is willing to provide the Confidential Information only if its use is restricted to the purpose for which it is released and its confidentiality is maintained;

NOW, THEREFORE, for good and valuable consideration, the parties hereby agree as follows:

1. For the purposes of this Agreement, "Confidential Information" means the information listed below in this Paragraph 1, any information that Consultant and/or Reinsurer learns or becomes aware of, directly or indirectly, through the disclosure of Confidential

Information, and any and all summaries, distillations, excerpts, work product or other documents utilizing or incorporating same, whether in whole or in part.

- Medical claim record information concerning individuals covered under the Plan,
  - Administrator's provider contract information, e.g., allowances, fee schedules, etc., and
  - any other information designated by Administrator as confidential, trade secret, or proprietary.
2. Consultant and/or Reinsurer shall only request, use and disclose the minimum amount of Confidential Information necessary for Consultant and/or Reinsurer to perform the services for Employer.
  3. Confidential Information shall not include information that (i) is already known to Consultant and/or Reinsurer on effective date of this Agreement; (ii) is or becomes known to the general public other than as a direct or indirect result of any act or omission of Employer, Consultant, Reinsurer, or the affiliates, officers, directors, partners, employees, or agents (collectively, the "Related Parties") of Employer, Consultant or Reinsurer; (iii) is lawfully received by Consultant and/or Reinsurer from a third party that Consultant and/or Reinsurer has verified is free to disclose the information without restriction on disclosure; or (iv) is independently developed by Consultant and/or Reinsurer without use of Confidential Information.
  4. Subject to applicable laws, Administrator will release to Consultant and/or Reinsurer certain Confidential Information for purposes of: 1) monitoring designated cases for which reinsurance coverage may be available to Employer; and/or 2) auditing claims payments made by Administrator; provided that Employer is in compliance with all other terms and conditions of this Agreement and the Administrative Services Agreement, and Consultant and Reinsurer are in compliance with all other terms and conditions of this Agreement.
  5. Consultant and Reinsurer each acknowledge that Administrator will provide Confidential Information to Consultant and/or Reinsurer in confidence and solely for Consultant's and/or Reinsurer's use in performing the services for Employer. Accordingly, Consultant and Reinsurer each agree (i) to protect any and all Confidential Information Consultant or Reinsurer receives from unauthorized access, use and disclosure; (ii) not to use the Confidential Information for any purpose other than performing the services for Employer; (iii) not to record, copy, or reproduce any Confidential Information in any form, except to the extent necessary to perform the services for Employer; (iv) not to disclose the Confidential Information to, or otherwise permit to access the Confidential Information, any third party, including without limitation Consultant's or Reinsurer's Related Parties, except as expressly provided herein or with Administrator's prior written consent; (v) to limit access to and use of the Confidential Information to those of Consultant's or Reinsurer's employees who have a need to know such information for the purpose of performing the services and have acknowledged, in a writing which will be made available to Administrator upon request, their individual agreement to the terms hereof; and (vi) to take any and all other steps necessary to safeguard Confidential

Information against unauthorized access, use, and disclosure to at least the extent Consultant or Reinsurer maintains the confidentiality of its most proprietary and confidential information.

6. Consultant and/or Reinsurer shall ensure that its agents, contractors and vendors to whom it discloses Confidential Information agree to abide by those provisions within this Agreement that govern the use, disclosure, and protection of all Confidential Information obtained from Administrator. This provision shall not be construed to permit any delegation or assignment of Consultant's or Reinsurer's obligations otherwise prohibited by this Agreement.
7. Consultant and/or Reinsurer shall promptly report in writing to Administrator any use or disclosure of Confidential Information not provided for under this Agreement, of which Consultant and/or Reinsurer becomes aware, but in no event later than within five business days of first learning of any such use or disclosure. Consultant and/or Reinsurer shall mitigate, to the extent practicable, any harmful effect that is known to Consultant and/or Reinsurer of a use or disclosure of Confidential Information by Consultant and/or Reinsurer in violation of this Agreement.
8. Consultant and/or Reinsurer may disclose Confidential Information if required to do so under any federal, state, or local law, statute, rule or regulation; provided, however, that (i) Consultant and/or Reinsurer will provide Administrator with immediate written notice of any request that Consultant and/or Reinsurer disclose Confidential Information, so that Administrator may object to the request and/or seek an appropriate protective order or, if such notice is prohibited by law, Consultant and/or Reinsurer shall disclose the minimum amount of Confidential Information required to be disclosed under the applicable legal mandate; and (ii) in no event shall Consultant and/or Reinsurer disclose Confidential Information to a party other than a government agency except under a valid order from a court having jurisdiction requiring the specific disclosure.
9. By disclosing Confidential Information to Consultant and/or Reinsurer under this Agreement (including but not limited to information incorporated in computer software or held in electronic storage media), Administrator grants Consultant and/or Reinsurer no ownership right or interest in the Confidential Information. When Consultant and/or Reinsurer no longer need Confidential Information for the purpose for which it was disclosed but no later than the expiration or termination of this Agreement, Consultant and/or Reinsurer shall collect and return to Administrator or destroy all Confidential Information received from or on behalf of Administrator that Consultant and/or Reinsurer has in its control or custody in any form and shall retain no copies of such information. Consultant and/or Reinsurer shall complete these obligations as promptly as possible. Upon request, an authorized officer of Consultant and/or Reinsurer shall certify on oath to Administrator that all Confidential Information has been returned or destroyed and deliver such certification to Administrator within ten (10) business days of its request. If return or destruction of any Confidential Information is not feasible, Consultant and/or Reinsurer shall limit further uses and disclosures of such Confidential Information to those purposes making return or destruction infeasible and continue to apply the protections of this Agreement to such Confidential Information for so long as Consultant and/or Reinsurer retains such Confidential Information. Consultant and/or

Reinsurer may, subject to its continued adherence to its obligations of confidentiality as defined in this Agreement, retain one copy of documents containing Confidential Information to defend its work product and to comply with applicable insurance record-keeping laws and regulations.

10. In the event that Consultant and/or Reinsurer perform any of the services on Administrator's premises, Consultant and/or Reinsurer agree not to remove from Administrator's premises any Confidential Information that is provided to or obtained by the Consultant and/or Reinsurer on such premises, without the prior written consent of Administrator.
11. In any report or transmittal to Employer by Consultant and/or Reinsurer that contains or pertains to oral or written Confidential Information, no medical information or dates of service will be identifiably attributed to any particular employee, dependent, or provider. Furthermore, any such report or transmittal shall not contain any information designated by Administrator as confidential, trade secret, or proprietary.
12. As the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA-AS) and certain of its implementing regulations (HIPAA-AS Regulations) are now effective, Employer, Consultant, and Reinsurer agree to institute any additional procedures and/or agreements required to ensure the parties' compliance with that law and those regulations. Employer represents and warrants that Employer (i) has amended each Plan's plan document to permit Employer to perform plan administration for the Plans (including the activity(ies) described in the recital clauses above) in accordance with 45 C.F.R. § 164.504(f) and 45 C.F.R. § 164.314(b) of the HIPAA-AS Regulations ("HIPAA Amendment"); (ii) has delivered to each Plan and Administrator a written statement, certifying its amendment of the Plan's plan document as required by the HIPAA-AS Regulations and its agreement to comply with that amendment; and (iii) has obtained each Plan's permission to receive individually identifiable health information from Administrator for the purposes and subject to the restrictions and protections described in the HIPAA Amendment. Consultant and Reinsurer each agree to be bound, and to cause any agent or subcontractor to be bound, by the same restrictions and protections agreed to by Employer in the HIPAA Amendment with respect to any individually identifiable health information encompassed within the Confidential Information Consultant and/or Reinsurer receives.
13. No health insurance records or information, or claims information, shall be disclosed without the prior written authorization of the individual whose records or information would be disclosed; provided, however, that Consultant and Reinsurer may release information provided pursuant to this Agreement to subsidiaries of Consultant and Reinsurer so long as any and all such subsidiaries agree to abide by all terms and conditions of this Agreement.
14. Employer, Consultant and Reinsurer shall comply with all applicable federal, state or local laws, rules, or regulations or any other order of any authorized court, agency, or regulatory commission, and all applicable professional standards and practices, concerning the handling and/or safekeeping of information and/or other records of the

nature disclosed by Administrator hereunder and shall use such information only for proper and lawful purposes.

15. Employer, Consultant and Reinsurer shall comply with all state and federal laws regulating the disclosure of patient records or private and medically sensitive information released pursuant to this Agreement, including without limitation, alcohol and drug abuse patient records, information relating to treatment of alcohol or drug dependency, HIV testing results, and psychological or psychiatric evaluation.
16. To the extent permitted by law now or hereinafter enacted, Employer agrees to indemnify, defend, and hold Administrator and each of its officers, directors, employees, agents, and other representatives (collectively, "Administrator's Related Parties") harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or relating to the disclosure of Confidential Information to Employer, Consultant, or Reinsurer, including without limitation any Liability incurred as a result of any actual or alleged breach by Employer, Consultant, Reinsurer or any Related Parties of Employer, Consultant, or Reinsurer of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
17. Consultant agrees to indemnify, defend, and hold Administrator and Administrator's Related Parties harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or in connection with any actual or alleged breach by Consultant or any of Consultant's Related Parties of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
18. Reinsurer agrees to indemnify, defend, and hold Administrator and Administrator's Related Parties harmless from any actual or threatened legal or administrative action, claim, liability, penalty, fine, assessment, lawsuit, litigation, or other loss, expense, or damage, including without limitation reasonable attorneys' fees and costs (collectively, "Liability"), that Administrator or Administrator's Related Parties may incur arising out of or in connection with any actual or alleged breach by Reinsurer or any of Reinsurer's Related Parties of any applicable law, regulation, or other legal mandate or any provision of this Agreement.
19. Administrator shall have the option to either provide its own legal counsel or arrange for outside counsel for the defense of such matters referenced above, and the costs of either shall be borne by the indemnifying party in the event of indemnification.
20. Employer, Consultant, and Reinsurer acknowledge and agree that Administrator operates in a highly regulated and competitive environment and that the unauthorized use or disclosure of Confidential Information will cause irreparable harm and significant injury to Administrator, which will be difficult to measure with certainty or to compensate through money damages. Accordingly, Administrator shall be entitled to seek injunctive

or other equitable relief, without bond, and/or specific performance as a remedy for any breach of this Agreement. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other remedies available at law or in equity.

21. It is understood and agreed that no failure or delay by Administrator in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
22. Upon occurrence of any of the following, this Agreement shall terminate without notice, unless notice is specifically required:
  - a. Termination of the Administrative Services Agreement.
  - b. If Administrator determines at its own discretion that the Confidential Information released pursuant to this Agreement is not being adequately protected by either Employer, Consultant or Reinsurer for confidentiality purposes.
  - c. Upon fifteen (15) days notice to Employer, Consultant or Reinsurer, as appropriate. Such notice shall be given without need for cause.
  - d. Upon any attempt by Employer, Consultant or Reinsurer (which attempts shall be null and void) to assign this Agreement or the right to receive information, without the prior express consent of Administrator.
  - e. Upon enactment of or the effective date of, whichever first occurs, any applicable state or federal law or any rule or regulation of any agency having applicable jurisdiction, which law, rule or regulation shall prohibit (in part or in full) Administrator from fulfilling its obligations hereunder. No penalty, liability or damage shall be applicable or claimed by Employer, Consultant or Reinsurer against Administrator in such event.
23. The relationship between the parties is that of independent contractors. Nothing in this Agreement shall be construed to create a partnership or joint venture between the parties and neither party shall have the right to bind the other to any contracts, agreements, or other obligations without the express, written consent of an authorized representative of the other.
24. This Agreement shall be governed and construed by the laws of the State of Florida (irrespective of its choice of law principles). It constitutes the entire Agreement between the parties in reference to all matters expressed in the Agreement. All previous discussions, promises, representations, and understandings between the parties pertaining thereto, if any, being merged herein.
25. This Agreement may not be assigned, nor any obligations delegated, by Employer, Consultant, and/or Reinsurer, without the prior written consent of Administrator, and any such non-permitted assignment or delegation shall be void.

26. In the event any provision of this Agreement is rendered invalid or unenforceable by any valid act of Congress or the Florida Legislature or by any regulation duly promulgated by the officers of the United States or the State of Florida acting in accordance with law, or if declared null and void by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.
27. Waiver of breach of any provision of this Agreement shall not be deemed a waiver of any other breach of the same or a different provision.
28. The obligation of Employer, Consultant and/or Reinsurer to protect the privacy of Confidential Information as specified in this Agreement shall be continuous and survive the expiration or termination of this Agreement. In addition, the rights and obligations of the parties set forth in Sections 9, 11, 16 - 20 and of this paragraph 28 of this Agreement shall survive its expiration or termination.
29. This Agreement may be amended by mutual agreement of the parties, but no such amendment shall become effective until it is reduced to writing and signed by duly authorized representatives of each party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representative as set forth below.

EMPLOYER

\_\_\_\_\_

By: Jay A Chandler  
 Title: Chairman  
 Date: 2/22/05

ADMINISTRATOR

BLUE CROSS AND BLUE SHIELD  
 OF FLORIDA, INC.

By: Patricia Holey  
 Title: VP Corp Budget  
 Date: 4/5/05

CONSULTANT

\_\_\_\_\_

By: [Signature]  
 Title: S. M. I.  
 Date: 2-27-05

REINSURER

Symetra Life Insurance Company

By: [Signature]  
 Title: R. V. T.  
 Date: 3-5-05

## EXHIBIT 1

Administrator shall release confidential information to Consultant and/or Reinsurer for cases which meet the following criteria:

## EXHIBIT 1

Administrator shall release confidential information to Consultant and/or Reinsurer for cases, which meet the following criteria:

### Reinsurer:

1. High Cost Claim Detail for all claims that exceed 50% of the stop-loss amount.
2. Specific Reimbursement Claims for all claims reaching stop-loss amount.
3. Eligibility Screen Print for the claimants reaching stop-loss amount.

## AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

THIS AMENDMENT, entered into on August 22, 2006 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and Sumter County Board of County Commissioners (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective October 1, 2003 is amended as follows:

1. Section I, subsection A, is hereby amended to extend the term of the Group Health Plan until September 30, 2007 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Section 3.5 has been amended to add the following paragraph:

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

3. Exhibit B to the Agreement is hereby amended, effective October 1, 2006. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
4. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the duly authorized representatives of the parties.

BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC.

By: [Signature]

Title: VP - Underwriting

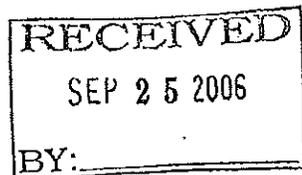
Date: 9/18/06

SUMTER COUNTY BOARD OF  
COUNTY COMMISSIONERS

By: Jay A Chandler

Title: CHAIRMAN

Date: 8-22-2006



**EXHIBIT "B"**

**to the  
ADMINISTRATIVE SERVICES AGREEMENT  
between**

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**

**and  
SUMTER COUNTY BOARD OF COUNTY COMMISSIONERS**

**FINANCIAL ARRANGEMENTS**

I. **Effective Date**

The effective date of this Exhibit is October 1, 2006.

II. **Monthly Payments.**

A. Each month, BCBSF will notify the Employer of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

III. **Funding Information**

A. Method of Funding Transfer: Wire

IV. **Administrative Fees:**

A. Administrative fees during the term of the Agreement:

\$59.00 per enrolled employee per month

- B. Administrative fees after the termination of the Agreement: N/A % of claims paid.

V. Late Payment Penalty

- A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

- A. The administrative fees referenced above are based on an expected enrollment of: Single - 317 and Family - 295.
- B. If the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

**AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT**

THIS AMENDMENT, entered into on July 24, 2007 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and Sumter County Board of County Commissioners (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective October 1, 2003 is amended as follows:

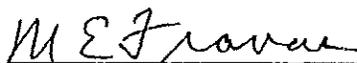
1. Section I, subsection A, is hereby amended to extend the term of the Group Health Plan until September 30, 2010 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Exhibit B to the Agreement is hereby amended, effective October 1, 2007. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
3. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the duly authorized representatives of the parties.

BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC.

By:   
Title: VP - Underwriting  
Date: 8/21/07

SUMTER COUNTY BOARD OF  
COUNTY COMMISSIONERS

By:   
Title: CHAIRMAN  
Date: 7.24.2007

**EXHIBIT "B"**

**to the  
ADMINISTRATIVE SERVICES AGREEMENT  
between**

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**

**and**

**SUMTER COUNTY BOARD OF COUNTY COMMISSIONERS**

**FINANCIAL ARRANGEMENTS**

**I. Effective Date**

The effective date of this Exhibit is October 1, 2007.

**II. Monthly Payments.**

A. Each month, BCBSF will notify the Employer of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

**III. Funding Information**

A. Method of Funding Transfer: Wire

**IV. Administrative Fees:**

A. Administrative fees during the term of the Agreement:

\$61.73 per enrolled employee per month from October 1, 2007 through September 30, 2008

\$62.09 per enrolled employee per month from October 1, 2008 through September 30, 2009

\$65.09 per enrolled employee per month from October 1, 2009 through September 30, 2010

The Employer agrees not to contract out the Administrative Services Agreement from October 1, 2007 through September 30, 2010.

- B. Administrative fees after the termination of the Agreement: N/A % of claims paid.

V. Late Payment Penalty

- A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

- A. The administrative fees referenced above are based on an expected enrollment of: Single - 317 and Family - 295.
- B. If the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

## AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

THIS AMENDMENT, entered into on September 23, 2008 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and Sumter County Board of County Commissioners (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective October 1, 2003 is amended as follows:

1. Section I, subsection A, is hereby amended to extend the term of the Group Health Plan until September 30, 2010 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Exhibit B to the Agreement is hereby amended, effective October 1, 2007. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
3. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the duly authorized representatives of the parties.

BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC.

By: \_\_\_\_\_

Title: VP & CHIEF UNDERWRITING OFFICER

Date: OCTOBER 17, 2008

SUMTER COUNTY BOARD OF  
COUNTY COMMISSIONERS

By: \_\_\_\_\_

Title: Chairman

Date: September 23, 2008

**Administrative Services Agreement with Blue Cross Blue Shield (BCBS)**

**History:** In 2003, the Board moved from contracting with a third party vendor (PBA) for claims administration and separately buying into a preferred provider network to contracting with BCBS for claims administration and access to their network. Moving to BCBS provided the Health Plan with greater discounts (50% versus 30% from prior vendor) and the largest provider network in our area.

**Fee:** The contract with BCBS is based on a flat fee per employee. The fee includes:

- a) Claims administration
- b) Access to the BCBC network
- c) Flat fee per employee paid to the Board's Benefit Broker which is Brown and Brown for direct services provided i.e. claims assistance, enrollment processing, employee meetings, benefits education, etc.

Annually, BCBS reviews the number of claims paid along with other factors and proposes fee increases. In October 2007, we entered into a three year contract with BCBS that defined the fees through 2010 and provided an increase of 4.64% annually. The prior increases had been 13% in 2004 (addition of LSEMS to plan), 9% in 2005, 7% in 2006, and 7% in 2007.

**Amendment:** This contract amendment will reduce the amount agreed upon in the 2007 contract. The reduction is due to number (c) cited above as Brown and Brown reduced their fee from \$4.50 to \$2.00 per employee.

	Original 3 year Contract	Proposed Amendment	Incr/Decr	Annualized based on 850 Employees
2007-08	61.73	61.73	-	-
2008-09	64.59	62.09	(2.50)	(25,500.00)
2009-10	67.59	65.09	(2.50)	(25,500.00)

**HIPAA-AS ADDENDUM TO ADMINISTRATIVE SERVICES AGREEMENT**

**EXHIBIT 3— DISCLOSURE OF PROTECTED HEALTH INFORMATION  
FOR PLAN ADMINISTRATION**

**(BlueCross and BlueShield of Florida, Inc. and Sumter County Board of County Commissioners)**

Group Health Plan ("GHP") must promptly notify Administrator in writing if any of the information contained in EXHIBIT 3 changes.

**PART 1**

Name(s) and Title(s) of Employer representatives (i.e. employees of Employer) authorized to request and receive the minimum necessary Protected Health Information from Administrator:

<u>Lita Hart</u>	<u>Risk Manager</u>
<u>Sandra Howell</u>	<u>Assistant County Administrator</u>
<u>Carolyn Young</u>	<u>Employee Benefits Specialist</u>
<u>Pamela Webb</u>	<u>Risk Management Specialist</u>
<u>Brad Arnold</u>	<u>County Administrator</u>

for the performance of the following plan administration functions for GHP unless otherwise indicated by GHP:

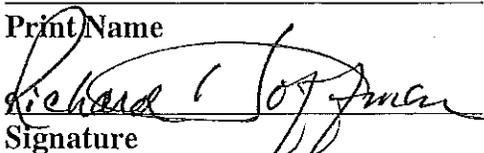
- Actuarial and statistical analysis
- Claims/membership inquiries
- Procurement of reinsurance or stop loss coverage
- Quality assessment and improvement activities
- Performance monitoring
- Other health care operations
- Payment activities

**PART 2**

Identify the name(s), title(s) and company name(s) of any individual(s) from organizations other than Employer or Group Health Plan ("GHP") (examples of such "GHP Vendor" types of services include, but are not limited to, stop-loss carriers; reinsurers; agents, brokers or consultants; or external auditors) that Employer or GHP hereby authorizes to request and receive the minimum necessary Protected Health Information to perform plan administration functions and/or assist with the procurement of reinsurance or stop-loss coverage:

Company Name	Type of Service Performed (Example: stop-loss carrier, reinsurer, agent, broker)	Name of Individual Performing Service	Title of Individual Performing Service
Wakely Consulting Group	Actuary	Alison Pool	Actuary
Symetra Life Ins. Co.	Stop Loss Carrier	Lourdes Cabrera	Group Excess Loss Cln Exam.
Brown & Brown Ins.	Agent/Broker	Travis Childers	Producer
Brown & Brown Ins.	Agent/Broker	Becky Frost	Benefits Manager
Brown & Brown Ins.	Agent/Broker	Donna Newman	Staff Assistant

To be signed and dated by a representative of the GHP who has the authority to sign contracts.

Richard Hoffman  
 Print Name  
  
 Signature

Chairman  
 Title  
October 14, 2008  
 Date updated and signed

## AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

THIS AMENDMENT, entered into on Sept 8, 2009 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and Sumter County Board of County Commissioners (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective October 1, 2003 is amended as follows:

1. Exhibit B to the Agreement is hereby amended, effective October 1, 2009. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
2. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the duly authorized representatives of the parties.

BLUE CROSS AND BLUE SHIELD  
OF FLORIDA, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

SUMTER COUNTY BOARD OF  
COUNTY COMMISSIONERS

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Tahira

VP, Chief Underwriting Officer

11-23-09

[Signature]

Chairman

11/9/2009

**EXHIBIT "B"**

**to the  
ADMINISTRATIVE SERVICES AGREEMENT  
between**

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**

**and  
SUMTER COUNTY BOARD OF COUNTY COMMISSIONERS**

**FINANCIAL ARRANGEMENTS**

I. **Effective Date**

The effective date of this Exhibit is October 1, 2009.

II. **Monthly Payments.**

- A. Each month, BCBSF will notify the Employer of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.
- B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

III. **Funding Information**

- A. Method of Funding Transfer: Wire

IV. **Administrative Fees:**

- A. Administrative fees during the term of the Agreement:

\$61.73 per enrolled employee per month from October 1, 2007 through September 30, 2008

\$62.09 per enrolled employee per month from October 1, 2008 through September 30, 2009

\$62.00 per enrolled employee per month from October 1, 2009 through September 30, 2010

The Employer agrees not to contract out the Administrative Services Agreement from October 1, 2007 through September 30, 2010.

- B. Administrative fees after the termination of the Agreement: N/A % of claims paid.

V. Late Payment Penalty

- A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

- A. The administrative fees referenced above are based on an expected enrollment of: Single - 317 and Family - 295.
- B. If the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

## HIPAA-AS ADDENDUM TO ADMINISTRATIVE SERVICES AGREEMENT

This addendum ("Addendum") is effective upon execution, and amends and is made a part of that Administrative Services Agreement ("Agreement") made as of September 9, 2003 by and among Blue Cross and Blue Shield of Florida, Inc. ("Administrator"); Board of Sumter County Commissioners ("Employer") and Board of Sumter County Commissioners Group Health Plan ("GHP").

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

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

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

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

### PART 1—DEFINITIONS

#### I. DEFINITIONS

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

- A. "Covered Employee" means the person to whom coverage under GHP has been extended by Employer.
- B. "Covered Person" means the Covered Employee and any other persons to whom coverage has been extended under GHP as specified by GHP's Plan Document.
- C. "Creditable Coverage Certificate" means a certificate disclosing information relating to an individual's creditable coverage under a health care benefit program for purposes of reducing any preexisting condition limitation or exclusion imposed by any group health plan coverage.
- D. "Disclose" and "disclosure" mean, with respect to Protected Health Information, release, transfer, providing access to or divulging to a person or entity not within Administrator.
- E. "Protected Health Information" means Protected Health Information that Administrator creates or receives for, on behalf of, or from GHP (or from a GHP Business Associate) in the performance of Administrator's duties under the Agreement and this Addendum
- F. "Plan Document" means GHP's written documentation that informs covered persons of the benefits to which they are entitled from GHP and describes the procedures for (A) establishing and carrying out funding of the benefits to which covered persons are entitled under GHP's Plan Document, (B) allocating and delegating responsibility for GHP's operation and administration under the Plan Document, and (C) amending the Plan Document. Employer and GHP represent and warrant that GHP's Plan Document provides for the allocation and delegation of the responsibilities assigned to Administrator under the Agreement.

G. "Use" means, with respect to Protected Health Information, utilization, employment, examination, analysis or application within Administrator.

## PART 2--ADMINISTRATOR'S RESPONSIBILITIES

### II. SERVICES PROVIDED BY ADMINISTRATOR

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

### III. PRIVACY OF PROTECTED HEALTH INFORMATION

#### A. Preservation of Privacy

Administrator will keep confidential all Protected Health Information that Administrator creates or receives on GHP's behalf or receives from GHP (or another Business Associate of GHP) in the performance of its duties under the Agreement and this Addendum. Except as permitted or required by this Addendum for Administrator to perform its duties under the Agreement, Administrator will not use or disclose Protected Health Information without the authorization of the Covered Person who is the subject of such Protected Health Information or as Required by Law.

#### B. Prohibition on Non-Permitted Use or Disclosure

Administrator will neither use nor disclose Protected Health Information (including any Protected Health Information that Administrator may receive from a GHP Business Associate) except (1) as permitted or required by this Addendum, (2) as permitted or required in writing by GHP, (3) as authorized by Covered Persons, or (4) as Required by Law.

#### C. Permitted Uses and Disclosures

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

##### 1. Functions and Activities on GHP's Behalf

Administrator will be permitted to use and disclose Protected Health Information for the performance of services set forth in the Agreement, which the parties agree are intended to include, but are not limited to, Payment activities and Health Care Operations, and which shall hereby also include Data Aggregation.

##### 2. Administrator's Own Management and Administration

###### a. Protected Health Information Use

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

###### b. Protected Health Information Disclosure

Claim Administrator will be permitted to disclose Protected Health Information as necessary for Administrator's proper management and administration or to carry out Administrator's legal responsibilities only (i) if the disclosure is Required by Law, or (ii) if before the disclosure, Administrator obtains from the entity to which the disclosure is to be made reasonable assurance, evidenced by written contract, that the entity will (1) hold Protected Health Information in confidence, (2) use or further disclose Protected

Health Information only for the purposes for which Administrator disclosed it to the entity or as Required by Law; and (3) notify Administrator of any instance of which the entity becomes aware in which the confidentiality of any Protected Health Information was breached.

**3. De-Identified Health Information**

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

**D. Minimum Necessary**

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

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

**E. Disclosure to GHP and GHP's Business Associates**

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

**F. Disclosure to Administrator's Subcontractors and Agents**

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

**G. Disclosure to Employer**

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

**H. Reporting Non-Permitted Use or Disclosure**

Administrator will report to GHP any use or disclosure of Protected Health Information not permitted by this Addendum or in writing by GHP.

**I. Duty to Mitigate**

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

**J. Termination for Breach of Privacy Obligations**

GHP will have the right to terminate the Agreement in accordance with Section 4.2 of the Agreement if Administrator has engaged in a pattern of activity or practice that constitutes a material breach or violation of Administrator's obligations regarding Protected Health Information under this Addendum and, on notice of such material breach or violation from GHP, fails to take reasonable steps to cure the breach or end the violation. If Administrator fails to cure the material breach or end the violation within 90 days after receipt of GHP's notice, GHP may terminate the Agreement by providing Administrator written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination.

This Addendum will continue in full force and effect, notwithstanding termination of the Agreement, until Administrator has returned to GHP or destroyed all of the enrollment and/or disenrollment data of GHP that was furnished to Administrator.

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

**K. Disposition of Protected Health Information**

**1. Return or Destruction Upon Agreement End as Feasible**

Administrator will, if feasible, return to GHP or destroy, upon termination, or other conclusion of the Agreement, the enrollment and/or disenrollment data of GHP which was furnished to Administrator and which is in Administrator's custody or control (or in the custody or control of any subcontractor or agent to which Administrator disclosed GHP's enrollment and/or disenrollment data under Sections III.C.1. or III.F. above). Administrator will complete such return or destruction as promptly as practical after the effective date of the termination or other conclusion of the Agreement.

**2. Disposition When Return or Destruction Not Feasible**

Administrator will identify for GHP any of the enrollment and/or disenrollment data of GHP that Administrator (or any subcontractor or agent to which Administrator disclosed such GHP enrollment and/or disenrollment data) cannot feasibly return to GHP or destroy upon termination or other conclusion of the Agreement, and will describe the purposes that make the return to GHP or destruction infeasible. Administrator will limit its (and, by its written contract pursuant to Section III.F. above, any subcontractor's or agent's) further use or disclosure of the GHP enrollment and/or disenrollment data after termination or other conclusion of the Agreement to the purposes that make return to GHP or destruction infeasible.

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

A. Access

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

B. Amendment

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

C. Disclosure Accounting

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

1. Disclosure Tracking

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

2. Disclosure Tracking Time Periods

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

3. Provision of Disclosure Information

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

D. Restriction Requests

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

GHP will direct a Covered Person (or the Covered Person's Personal Representative) to promptly notify Administrator in writing of the termination of any restriction, and the Covered Person (or the Covered Person's Personal Representative) will instruct Administrator whether any of Protected Health Information created or received pursuant to the restriction agreement will remain subject to the terms of that restriction agreement.

**E. Confidential Communications**

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

GHP will direct a Covered Person to promptly notify Administrator in writing of the termination of any requirement to communicate with a Covered Person about Protected Health Information about the Covered Person by confidential alternative location.

**F. Complaint Process**

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

**V. GHP'S PRIVACY PRACTICES NOTICE**

**A. Preparation of GHP's Privacy Practices Notices**

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

**B. Distribution of GHP's Privacy Practices Notice**

Not later than April 14, 2003, Administrator will distribute GHP's appropriate Privacy Practices Notice to each Covered Person over the age of 18 enrolled in GHP on April 14, 2003.

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

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

GHP and Employer will be responsible for providing Administrator accurate and timely data on each Covered Person over the age of 18 as needed by Administrator to distribute GHP's Privacy Practices Notices, reminder notices, and any GHP revised Privacy Practices Notices.

**C. Administrator to Comply with Notices**

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

**VI. ISSUANCE OF CERTIFICATE OF CREDITABLE COVERAGE**

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

**VII. SAFEGUARD OF PROTECTED HEALTH INFORMATION**

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

**VIII. COMPLIANCE WITH STANDARD TRANSACTIONS**

Administrator will comply with each applicable requirement for Standard Transactions established in 45 C.F.R. Part 162 when conducting all or any part of a Standard Transaction electronically on behalf of or with GHP.

Administrator will require any of its subcontractors or agents to comply with each applicable requirement for Standard Transactions established in 45 C.F.R. Part 162 when the subcontractor or agent conducts all or any part of a Standard Transaction electronically on behalf of or with GHP.

Administrator will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of or with GHP that (1) changes the definition, Data Condition, or use of a Data Element or Segment in a Standard Transaction, (2) adds any Data Element or Segment to the Maximum Defined Data Set, (3) uses any code or Data Element that either is not in the Standard Transaction's implementation specifications or is marked "not used" by the Standard Transaction's implementation specifications, or (4) changes the meaning or intent of the Standard Transaction's implementation specifications.

**IX. INSPECTION OF INTERNAL PRACTICES, BOOKS, AND RECORDS**

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

## PART 3—EMPLOYER'S RESPONSIBILITIES

### X. DATA EXCHANGE BETWEEN EMPLOYER AND ADMINISTRATOR

#### A. Enrollment Data

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

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

#### B. Certification and Authorization Data

Employer will electronically exchange data with Administrator regarding referral certification and authorization concerning Covered Persons participating in GHP using the Referral Certification and Authorization Standard Transaction (ASC X12N 278-Health Care Services Review-Request for Review and Response) as specified in 45 C.F.R. Part 162, Subpart M.

#### C. Health Care Claim Status Data

Employer will electronically exchange data with Administrator regarding health care claim status concerning Covered Persons participating in GHP using the Health Care Claim Status Standard Transaction (ASC X12N 276/277-Health Care Claim Status Request and Response) as specified in 45 C.F.R. Part 162, Subpart N.

#### D. Other Data Exchanges and Notifications

Employer will exchange with Administrator all data not otherwise addressed in this Section X and any notification by using such forms, tape formats, or electronic formats as Administrator may approve. Employer will furnish all information reasonably required by Administrator to effect such data exchanges or notifications.

### XI. SUMMARY HEALTH INFORMATION

Upon Employer's written request for the purpose either (A) to obtain premium bids for providing health insurance coverage under GHP, or (B) to modify, amend, or terminate GHP, Administrator will provide Summary Health Information regarding the Covered Persons participating in GHP to Employer.

### XII. EMPLOYER'S CERTIFICATION

Employer hereby makes the certification specified in EXHIBIT 2 so that Employer may request and receive the minimum necessary of Protected Health Information from Administrator for those plan administration functions that Employer will perform for GHP. GHP therefore authorizes Administrator to disclose the minimum necessary Protected Health Information to those authorized representatives of Employer as specified in EXHIBIT 3 for the plan administration functions that Employer will perform for GHP as specified in GHP's Plan Document as amended and in EXHIBIT 3. Administrator may rely on Employer's certification and GHP's authorization that Employer has provided the requisite certification, and will have no obligation to verify (1) that GHP's Plan Document has been amended to comply with the requirements of 45 C.F.R. § 164.504(f)(2) or this Section XII, or (2) that Employer is complying with GHP's Plan Document as amended.

PART 4—MISCELLANEOUS

**XIII. AUTOMATIC AMENDMENT TO CONFORM TO APPLICABLE LAW**

Upon the compliance date of any final regulation or amendment to final regulation with respect to Protected Health Information, Standard Transactions, the security of Health Information, or other aspects of HIPAA applicable to this Addendum or to the Agreement, this Addendum will automatically amend such that the obligations imposed on Employer, GHP, and Administrator remain in compliance with such regulations, unless Administrator elects to terminate the Agreement by providing Employer and GHP notice of termination in accordance with the Agreement at least 90 days before the compliance date of such final regulation or amendment to final regulation.

**XIV. CONFLICTS**

The provisions of this Addendum will override and control any conflicting provision of the Agreement. All nonconflicting provisions of the Agreement will remain in full force and effect.

**XV. ADD GHP AS A PARTY TO AGREEMENT**

Notwithstanding Section 3.1 of the Agreement, in order to make clear the respective HIPAA-AS Privacy Rule compliance obligations of Administrator, GHP and Employer, as set forth in this Addendum, GHP shall hereby added as a separate party to the Agreement.

**XVI. REVISION TO SECTION 3.3**

The first sentence of Section 3.3 of the Agreement shall be deleted and replaced as follows: "The Administrator shall provide claims processing services on behalf of the Group Health Plan."

**XVII. REVISION TO SECTION 3.6**

In order for Administrator, GHP and Employer to be able to comply with their respective obligations under the HIPAA-AS Privacy Rule, the terms and conditions of Section 3.6 of the Agreement, and any subsequent amendments made thereto by the parties, shall be made subject to this Addendum.

**XVIII. REVISION TO SECTION 6.6**

Section 6.6 of the Agreement shall be given effect except with respect to the subject matter of this Addendum, in which case Section XIV of this Addendum shall control.

**PART 5—SIGNATURES**

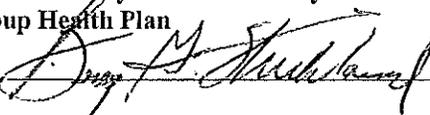
**ADMINISTRATOR:**

Blue Cross Blue Shield of Florida

By:   
Title: U.P. Underwriter  
Date: 4/28/04

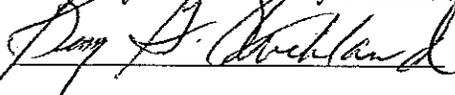
**GROUP HEALTH PLAN:**

Sumter County Board of County Commissioners  
Group Health Plan

By:   
Title: Chairman  
Date: 4-13-04

**EMPLOYER:**

Sumter County Board of County Commissioners

By:   
Title: Chairman  
Date: 4-13-04

## EXHIBIT 1 – SAMPLE NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY. THE PRIVACY OF YOUR HEALTH INFORMATION IS IMPORTANT TO US.

*Si usted desea una copia de esta notificación en español, por favor comuníquese con un representante de atención al cliente utilizando el número telefónico indicado en la parte posterior de su tarjeta de asegurado.*

### **Health Insurance Portability And Accountability Act- Administrative Simplification (HIPAA-AS) Notice of Privacy Practices**

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

#### **Our Legal Duty**

As your group health plan, we are required by applicable federal and state laws to maintain the privacy of your health information. We want you to be aware of our privacy practices, our legal duties, and your rights concerning your health information. We will follow the privacy practices that are described in this notice while it is in effect. This notice takes effect April 14, 2003, and will remain in effect until a revised notice is issued. Revised notices may be sent because:

1. The U.S. Department of Health and Human Services or other government agency informs us of an amendment to applicable law.
2. We modify the information contained in the Notice of Privacy Practices. A new Notice of Privacy Practices will be sent before any modifications are put into practice.
3. We modify our business practices.

We reserve the right to change our privacy practices and the terms of this notice at any time, provided that applicable law permits such changes. We reserve the right to make the changes in our privacy practices and the new terms of our notice effective for all health information that we maintain, including health

information we created or received before we made the changes. Before we make a significant change in our privacy practices, we will change this notice and send the new notice to our participants and adult dependents at the time of the change.

You may request a copy of our notice at any time. For more information about our privacy practices, or for additional copies of this notice, please contact us using the information listed at the end of this notice.

#### **How we can use or disclose health information without a specific authorization**

**To you:** We must disclose your health information to you, as described in the Individual Rights section of this notice, below. Additionally, we use and disclose health information about you for treatment, payment, and health care operations. For example:

**Treatment:** We may disclose your health information to a doctor or a hospital when requested, in order for the treating provider to provide treatment to you.

**Payment:** We may use and disclose your health information to pay claims for services provided to you by doctors or hospitals. Payment activities

include, for example: coordinating benefits between auto and health insurance.

**Health Care Operations:** Our operations as a group health plan require us to make many uses and disclosures of your health information. Some examples are: We may use and disclose your health information to conduct quality assessment and improvement activities, and to engage in care coordination or case management. This could also include an outside entity that may access your health information when providing services on our behalf (i.e. a business associate). For example: On occasion, we may use care coordination vendors. We make enrollment and eligibility information available to allow them to coordinate care for our enrollees. We have agreements in place with them to protect the information we share.

**Public Health and Safety:** We may use or disclose your health information to the extent necessary to avert a serious and imminent threat to your health or safety or the health or safety of others. We may disclose your health information to a government agency authorized to oversee the health care system or government programs or its contractors, and to public health authorities for public health purposes. We may disclose your health information to appropriate authorities if we reasonably believe that you are a possible victim of abuse, neglect, domestic violence or other crimes.

**Required by Law:** We may use or disclose your health information when we are required to do so by law. For example, we must disclose your health information to the U.S. Department of Health and Human Services upon request for purposes of determining whether we are in compliance with applicable law. We may disclose your health information when authorized by workers' compensation or similar laws.

**Process and Proceedings:** We may disclose your health information in response to a court or administrative order, subpoena, discovery request, or other lawful process, under certain circumstances.

Under other limited circumstances, such as a court order, warrant, or grand jury subpoena, we may disclose your health information to law enforcement officials.

**Law Enforcement:** We may disclose limited information to a law enforcement official concerning the health information of a suspect, fugitive, material witness, crime victim or missing person. We may disclose the health information of an inmate or other person in lawful custody to a law enforcement official or correctional institution under certain circumstances.

We may disclose health information where necessary to assist law enforcement officials to capture an individual who has admitted to participation in a crime or has escaped from lawful custody.

**Military and National Security:** We may disclose to military authorities the health information of Armed Forces personnel under certain circumstances. We may disclose to authorized federal officials health information required for lawful intelligence, counterintelligence, and other national security activities.

**To the Plan Sponsor (including your employer):** We may disclose to the sponsor of your group health plan whether you are participating in the group health plan. We may disclose summary health information to the plan sponsor to use to obtain premium bids for any health insurance coverage offered under your group health plan or to decide whether to modify, amend or terminate your group health plan. Summary health information is aggregated claims history, claims expenses or types of claims experienced by the enrollees in your group health plan. We may disclose your health information and the health information of others enrolled in your group health plan to the plan sponsor to permit it to perform plan administration functions. Please see your plan documents for a full explanation of the limited uses and disclosures that the plan sponsor may make of your health information in providing

plan administration functions for your group health plan.

**Research; Death; Organ Donation:** We may use or disclose your health information for research purposes in limited circumstances. We may disclose the health information of a deceased person to a coroner, medical examiner, funeral director, or organ procurement organization for certain purposes.

**To Family and Friends:** With your authorization, as noted below, we may disclose your health information to family, friends or others.

Additionally, if you are unable to authorize such disclosure, but emergency or similar circumstances indicate that disclosure would be in your best interest, we may disclose your health information to family, friends or others to the extent necessary to help with your health care coverage arrangements.

#### **Uses and disclosures of health information permitted only after Authorization received**

**Authorization:** You may give us written authorization to use your health information or to disclose it to anyone for any purpose not otherwise permitted or required by law. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any use or disclosure permitted by your authorization while it was in effect.

**Marketing:** We may use your health information to contact you with information about health-related benefits and services or about treatment alternatives that may be of interest to you. However, we may not use your health information to communicate with you about any non-health related benefits or services without first obtaining your authorization to do so.

#### **Individual Rights**

**Access:** With limited exceptions, you have the right to review in person or obtain copies of your health information. You must make a request in writing to obtain access to your health information. You may

obtain the form to request access by calling the customer service number on the back of your ID card. We reserve the right to impose reasonable costs associated with this access request as allowed by law.

**Amendment:** You have the right to request that we amend your health information that we have on file. Your request must be in writing, and it must explain why the information should be amended. You may obtain the form to request an amendment by calling the customer service number on the back of your ID card. We may deny your request if we did not create the information you want amended or for certain other reasons. If we deny your request, we will provide you a written explanation. You may respond with a statement of disagreement to be appended to the information you wanted amended. If we accept your request to amend the information, we will make reasonable efforts to inform others, including people you name, of the amendment and to include the changes in any future disclosures of that information.

**Disclosure Accounting:** You have the right to receive a list of instances in which we or our business associates disclosed your health information for purposes other than treatment, payment, health care operations and certain other activities, since April 14, 2003. We will provide you with the date on which we made the disclosure, the name of the person or entity to whom we disclosed your health information, a description of the health information we disclosed, the reason for the disclosure, and certain other information. If you request this list more than once in a 12-month period, we may charge you a reasonable, cost-based fee for responding to these additional requests. You may obtain the form to request an accounting of disclosures by calling the customer service number on the back of your ID card.

**Restriction Requests:** You have the right to request that we place certain additional restrictions on our use or disclosure of your health information. We are not required to agree to these additional restrictions, but if we do, we will abide by our agreement. However, if you are in need of emergency treatment

and the restricted health information is needed to provide the emergency treatment, we may use or disclose that information to a health care provider in order to facilitate the provision of emergency treatment to you. Any agreement we may make to a request for additional restrictions must be in writing and signed by a person authorized to make such an agreement on our behalf. We will not be bound unless the agreement is so memorialized in writing.

**Confidential Communication:** You have the right to request that we communicate with you in confidence about your health information at an alternative address. To receive confidential communications at an alternative address, please call the customer service number located on the back of your ID card and ask for a Protected Health Information, (PHI) address. We must accommodate your request if it is reasonable, specifies the alternative address, and allows us to conduct needed payment and health care operations activities such as collecting your contributions or paying claims under your group health plan.

Not all communications will be sent to the PHI address. Some of the communications identified that would continue to be sent directly to the participant address of record may include:

- Benefit booklets
- Provider Directories
- ID cards
- Certificates of creditable coverage
- Over-age dependent letters
- Endorsement and riders
- Invoices and refunds

Some of the communications identified that would be sent to you at your PHI address include:

- Explanation of benefit (EOB)
- Reimbursements to you associated with an EOB
- Medical clearances
- Continuity of care letters
- Illness/disease management communications
- Case management communications
- Utilization management letters
- Coordination of benefit letters
- Communications about health- related benefits/services

We will provide written confirmation of your request for a PHI address.

If you choose to have confidential communications sent to you at a PHI address, we will only respond to inquiries from you. For example, if your spouse calls for information and you have specified a PHI address, we will not be able to share any of your confidential health information with him/her, even if you have previously submitted an authorization for him/her to receive it.

#### **Provider Services and Confidential**

**Communications:** If you receive services from any health care providers, you are responsible for notifying those providers directly if you would like to request a PHI address from them.

**This notice takes effect April 14, 2003.**

**Organization Covered by this Notice:**

**This notice applies to the privacy practices of the organization listed below:**

**Your group health plan sponsored by your employer and for which Blue Cross and Blue Shield of Florida or Florida Combined Life, Inc. provides claim administration and other services**

**Questions and Complaints**

If you want more information about our privacy practices or have questions or concerns about this Notice of Privacy Practices, please contact us using the information listed at the end of this notice.

If you are concerned that we may have violated your privacy rights, or you disagree with a decision we made about access to your health information or in response to a request you made to amend or restrict the use or disclosure of your health information or to have us communicate with you in confidence at an alternative address, you may complain to us using the contact information listed at the end of this notice. You also may submit a written complaint to the U.S. Department of Health and Human Services. We will provide you with the address to file your complaint with the U.S. Department of Health and Human Services upon request.

We support your right to protect the privacy of your health information. We will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services.

**Contact Office:** The Corporate Compliance Office of Blue Cross and Blue Shield of Florida, administrative service provider for your group health plan.

**Telephone:** 888-574-2583

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

*Si usted desea una copia de esta notificación en español, por favor comuníquese con un representante de atención al cliente utilizando el número telefónico indicado en la parte posterior de su tarjeta de asegurado.*

## EXHIBIT 2 -- EMPLOYER'S CERTIFICATION

Employer certifies that Employer has amended GHP's Plan Document to incorporate the provisions required by 45 C.F.R. § 164.504(f)(2), as set forth below, and agrees to comply with GHP's Plan Document as amended.

1. Neither use nor further discloses Protected Health Information, except as permitted or required by GHP's Plan Document or as required by law.
2. Neither use nor disclose Protected Health Information for any employment-related action or decision, or in connection with any other benefit or employee benefit plan of Employer.
3. Ensure adequate separation between Employer and GHP by (a) describing those employees or classes of employees or other persons under Employer's control who will be given access to Protected Health Information to perform plan administration functions for GHP, (b) restricting the access to and use of Protected Health Information by such employees or other persons to the plan administration functions that Employer will perform for GHP, and (c) instituting an effective mechanism for resolving any noncompliance with GHP's Plan Document by such employees or other persons.
4. Ensure that any subcontractor or agent to which Employer provides Protected Health Information agrees to the restrictions and conditions of GHP's Plan Document with respect to Protected Health Information.
5. Report to GHP any use or disclosure of Protected Health Information of which Employer becomes aware that is inconsistent with the uses and disclosures allowed by GHP's Plan Document.
6. Make Protected Health Information available to GHP or, at GHP's direction, to the Covered Person who is the subject of Protected Health Information (or the Covered Person's Personal Representative) so that GHP can meet its access obligations under 45 C.F.R. § 164.524.
7. Make Protected Health Information available to GHP for amendment and, on notice from GHP, amend Protected Health Information, so that GHP can meet its amendment obligations under 45 C.F.R. § 164.526.
8. Record Disclosure Information above for each disclosure that Employer makes of Protected Health Information that is not excepted from disclosure accounting and provide that Disclosure Information to GHP on request so that GHP can meet its disclosure accounting obligations under 45 C.F.R. § 164.528.
9. Make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to GHP and to DHHS to determine GHP's compliance with 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information."
10. Return to GHP or destroy if feasible all of Protected Health Information in whatever form or medium that Employer (and any subcontractor or agent of Employer) received from GHP or Administrator, including all copies thereof and all data, compilations, and other works derived there from that allow identification of any present or past Covered Person who is the subject of Protected Health Information, when Employer no longer needs Protected Health Information for the plan administration functions for which the Employer received Protected Health Information. Employer will limit the use or disclosure of any of Protected Health Information that Employer (or any subcontractor or agent of Employer) cannot feasibly return to GHP or destroy to the purposes that make its return to GHP or destruction infeasible.

**EXHIBIT 3 – DISCLOSURE OF PROTECTED HEALTH INFORMATION  
FOR PLAN ADMINISTRATION**

Name(s) and Title(s) of Employer representatives authorized to request and receive the minimum necessary Protected Health Information from Administrator:

Tera Townsend, Risk Management Coordinator  
Carolyn Burnett, Staff Assistant III

Sandra Howell, Director of Administrative Services

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For the performance of the following plan administrative functions for GHP:

Actuarial and Statistical

Claims/Membership Inquiries

Data Aggregation

Enrollment Service

Financial Services

Health Care Operations

Membership Validation

Other Services to GHP

**HIPAA-AS ADDENDUM TO ADMINISTRATIVE SERVICES AGREEMENT  
(DENTAL)**

This addendum ("Addendum") is effective upon execution and amends that Administrative Services Agreement ("Agreement") made as of 10/01/2003 by and among Florida Combined Life Insurance Company, Inc. ("Administrator"), **Sumter County Board of County Commissioners** ("Employer") and **Board of Sumter County Commissioners Group Health Plan** ("GHP").

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

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

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

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

**PART 1—DEFINITIONS**

**I. DEFINITIONS**

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

- A. "Covered Employee" means the person to whom coverage under GHP has been extended by Employer.
- B. "Covered Person" means the Covered Employee and any other persons to whom coverage has been extended under GHP as specified by GHP's Plan Document.
- C. "Disclose" and "disclosure" mean, with respect to Protected Health Information, release, transfer, providing access to or divulging to a person or entity not within Administrator.
- D. "Electronic Protected Health Information" means Protected Health Information that is (1) transmitted by electronic media or (2) maintained in electronic media.
- E. "Protected Health Information" means the Protected Health Information, as that term is defined in 45 C.F.R. § 160.103, that Administrator creates or receives for, on behalf of, or from GHP (or from a GHP Business Associate) in the performance of

Administrator's duties under the Agreement and this Addendum. For purposes of this Addendum, Protected Health Information encompasses Electronic Protected Health Information.

- F. "Plan Document" means GHP's written documentation that informs Covered Persons of the benefits to which they are entitled from GHP and describes the procedures for (1) establishing and carrying out funding of the benefits to which Covered Persons are entitled under GHP, (2) allocating and delegating responsibility for GHP's operation and administration, and (3) amending the Plan Document. Employer and GHP represent and warrant that GHP's Plan Document provides for the allocation and delegation of the responsibilities assigned to Administrator under the Agreement.
- G. "Use" means, with respect to Protected Health Information, utilization, employment, examination, analysis or application within Administrator.

## **PART 2--ADMINISTRATOR'S RESPONSIBILITIES**

### **II. SERVICES PROVIDED BY ADMINISTRATOR**

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

### **III. PRIVACY AND SECURITY OF PROTECTED HEALTH INFORMATION**

#### **A. Preservation of Privacy**

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

#### **B. Prohibition on Non-Permitted Use or Disclosure**

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

#### **C. Permitted Uses and Disclosures**

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

##### **1. Functions and Activities on GHP's Behalf**

Administrator will be permitted to use and disclose Protected Health Information for the performance of services set forth in the Agreement, which the parties agree are intended to include, but are not limited to, Payment activities and Health Care Operations, and which shall hereby also include Data Aggregation.

**2. Payment Activities and Health Care Operations**

Administrator will be permitted to disclose Protected Health Information in accordance with 45 C.F.R. § 164.506(c) for the Payment activities of another Covered Entity or Health Care Provider and for the qualifying Health Care Operations of another Covered Entity.

**3. Covered Person Permission**

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

**4. Administrator's Own Management and Administration**

**a. Protected Health Information Use**

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

**b. Protected Health Information Disclosure**

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

**5. De-Identified Health Information**

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

**6. Limited Data Set**

**a. Creation of Limited Data Set.** Administrator may use Protected Health Information to create a Limited Data Set:

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

**D. Minimum Necessary**

Administrator will, in the performance of its functions and activities on GHP's behalf under the Agreement and this Addendum, make reasonable efforts to use, to disclose, or to request of a

Covered Entity only the minimum necessary amount of Protected Health Information to accomplish the intended purpose of the use, the disclosure, or the request, except that Administrator will not be obligated to comply with this minimum necessary limitation with respect to:

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

**E. Disclosure to GHP and GHP's Business Associates**

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

**F. Disclosure to Administrator's Subcontractors and Agents**

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

**G. Disclosure to Employer**

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

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

**1. Privacy Breach**

Administrator will report to GHP any use or disclosure of Protected Health Information not permitted by this Addendum or in writing by GHP of which Administrator becomes aware.

**2. Security Incidents**

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

**I. Duty to Mitigate**

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

**J. Termination of Addendum**

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

**K. Disposition of Protected Health Information**

**1. Return or Destruction Feasible**

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

2. **Return or Destruction Not Feasible**

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

3. **Ongoing Privacy and Security Obligations**

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

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

A. **Access**

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

B. **Amendment**

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

C. **Disclosure Accounting**

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

1. **Disclosure Tracking**

Starting April 14, 2003 (or April 14, 2004 if GHP is a Small Health Plan), Administrator will, consistent with 45 C.F.R. § 164.528(b), record each disclosure of Protected Health Information that is not excepted from disclosure accounting under 45

C.F.R. § 164.528(a) that Administrator makes to GHP or to a third party ("Accountable Disclosures").

**2. Disclosure Tracking Time Periods**

Administrator will have available for Covered Person the disclosure information for each Accountable Disclosure for at least six (6) years immediately following the date of the Accountable Disclosure (except Administrator will not be required to have disclosure information for disclosures occurring before April 14, 2003 or April 14, 2004 if GHP is a Small Health Plan).

**3. Provision of Disclosure Information**

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

**D. Restriction Requests**

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

**E. Confidential Communications**

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

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

**F. Complaint Process**

Administrator will, consistent with 45 C.F.R. § 164.530(d) and on behalf of GHP, provide a process for Covered Persons (or Covered Person's Personal Representative) to make complaints concerning Administrator's policies and procedures, which policies and procedures

GHP hereby adopts as its own so that GHP can meet its compliance obligations under 45 C.F.R. Part 164.

**V. GHP'S PRIVACY PRACTICES NOTICE**

**A. Preparation of GHP's Privacy Practices Notices**

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

**B. Distribution of GHP's Privacy Practices Notice**

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

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

**C. Administrator to Comply with Notices**

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

**VI. SAFEGUARDING PROTECTED HEALTH INFORMATION**

**A. Privacy of Protected Health Information**

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

Information from any intentional or unintentional use or disclosure in violation of this Addendum.

**B. Security of Electronic Protected Health Information**

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

**VII. INSPECTION OF INTERNAL PRACTICES, BOOKS, AND RECORDS**

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

**PART 3—EMPLOYER'S RESPONSIBILITIES**

**VIII. DATA EXCHANGE BETWEEN EMPLOYER AND ADMINISTRATOR**

**A. Enrollment Data**

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

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

**B. Other Data Exchanges and Notifications**

Employer will exchange with Administrator all data not otherwise addressed in this Section VIII and any notification by using such forms, tape formats, or electronic formats as Administrator may approve. Employer will furnish all information reasonably required by Administrator to effect such data exchanges or notifications.

**IX. SUMMARY HEALTH INFORMATION**

Upon Employer's written request for the purpose either (A) to obtain premium bids for providing health insurance coverage under GHP, or (B) to modify, amend, or terminate GHP, Administrator will provide Summary Health Information regarding the Covered Persons participating in GHP to Employer.

**X. EMPLOYER'S CERTIFICATION**

Employer hereby makes the certification specified in **EXHIBIT 2** so that Employer may request and receive the minimum necessary Protected Health Information from Administrator for those plan

administration functions that Employer will perform for GHP. GHP therefore authorizes Administrator to disclose the minimum necessary Protected Health Information to those authorized representatives of Employer as specified in **EXHIBIT 3** for the plan administration functions that Employer will perform for GHP as specified in GHP's Plan Document as amended and in **EXHIBIT 3**. Administrator may rely on Employer's certification and GHP's authorization that Employer has provided the requisite certification and will have no obligation to verify (1) that GHP's Plan Document has been amended to comply with the requirements of 45 C.F.R. § 164.504(f)(2), 45 C.F.R. § 164.314(b)(2) or this Section X, or (2) that Employer is complying with GHP's Plan Document as amended.

#### **PART 4—MISCELLANEOUS**

##### **XI. AUTOMATIC AMENDMENT TO CONFORM TO APPLICABLE LAW**

Upon the compliance date of any final regulation or amendment to final regulation with respect to Protected Health Information, Standard Transactions, the security of Health Information, or other aspects of HIPAA-AS applicable to this Addendum or to the Agreement, this Addendum will automatically amend such that the obligations imposed on Employer, GHP, and Administrator remain in compliance with such regulations, unless Administrator elects to terminate the Agreement by providing Employer and GHP notice of termination in accordance with the Agreement at least 90 days before the compliance date of such final regulation or amendment to final regulation.

##### **XII. CONFLICTS**

The provisions of this Addendum will override and control any conflicting provision of the Agreement. All nonconflicting provisions of the Agreement will remain in full force and effect.

##### **XIII. ADD GHP AS A PARTY TO AGREEMENT**

Notwithstanding Section 2.1 of the Agreement, in order to make clear the respective HIPAA-AS compliance obligations of Administrator, GHP, and Employer, as set forth in this Addendum, GHP shall hereby be added as a separate party to the Agreement.

##### **XIV. REVISION TO SECTION 3.3**

The first sentence of Section 3.3 of the Agreement shall be deleted and replaced as follows: "The Administrator shall provide claims processing services on behalf of the Group Health Plan."

##### **XV. REVISION TO SECTION 3.6**

In order for GHP to be able to comply with its obligations under the HIPAA-AS Privacy and Security Rules and for Employer and Administrator to be able to comply with their obligations hereunder, the terms and conditions of Section 3.6 of the Agreement, and any subsequent amendments made thereto by the parties, shall be made subject to this Addendum.

##### **XVI. REVISION TO SECTION 6.6**

Section 6.6 of the Agreement shall be given effect except with respect to the subject matter of this Addendum, in which case Section XII of this Addendum shall control.

**XVII. COMPLIANCE DATE FOR SECURITY OBLIGATIONS**

Administrator's security obligations as set forth in Sections III.F, III.H.2, and VI.B herein shall take effect the later of (A) the last date set forth in PART 5 below or (B) the compliance deadline of the HIPAA-AS Security Rule (which is, as of the date hereof, April 20, 2005 or April 20 2006 for Small Health Plans).

**PART 5—SIGNATURES**

**ADMINISTRATOR:**

Florida Combined Life Insurance Company, Inc.

By: \_\_\_\_\_

Title: Leri Schmidt / PRESIDENT

Date: 4/20/05

**GROUP HEALTH PLAN:**

Board of Sumter County Commissioners  
Group Health Plan

By: Jay A Chandler

Title: CHAIRMAN

Date: 4-12-05

**EMPLOYER:**

Sumter County Board of County Commissioners

By: Jay A Chandler

Title: CHAIRMAN

Date: 4-12-05

## EXHIBIT 1—SAMPLE NOTICE OF PRIVACY PRACTICES

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

*Si usted desea una copia de esta notificación en español, por favor comuníquese con un representante de servicio al cliente utilizando el número telefónico indicado en su tarjeta de asegurado.*

### **Health Insurance Portability and Accountability Act- Administrative Simplification (HIPAA-AS)**

#### **Notice of Privacy Practices**

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

#### **Our Legal Duty**

As your health plan, we are required by applicable federal and state laws to maintain the privacy of your protected health information (PHI). We want you to be aware of our privacy practices, our legal duties, and your rights concerning your PHI. We will follow the privacy practices that are described in this notice while it is in effect. This notice took effect **April 14, 2003**, and will remain in effect until a revised notice is issued.

We reserve the right to change our privacy practices and the terms of this notice at any time and to make the terms of our notice effective for all PHI that we maintain.

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

#### **How we can use or disclose PHI without a specific authorization**

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

**For Treatment:** For example: we may disclose your PHI to a doctor, dentist or a hospital when requested, in order for the treating provider to provide treatment to you.

**For Payment:** For example: we may use and disclose PHI to pay claims for services provided to you by doctors, dentists or hospitals. We may also disclose your PHI to a health care provider or another health plan so that the provider or plan may obtain payment of a claim or engage in other payment activities.

**For Health Care Operations:** For example: we may use or disclose PHI to conduct quality assessment and improvement activities, to conduct fraud and abuse investigations, to engage in care coordination or case management or to communicate with you about health

related benefits and services or about treatment alternatives that may be of interest to you. We may also disclose PHI to another health plan or a health care provider subject to federal privacy laws, as long as the plan provider has or had a relationship with you and the PHI is disclosed only for certain health care operations of that plan or provider.

**For Public Health and Safety:** We may use or disclose PHI to the extent necessary to avert a serious and imminent threat to the health or safety of you or others. We may also disclose PHI for public health and government health care oversight activities and to report suspected abuse, neglect or domestic violence to government authorities.

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

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

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

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

**To Plan Sponsors (including employers who act as Plan Sponsors):** We may disclose certain PHI to the Sponsor of your group health plan to perform plan administration functions. We may also disclose enrollment and disenrollment information, or summary health information to the Plan Sponsor so that the Plan Sponsor may:

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

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

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

### **Uses and Disclosures of PHI permitted only after Authorization received**

**Authorization:** You may give us written authorization to use your PHI or to disclose it to anyone for any purpose not otherwise permitted or required by law. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any use or disclosure permitted by your authorization while it was in effect.

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

### **Individual Rights**

*To exercise any of these rights, please call the customer service number on your ID card.*

**Access:** With limited exceptions, you have the right to review in person, or obtain copies of your PHI. We reserve the right to impose reasonable fees associated with this access request as allowed by law.

**Amendment:** With limited exceptions, you have the right to request that we amend your PHI that we have on file.

**Disclosure Accounting:** You have the right to request and receive a list of certain disclosures made of your PHI. If you request this list more than once in a 12-month period, we may charge you a reasonable, cost-based fee to respond to any additional request.

**Use/Disclosure Restriction:** You have the right to request that we place certain additional restrictions on our use or disclosure of your PHI. We are not required to agree to a requested restriction.

**Confidential Communication:** You have the right to request that we communicate with you in confidence about your PHI at an alternative address. To receive confidential communications at an alternative address, please ask for a PHI address when you call the customer service number located on your ID card.

**Provider Services and Confidential Communications:** If you receive services from any health care providers, you are responsible for notifying those providers directly if you would like to request a PHI address from them.

**Privacy Notice:** You may request a copy of our notice at any time. For more information about our privacy practices, or for additional copies of or questions about this notice, please contact us using the information listed at the end of this notice.

## **Organizations Covered by this Notice**

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

**Your group health plan sponsored by your employer and for which Blue Cross and Blue Shield of Florida, Health Options, Inc. or Florida Combined Life Insurance Company, Inc. provides claim administration and other services.**

## **Complaints**

If you are concerned that we may have violated your privacy rights, you may complain to us using the contact information listed at the end of this Notice. You also may submit a written complaint to the U.S. Department of Health and Human Services. We will provide you with the address to file your complaint with the U.S. Department of Health and Human Services upon request.

We support your right to protect the privacy of your PHI. We will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services.

**Contact Office:** The Corporate Compliance Office of Blue Cross and Blue Shield of Florida, administrative service provider for your group health plan.

**Telephone:** 888-574-2583

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

***Si usted desea una copia de esta notificación en español, por favor comuníquese con un representante de servicio al cliente utilizando el número telefónico indicado en su tarjeta de asegurado.***

## EXHIBIT 2—EMPLOYER'S CERTIFICATION

### PART 1 – Employer to Amend Plan Documents for Privacy provisions

Employer certifies that Employer has amended GHP's Plan Document to incorporate the provisions required by 45 C.F.R. § 164.504(f)(2), as set forth below, and agrees to comply with GHP's Plan Document as amended.

1. Neither use nor further disclose Protected Health Information, except as permitted or required by GHP's Plan Document or as required by law.
2. Neither use nor disclose Protected Health Information for any employment-related action or decision, or in connection with any other benefit or employee benefit plan of Employer.
3. Ensure adequate separation between Employer and GHP by (a) describing those employees or classes of employees or other persons under Employer's control who will be given access to Protected Health Information to perform plan administration functions for GHP, (b) restricting the access to and use of Protected Health Information by such employees or other persons to the plan administration functions that Employer will perform for GHP, and (c) instituting an effective mechanism for resolving any noncompliance with GHP's Plan Document by such employees or other persons.
4. Ensure that any subcontractor or agent to which Employer provides Protected Health Information agrees to the restrictions and conditions of GHP's Plan Document with respect to Protected Health Information.
5. Report to GHP any use or disclosure of Protected Health Information of which Employer becomes aware that is inconsistent with the uses and disclosures allowed by GHP's Plan Document.
6. Make Protected Health Information available to GHP or, at GHP's direction, to the Covered Person who is the subject of Protected Health Information (or the Covered Person's Personal Representative) so that GHP can meet its access obligations under 45 C.F.R. § 164.524.
7. Make Protected Health Information available to GHP for amendment and, on notice from GHP, amend Protected Health Information, so that GHP can meet its amendment obligations under 45 C.F.R. § 164.526.
8. Record Disclosure Information as defined above for each disclosure that Employer makes of Protected Health Information that is not excepted from disclosure accounting and provide that Disclosure Information to GHP on request so that GHP can meet its disclosure accounting obligations under 45 C.F.R. § 164.528.
9. Make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to GHP and to DHHS to determine GHP's compliance with 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information."
10. Return to GHP or destroy if feasible all Protected Health Information in whatever form or medium that Employer (and any subcontractor or agent of Employer) received from GHP or

Administrator, including all copies thereof and all data, compilations, and other works derived there from that allow identification of any present or past Covered Person who is the subject of Protected Health Information, when Employer no longer needs Protected Health Information for the plan administration functions for which the Employer received Protected Health Information. Employer will limit the use or disclosure of any Protected Health Information that Employer (or any subcontractor or agent of Employer) cannot feasibly return to GHP or destroy to the purposes that make its return to GHP or destruction infeasible.

## **PART 2 - Employer to Amend Plan Documents for Security provisions**

Employer further certifies that Employer has amended GHP's Plan Document to incorporate the provisions required by 45 C.F.R. § 164.314(b)(2), as set forth below, and agrees to comply with GHP's Plan Document as amended.

1. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of Electronic Protected Health Information that Employer creates, receives, maintains or transmits on GHP's behalf.
2. Ensure that the adequate separation between Employer and GHP required by 45 C.F.R. § 164.504(f)(2)(iii) (as described in item 3 above) is supported by reasonable and appropriate Security Measures.
3. Ensure that any subcontractor or agent to which Employer provides Electronic Protected Health Information agrees to implement reasonable and appropriate Security Measures to protect the Electronic Protected Health Information.
4. Report to GHP any incident of which Employer becomes aware that is (a) a successful unauthorized access, use or disclosure of Electronic Protected Health Information; or (b) a successful major (i) modification or destruction of Electronic Protected Health Information or (ii) interference with system operations in an Information System containing Electronic Protected Health Information. Upon GHP's request, Employer will report any incident of which Employer becomes aware that is a successful minor (a) modification or destruction of Electronic Protected Health Information or (b) interference with system operations in an Information System containing Electronic Protected Health Information.

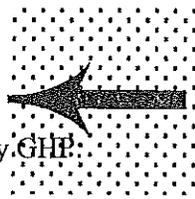
**EXHIBIT 3— DISCLOSURE OF PROTECTED HEALTH INFORMATION  
FOR PLAN ADMINISTRATION**

Group Health Plan (“GHP”) must promptly notify Administrator in writing if any of the information contained in EXHIBIT 3 changes.

**PART 1**

Name(s) and Title(s) of Employer representatives (i.e. employees of Employer) authorized to request and receive the minimum necessary Protected Health Information from Administrator:

_____	_____
_____	_____
_____	_____
_____	_____



for the performance of the following plan administration functions for GHP unless otherwise indicated by GHP:

- Actuarial and statistical analysis
- Claims/membership inquiries
- Procurement of reinsurance or stop loss coverage
- Quality assessment and improvement activities
- Performance monitoring
- Other health care operations
- Payment activities

**PART 2**

Identify the name(s), title(s) and company name(s) of any individual(s) from organizations other than Employer or Group Health Plan (“GHP”) (examples of such “GHP Vendor” types of services include, but are not limited to, stop-loss carriers; reinsurers; agents, brokers or consultants; or external auditors) that Employer or GHP hereby authorizes to request and receive the minimum necessary Protected Health Information to perform plan administration functions and/or assist with the procurement of reinsurance or stop-loss coverage:

Company Name	Type of Service Performed (Example: stop-loss carrier, reinsurer, agent, broker)	Name of Individual Performing Service	Title of Individual Performing Service