

**WESTERN HEALTH ADVANTAGE  
GROUP SERVICE AGREEMENT COVER SHEET**

**(This Cover Sheet is an integral part of this Agreement - Signature Requested)**

**DATE OF COVER SHEET:** September 5, 2023  
**POLICY PERIOD:** June 1, 2024 - May 31, 2025  
**GROUP NAME:** COUNTY OF SONOMA  
**GROUP NUMBER:** 950201  
**GROUP PHYSICAL ADDRESS:** 575 ADMINISTRATION DRIVE STE 116B  
SANTA ROSA, CA 95403

**GROUP ELIGIBILITY**  
Group Contribution Requirements EE: Depends on bargaining unit of Rate  
Group Contribution Requirements DEP: Zero dollars of Rate

**APPLICABLE COBRA OFFERING:** Federal COBRA

**EMPLOYEE ELIGIBILITY**  
Commencement of Eligibility: 1st of the month following DOH  
Minimum Hours Worked per Week: 30  
Other Group Requirements: 32 hours per bi-weekly pay period

**DEPENDENT ELIGIBILITY**  
Child(ren) Age Limits: up to age 26  
Other Group Requirements: non-registered domestic partners

If an optional benefit plan rider elected by the group, all WHA enrollees must be concurrently enrolled in the optional benefit plan rider.

**OTHER DOCUMENTS (The following documents are an integral part of this Agreement)**


- A. Western Health Advantage Combined Evidence of Coverage and Disclosure Form, including Co-payment Summary and Summary of Benefits
- B. Employer Group Application
- C. Plan and Rate Sheet
- D. Group Renewal Confirmation (renewing groups only)

**Group's Agreement to Be Bound:**

Payment by Group of the first premium payment following the premium payment due with the Group's application shall constitute the Group's agreement to be bound by all of the terms and conditions of this Group Service Agreement, including but not limited to the **MANDATORY ARBITRATION** provision immediately following.

**MANDATORY ARBITRATION**

*Group and WHA agree and understand that any and all disputes by and between them, including claims of medical malpractice (that is as to whether any medical services rendered under the Health Plan were unnecessary or unauthorized or were improperly, negligently or incompetently rendered), except for claims subject to ERISA, shall be determined by submission to binding arbitration. Any such dispute will not be resolved by a lawsuit or resort to court process, except as California law provides for judicial review of arbitration proceedings. Each party, including any heirs or assigns, to this Agreement is giving up its constitutional right to have any such dispute decided in a court of law before a jury, and instead is accepting the use of binding arbitration.*

BY:	BY: 
NAME:	NAME: Rita Ruecker
TITLE:	TITLE: Chief Financial Officer
DATE:	

**Please review, sign and return this Cover Sheet to:  
WHA Sales Department  
Fax: 916.568.1338 Email: whasales@westernhealth.com**

## Group Service Agreement

This Group Service Agreement (the "Agreement") is entered into between Western Health Advantage, a not-for-profit health care service plan, hereinafter called "WHA," and the employer, association or other entity specified as "GROUP" on the Cover Sheet, hereinafter called "Group."

### Recital of Facts

WHA is a health care service plan that arranges for the provision of medical, hospital and preventive medical services to persons enrolled as Members through contracts with licensed physicians, hospitals and other health care providers. Group is an employer, union, trust, organization, or association which desires to make such health care available to its Eligible Employees and their Eligible Dependents. WHA desires to contract with Group to arrange for the provision of such health care services to Subscribers and Dependents of Group, and Group desires to contract with WHA to arrange for the provision of such services to its Subscribers and Dependents.

### Agreement

NOW THEREFORE, in consideration of the application of Group for the benefits provided under this Agreement, and the periodic payment of Health Plan Premiums on behalf of Members in advance as they become due, WHA agrees to arrange or provide medical, surgical, hospital, and related health care benefits to Members subject to all terms and conditions of this Group Service Agreement, including the Cover Sheet and Other Documents listed on the Cover Sheet.

#### 1. DEFINITIONS

- 1.1 **Agreement** is this Group Service Agreement; the Cover Sheet; Western Health Advantage Combined Evidence of Coverage and Disclosure Form, including a Copayment Summary; Employer Group Application; Plan and Rate Sheet; Group Renewal Confirmation (renewing groups only); Performance Guarantees and any amendments thereto.
- 1.2 **Combined Evidence of Coverage and Disclosure Form** is the document issued to prospective and enrolled Subscribers disclosing and setting forth the benefits and terms and conditions of coverage to which Members of the Health Plan are entitled.
- 1.3 **Copayments** are fees payable to a health care provider by the Member for provision of Covered Services, which are in addition to the Health Plan Premiums paid by the Group. Such fees may be a specific dollar amount or a percentage of total fees as specified herein, depending on the type of services provided.
- 1.4 **Cover Sheet** is the Group Service Agreement Cover Sheet, which is attached to and is an integral part of this Agreement.
- 1.5 **Covered Services** means services or supplies diagnosed as medically necessary and provided under the terms of the WHA Combined Evidence of Coverage and Disclosure Form, the Copayment Summary, and supplemental benefit materials.
- 1.6 **Copayment Summary** means the document issued to prospective and enrolled Subscribers

summarizing Covered Services and setting out the applicable Copayments and Deductibles for the Health Plan.

- 1.7 **Deductible** means the amount that must be paid in a calendar year for certain Covered Services before WHA will provide those Covered Services as a benefit of this Health Plan in that calendar year.
- 1.8 **Dependent** is any spouse, registered domestic partner or child (including a step-child or adopted child) of a Subscriber who is enrolled hereunder, who meets all the eligibility requirements set forth in the WHA Combined Evidence of Coverage and Disclosure Form attached to this Agreement, and for whom applicable Health Plan Premiums are received by WHA. Dependent also includes a non-registered domestic partner if the option to include non-registered domestic partners is selected by the Group on the Employer Group Application and documentation set forth on the Employer Group Application is provided in a timely manner.
- 1.9 **Eligible Dependent** is any spouse, registered domestic partner or child (including a step-child or adopted child) of an Eligible Employee, who works or resides within the service area, and who is eligible for Enrollment as a Dependent in the Health Plan.
- 1.10 **Eligible Employee** is a Group employee (as defined under State and Federal law) who meets any applicable waiting period and additional criteria specified by the Group for eligibility in the Health Plan. Consultants, temporary labor, suppliers or contractors are not Eligible Employees.
- 1.11 **Enrollment** is the execution of a WHA Enrollment form, or a non-standard Enrollment form approved by WHA, by the Group, and by the Subscriber on behalf of the Subscriber and his or her Dependents, and acceptance thereof by WHA, conditioned upon the execution of this Agreement by WHA, and either the execution of this Agreement by Group or the timely payment of applicable Health Plan Premiums by Group. In its discretion and subject to specific protocols, WHA may accept Enrollment through an electronic submission from Group.
- 1.12 **Group** is the single employer, labor union, trust, organization, or association identified on the Cover Sheet. If a Group has delegated any of its duties under this Agreement or the laws and regulations pertaining to this Agreement, the term "Group" shall include the Group's designee.
- 1.13 **Group Contribution** is the amount of the Health Plan Premium applicable to each Subscriber which is paid solely by the Group or employer and which is not paid by the Subscriber either through payroll deduction or otherwise.
- 1.14 **Health Plan** is the health plan described in this WHA Group Service Agreement, Cover Sheet and Other Documents listed on the Cover Sheet, subject to modification pursuant to the terms of this Agreement.
- 1.15 **Health Plan Premiums** are amounts set forth on the Rate Sheet to be paid to WHA on behalf of Members in consideration of the benefits provided under this Health Plan, as such amounts are from time-to-time amended in accordance with the terms of this Agreement. Health Plan Premiums include the total amount due to WHA, including amounts paid to WHA for supplemental benefits. "Paid" means received at the location(s) designated in the WHA invoice, in the manner designated in the

WHA invoice.

- 1.16 **Initial Enrollment Period** means the thirty-one day period commencing the first day an employee or member of the Group or a Dependent becomes an Eligible Employee or Eligible Dependent, respectively.
- 1.17 **Member** is any Subscriber or enrolled Dependent.
- 1.18 **Open Enrollment Period** is a once a year period, as mutually agreed by the Group and WHA, during which Eligible Employees and their Eligible Dependents who have not previously enrolled in this Health Plan may do so. Unless otherwise mutually agreed by WHA and Group, the Open Enrollment Period will be the 30 day period immediately preceding the renewal date of this Agreement.
- 1.19 **Plan Benefits** are the benefits available to Members under the Health Plan as identified on the Plan and Rate Sheet documents.
- 1.20 **Rate Sheet** is the exhibit to this Agreement setting forth the Health Plan Premiums to be paid by Group to WHA in consideration of coverage under the Health Plan. By this reference, the Rate Sheet is incorporated in this Agreement as though set forth fully herein.
- 1.21 **Retiree** is a retiree who qualified for Group's retiree medical program.
- 1.22 **Subscriber** is the Eligible Employee or Retiree enrolled in the Health Plan for whom the appropriate Health Plan Premium has been received by WHA, and whose employment or other status, except for family dependency, is the basis for enrollment eligibility.

## 2. ELIGIBILITY AND ENROLLMENT

### 2.1 **Enrollment Procedure.**

- 2.1.1 Enrollment Form. Group must submit a properly completed Enrollment form, on a form provided by WHA, or a non-standard form approved by WHA, signed by Employee or Retiree and Group, for each Eligible Employee or Retiree and any Eligible Dependents to be enrolled in the Health Plan. In addition to any other WHA requirements, all non-standard enrollment forms shall contain an arbitration provision approved by WHA. WHA may, in its discretion and subject to specific protocols, accept Enrollment through an electronic submission from Group. If Group submits Enrollment electronically, Group shall obtain the signature of each Eligible Employee or Retiree on an enrollment form which shall contain, in addition to any other WHA requirements, an arbitration provision approved by WHA. Group shall provide copies of such enrollment forms to WHA upon request.
- 2.1.2 Time of Enrollment. Except for applications from those Eligible Employees, Retirees or Eligible Dependents who meet the requirements for late Enrollment as set out in the Combined Evidence of Coverage and Disclosure Form, all applications for Enrollment shall be submitted within the Eligible Employee's, Retiree's or Eligible Dependent's Initial Enrollment Period, or during Open Enrollment Periods. All applications for Enrollment which are not received by

WHA within the respective Eligible Employee's, Retiree's or Eligible Dependent's Initial Enrollment Period, or within thirty one (31) days from the end of the Open Enrollment Period shall be subject to rejection by WHA. Eligible Employees, Retiree's and their Eligible Dependents may reapply at the next Open Enrollment Period in the event an application was not received by WHA within such thirty one (31) day period. Group shall provide notice to Eligible Employees and Retirees of the applicable Initial Enrollment Period and Open Enrollment Periods.

- 2.1.3 **Declination of Coverage (Waiver).** Group shall require Eligible Employees during their Initial Enrollment Period, in writing or electronically, the availability of coverage under the Health Plan and indicate that, subject to applicable law, an Eligible Employee's failure to elect coverage, on his or her behalf or on behalf of any Eligible Dependents, permits WHA to exclude coverage for a period up to twelve (12) months until the Group's next Open Enrollment Period. Group shall require any Eligible Employee declining coverage under the Health Plan, on behalf of himself or herself or any Eligible Dependent, to certify in writing or via electronic means that constitute a valid signature, the reason for declining Enrollment in the Health Plan, and that he or she has reviewed the notice and acknowledgement and understands the consequences of declining coverage under the Health Plan. Group agrees to retain such acknowledgments and to provide such acknowledgments to WHA as set forth in Section 3.2.1 of this Agreement.
- 2.2 **Commencement of Coverage.** Coverage under this Health Plan shall be effective in accordance with the terms of the Cover Sheet and this Agreement. WHA's acceptance of each Member's Enrollment is contingent upon receipt of the applicable Health Plan Premium payment.
- 2.3 **WHA's Liability in the Event of Conversion from a Prior Carrier.** With respect to employees or dependents who were totally disabled on the date of discontinuation of the prior contract or policy, and entitled to an extension of benefits pursuant to Section 1399.62 of the California Health & Safety Code or Section 10128.2 of the California Insurance Code under the prior contract or policy, WHA shall not be financially responsible for any payment of benefits or provision of services directly related to any condition which caused the total disability. In such a situation, the prior carrier shall continue to be financially responsible for all benefits or services directly related to any condition that caused or resulted from the total disability until such extension of benefits is no longer required under California or federal law.
- 2.4 **Documentation of Eligibility.** Group shall provide to WHA, upon request, documentation necessary to establish eligibility for its Members. Such documentation includes but shall not be limited to marriage certificates, domestic partnership registration forms, adoption documentation, and Dependent child disability status verification.
- 2.5 **Review of Invoices.** Group shall be responsible for reviewing monthly billing invoices provided by WHA. Group shall notify WHA of any discrepancies between the invoice and Group's record of Eligible Employees and Retirees within 31 days of the invoice date. WHA will not retroactively adjust invoices if notice of discrepancies is not received within 31 days.

2.6 **Medicare Secondary Payor Compliance.** Group acknowledges that WHA is required by Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 to report information concerning its coverage of Group and Members to agents and/or contractors of the federal Centers for Medicare and Medicaid Services, for the purposes of coordinating benefits between the Group's WHA commercial coverage under this Agreement and any Medicare coverage of any Member(s). WHA acknowledges that Group may be held responsible by the federal Medicare Secondary Payor Recovery Contractor (MSPRC) for claims for current or former Members for whom Medicare provided benefits in error.

2.6.1 Group agrees to cooperate with WHA to provide information that WHA may reasonably request to enable its compliance with the Section 111 reporting requirements. Such information includes but is not limited to the number of employees (as calculated under the formula set forth in 42 CFR 411.101), the Medicare status of any Member, and the retirement status of any Member.

2.6.2 WHA agrees to assist Group to resolve any recovery demands and prior payment notices issued by MSPRC. Group agrees to cooperate with WHA's efforts and hereby authorizes and appoints WHA as Group's official representative to resolve recovery demands and prior payment notices with the MSPRC and the U.S. Department of the Treasury. Group agrees to cooperate with WHA by responding timely to WHA's requests for information or documentation or by taking other actions that WHA may reasonably request in furtherance of resolving recovery demands or prior payment notices.

### 3. GROUP OBLIGATIONS, HEALTH PLAN PREMIUMS AND BENEFITS

3.1 **Non-Discrimination.** Group shall offer WHA an opportunity to market this Health Plan to its employees and shall offer its employees an opportunity to enroll in this Health Plan under no less favorable terms or conditions than Group offers enrollment in other health care service plans or employee health benefit plans.

3.2 **Notices to WHA.** Group shall forward to WHA all completed or amended Enrollment forms for each Member within thirty-one (31) days of the Member's initial eligibility. Group acknowledges that any Enrollment applications not forwarded to WHA within such thirty-one (31) day period may be rejected by WHA. Group further agrees to transmit to WHA any Enrollment application amendments. Members are required to report any changes in the information on their Enrollment Form to Group, and Group shall report those changes to WHA within 31 days of receipt from Member.

Group shall forward all notices of termination to WHA within thirty-one (31) days after Member loses eligibility or elects to terminate membership under this Agreement. Group agrees to pay any applicable Member Health Plan Premiums through the last day of the month in which notice of termination is received by WHA.

3.2.1 **Notice of Declination of Coverage.** Group shall provide to WHA, within five (5) days of the request, a written statement that the written notice and acknowledgement set forth in Section 2.1.3 was provided to an Eligible Employee by Group and was executed by the Eligible Employee.

### 3.3 Notices to Member.

- 3.3.1 Notice of Termination. If Group terminates this Agreement pursuant to Section 7 below, Group shall promptly notify all Members enrolled through Group of the termination of their coverage in this Health Plan. Group shall provide such notice by delivering to each Subscriber a true, legible copy of the notice of termination sent from WHA to Group at the Subscriber's then current address. Upon WHA's request, Group shall promptly provide WHA with a copy of the notice of termination delivered to each Subscriber, along with evidence of the date the notice was provided.
- 3.3.2 Notice of Changes. If, pursuant to Sections 3.6.1 and 3.6.2 below, WHA increases Health Plan Premiums, or if WHA increases Copayments or Deductibles, or reduces Covered Services provided under this Agreement, Group shall promptly notify all Members enrolled through Group of the increase or reduction. In addition, Group shall promptly notify Members enrolled through Group of any other changes in the terms or conditions of this Agreement affecting the Members' benefits or obligations under the Health Plan, and shall distribute to Members any documents required to be distributed under federal or state law, as directed by WHA. Group shall provide such notice by delivering to each Subscriber a true, legible copy of the notice of the increase in Health Plan Premiums, Copayments, or Deductibles, or reduction in Covered Services, or required notification under federal or state law, sent from WHA to Group at the Subscriber's then current address. Upon request by WHA, Group shall promptly provide WHA with a copy of the notice of Health Plan Premium or Copayment increase or reduction in Covered Services, or required notification under federal or state law delivered by Group to each Subscriber, along with evidence of the date the notice was provided. WHA shall have no responsibility to Members in the event Group fails to provide the notices required by this Section 3.3, except where required by law.
- 3.3.3 Distribution of EOCs. Group shall comply with Section 1363 of the California Health & Safety Code which requires Group to disseminate copies of the Combined Evidence of Coverage and Disclosure Form to Eligible Employees and Subscribers. At least once per year, WHA will provide the Group with updates to the Combined Evidence of Coverage and Disclosure Form to be disseminated by the Group to all Subscribers, and will provide Group with a printed Combined Evidence of Coverage and Disclosure Form, which contains all of the updates, which Group may make available to Members or may copy and provide to Members. WHA shall also make the Combined Evidence of Coverage and Disclosure Form available as follows:
- to all Members on the WHA web site;
  - in printed form to Group through the WHA Sales Department; and
  - in printed form to Members through WHA Member Services.

WHA will notify Members through new member packets, newsletters and any other reasonable means of communication of the availability of the Combined Evidence of Coverage and Disclosure Form on the WHA web site and through WHA Member Services.

- 3.4 **Rates (Prepayment Fees).** Group agrees to pay for Health Plan Premium rates set forth in the Health Plan Premiums section of the Rate Sheet, as they may be amended from time-to-time as set forth in this Agreement.
- 3.5 **Due Date.** WHA will invoice Group for premiums on or before the first day of the month prior to the month of coverage. WHA will provide a thirty (30) day grace period in which the Group may remit its premium. Health Plan Premiums are due in full on a monthly basis and must be paid directly to WHA on or before the last business day of the month prior to the month for which the Health Plan Premium applies (or thirty [30] days after the date of the invoice, whichever is later). Failure to provide payment on or before the due date may result in termination of Group, as set forth in Section 7.3.1 below. WHA reserves the right to assess a reasonable administrative fee not to exceed \$100 for each delinquent premium payment received after the thirty (30) day grace period. This fee will be assessed solely at WHA's discretion. In the event that payments not made in a timely manner are received by WHA after termination of Group, the deposit or application of such funds does not constitute acceptance, and such funds shall be refunded by WHA within twenty (20) business days of receipt if WHA, in its sole discretion, does not reinstate Group. In the event Group wishes to make a payment intended for reinstatement, WHA reserves the right to require Group to make the payment in a particular manner that may differ from the usual manner of paying Health Plan premium invoices to assure proper acknowledgment of and application of funds to the Group's reinstatement. Group understands that untimely payment of premium may result in WHA sending notices of termination of Health Plan coverage to Members enrolled through Group.
- 3.6 **Modification of Rates and Benefits.**
- 3.6.1 Modification of Health Plan Premium Rates. The Health Plan Premium rates set forth on the Rate Sheet may be modified by WHA in its sole discretion upon written notice mailed with postage prepaid to Group, sixty (60) days prior to the contract renewal effective date. Any such modification shall take effect commencing no sooner than the June 1<sup>st</sup> following the expiration of the sixty (60)-day notice period.
- Notwithstanding the above, if the State of California or any other taxing authority imposes upon WHA a tax or license fee which is levied upon or measured by the monthly amount of Health Plan Premiums or by WHA's gross receipts or any portions of either, then upon thirty (30) days written notice to Group, Group shall remit to WHA, with the appropriate payment, a pro rata amount sufficient to cover all such taxes and license fees, rounded to the nearest cent.
- 3.6.2 Modification of Benefits or Terms. The Covered Services, copayments, deductibles, out-of-pocket maximum liabilities and other provisions setting forth benefits, exclusions, limitations and other terms related to WHA membership and coverage set forth in the Combined Evidence of Coverage and Disclosure Form, the Copayment Summary, the Cover Sheet and any



Other Documents listed on the Cover Sheet to this Agreement, as well as other terms of this Agreement, may be modified by WHA in its sole discretion upon sixty (60) days written notice mailed postage prepaid to Group. Any such modification shall take effect commencing the first full month following the expiration of the sixty (60)-day notice period.

3.7 **Effect of Payment; Health Plan Premium for Newborn Members.** Except as otherwise provided in this Agreement, only Members for whom Health Plan Premiums are received by WHA are entitled to Covered Services as described in this Agreement, and then only for the period for which such payment is received. A Subscriber's or a Subscriber's spouse's newborn child is entitled to Covered Services under the Subscriber during the month of birth with no additional premium. For coverage beyond the month of birth, a newborn child is entitled to Covered Services as described in this Agreement if enrolled as a Member, and then only for the period for which Health Plan Premium payment is received.

3.8 **Continuation of Benefits and Conversion Coverage.**

3.8.1 Notice Regarding Continuation Coverage.

3.8.1.1. *Notice of COBRA Continuation Coverage.* Upon the occurrence of a qualifying event, as defined in the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended by the 1986 Tax Reform Act (P.L. 99-514) and the 1986 Omnibus Budget Reconciliation Act (P.L. 99-509) ("COBRA"), Group shall provide affected Members with written notice of available continuation coverage as required by and in accordance with COBRA and Cal-COBRA and amendments thereto.

3.8.1.2. *Notice of Cal-COBRA Continuation Coverage After COBRA.* Group shall provide notice to Members whose coverage under COBRA is ending of the availability of additional coverage for up to 18 months from the Member's qualifying event under COBRA under California Health and Safety Code Section 1366.29 ("Cal-COBRA"). Group must provide this notice to the Member no later than ninety (90) days prior to termination of the Member's coverage under COBRA and must advise the Member in writing that it is the Member's responsibility to elect with WHA Cal-COBRA continuation coverage no later than thirty (30) days prior to termination of the Member's COBRA continuation coverage.

3.8.2 Premium and Records; Termination. Group shall be solely responsible for collecting Health Plan Premiums from Members who elect to continue benefits under COBRA and shall transmit such Health Plan Premiums to WHA along with the Group's Health Plan Premiums otherwise due under this Agreement. WHA shall be responsible for collecting Health Plan Premiums from members who elect to continue benefits under Cal-COBRA. Continuing coverage under COBRA or Cal-COBRA shall terminate for any Member if Health Plan Premium for such Member is not received within thirty (30) days of the date due. Group shall promptly notify WHA in the event Health Plan Premium for any Member who has elected continuing coverage under COBRA is not received within thirty (30) days of the date due. Group shall maintain accurate records

regarding Health Plan Premiums for Members who elect to continue benefits, including qualifying events, terminating events, and other information necessary to administer this continuation of benefits. The obligations to be performed by Group under this Section 3.8.2 may be performed directly by Group, or wholly or in part through a subsidiary or affiliate of Group, or on behalf of Group by a third party, including but not limited to a continuation coverage administrator; provided, that Group will remain liable to WHA for satisfaction of the obligations to be performed by Group under this Subsection. WHA is not responsible for the acts or omissions of Group and shall be held harmless for any failure by Group to fulfill its obligations, including but not limited to failure to provide proper notice, failure to forward Health Plan Premium payments to WHA within applicable statutory timeframes, or failure to notify WHA that a Member is no longer eligible for COBRA or Cal-COBRA continuation coverage. WHA shall not be required to make any refund of premiums paid on the basis that Group failed to notify WHA that a Member is no longer eligible for COBRA or Cal-COBRA continuation coverage.

- 3.8.3 Notice of Individual Conversion Rights. Within fifteen (15) days after a Member's coverage terminates, Group or WHA shall notify the Subscriber on behalf of the Subscriber and his or her Dependents or, if no Subscriber is available, any terminated Dependent, of the availability, terms, and individual conversion rights as set forth in the Combined Evidence of Coverage and Disclosure Form.

#### 4. BENEFITS AND CONDITIONS FOR COVERAGE

The attached Combined Evidence of Coverage and Disclosure Form, Copayment Summary, Cover Sheet, and Other Documents listed on the Cover Sheet and included at the end of this Agreement are integral parts of this Agreement, and include a complete description of the Benefits and Conditions of Coverage of this Health Plan. The Plan and Rate Sheet documents included at the end of this Agreement identify the Plan Benefits.

#### 5. PARTIES AFFECTED BY THIS AGREEMENT; RELATIONSHIPS BETWEEN PARTIES

- 5.1 **Relationship of Parties.** Group is not the agent or representative of WHA and shall not be liable for any acts or omissions of WHA, its agents, employees or providers, or any other person or organization with which WHA has made, or hereafter shall make, arrangements for the performance of services under this Health Plan. Member is not the agent or representative of WHA and shall not be liable for any acts or omissions of WHA, its agents or employees.

- 5.2 **Compliance with the Health Insurance Portability and Accountability Act of 1996.** WHA shall comply in all respects with the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder.

- 5.2.1 Certificates of Creditable Coverage. WHA agrees to furnish written certification of prior creditable coverage ("Certificates") to all eligible Members, as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). WHA and Group acknowledge that WHA's agreement to issue Certificates to all eligible Members relieves Group of its obligation under

HIPAA to furnish Certificates. Further, Group acknowledges that WHA must rely completely on eligibility information and data (including, but not limited to, Member's name and current address) furnished by Group in issuing Certificates to Members. Group agrees to notify WHA of all terminations within 30 days of the termination, and to provide WHA with eligibility information and data within 30 days of its receipt or change. Group agrees to indemnify, defend and hold WHA harmless and accept all legal, financial and regulatory responsibility for any liability arising out of WHA's furnishing Certificates to eligible members under HIPAA.

5.2.2 Group Use and Disclosure of PHI. If and to the extent that WHA discloses protected health information ("PHI") (as defined in 45 CFR 160.103) to Group, Group agrees that it will:

- a. Not use or further disclose PHI or summary health information other than as permitted or required by the plan documents or as required by law;
- b. Ensure that any agents, including a subcontractor, to whom Group provides PHI received from WHA agree to the same restrictions and conditions that apply to Group with respect to such information;
- c. Not use or disclose the information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Group;
- d. Report to WHA any use or disclosure of the information that is inconsistent with the uses or disclosures provided for of which it becomes aware;
- e. Make available PHI in accordance with 45 Code of Federal Regulations, section 164.524;
- f. Make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 Code of Federal Regulations, section 164.526;
- g. Make available the information required to provide an accounting of disclosures in accordance with 45 Code of Federal Regulations, section 164.528;
- h. Make its internal practices, books, and records relating to the use and disclosure of PHI received from WHA available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining compliance by the WHA with this subpart;
- i. If feasible, return or destroy all PHI received from WHA that the Group still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- j. Ensure that the adequate separation required by 45 Code of Federal Regulations, section 164.504(f)(2)(iii) is established.

## 6. TERM OF AGREEMENT; RENEWAL PROVISIONS

- 6.1 **Term; Automatic Renewal.** The term of this Agreement shall be one year, commencing on the Group Coverage Effective Date set out in the Cover Sheet, unless otherwise indicated on the Cover Sheet or unless this Agreement is terminated as provided herein. This Agreement shall automatically renew for a one year term on each anniversary of the date of commencement of this Agreement or as indicated on

the Cover Sheet, unless terminated as provided herein. Renewal of this Agreement shall be subject to modification of rates and benefits pursuant to Section 3.6.

## 7. TERMINATION

- 7.1 **Termination of Agreement by Group.** Group may terminate this Agreement by giving a minimum of thirty (30) days written notice of termination to WHA. Group termination must always be effective on the first day of the month. Group shall continue to be liable for Health Plan Premiums for all Members enrolled in this Health Plan through Group until the date of termination.
- 7.2 **Termination of Individual Member Coverage by Group.** Group agrees that, if it instructs WHA to retroactively terminate coverage for any Member, that such termination of coverage is compliant with all state and federal restrictions on such terminations of coverage. Group further agrees to cooperate with any request for information related to any appeal or inquiry by WHA or by any state or federal regulator with respect to the termination of any Member.
- 7.3 **Termination by WHA.** WHA may terminate this Agreement only as set forth herein and allowed (or not disallowed) by federal and state laws and regulations. Any reason for termination set forth in this provision that is deemed to be contrary to law or regulation by WHA or the California Department of Managed Health Care or any other applicable government agency shall be considered of no effect during the period that it is so deemed. Termination of this Agreement shall result in termination of all Plan Benefits. Termination of supplemental benefits, other than terminations for Nonpayment of Health Plan Premiums, shall not result in termination of any benefits other than the terminated supplemental benefits.
- 7.3.1 For Nonpayment of Health Plan Premiums. WHA may terminate this Agreement if Group fails to pay Health Plan Premiums when due. Nonpayment of Health Plan Premiums includes payments returned due to non-sufficient funds (NSF) and post-dated checks. WHA shall provide notice of termination on or before the first day of the month prior to the coverage month stating that Health Plan Premiums for the coverage month, in addition to any other unpaid Health Plan Premiums, must be received by WHA within thirty (30) days of the notice date, and that if payment is not received within the thirty (30) day period, no further notice shall be given, and coverage for all Members will be cancelled as of the last day of the notice period.
- 7.3.1.1 *Reinstatement.* Receipt by WHA of all Health Plan Premiums then due and owing after termination of this Agreement for nonpayment shall reinstate this Agreement as though it had never been cancelled, if such payment then due and owing is received on or before the due date of the succeeding Health Plan Premium payment due date. However, WHA may avoid such reinstatement by one or more of the following methods:
- a. Specifying in the notice of termination, that if payment is not received within fifteen (15) days of issuance of such notice, a new application will be required

and the conditions under which a new contract will be issued or the original agreement reinstated; or

- b. If such payment is received more than fifteen (15) days after issuance of the notice of termination, WHA refunds such payment within twenty (20) business days; or
- c. If such payment is received more than fifteen (15) days after issuance of the notice of termination, WHA issues to Group within twenty (20) business days of receipt of such payment, a new contract accompanied by written notice stating clearly those aspects in which the new contract differs from the terminated contract in benefits, coverages and other aspects.

7.3.2 For Providing Misleading or Fraudulent Information. WHA may terminate this Agreement thirty (30) days after WHA sends written notice to Group if Group intentionally misrepresents a material fact to WHA.

7.3.3 For Ceasing to Meet Group Eligibility Criteria. WHA may terminate Group upon thirty (30) days written notice to Group if:

- a. Group fails to maintain Group Contribution requirements;
- b. No Eligible Employees or Eligible Dependents of Group are enrolled as WHA Members at the end of the calendar month prior to the renewal date.

7.4 **Return of Prepayment Premium Fees Following Termination.** In the event of termination by either WHA (except in the case of fraud or deception in the use of WHA services or facilities, or knowingly permitting such fraud or deception by another) or Group, WHA will, within thirty (30) days, return to Group the pro-rata portion of money paid to WHA which corresponds to any unexpired period for which payment has been received, together with amounts due on claims, if any, less any amounts due to WHA.

7.5 **Termination of Coverage of Members.** WHA may terminate coverage for any Member for the reasons set forth in the Combined Evidence of Coverage and Disclosure Form.

## 8. MISCELLANEOUS PROVISIONS

8.1 **Governing Law.** This Agreement is subject to the laws of the State of California and the United States of America, including the Knox-Keene Health Care Service Plan Act of 1974, as amended (codified at Chapter 2.2 of Division 2 of the California Health and Safety Code), and the regulations promulgated thereunder by the California Department of Managed Health Care (codified at Chapter 1 of Division 1 of Title 28 of the California Code of Regulations); and, the Employee Retirement Income Security Act of 1974, as amended (codified at Chapter 18 of Title 29 of the United States Code and the regulations promulgated thereunder by the United States Department of Labor (codified at Chapter XXV of Title 29 of the Code of Federal Regulations). Any provisions required to be in this Agreement by any of the above laws and regulations shall bind WHA, Group and Member whether or not expressly provided in this Agreement.

- 8.2 **WHA Names, Logos and Service Marks.** WHA reserves the right to control all use of its name, product names, symbols, logos, trademarks, and service marks currently existing or later established. Group shall not use WHA's name, product names, symbols, logos, trademarks, or service marks without obtaining the prior written approval of WHA.
- 8.3 **Assignment.** This Agreement and the rights, interests and benefits hereunder shall not be assigned, transferred, pledged, or hypothecated in any way by either party and shall not be subject to execution, attachment or similar process, nor shall the duties imposed herein be subcontracted or delegated without the approval of the other party. Notwithstanding the above, if WHA assigns, sells or otherwise transfers substantially all of its assets and business to another corporation, firm or person, with or without recourse, this Agreement will continue in full force and effect as if such corporation, firm or person were a party to this Agreement, provided such corporation, firm or person continues to provide prepaid health services.
- 8.4 **Validity.** The unenforceability or invalidity of any part of this Agreement shall not affect the enforceability and validity of the balance of this Agreement.
- 8.5 **Confidentiality.** WHA agrees to maintain and preserve the confidentiality of any and all medical records of Member in accordance with all applicable State and federal laws. However, Member authorizes the release of information and access to any and all of Member's medical records for purposes of utilization review, quality review, processing of any claim, financial audit, coordination of benefits, or for any other purpose reasonably related to the provision of benefits under this Agreement to WHA, its agents and employees, Member's participating medical group, and appropriate governmental agencies. WHA shall not release any information to Group which would directly or indirectly indicate to the Group that a Member is receiving or has received Covered Services, unless authorized to do so by the Member or permitted by law.
- 8.6 **Amendments.** This Agreement may be modified by WHA as set forth in Section 3.6 above, or it may be amended upon the mutual written consent of the parties.
- 8.7 **Attachments.** The Cover Sheet and Other Documents listed on the Cover Sheet and included at the end of this Agreement, and all terms and conditions set forth therein, as they are from time-to-time amended are incorporated by reference herein and made an integral part of this Agreement.
- 8.8 **Use of Gender.** The use of masculine gender in this Agreement includes the feminine gender and the singular includes the plural.
- 8.9 **Waiver of Default.** The waiver by WHA of any one or more defaults by Group or Member shall not be construed as a waiver of any other or future defaults under the same or different terms, conditions or covenants contained in this Agreement.
- 8.10 **Notices.** Any notice required or permitted under this Agreement shall be in writing and either delivered personally or by regular, registered, or certified mail, U.S. Postal Service Express Mail, or overnight courier, postage prepaid, or by facsimile transmission at the addresses set forth below:  
If to WHA:

Western Health Advantage  
2349 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833

If to Group or Member, at Group's or Member's last address known to WHA.

Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark date. If sent by regular mail, the notice shall be deemed given forty-eight (48) hours after the notice is addressed and mailed with postage prepaid. Notices delivered by U.S. Postal Service Express mail or overnight courier that guarantees next day delivery shall be deemed given twenty-four (24) hours after delivery of the notice to the United State Postal Service or courier. If any notice is transmitted by facsimile transmission or similar means, the notice shall be deemed served or delivered upon telephone confirmation of receipt of the transmission, provided a copy is also delivered via delivery or mail.

- 8.11 **Acceptance of Agreement.** Group may accept this Agreement either by execution of the Agreement or by making its initial payment to WHA of Health Plan Premiums on or before the due date specified on the Cover Sheet. Member accepts the terms, conditions and provisions of this Agreement upon completion and execution of the Enrollment form. Acceptance by any of these methods shall render all terms and provisions of this Agreement binding on WHA, Group and Members.
- 8.12 **Entire Agreement.** This Agreement, including all exhibits, attachments, and amendments, contains the entire understanding of Group and WHA with respect to the subject matter hereof and it incorporates all of the covenants, conditions, promises, and agreements exchanged by the parties hereto with respect to such matter. This Agreement supersedes any and all prior or contemporaneous negotiations, agreements, representations, or communications, whether written or oral, between Group and WHA with respect to the subject matter of this Agreement.
- 8.13 **Contracting Provider Termination.**
- 8.13.1 Except as provided in 8.13.2, WHA will provide written notice to Group within a reasonable time if it receives notice that any contracting provider terminates or breaches its contract with WHA, or is unable to perform such contract, if the termination, breach, or inability to perform may materially and adversely affect Group.
- 8.13.2 At least 60 days prior to the termination date of a contract between WHA and a provider group or a general acute care hospital, WHA shall send written notice of the termination by United States mail to Group and to Members who are assigned to the terminated provider group or hospital.
- 8.14 **Headings.** The headings of the various sections of this Agreement are inserted merely for the purpose of convenience and do not expressly, or by implication, limit or define or extend the specific terms of the section so designated.
- 8.15 **No Third Party Beneficiaries.** Except as otherwise expressly indicated in this Agreement, this Agreement shall not create any rights in any third parties who have not entered into this Agreement,

nor shall this Agreement entitle any such third party to enforce any rights or obligations that may be possessed by such third party.

- 8.16 **Indemnification.** Group and WHA agree to indemnify, defend and hold each other harmless and accept all legal and financial responsibility for any liability arising out of the other party's failure to perform its obligations as set forth in this Agreement.

## 9. ARBITRATION

- 9.1 **Member Appeals and Grievances.** The attached WHA Combined Evidence of Coverage and Disclosure Form includes a complete description of the WHA appeals and grievance procedures and dispute resolution processes for Members.
- 9.2 **Disputes Between WHA and Group.** All disputes between Group and WHA shall be resolved by binding arbitration before JAMS, a non-judicial arbitration and mediation service. If the amount at issue is less than \$200,000, then the arbitrator will have no jurisdiction to award more than \$200,000. The JAMS Comprehensive Arbitration Rules and Procedures ("Rules") in effect at the time a demand for arbitration is made will be applied to the arbitration. The parties will seek to mutually agree on the appointment of an arbitrator; however, if an agreement cannot be reached within 30 days following the date demanding arbitration, the parties will use the arbitrator appointment procedures in the Rules. Arbitration hearings will be held at the neutral administrator's offices in Sacramento, California or at another location agreed upon in writing by the parties. Civil discovery may be taken in such arbitration as provided by California law and civil procedure. The arbitrator(s) selected will have the power to control the timing, scope and manner of the taking of discovery and will have the same powers to enforce the parties' respective duties concerning discovery as would a Superior Court of California. This includes, but is not limited to, the imposition of sanctions. The arbitrator(s) will have the power to grant all remedies provided by California law. The arbitrator(s) will prepare in writing an award that includes the legal and factual reasons for the decision. The parties will divide equally the fees and expenses of the arbitrator(s) and the neutral administrator. The arbitrator(s) will not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected pursuant to California law. The Federal Arbitration Act, 9 U.S.C. §§ 1-4, will also apply to the arbitration.

## 10. GROUP'S AGREEMENT TO BE BOUND

Payment by Group of the first premium payment following the premium payment due with the Group's application shall constitute the Group's agreement to be bound by all of the terms and conditions of this Agreement, including but not limited to the **MANDATORY ARBITRATION** provision immediately following.

## 11. MANDATORY ARBITRATION

**Group, Member (including any heirs or assigns) and WHA agree and understand that any and all disputes by and between them, including claims of medical malpractice (that is as to whether any medical services rendered under the Health Plan were unnecessary or unauthorized or were improperly, negligently or incompetently rendered), except for claims subject to ERISA, shall be determined by**



submission to binding arbitration. Any such dispute will not be resolved by a lawsuit or resort to court process, except as California law provides for judicial review of arbitration proceedings. Each party, including any heirs or assigns, to this Agreement is giving up its constitutional right to have any such dispute decided in a court of law before a jury, and instead is accepting the use of binding arbitration. The location of the arbitration shall be Sacramento, CA.

**WESTERN HEALTH ADVANTAGE**

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

Name: Rita Ruecker

Title: Chief Financial Officer

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

**COUNTY OF SONOMA**

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

Name: \_\_\_\_\_

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

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