BlueCross BlueShield of North Carolina

GROUP CONTRACT

03/29/2023

ALICE SALTHOUSE
935 STATE FARM ROAD
BOONE NC, 28607

Group Number: 14161502

Dear Group Official:

Thank you for selecting Blue Cross and Blue Shield of North Carolina (Blue Cross NC). We appreciate the confidence you have expressed in our organization and consider every interaction an opportunity to exceed your expectations.

If you have questions concerning your coverage, call your Blue Cross and Blue Shield Account Manager or our toll free number 1-800-446-8053. Also visit our website at **www.BlueCrossNC.com** where you will find a variety of helpful information under the Employer section.

When you signed the Group Application at the time of enrollment, your signature indicated that you accepted the terms of the enclosed Group Contract/Booklet for your legal files.

Again, thanks for choosing Blue Cross and Blue Shield of North Carolina.

Sincerely,

Roy Watson, Jr.
Vice President, Group and State Segment

Enclosures:

- K50, Important Notice For Executive Contact
- Master BCBSNC Group Contract (1)
- Benefit Booklets incorporated by reference as fully as set forth herein:

  14161502/FS006930/20230401
  14161502/FS007028/20230401
  14161502/FS007264/20230401

BlueCross BlueShield of North Carolina

GROUP ADMINISTRATOR TOOLKIT
www.bcbsnc.com/employers/

ALICE SALTHOUSE
935 STATE FARM ROAD
BOONE NC, 28607

Group Name: High Country Community Health
Group Number: 14161502

Dear Group Administrator:

Welcome! Thank you for choosing Blue Cross and Blue Shield of North Carolina for your health care needs. We are pleased to provide you with quality health care.

For your convenience, a variety of tools and information is available on our website at **www.bcbsnc.com/employers/**. It contains a Group Administrator Toolkit which will help you access the most up-to-date versions of any Blue Cross and Blue Shield of North Carolina forms that you may need.

- Provider Directory - "Find a Doctor"
- Memeber Drug Formulary - "Find a Drug"
- Administrative Forms - "Forms"
- Enrollment/Change Form (in English and Spanish)
- Declination of Coverage Form (in English and Spanish)
- Prescription Drug Reimbursement Form
- Subscriber/Member Claim Form
- View Summary and Detailed Invoices
- Pay Monthly Invoices
- Access Benefit Booklets and Uniform Coverage Documents
- Access Group Contract

To register, simply visit **www.bcbsnc.com**, click the "Employers" tab, and then click the "Register Now" link located under the Employer Services section. Next, click the "Register Now" button as either an Authorized Signer or an Administrator/General User. Finally, complete the registration information form. Please note that an Authorized Signer must be successfully registered before Administrators and General Users can obtain access.

We hope you find our website, **www.bcbsnc.com/employers**/, useful and save it as a favorite link since features are routinely updated. If you do not have web access, please call the Employer Services line at the phone number below for assistance. At Blue Cross and Blue Shield of North Carolina, we consider every interaction to be an opportunity to exceed expectations.

Again, thank you for choosing Blue Cross and Blue Shield of North Carolina.

Sincerely,

Blue Cross and Blue Shield of North Carolina

PO Box 2291 · Durham, NC 27702-2291
An Independent Licensee of the Blue Cross and Blue Shield Association

BlueCross BlueShield of North Carolina

Employer Services Line
(Enrollment/Billing)
1-877-237-6275

Customer Service
(Claims/Benefits)
1-877-258-3334

Group #/ProductId/Effective Date:

14161502/FS006930/20230401
14161502/FS007028/20230401
14161502/FS007264/20230401

GROUP CONTRACT

Between

High Country Community Health (Plan Sponsor)

and

BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA

An Independent Licensee of the Blue Cross and Blue Shield Association

Effective: 04/01/2023

READ CAREFULLY

IMPORTANT CANCELLATION INFORMATION

Your Group Contract and/or Member's coverage may be canceled by the Insurer. This information is contained in the Term and Termination section of your Group Contract. Please read this information carefully to understand the terms of your coverage.

IMPORTANT NOTICE FOR EXECUTIVE CONTACT

Upon the issuance or renewal of any policy, contract, certificate, or evidence of coverage of group health or life insurance, the insurer, corporation, or health maintenance organization shall give written notice to the insurance fiduciary of the provisions of G.S. 58-50-40.

The notice is as follows:

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, PRINCIPAL, AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP HEALTH OR LIFE INSURANCE OR GROUP HEALTH PLAN PREMIUMS, SHALL; (1) CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP HEALTH OR LIFE INSURANCE, HOSPITAL, MEDICAL, OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF COVERAGES OF THE PERSONS INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTRACT, AND (2) WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY A WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. THIS WRITTEN NOTICE MUST ALSO CONTAIN A NOTICE TO ALL PERSONS COVERED BY THE GROUP POLICY OF THEIR RIGHTS TO HEALTH INSURANCE CONVERSION POLICIES UNDER ARTICLE 53 OF CHAPTER 58 OF THE GENERAL STATUTES AND THEIR RIGHTS TO PURCHASE INDIVIDUAL POLICIES UNDER THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT AND UNDER ARTICLE 68 OF CHAPTER 58 OF THE GENERAL STATUTES. VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

This Group Contract is the legal contract between High Country Community Health and Blue Cross and Blue Shield of North Carolina. **Please read this Group Contract carefully**.

AMENDED AND RESTATED
GROUP CONTRACT

This amended and restated Group Contract made and entered into this 29th day of March, 2023, by and between BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA, an independent licensee of the Blue Cross and Blue Shield Association, with its principal office located at 4613 University Drive (P.O. Box 2291, Durham, North Carolina 27702), Durham, North Carolina 27707 (hereinafter termed "Blue Cross NC,") and High Country Community Health of BOONE, NC (hereinafter termed "Plan Sponsor") (each, a "Party" and collectively, the "Parties"):

Witnesseth

WHEREAS, Blue Cross NC and the Plan Sponsor entered into a Group Contract on the 1st day of April, 2022, which the parties have subsequently amended and/or now wish to amend and to restate including all such amendments and modifications, all of which amendments and modifications are contained in the following amended and restated Group Contract.

NOW, THEREFORE, the following amended and restated Group Contract is hereby made and entered into as an amendment and restatement, effective the 1st day of April, 2023, of the Group Contract between Blue Cross NC and the Plan Sponsor presently in effect:

THAT FOR AND IN CONSIDERATION of the mutual covenants and considerations stated in this agreement, the parties agree to establish a group insurance plan for employees of the Plan Sponsor as follows:

I. DEFINITIONS

Except as otherwise specifically stated herein, capitalized terms used in this Contract shall have the same meaning as is specified in the Glossary section of the benefit booklet(s) listed herein under "Incorporated Documents" and hereinafter referred to as "Benefit Booklet(s)."

II. HEALTH BENEFIT PLAN

1. Health Benefits. Blue Cross NC shall provide Member benefits in accordance with the Benefit Booklet(s) herein incorporated by reference, except as may be otherwise provided in this Group Contract (hereinafter called "Contract") or any amendments hereto made from time to time. If there is any conflict between the provisions of the Benefit Booklet(s) and this Contract, as amended, the provisions of this Contract, as amended, shall prevail.

2. Participating Plans. Blue Cross NC may make an agreement with any appropriate entity (referred to as a Participating Plan) to administer in whole or in part, benefits for Covered Services to Members.

3. Alternate Benefit Plan. In exchange for or in addition to benefits specified in this Contract, Blue Cross NC may elect, in writing, to offer benefits for services furnished by any Provider or vendor pursuant to a Blue Cross NC approved Alternate Benefit Plan mutually agreed upon by Blue Cross NC and the Member or his or her representative. An "Alternate Benefit Plan" is defined as a Blue Cross NC approved plan of cost-effective care, services and benefits based on a cost/benefit analysis of care for selected Members which may differ from the services covered or benefits otherwise provided under this Contract.

4. Identification Cards. Blue Cross NC will provide Identification Cards for Subscribers and dependents age 18 and older, or to a custodial parent or legal guardian under a court or administrative order. The Identification Card is Blue Cross NC's property, and Blue Cross NC reserves the right to reclaim the card if it is misused or when a Subscriber or Member disenrolls.

5. Summary of Benefits and Coverage ("SBCs")/Notice of Material Modifications. Blue Cross NC shall provide the Plan Sponsor with an electronic copy of all applicable SBCs, as defined by the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively referred to as the Affordable Care Act or "ACA") and subsequent amendments and regulations, describing the benefits and coverage under this Contract.

   The Plan Sponsor shall distribute applicable SBCs to Subscribers who apply for coverage prior to and/or are enrolled as of the effective date of the health benefit plan, either in a paper form or electronically as agreed to by the parties. The Plan Sponsor shall provide SBCs to all eligible Members who enroll at any time after the Effective Date, including new Employees/special enrollees and their Dependents, as well as those Employees and their Dependents who do not enroll in the health benefit plan. Parties shall distribute all SBCs at designated times and within timeframes as required by applicable laws and regulatory guidance. The Plan Sponsor shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to the failure of the Group to provide such SBCs as required by law.

   Blue Cross NC shall also post the SBCs online for Subscribers for convenience as of the effective date of coverage. The Plan Sponsor shall distribute applicable SBCs, either electronically or in a paper form as required, at designated times and within timeframes as required by applicable laws and regulatory guidance, to all

Subscribers of the health benefit plan, including special enrollees and new hires, and to employees and their dependents who do not enroll in the health benefit plan. Upon receiving a request, each Party agrees that it shall distribute applicable SBCs to Subscribers at no cost. In the event the Group requests changes to the Group Health Plan that would affect the content of the SBC and which would occur other than in connection with renewal, the Group acknowledges their obligation to provide a notice of material modification as required by federal law.

The Plan Sponsor shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to the failure of the Plan Sponsor to provide such SBCs or notices of material modification as required by law.

6. Benefit Booklets. Blue Cross NC shall provide Subscribers and custodial parents or legal guardians under a court or administrative order with an electronic copy of the Benefit Booklets describing this Contract's benefits and providing claims filing instructions through Blue Cross NC's website. Blue Cross NC will deliver a paper copy of the Benefit Booklets to Subscribers and custodial parents or legal guardians under a court or administrative order upon their request.

7. Incorporated Documents. The following documents are herein incorporated by reference as fully as if set forth herein:

   K50, Important Notice for Executive Contact
   14161502/FS006930/20230401
   14161502/FS007028/20230401
   14161502/FS007264/20230401

8. Medicare Part D. The Plan Sponsor is responsible for all aspects of ensuring that the health benefit plan is in compliance with the requirements of the Medicare Modernization Act and the regulations implementing the Medicare Part D drug benefit found at 42 C.F.R. Part 423, including but not limited to the requirement that the Plan Sponsor provides notices of Creditable Coverage to Medicare eligible Members informing them whether their Prescription Drug coverage under the health benefit plan is actuarially equivalent to the Medicare Part D benefit.

9. Medicare Modernization and SCHIP Extension Act of 2007 (MMSEA) - Sec. 111 (42 U.S.C. Section 1395y(b)(7)). The Plan Sponsor shall provide all necessary Plan Sponsor information for reporting required under MMSEA for group health plans and as requested by Blue Cross NC.The Plan Sponsor shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred

or paid by Blue Cross NC related to the failure of the Plan Sponsor to provide the requested information.

10. Medical Loss Ratio Requirements. The Plan Sponsor shall provide all Plan Sponsor Employee information necessary for calculation and reporting of the medical loss ratio ("MLR") as required under ACA for health insurance issuers and as reasonably requested by Blue Cross NC. Further, any rebates issued by Blue Cross NC that are allocated to this Contract, due to the MLR being lower than the required minimum, will be paid to the Plan Sponsor, and it shall be the Plan Sponsor's sole responsibility to determine the disposition of such funds. In the case of a non-governmental group health plan not subject to ERISA, the Plan Sponsor hereby agrees that any rebate will be used in accordance with 45 C.F.R. § 158.242(b)(3). The Plan Sponsor shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to the failure of the Plan Sponsor to provide the requested information or related to the disposition of rebate funds by the Plan Sponsor.

11. Flexible Spending Arrangement. As part of the health benefit plan, the Plan Sponsor may offer to Participants a Health and/or Dependent Care Flexible Spending Arrangement (“FSA”) under Sections 105, 125, and 129 of the Internal Revenue Code (“Code”) and the underlying regulations, which allows Participants to allocate pre-tax salary reduction contributions to an account (hereinafter referred to as “the Fund” or “Fund”) and receive tax-free reimbursement for medical expenses and/or dependent care expenses. With respect to the Health and/or Dependent Care FSA provided by the Plan Sponsor, Blue Cross NC shall provide or arrange for the provision of administrative services as described in the Flexible Spending Arrangement Services Appendix (“FSA Services Appendix”). Unless otherwise specified in the FSA Services Appendix, the fee for the FSA administrative services is included as part of the Fees paid by the Plan Spionsor under this Contract. All other duties related to the FSA not set forth in the FSA Services Appendix are the responsibility of the Plan Sponsor.

12. Health Savings Account. The Plan Sponsor is making available to Subscribers a Health Savings Account (hereinafter referred to as "the Fund" or "Fund") under Section 233 of the Internal Revenue Code. The Fund is not part of the health benefit plan administered by Blue Cross NC. The Fund is administered by a third party administrator, and any contract between the Plan Sponsor and that third party administrator (hereinafter referred to as the "HSA Contract") will be entered into by the Plan Sponsor and its third party administrator separately. The Plan Sponsor may elect any third party administrator it chooses to be its fund administrator; however Blue Cross NC makes a preferred third party administrator

available to the Plan Sponsor. Blue Cross NC does not provide any services with respect to any non-preferred third party administrator.

Blue Cross NC provides the following services only with respect to the HSA administered by its preferred third party administrator: Blue Cross NC includes a fee for providing such third party administrator as part of Blue Cross NC's fee to the Plan Sponsor. Blue Cross NC then reimburses the third party administrator's administrative fee. Blue Cross NC receives a referral fee from the HSA administrator in exchange for combining the HSA account offering with Blue Cross NC's High Deductible Health Plan ("HDHP"). This referral fee is currently calculated based on a percentage of Subscriber's contributions to the Fund. The Plan Sponsor is solely responsible for funding of the HSA accounts, to the extent a contribution has been offered by the Plan Sponsor to Subscribers. In addition and on behalf of the third party administrator, Blue Cross NC may, from time to time, print and mail information pertaining to the HSA to the Plan Sponsor's subscribers. All contractual materials related will be delivered directly by the preferred third party administrator. Blue Cross NC also provides initial information regarding the HSA, and collects enrollment information from the Plan Sponsor. All of the above services are provided by Blue Cross NC solely as a convenience to the Plan Sponsor, as a means of streamlining the transaction. The provision of these services is in no way intended to indicate or imply that Blue Cross NC is responsible for the administration of the Fund, or for any other risks, duties, or legal or contractual obligations related to the Fund. The Plan Sponsor further agrees that Blue Cross NC may align with a different preferred HSA administrator during the term of this Contract. If this occurs, the Plan Sponsor and Blue Cross NC will cooperate in an orderly transition to the new administrator.

Therefore, notwithstanding any provision of this Contract to the contrary, the Plan Sponsor acknowledges and agrees:

(i) that any HSA Contract is solely between the third party administrator and the Plan Sponsor,

(ii) that Blue Cross NC is not a party to any HSA arrangement,

(iii) that Blue Cross NC and any third party administrator are separate, unaffiliated legal entities,

(iv) that Blue Cross NC will have no responsibility for the administration of the Fund, and

(v) that Blue Cross NC will be held harmless from any and all liability relating to the administration (including but not limited to claims payments) and/or tax implications of the Fund.

The Plan Sponsor is solely responsible for determining the appropriate contribution levels and appropriate tax treatment of its contributions towards Subscribers' Funds. Improper contributions to a Fund can result in incorrect tax reporting by the Plan Sponsor and the Subscriber. Blue Cross NC offers no tax advice and assumes no liability with respect to incorrect contributions to a Fund by the Plan Sponsor, regardless of whether Blue Cross NC is informed in advance by the Plan Sponsor regarding such contributions. The Plan Sponsor should seek appropriate advice from a qualified tax advisor.

13. Access to Information. Subject to the limitations of the Confidentiality section, Blue Cross NC will provide Group Health Plan data to third party vendors at the request of the Plan Sponsor. Blue Cross NC will provide such information if (a) permitted by law and (b) the information relates to the services provided under this Agreement. Blue Cross NC shall have 90 days to respond to the Plan Sponsor's request for such information that satisfies the requirements of this provision. Blue Cross NC may charge a Fee for data where Blue Cross NC offers the services provided by the third party vendor. Such Fees, if applicable, are described in Blue Cross NC Reporting and Data Extract Fees, herein incorporated by reference.

III. ELIGIBILITY AND ENROLLMENT

1. Probationary Period Employees are not required to complete an orientation and/or probationary period prior to being eligible to enroll in coverage under this Contract.

   The Plan Sponsor shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to the Plan Sponsor's failure to (1) properly notify and timely notify Blue Cross NC that an employee has satisfied the relevant eligibility conditions for coverage; or (2) otherwise comply with the prohibition on excessive waiting periods.

2. Effective Date of Coverage

   If Employees are eligible with or without eligible Dependents on the Plan Sponsor's contract date and apply for coverage, the effective date will be the Plan Sponsor's contract date.

   If Employees are eligible with or without eligible Dependents after the Plan Sponsor's contract date, and apply for coverage within 30 days of being eligible, the effective date is the 1st day of the following month.

If Employees are eligible with or without eligible Dependents and do not apply for coverage within 30 days of being eligible to do so, then the person may apply at any time. The effective date will be the 1st day of the month following receipt of the application.

The medical enrollment period does not apply to dental enrollment. For dental enrollment, if Employees are eligible with or without eligible Dependents and do not apply for coverage within 30 days of being eligible to do so, then the person will not be eligible for coverage, unless otherwise allowed in the Benefit Booklet.

3. The Plan Sponsor agrees to offer the coverage herein provided to all eligible persons, as defined in the Benefit Booklet(s) and in compliance with all applicable federal and state laws, that may include but are not limited to the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, the Public Health Service Act, as amended, the Internal Revenue Code of 1986, as amended, and ACA. The Plan Sponsor shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to the failure of the Plan Sponsor to comply with applicable federal and state laws referenced above. The Plan Sponsor further agrees to provide initial and subsequent enrollment information to Blue Cross NC either by having Blue Cross NC paper applications signed and sent to Blue Cross NC or by transmitting such information electronically using a Blue Cross NC-designated electronic format. The availability of the electronic transmission of enrollment information is dependent on group size. As to those who do not enroll, the Plan Sponsor may, at the request of Blue Cross NC, have a waiver either signed and returned to Blue Cross NC or have a waiver recorded and maintained for a period of 11 months. Blue Cross NC reserves the right to perform an eligibility audit on a Group Health Plan upon reasonable notice. The Plan Sponsor shall provide necessary information to Blue Cross NC upon request.

4. Enrollment and administration of Member benefits shall be in accordance with this Contract, and the Benefit Booklet(s) are herein incorporated by reference, except to the extent modified by this Contract, as amended from time to time, or as otherwise required by applicable law regarding Blue Cross NC's obligation as a successor carrier to enroll persons without regard to confinement, actively at work status, or pregnancy, if they are otherwise eligible, upon issuance of this Contract. The Plan Sponsor must furnish Blue Cross NC with any data required by Blue Cross NC for coverage of Members under this Contract. In addition, the Plan Sponsor must provide prompt notification to Blue Cross NC of the effective date of any changes in a Member's eligibility status under this Contract of which Plan Sponsor has actual knowledge. The Plan Sponsor agrees that terminations to membership, excluding terminations as a result of fraud or intentional

misrepresentation of material fact, will not be made effective retroactively more than 30 days prior to the date Blue Cross NC is notified of the change. The Plan Sponsor shall ensure that any retroactive Member termination forwarded to Blue Cross NC is in compliance with federal law, specifically with any prohibition on rescissions. Blue Cross NC will assume that the Plan Sponsor's request for a retroactive termination is compliant with the law. The Plan Sponsor is solely responsible for providing to the Member any notice related to retroactive terminations or rescissions that are required by law. The Plan Sponsor shall indemnify and hold harmless Blue Cross NC for any loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorney's fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to a retroactive termination.

5. Any Members eligible under this Contract are subject to the same eligibility requirements as are applicable to employees that apply under any other health benefit plan or health maintenance organization plan offered by the Plan Sponsor. In the event the number of active eligible employees participating under this Contract reaches zero, this Contract and Member coverage hereunder shall automatically terminate as of the last paid thru date.

IV. WELLNESS PROGRAMS

1. Healthy Outcomes. Blue Cross NC shall make available to the Plan Sponsor a Health and Wellness Program which is designed to promote healthy behaviors of Members. Healthy Outcomes provides an integrated disease management and wellness offering that includes, but is not limited to, disease management, online wellness programs and resources (including a health assessment), case management and a 24/7 Nurseline. Blue Cross NC shall provide various communication tools to encourage the healthy behaviors and engagement of members in Healthy Outcomes. A more detailed description of this program is described on the Program Selection Chart, herein incorporated by reference.

2. Blue Rewards. Blue Cross NC shall make available to the Plan Sponsor a rewards program where members will be rewarded for a variety of activities, including but not limited to, activities that promote health and wellness, educate members on benefits and provider selection, and use of Blue Cross NC online tools. A more detailed description of this program is described on the Program Selection Chart, herein incorporated by reference.

   Employers with over 100 Employees may elect additional wellness programs as rewardable activities for active subscribers. Certain programs and/or activities require a direct contract between the Plan Sponsor and an approved third party vendor. Blue Cross NC shall have no liability or responsibility for the activities that are contracted for directly between the Plan Sponsor and a third party vendor.

The Plan Sponsor shall be responsible for complying with all applicable federal and state laws with respect to the payment of any reward related to Blue Rewards, including without limitation reporting the amount of the reward on each Employee's Form W-2. Blue Cross NC shall provide the Plan Sponsor a summary of the total dollar amount of the rewards paid annually to each Employee.

The Program Selection Chart. The Program Selection Chart, herein incorporated by reference, (i) provides detailed program information for the above referenced wellness programs; (ii) identifies any additional program components selected by the Plan Sponsor; and (iii) lists any additional fees (collectively referred to as "Wellness Program Fees") that may be associated with the selection of certain program components or additional administrative fees such as paper health risk assessment fees and custom reporting fees. Some election options may be billed differently and/or limited by group size. Blue Cross NC may charge a late fee per day in the event payment of invoiced fees are not received by Blue Cross NC at its principal office within ten days of the due date.

V. FEES

1. Unless otherwise stipulated herein or by amendment hereto, coverage under this Contract is subject to the rating program approved by the North Carolina Insurance Department. Rates are guaranteed for a minimum period of 12 months from the effective date of this Contract or any subsequent renewal date, except as otherwise requested by the Plan Sponsor. Thereafter, any rate adjustment required under said rating program may be made by Blue Cross NC at any time upon 45 days written notice or issuance of the Plan Sponsor's finalized benefits, whichever is earlier, without requirement of signature by the Plan Sponsor.

   The medical rate page (MRP1), herein incorporated by reference, provides specific rate information for the Plan Sponsor.

2. If applicable, the Plan Sponsor agrees to collect the Members' fees and to transmit such fees along with the Plan Sponsor's required contribution (hereinafter referred to as "Fees") to Blue Cross NC's principal office on or before the due date of such Fees.

3. Blue Cross NC may charge the Plan Sponsor a late fee in the event the Fees are not received by Blue Cross NC at its principal office within fifteen days of the due date. In addition, Blue Cross NC may charge the Plan Sponsor a returned payment fee to cover the added administrative cost of processing multiple payments if the Plan Sponsor's bank does not honor the Plan Sponsor's check or other form of payment.

4. In the event the Fees collected by the Plan Sponsor and any additional charges as specified in paragraph 3 of this section are not received by Blue Cross NC at its principal office within 30 days of the end of the last paid thru date, this Contract and Member coverage hereunder shall automatically terminate as of the last paid thru date. In the event Blue Cross NC does not exercise its right to automatically terminate on the 30th day, the right of termination will not be waived. Instead, beyond that 30th day Blue Cross NC will retain the right to terminate immediately for nonpayment upon written notice.

5. The Plan Sponsor agrees that Blue Cross NC's obligation to pay claims for a given billing period does not arise until the Fees, and any late fees or returned payment fees, have been received for that billing period. Fees will be applied chronologically, to the oldest unpaid billing period.

VI. ADMINISTRATION OF COBRA CONTINUATION COVERAGE

In the event that federal continuation of coverage requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, apply to the Plan Sponsor, the obligations of the parties are as set forth in federal law except as described below:

1. Obligations of Plan Sponsor

   a. The Plan Sponsor retains responsibility for all aspects of the administration of COBRA, pertaining to the group health insurance coverage provided by this Contract, which are not delegated to the COBRA administrator(s) as provided in paragraph 3 of this section. Neither Blue Cross NC nor the COBRA administrator(s) is the plan administrator or plan sponsor for purposes of COBRA, and has no responsibility for the Plan Sponsor's COBRA administration obligations except as indicated in paragraphs 2 and 3 of this section, respectively.

   b. The Plan Sponsor delegates to Blue Cross NC the responsibility for designating one or more COBRA administrators, as applicable, which may include Blue Cross NC itself, and delegate to the COBRA administrator(s) the COBRA administration responsibilities as provided herein at paragraph 3 of this section.

   c. Upon receipt of notice from Blue Cross NC that one or more COBRA administrators is not designated pursuant to paragraph 2.a of this section to perform COBRA administration for the Plan Sponsor, the Plan Sponsor shall assume responsibility for such services.

   d. The Plan Sponsor shall notify the COBRA Administrator, using the procedures specified by the COBRA Administrator, of any initial qualifying

event that occurs with respect to a covered Employee, spouse and/or Dependent. Such notice shall be provided within thirty (30) days of the qualifying event or the date coverage is lost on account of the qualifying event, whichever is later, unless the qualifying event is the Employee's divorce or a Dependent aging out of the Plan in which case the notice shall be provided within 3 days following the Plan Sponsor's receipt of notice by an Employee, spouse or Dependent of such qualifying event. The Plan Sponsor shall be responsible for determining whether an individual has had a qualifying event for COBRA purposes and the date of the qualifying event. In the event that Blue Cross NC does not agree with the Plan Sponsor's determination that a COBRA qualifying event has occurred, Blue Cross NC shall not be obligated to provide COBRA coverage to the ineligible individuals.

e. The Plan Sponsor shall, upon Blue Cross NC's request, confirm in writing whether the4 Plan Sponsor is subject to COBRA, which request shall not be made by Blue Cross NC more often than annually unless special circumstances require that Blue Cross NC request such confirmation more frequently.

2. Obligations of Blue Cross NC

a. Blue Cross NC, on behalf of the Plan Sponsor, may designate one or more COBRA administrators to perform COBRA administration responsibilities specified herein at paragraph 3 of this section and may enter into a contract with the COBRA administrator(s) for that purpose.

1) The selected COBRA administrator is the representative of the Plan Sponsor, not the representative of Blue Cross NC.

2) Unless Blue Cross NC is the designated COBRA administrator, Blue Cross NC is not responsible for the COBRA administrator's performance of the duties specified herein at paragraph 3 of this section.

b. Blue Cross NC, on behalf of the Plan Sponsor, will allocate part of the fees charged to the Plan Sponsor to the COBRA administrator(s) for the services provided in paragraph 3 of this Section.

c. To the extent required by COBRA, and upon timely receipt of premiums and proper enrollment forms and election of coverage, Blue Cross NC will provide coverage to qualified beneficiaries after the period that their coverage would normally cease under the Contract.

3. Obligations of the COBRA Administrator(s)

a. The designated COBRA administrator(s) will be responsible for the following COBRA administration functions for the health product(s):

1) Determine whether the Plan Sponsor must comply with the requirements of COBRA based on the information received from the Plan Sponsor.

2) Mail, within the applicable time required by COBRA, the initial COBRA rights notification letter to (i) newly-covered Employees and spouses informing them of their rights under COBRA and (ii) current COBRA members who are new to the COBRA administrator; such notice to the address of the Subscriber contained in Blue Cross NC's records or to such other address required under COBRA.

3) Upon timely notice from the Plan Sponsor that an initial COBRA qualifying event has occurred, mail the qualifying event notification of COBRA rights to each qualified beneficiary based on information provided by the Plan Sponsor through a format designated by the COBRA Administrator; such notice to be sent to the home address of the Subscriber or such other address required under COBRA.

4) Receive and process COBRA election forms from qualified beneficiaries.

5) Assume responsibility for the billing and collection of COBRA continuation fees from qualified beneficiaries based on the information provided by the Plan Sponsor or Blue Cross NC to the COBRA administrator. The COBRA administrator may bill the fee plus 2% to the qualified beneficiary. The COBRA Administrator may retain the additional 2%, known as the COBRA administration fee.

6) Provide notification of conversion rights, if any, on termination of COBRA coverage as required by COBRA.

7) Provide and develop all necessary correspondence, notices, forms, materials and manuals to the Plan Sponsor and COBRA qualified beneficiaries, as required by COBRA.

8) Establish procedures to verify eligibility for COBRA coverage; provided, however, that, as part of these procedures, COBRA Administrator shall be entitled to rely on the Plan Sponsor’s representation that it is subject to COBRA and/or notice that an initial qualifying event has occurred.

9) Provide a reasonable level of customer service with respect to its COBRA responsibilities.

10) Retain records as required by federal law, maintain confidentiality of those records, provide a disaster recovery program, and provide reasonable access to the records by the Plan Sponsor.

11) On termination of its responsibilities as COBRA administrator for the Plan Sponsor, furnish to the Plan Sponsor or its agent all records necessary for continued administration of the Plan Sponsor's COBRA responsibilities.

12) If the Plan Sponsor is subject to COBRA in one year and is not subject to COBRA in the following year or a subsequent year, the COBRA Administrator shall continue to provide COBRA administration services, subject to the terms of this Agreement, with respect to any qualified beneficiary who became eligible for COBRA coverage on or before the date the Plan Sponsor was no longer subject to COBRA to the extent required under COBRA.

4. Obligations of Members

   a. The Member must provide the Plan Sponsor with all required notices, in the form and within the time period required by COBRA, the Plan Sponsor, and the COBRA administrator.

5. This provision shall not be interpreted to grant to any Member any continuation rights in excess of those required by COBRA. Further, this Contract shall be interpreted, if necessary, so as to comply with COBRA and any changes to COBRA that are mandatory with respect to the Plan Sponsor.

VII. NORTH CAROLINA HEALTH PROVIDER ARRANGEMENTS

Member/Blue Options Participating Provider/Blue Cross NC Relationship

1. Blue Cross NC has contracts with certain Providers of health care services for the provision of, and payment for, health care services rendered to all Members entitled to health care benefits under this Contract. Blue Cross NC's payment to Providers may be based on an amount other than the Provider's actual charges, including without limitation, a fixed amount per Member per month (capitation), an amount per confinement or episode of care, agreed upon schedule of fees, or other methodology as agreed upon by Blue Cross NC and the Provider. Under certain circumstances, a contracting Provider may receive payments from Blue Cross NC greater than the charges with respect to services rendered to an eligible Member, or Blue Cross NC may pay less than charges for services, due to the negotiated contracts. The Member is not entitled to receive any portion of the payments made under the terms of contracts with Providers. The Member's liability when defined as a percent of charge, shall be calculated based on the

lesser of the Allowed Amount or the Provider's actual charge for Covered Services rendered to a Member.

Blue Cross NC may, from time to time, make additional payments to contracting Providers providing health care services. These payments may be based on Blue Cross NC's evaluation of the quality and cost-effectiveness of the health care services provided to Members. The method, frequency and amount of such payments shall be determined solely by Blue Cross NC. Any payments of this type made by Blue Cross NC shall not serve to increase or decrease any payments due or owing by the Member.

2. The relationship between Blue Cross NC and In-Network Providers is that of an independent contractor relationship; Hospitals, Nonhospital Facilities, Doctors or Other Professional Providers are not agents or employees of Blue Cross NC, nor is Blue Cross NC or any employee of Blue Cross NC, an employee or agent of Hospitals, Nonhospital Facilities, Doctors or Other Professional Providers. Blue Cross NC shall not be liable for any claim or demand on account of damages arising out of, or in any manner connected with, injuries suffered by the Member while receiving care in any Hospital or Nonhospital Facility or provided by any Doctor or Other Professional Provider, except Blue Cross NC may have liability for claims brought under Article 1G of Chapter 90 of the North Carolina General Statutes.

   In-Network Providers maintain the Provider-patient relationship with Members and are solely responsible to Members for all health services. Certain Members may, for personal reasons, refuse to accept procedures or treatment by an In-Network Provider. In-Network Providers may regard such refusal to accept their recommendations as incompatible with continuance of the Provider-patient relationship and as obstructing the provision of proper Medical Care. In-Network Providers shall use their best efforts to render all necessary and appropriate professional services in a manner compatible with a Member's wishes insofar as this can be done consistently with the In-Network Provider's judgment as to the requirements of proper medical practice. If a Member refuses to follow a recommended treatment or procedure, and the In-Network Provider believes that no professional acceptable alternatives exist, such Member shall be so advised.

   Neither the Plan Sponsor nor any Member is the agent or representative of Blue Cross NC, and neither shall be liable for any acts or omissions of Blue Cross NC, its agents or employees or of In-Network Providers or any other person or organization with which Blue Cross NC has made or hereafter shall make arrangements for the performance of services under this Contract.

Relationship Between Provider, Blue Cross NC, and Member Enrolled on Blue Options Plan of Coverage

3. The choice of a Provider is solely the Member's. Blue Cross NC does not furnish Covered Services but only facilitates payment for Covered Services received by Members. Blue Cross NC is not liable for any act or omission of any Provider. Blue Cross NC has no responsibility for a Provider's failure or refusal to render Covered Services to a Member.

   The use of an adjective such as Participating or Non-Participating as applied to any Provider is not a statement as to the existence of a principal/agent or employer/employee relationship or as to the ability of the Provider.

4. Recoveries of overpayments from Participating Providers 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, Blue Cross NC will engage third parties to assist in identification or collection of overpayment amounts. The fees of such a third party are deducted from the recovery. Recovery amounts, net of fees, if any, will be applied in accordance with applicable Blue Cross NC Policies, which generally require correction on a claim-by-claim or prospective basis.

5. Price Transparency Requirements

   Blue Cross NC, on behalf of the Plan Sponsor, shall make available on an internet website the information required by 45 CFR § 147.212(b) and Blue Cross NC will provide and update such information in accordance with applicable law.

VIII. INTER-PLAN ARRANGEMENTS

A. Definitions

In addition to the defined terms contained in the Glossary section of the Benefit Booklet(s), the following definitions apply to this provision. Where a term is defined in both sections, the definitions set forth herein shall control when interpreting this section.

1. "Inter-Plan Arrangements" means a national arrangement for extending access to cost-effective health care outside of Blue Cross NC's service area, through Blue Cross and/or Blue Shield Licensees (Plans and certain Plan affiliates) that have agreed to participate.

2. "Host Blue" means the independent Blue Cross and/or Blue Shield Licensees (Plans and certain Plan affiliates) that participate in Inter-Plan Arrangements and provide Provider network access and claim pricing for other independent Blue Cross and/or Blue Shield Licensees (Plans and certain Plan affiliates), including Blue Cross NC, when Members receive medical services in that Host Blue's service area.

B. Services Received Outside Of North Carolina

Blue Cross NC has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Arrangements." Inter-Plan Arrangements operate under rules and procedures issued by the Blue Cross Blue Shield Association ("Association"). Whenever Members access health care services outside the geographic area Blue Cross NC serves, the claim for those services may be processed through one of these Inter-Plan Arrangements and presented to Blue Cross NC for payment.

Typically, Members, when accessing care outside the geographic area Blue Cross NC serves, obtain care from healthcare Providers that have a contractual agreement (i.e. are "Participating Providers") with the Host Blue. In some instances, Members may obtain care from non-participating healthcare Providers. Blue Cross NC's payment practices in both instances are described below.

All claim types are eligible to be processed through Inter-Plan Arrangements, as described above, except for all Dental Care Benefits except when paid as medical claims/benefits, and those Prescription Drug Benefits or Vision Care Benefits that may be administered by a third party contracted by Blue Cross NC to provide the specific service or services.

1. BlueCard® Program

Under the BlueCard® Program, when Members receive covered health care services within the geographic area served by a Host Blue, Blue Cross NC will remain responsible to the Plan Sponsor for fulfilling Blue Cross NC's contract obligations. However, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its Participating Providers. The financial terms of the BlueCard® Program are described generally below.

a. Liability Calculation Method Per Claim

The calculation of Member liability on claims for covered health care services processed through the BlueCard® Program will be based on the lower of the participating Provider's billed covered charges or the negotiated price made available to Blue Cross NC by the Host Blue.

The methods employed by a Host Blue to determine a negotiated price may vary among Host Blues based on the terms of each Host Blue's Provider contracts. The negotiated price made available to Blue Cross NC by a Host Blue may represent a payment that is one of the following:

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

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

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

Host Blues using either the Estimated Price or Average Price may, 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 is a final price; no future price adjustment will be applied to claims already paid. The method of claims payment by Host Blues is taken into account by Blue Cross NC in determining the premiums of the Plan Sponsor.

In some instances federal or state laws or regulations may impose a surcharge, tax or other fee that applies to insured accounts. If applicable, Blue Cross NC will include any such surcharge, tax or other fee in determining the Plan Sponsor's premium.

b. Return of Overpayments

Under the BlueCard® Program, recoveries from a Host Blue or its Participating Providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, Provider/Hospital bill audits, credit balance audits, utilization review refunds, and unsolicited refunds. If recovery amounts are passed on a claim-by-claim basis from a Host Blue to Blue Cross NC, they will be credited to the Plan Sponsor. In some cases, the Host Blue will engage a third party to assist in identification or collection of overpayments/recovery amounts. The fees

of such a third party may be charged to the Plan Sponsor as a percentage of the recovery.

2. Negotiated National Account Arrangements

As an alternative to the BlueCard® Program, claims for covered healthcare services may be processed through a negotiated national account arrangement with a Host Blue.

If Blue Cross NC has arranged for a Host Blue to make available a custom healthcare Provider network in connection with this contract, then the terms and conditions set forth in our negotiated national account arrangement with such Host Blue shall apply.

a. Liability Calculation Method

Member liability calculation will be based on lower of the participating Provider's billed covered charges or the negotiated price (Refer to the description of negotiated priced under Section 1.a, Liability Calculation Method Per Claim, above) made available to Blue Cross NC by the Host Blue that allows the Plan Sponsor's Members access to negotiated participation agreement networks of specified participating healthcare Providers outside of Blue Cross NC's service area.

3. Non-participating Healthcare Providers Outside Blue Cross NC's Service Area

a. Liability Calculation Method

When for health maintenance organization plans, or, for other health benefit plans, covered healthcare services are received outside of Blue Cross NC's service area from non-participating healthcare Providers, the amounts a Member pays for such services will generally be based on either the Host Blue's non-participating healthcare Provider local payment or the pricing arrangements required by applicable state law. In these situations, the Member may be responsible for the difference between the amount that the non-participating healthcare Provider bills and the payment that Blue Cross NC will make for the Covered Services as set forth in this paragraph. Payments for out-of-network emergency services are governed by applicable federal and state law.

In some exception cases, Blue Cross NC may pay claims from non-participating healthcare Providers outside of Blue Cross NC's service area or based on the Provider's billed charge, such as in situations where a Member did not have reasonable access to a participating Provider, as determined by Blue Cross NC in its sole and

absolute discretion or by applicable state law. In other exception cases, Blue Cross NC may pay such a claim based on the payment it would make if Blue Cross NC were paying a non-participating Provider for the same covered healthcare services inside of Blue Cross NC's service area, as described elsewhere in this Contract where the Host Blue's corresponding payment would be more than Blue Cross NC's in-service area non-participating Provider payment, or in Blue Cross NC's sole and absolute discretion, Blue Cross NC may negotiate a payment with such a Provider on an exception basis. In any of these exception situations, the Member may be responsible for the difference between the amount that the non-participating healthcare Provider bills and the payment Blue Cross NC will make for the Covered Services as set forth in this paragraph.

4. Special Cases: Value-Based Programs

Blue Cross NC has included a factor for bulk distributions from Host Blues in the Plan Sponsor's premium for Value-Based Programs when applicable under this Contract.

If Blue Cross NC has entered into a Negotiated Arrangement with a Host Blue to provide Value-Based Programs to Members, Blue Cross NC will follow the same procedures for Value-Based Programs as noted above for the BlueCard® Program.

5. Blue Cross Blue Shield Global Core

If Members are outside the United States (hereinafter: "BlueCard® service area"), they may be able to take advantage of Blue Cross Blue Shield Global Core when accessing Covered Services. Blue Cross Blue Shield Global Core is unlike the BlueCard® Program available in the BlueCard® service area in certain ways. For instance, although Blue Cross Blue Shield Global Core assists Members with accessing a network of inpatient, outpatient and professional Providers, the network is not served by a Host Blue. As such, when Members receive care from Providers outside the BlueCard® service area, the Members will typically have to pay the Providers and submit the claims themselves to obtain reimbursement for these services.

a. Inpatient Services

In most cases, if Members contact the service center for assistance, hospitals will not require Members to pay for covered inpatient services, except for any applicable deductible, copayment and/or coinsurance amounts. In such cases, the hospital will submit Member claims to the

service center to initiate claims processing. However, if the Member paid in full at the time of service, the Member must submit a claim to obtain reimbursement for Covered Services. Members must contact Blue Cross NC to obtain precertification for non-emergency inpatient services.

b. Outpatient Services

Physicians, urgent care centers and other outpatient Providers located outside the BlueCard® service area will typically require Members to pay in full at the time of service. Members must submit a claim to obtain reimbursement for Covered Services.

c Submitting a Blue Cross Blue Shield Global Core Claim

When Members pay for Covered Services outside the BlueCard® service area, they must submit a claim to obtain reimbursement. For institutional and professional claims, Members should complete a claim form and send the claim form with the provider's itemized bill(s) to the service center address on the form to initiate claims processing. The claim form is available from Blue Cross NC, the service center or online at **www.bcbsglobalcore.com**. If Members need assistance with their claim submissions, they should call the service center at 1-800-810-BLUE (2583) or call collect at 1-804-673-1177, 24 hours a day, seven days a week.

IX. COORDINATION OF BENEFITS

1. Blue Cross NC shall provide coordination of benefit ("COB") services to the Plan Sponsor in accordance with the description of these services in the Benefit Booklet and applicable laws. COB applies to the Health and/or Dental Plan(s) under this Contract when an Employee or the Employees' covered Dependent has health or dental care coverage under more than one Plan. For purposes of COB, a Health or Dental Plan includes any of the following which provides benefits or services for, or because of, medical care or treatment:

   a. Group insurance coverage, exclusive of school accident, blanket, franchise individual, automobile or homeowner coverage;

   b. Blue Cross and/or Blue Shield coverage;

   c. Health maintenance organization and other prepayment group coverage;

   d. Coverage under labor management trusteed plans, union welfare plans, employer organization plans, or employee benefit organization plans; and

e. Coverage under a governmental plan or required or provided by law, except Medicaid coverage or any plan with benefits in excess to those of any private insurance program or other non-governmental program.

2. Effect on Benefits

a. When Blue Cross NC coordinates benefits under this section, the benefits that would be payable under this Contract shall be reduced to the extent necessary so that the sum of such reduced benefits and all the benefits payable for such Covered Services under all other Health or Dental Plans, shall not exceed the Allowed Amount for such Covered Services.

b. When this provision operates to reduce the total amount of benefits otherwise payable as to a person covered under this Contract, each benefit that would be payable shall be reduced independently and such reduced amount will be charged against any applicable benefit limit of this Contract.

c. Blue Cross NC will not affirmatively investigate the existence of any Plan, nor will Blue Cross NC determine the amount of benefits payable under any Plan except this Contract. Except as otherwise provided in the Benefit Booklet(s), the payment of benefits under this Contract shall be affected by the benefits payable under another Plan only to the extent that Blue Cross NC is furnished with information regarding another Plan by the Plan Sponsor or Member or any other organization or person.

3. Facility of Payment

Whenever payments should have been made under this Contract in accordance with this provision, but the payments have been made under another Plan, Blue Cross NC has the right to pay to any organization that has made such payment any amount it determines to be warranted to satisfy the intent of this provision. Amounts so paid shall be deemed to be benefits paid under this Contract and to the extent of the payments for Covered Services, Blue Cross NC shall be fully discharged from liability under this Contract.

4. Right of Recovery

a. Whenever payments have been made by Blue Cross NC for Covered Services in excess of the maximum amount of payment necessary at that time to satisfy the intent of this provision, irrespective of to whom paid, Blue Cross NC shall have the right to recover the excess from among the following, as Blue Cross NC shall determine: any person to or for whom such payments are made, any insurance company, or any other organization.

b. The Subscriber, personally and on behalf of Dependents shall, upon request, execute and deliver such documents as may be required and do whatever else is necessary to secure Blue Cross NC's rights to recover the excess payments.

X. WORKERS' COMPENSATION

Blue Cross NC may seek reimbursement for medical or dental payments made under this Contract from a Member, the Member's employer, or the workers' compensation carrier that is liable or responsible for a specific medical charge according to a final adjudication of the claim under a state's workers' compensation laws, or an order of a state's Industrial Commission or other applicable regulatory agency approving a settlement agreement. Upon the admission or adjudication that the claim of a Member is compensable, the party or parties liable are required to notify Blue Cross NC, in writing, of the admission or adjudication of compensability. The Plan Sponsor agrees that in the event the Plan Sponsor or its workers' compensation carrier is liable or responsible for medical or dental expenses reimbursed by Blue Cross NC pursuant to this Contract, the Plan Sponsor will notify Blue Cross NC of a final adjudication or admission of compensability.

XI. TERM AND TERMINATION

1. This Contract shall be effective for a period of 12 months beginning on the 1st day of April, 2023, and, unless terminated as hereafter provided, shall be automatically renewed for a period of one year upon the terms and conditions herein set forth.

2. The Plan Sponsor may terminate this Contract at any time by providing prior written notice to Blue Cross NC. In the event that the Plan Sponsor has obtained other health coverage, written notice may be provided after the requested termination date, but no later than 30 days after the requested termination date. Any claims paid for dates of service occurring after the requested termination date will be reprocessed and any premium amounts paid for dates of coverage after the requested termination date will be refunded. In accordance with NCGS 58-50-40, the Plan Sponsor must provide timely notification of the termination of this Contract to every Subscriber.

3 Blue Cross NC may terminate this Contract for any of the following reasons so long as written notice is given:

   a. nonpayment of Fees, Healthy Outcomes Fees, Paper Fees, late fees or returned payment fees, by the Plan Sponsor. The termination will be effective as of 12:01 a.m. on the day following the paid through date;

b. fraud or intentional misrepresentation of a material fact by the Plan Sponsor or, with respect to coverage of individual Members, the Members or their representatives;

   (i) Blue Cross NC may rescind the Contract upon discovery of any fraud or intentional misrepresentation of a material fact by the Plan Sponsor by providing 30 days advance written notice. The Plan Sponsor shall forfeit any Fees theretofore paid to the extent of any liability incurred by Blue Cross NC. The Plan Sponsor is responsible for any additional costs incurred by Blue Cross NC which are related to the fraud or intentional misrepresentation and not covered by the Fees subject to forfeiture. These remedies are without prejudice to any other remedies available to Blue Cross NC under the law.

   (ii) Blue Cross NC may rescind a Subscriber's or Member's coverage under the Contract for health upon discovery of any fraud or intentional misrepresentation of a material fact by the Subscriber or Member by providing 30 days advance written notice. The Subscriber and/or Member shall forfeit any Fees theretofore paid to the extent of any liability incurred by Blue Cross NC. The Subscriber and/or Member is responsible for any additional costs incurred by Blue Cross NC which are related to the fraud or misrepresentation and not covered by the Fees subject to forfeiture.

c. when the Plan Sponsor fails to comply with contribution or participation rules required under the terms of coverage, specifically including such rules and underwriting requirements set forth in the applicable quote and/or group enrollment application. Coverage will be terminated upon 30 days prior notice;

d. Blue Cross NC ceases to offer all coverage in the market applicable to the Plan Sponsor (i.e., the small employer market or the large employer market) or in both markets, provided that notice is given to the Plan Sponsor, Subscribers and their covered dependents and the North Carolina Department of Insurance 180 days prior to cancellation;

e. Blue Cross NC ceases to offer a health insurance product in the market applicable to the Plan Sponsor (i.e., the small employer market or the large employer market) that is being provided to the Plan Sponsor pursuant to this Contract, provided that notice is given to the Plan Sponsor and to Subscribers and their covered dependents 90 days prior to cancellation and:

   (i) if the Plan Sponsor is a small employer group under state law, the Plan Sponsor is given the option to enroll in any small employer product offered by Blue Cross NC;

(ii) if the Plan Sponsor is not a small employer group under state law, the Plan Sponsor is given the option to enroll in a product chosen by Blue Cross NC that is currently offered for sale in the large group market by Blue Cross NC.

4. Termination of the Contract automatically terminates all Members' coverage except as may be provided herein. It is the responsibility of the Plan Sponsor to notify all Members of the termination of the coverage when the Contract is terminated pursuant to paragraph 2 above. It is the responsibility of Blue Cross NC to notify all Members of the termination of coverage when the Contract is terminated pursuant to paragraph 3 above. Coverage will be terminated effective on the date this Contract is terminated, regardless of whether the required notice is given. Issuance of a nongroup contract to affected Members and Subscribers will be as required by North Carolina law; or if not required by law, at the option of Blue Cross NC and upon the terms offered by Blue Cross NC.

XII. USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION

1. In connection with the performance of its duties and obligations under this Contract, Blue Cross NC receives, uses and discloses Protected Health Information ("PHI") (as that term is defined in 45 Code of Federal Regulations Section 160.103, as amended from time to time) about Members as permitted and required by law. Blue Cross NC's disclosure of PHI to the Plan Sponsor is highly regulated, and is limited by applicable laws, regulations and standards in many ways. This section sets forth Blue Cross NC and the Plan Sponsor's agreements concerning disclosure of this PHI to the Plan Sponsor.

2. Blue Cross NC has imposed upon it significant limitations on the PHI that can be transmitted to the Plan Sponsor. Accordingly, in performance of this Contract, Blue Cross NC may, in certain situations, be required by law or corporate policy to refuse to provide certain PHI to the Plan Sponsor, even when requested by them.

3. The Plan Sponsor recognizes that, as a general matter, PHI will not be disclosed to them, unless this disclosure is permitted by law and Blue Cross NC corporate policy, and the Plan Sponsor has met its own obligations allowing it to receive this information, including placing appropriate restrictions on any further use of this PHI.

4. The Plan Sponsor also recognizes that, in certain circumstances required or permitted by law or by Blue Cross NC policy, Blue Cross NC may take reasonable steps to remove, scramble or otherwise eliminate individual identifiers from certain information that is provided to the Plan Sponsor.

5. Blue Cross NC recognizes that there are limited situations where the Plan Sponsor has a legitimate business need for PHI and where such PHI may be supplied in compliance with both the applicable law and with Blue Cross NC corporate policy. In these limited situations, Blue Cross NC may disclose PHI that is reasonably necessary for the Plan Sponsor to fulfill its legitimate business need.

6. Where PHI is provided to the Plan Sponsor for any purpose, the Plan Sponsor agrees to the following obligations:

   a. It agrees that this PHI cannot be used in connection with any decision affecting the Employee.

   b. The Plan Sponsor shall indemnify and hold harmless Blue Cross NC from any loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorneys' fees) from any resulting assessments, penalties and/or regulatory charges (collectively, "Charges") incurred or paid by Blue Cross NC related to the release of PHI by Blue Cross NC to the Plan Sponsor or from the Plan Sponsor's subsequent use of such information.

   c. It agrees that only the appropriately designated Group Plan Administrator, or his or her designee, or an appropriately designated representative of the Plan Sponsor, may have any access to PHI. In order for even these designated individuals to receive PHI, the Plan Sponsor must have appropriate security and confidentiality measures in place to prevent unauthorized access by other personnel. If the designated Group Plan Administrator or designated representative changes roles and no longer has access to PHI and/or authorization to designate others to have access to PHI, then the Plan Sponsor must notify Blue Cross NC within 24 business hours to update our records and system access.

   d. It agrees that this PHI will only be used or disclosed as required or permitted by the Standards for Privacy of Individually Identifiable Health Information, 45 Code of Federal Regulations, Parts 160 and 164.

XIII. GENERAL PROVISIONS

1. Blue Cross NC as Independent Corporation. The Plan Sponsor on behalf of itself and its participants, hereby expressly acknowledges its understanding that this policy constitutes a Contract solely between the Plan Sponsor and Blue Cross NC which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans, permitting Blue Cross NC to use the Blue Cross and Blue Shield Service Marks in the State of North Carolina and that Blue Cross NC is not

contracting as an agent of the Blue Cross and Blue Shield Association. The Plan Sponsor on behalf of itself and its participants, further acknowledges and agrees that it has not entered into this policy based upon representations by any person other than Blue Cross NC and that no person, entity or organization other than Blue Cross NC shall be held accountable or liable to the Plan Sponsor for any of Blue Cross NC's obligations to the Plan Sponsor created under this policy. This paragraph shall not create any additional obligations whatsoever on the part of Blue Cross NC other than those obligations created under other provisions of this agreement.

2. Non-Agency Relationship. The Plan Sponsor is agent of the Members and not of Blue Cross NC.

3. Entire Agreement. This Contract, the group enrollment application, Member enrollment information (submitted on paper applications or transmitted electronically using a Blue Cross NC-designated format), Endorsements, amendments, or documents incorporated by reference shall constitute the entire Agreement between the parties and voids and supersedes all previous writings, agreements, and contracts, if any, between the Plan Sponsor and Blue Cross NC. All statements made by the Plan Sponsor or by an individual Member shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall be used in defense to a claim under this Contract unless it is contained in a written application.

4. Amendments. No agent or employee of Blue Cross NC is authorized to change the form or content of this Contract except to make necessary and proper insertions in blank spaces. Such changes can be made only through an amendment authorized and signed by an officer of Blue Cross NC.

   Only the Board of Trustees of Blue Cross NC or its authorized designee, may waive or vary any provisions of this Contract.

   This Contract can be amended by Blue Cross NC at any time to be effective upon 45 days prior written notice to the Plan Sponsor or at a later date as specified in such notice, unless the Plan Sponsor shall cancel this Contract by giving 30 days prior written notice of termination.

5. Force Majeure. To the extent that a natural disaster, war, riot, civil insurrection, labor dispute, epidemic, complete or partial destruction of facilities, atomic explosion or other release of nuclear energy, or any other cause not within the control of Blue Cross NC results directly or indirectly in the facilities, personnel, subcontractor(s), network Providers, or financial resources of Blue Cross NC not being available for a period of time (the "force majeure period") to provide or arrange for services or benefits under this Contract, Blue Cross NC's non-performance shall not be considered a breach of this Contract and Blue

Cross NC's obligation to provide such services or benefits during the force majeure period shall be limited to the requirements that Blue Cross NC make a good faith effort to provide or arrange for the provision of such services or benefits within the resulting limitations on the availability of its facilities, personnel, or resources. After such force majeure period, Blue Cross NC shall resume performance of its obligations under this Contract.

6. Notices. Any notice required under this Contract must be in writing in a format specified in this Section. Notice given to the Plan Sponsor will be sent by mail or electronically by email to the address or email address as entered in Blue Cross NC's records. Notice given to Blue Cross NC will be sent by mail to Blue Cross NC's address of record. Notice given to a Subscriber and/or Member will be sent by mail or electronically by email to the Subscriber or Member's address or email address as it appears on the records of Blue Cross NC or in care of the Plan Sponsor. The Plan Sponsor, Blue Cross NC, a Subscriber, or a Member, may, by written notice, indicate a new address and/or email address for giving notice. Any notice to the Plan Sponsor, Subscriber, or Member shall be considered to have been conveyed to and received by such individuals when deposited with the United States mail or like courier service or when electronically sent by email as permitted by this Section, to the Plan Sponsor, Subscriber or Member at the address or email address shown on Blue Cross NC's records.

7. Contract Violations. The waiver by either party of a breach or violation of any provision of this Contract shall not be construed to be a waiver of any subsequent breach thereof.

8. North Carolina Contract. This Contract is made, executed and delivered in the State of North Carolina, and it and the Member coverage provided hereunder shall be governed under the laws of the State of North Carolina, except to the extent preempted by federal law.

9. Assignment. This Contract, the right to receive benefits hereunder, and the right to receive payment for services, shall not be assigned, sublet or transferred by the Plan Sponsor, without the consent of Blue Cross NC.

10. Invalid Provisions and Severability. In the event any provision of this Contract conflicts with the laws under which this Contract is to be construed, or if any provision is held invalid by a court with jurisdiction over Blue Cross NC, such provision shall be deleted from this Contract and the Contract shall be construed to give effect to the remaining provisions of the Contract.

    Typographical errors will not invalidate otherwise valid coverage.

11. Headings. The headings contained herein are for the convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Contract.

12. Confidentiality. "Confidential information" shall mean information disclosed from one Party ("disclosing Party") to the other ("receiving Party") relating to the disclosing Party's pricing, pricing methodology, technical, marketing, products, services, business affairs, proprietary and trade secret information in oral, graphic, written, electronic or machine readable form, and the terms and conditions of this Contract. Each receiving Party agrees to protect the confidentiality of the disclosing Party's Confidential Information and agrees not to use Confidential Information for any purposes other than in connection with the obligations under this Contract. Each Party shall maintain the Confidential Information of the other Party in confidence using at least the same degree of care as it employs in maintaining in confidence its own proprietary and confidential information, but in no event less than a reasonable degree of care. Both Parties agree not to disclose Confidential Information to any third party except as permitted under applicable law or regulation or under this Section 12. The Plan Sponsor may disclose the Confidential Information to its attorney(s) or consultant(s), provided that such persons have first executed an agreement, with terms at east as stringent as those in this Contract, to keep confidential all Confidential Information that the Plan Sponsor discloses to them. The Plan Sponsor agrees not to solicit Confidential Information pertaining to any plan sponsor which is not a party to this Contract. Blue Cross NC may disclose the Confidential Information to its attorney(s) or any third party. The obligations of this section shall survive termination of this Contract.

GROUP SIGNATURES FOR:

Plan Sponsor: High Country Community Health
Group Number: 14161502

Signed For: High Country Community Health:

By _____

Print Name and Title of Authorized Official

_____ _____

Signature of Authorized Official Date

Because this Contract is being offered only in conjunction with a signed Group Apply Form from Blue Cross and Blue Shield of North Carolina, High Country Community Health's signature on the Group Apply Form will constitute the Plan Sponsor's agreement to this Contract, without requirement of additional signature.

BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA

By

03/29/2023

_____ _____

President Date