



Group Enrollment and Coverage Agreement Group Letter of Agreement - Part A New Group

Federal Tax ID Number

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Blue Care Network of Michigan (BCN) will provide health care coverage to Member's, i.e., eligible persons enrolled through the group identified below (Group) and participating in Group's employee welfare benefit plan providing health benefits (Group Health Plan or GHP) subject to the terms of applicable certificates and riders (Certificates and Riders), BCN's administrative and underwriting requirements, the Group Administrative Guide, (Guide), and the following terms and conditions of the Group Enrollment & Coverage Agreement (Agreement):

- 1. Effective Date.** This Agreement will become effective only when BCN returns a signed copy to Group and applicable premiums are paid. This Agreement is effective on the date established by BCN and will continue unless terminated as provided section 15.

- 2. Group as Agent.** For all purposes of this Agreement, including the payment of premiums, the Group is the agent for all Members (as defined below). Notice by or to the Group will satisfy any notice requirements of this Agreement and applicable Certificates and Riders.

- 3. Premiums.** The Group must prepay all premiums at least one-month in advance of the relevant monthly period. Group must pay all premiums related to any retroactive adjustments expressly permitted by BCN's underwriting rules. Refunds or retroactive credits of premium payments or retroactive additions or deletions of Members are not otherwise permitted under this Agreement. All premium rates are guaranteed for the applicable benefit period then in effect except for any government-mandated surcharges or subsidies and except if incorrect rates are identified. In the latter case, BCN will notify Group in writing that the rates will be corrected on the next available bill, 90 days following receipt of the notice of incorrect rates. At its discretion, BCN may terminate this Agreement immediately if premiums are more than thirty (30) days past due, with termination of coverage retroactive to the last date through which premiums were paid in full.

- 4. Eligibility.** In order to be a Member, an enrolled individual must (A) meet the eligibility requirements set by Group and the requirements of BCN's underwriting rules, Certificates and Riders, and Part B of this Agreement and (B) be either (i) a proprietor, partner or shareholder actively managing Group's business, or (ii) a full time active employee of Group working at least thirty (30) hours per week or 17.5 to 30 hours per week, if that is the normal workweek for a full time employee and such policy is applied uniformly among all of Group's employees and without regard to health status-related factors. Deviation from 30 hours a week requires prior approval and must be noted in the exception area on Part B. A dependent of a Member shall also be deemed to be a Member if the dependent meets the requirement of (A) above.
Group warrants that all enrolled individuals meet the above requirements and that it will not enroll any ineligible individual. If an ineligible individual is enrolled, Group, agrees to indemnify and hold BCN harmless and reimburse BCN for all benefit payments made on behalf of such individual and any judgment, settlement, costs, expenses and reasonable attorney fees in connection therewith.

- 5. Enrollment Requirements.** Group will offer the coverage described in Part C of this Agreement to all eligible individuals as described in Section 4. To continue coverage, the number of eligible individuals enrolled in a Blue Family Benefit Program (Blue Care Network or Traditional, PPO, or any other program that BCN may establish) must at all times equal or exceed BCN enrollment, participation and underwriting requirements. The Group agrees to provide BCN or its designee with all information required to conduct an annual underwriting review and a payroll audit. Under no circumstances will Group coverage be available if fewer than two eligible individuals are enrolled. A husband and wife may be enrolled as a group only if a valid employee/employer relationship exists and can be documented by FICA and employee income tax withholding payroll records; otherwise, they must be enrolled as a single contract (two person or family).

- 6. Eligibility Information.** Group shall provide timely and accurate eligibility information, including Medicare status, and identify all persons subject to the Medicare Secondary Payer statutes and regulations. Group acknowledges that BCN will rely upon the accuracy of all eligibility information Group provides, and Group shall indemnify and hold BCN harmless against any loss, claim or action, including costs, penalties and reasonable attorney fees, arising from the provision of inaccurate eligibility information.

- 7. Enrollment Applications.** Member applications for coverage shall only be submitted according to BCN's procedures that are set forth in the Guide. Rehires and persons renewing terminated memberships will be enrolled as new employees/Members. All applicable premiums, including those for any retroactive periods, must be paid before such persons shall be deemed to be eligible for coverage.

- 8. Claims Dispute Procedures.** A Member who disagrees with a claims determination must exhaust all steps of the applicable BCN internal grievance procedure provided in 2000 PA 250 [MCL § 550.1404] and 2000 PA 252 [MCL § 550.2213] before seeking other remedies. Any Member dissatisfied with the results of the BCN internal grievance procedure may be entitled to request an external review from the Office of Financial and Insurance Services as provided in 2000 PA 251, or may file suit in a competent court of jurisdiction as set forth in Section 15 of this agreement. If the Group is subject to the Employee Retirement Income Security Act of 1974 (ERISA), a Member may also have a right to file a claim under § 502(a) of ERISA.

- 9. Group Conversion.** Michigan law (2000 PA 252 [MCL § 500.3612]) requires the Group to notify any BCN subscriber whose Group coverage is cancelled of the right to convert to non-group BCN coverage. This notice must be provided within fourteen (14) days of the cancellation of Group BCN coverage. BCN will provide this non-group option for sixty (60) days from the date of termination of the subscriber's coverage through the Group.

Continued on Next Page

Group Name: _____ Group ID _____ Sub Group ID _____ Class ID _____

Signature of Group Executive: _____		Date: _____	
Signature of BCN Rep: _____	Mail Code: _____	Date: _____	
Signature of Agent: _____		Date: _____	
Signature of Underwriter: _____		Date: _____	

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Group Exec Initials

Federal Tax ID Number

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10. Open Enrollment. At least once a year, BCN will have reasonable access to eligible subscribers and members of the Group for purposes of open enrollment. Persons joining the Group between periodic open enrollment periods may enroll in BCN coverage at the time they meet eligibility requirements.

11. ERISA Fiduciaries. If the GHP is subject to ERISA, Group or its designee (other than BCN) shall be the Plan Administrator of the GHP under ERISA and shall have all of the responsibilities and authority of that position including ensuring compliance with ERISA, preparing and distributing summary plan descriptions, and advising all eligible individuals of: (i) available benefits and any changes in benefits, (ii) termination of coverage for any reason, including the failure to make any payments when due, and (iii) COBRA rights, if any. Group delegates the responsibility and discretionary authority to process and pay claims to BCN as "claims administrator" and retains all other responsibilities and duties under ERISA not specifically delegated to BCN. BCN agrees to assume such responsibility and authority, including any responsibility it may have as a "named fiduciary" (as defined under ERISA §402) for purposes of its claims administration duties, to the extent that under the GHP and ERISA it meets the definition of a "named fiduciary." As the named claims administrator, BCN shall have the power and discretion to construe the terms of this Agreement and to determine all questions pertaining to the administration, interpretation, and application of this Agreement and any Certificates and Riders that involve eligibility for benefits and the payment or denial of claims. In addition, the parties agree that BCN shall have the responsibility for ensuring that its claims procedures comply with the Department of Labor's Claims Procedures described in 29 C.F.R. Part 2560 and for handling all levels of appeal.

12. HIPAA Privacy Notices; Certificates of Creditable Coverage. BCN and the GHP are an "organized health care arrangement" with respect to protected health information (PHI), as those terms are defined in 45 C.F.R. §164.50, created or received by BCN that relates to individuals who are or who have been participants or beneficiaries in the GHP. BCN will comply with the administrative requirements under 45 C.F.R. Parts 160 and 164 and prepare and distribute Notices of Privacy Practices appropriate for Group under 45 C.F.R. §164.520. Group shall maintain the confidentiality of any PHI that may be disclosed by BCN.

Unless Group otherwise notifies BCN in writing, BCN will issue certificates of creditable coverage to terminated Members as required by HIPAA and further agrees to respond to any requests for such certificates and related inquiries. If applicable, Group will retain responsibility for issuing certificates of creditable coverage to persons entitled to elect COBRA no later than when Group provides the COBRA notice

13. Licensee Status of BCN. This Agreement is between Group and BCN, an independent corporation licensed by the Blue Cross and Blue Shield Association (BCBSA), an association of independent Blue Cross and Blue Shield Plans, to use the Blue Cross and Blue Shield names and service marks in Michigan. However, BCN is not an agent of BCBSA and, by entering into this Agreement, Group agrees that it made this Agreement based solely on its relationship with BCN or its agents. The Group further agrees that BCBSA is not a party to, nor has any obligations under this Agreement, and that no obligations are created or implied by this language.

14. Litigation. Any suit arising out of this Agreement or any Certificates and Riders must be filed within 2 years after the cause of action arose and, unless pre-empted by ERISA, shall be brought in a Michigan court of competent jurisdiction. Under no circumstances may Group, the GHP or a Member file suit before exhausting the internal BCN-administered steps of the applicable grievance procedure referenced in Section 8. However, exercising any rights under Section 8, shall not extend the 2-year period in which any suit may be filed.

15. Termination. Upon thirty (30) days written notice, either party may terminate this Agreement for any reason consistent with applicable law. BCN may also terminate this Agreement as described in Section 3 above.

16. Assignment and Waiver. Neither party may assign this Agreement without the written permission of the other party. The waiver by a party of any breach of this Agreement by the other party shall not constitute a waiver of any subsequent breach of this Agreement. The Group will immediately notify BCN in writing of any Change in Control, any change in Group's name, identity, ownership, or legal organizational structure, and of any change in, or addition to, a location of Group's place of business and any merger, combination, sale of assets, or other similar material transaction in which Group is involved. For purposes of this Agreement, a "Change in Control" shall mean an event resulting in a change in the beneficial ownership of the Group of 50% or more immediately after the event compared to one year before the event. "Beneficial ownership" means actual ownership or the right, directly or indirectly, to control voting power associated with ownership interests in Group. The waiver by a party of any breach of this Agreement by the other party shall not constitute a waiver of any subsequent breach of the Agreement.

17. Exclusions. Notwithstanding anything contained in this Agreement, BCN will have no obligation to Group for any coverage not specified in the applicable Certificate and Riders, nor for any coverage that Group, in whole or in part, contracts with other carriers to provide on behalf of the Group. Group agrees to indemnify and hold BCN harmless against any loss, claims, actions, and damages, including costs and reasonable attorneys' fees, that may arise from any coverage not so provided by BCN.

18. Entire Agreement. This Agreement (including Parts B and C and Exhibit 1) together with any attachments is the entire agreement between BCN and Group and supersedes all other agreements, oral or written, between the parties regarding the same subject matter. This Agreement may be amended only by a written document signed by the parties.

19. Severability. If any provision of this Agreement is found invalid or unenforceable, the remaining provisions shall remain in full force and effect.

20. Governing Law. This Agreement is entered into in Michigan and, except as may be pre-empted by ERISA, shall be construed according to the laws of Michigan.



Terms and Conditions - Part A New Group Exhibit 1

Federal Tax ID Number

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21. Group represents that any eligibility and status changes it requests are compliant with and permissible under applicable state and federal law, including the Patient Protection and Affordable Care Act; and, agrees that it will only request eligibility and status change requests that are compliant with and permissible under applicable state and federal law, including the Patient Protection and Affordable Care Act.

22. Group agrees to abide by all applicable state and federal law, including but not limited the Patient Protection and Affordable Care Act.

23. Copayments - BlueCard Program. The following disclosure describes the BlueCard program available through the BCBSA. If the BCBSA revises the disclosure, BCN will give Group notice with a new BlueCard disclosure, which will automatically become part of this Agreement sixty (60) days after notice has been given and replace the following BlueCard disclosure.

BlueCard

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

Liability Calculation Method Per Claim

The calculation of a Member's liability on claims for covered health care services incurred outside the geographic area BCN serves and processed through BlueCard will be based on the lower of the provider's billed charges or the negotiated price BCN pays the Host Plan.

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

- (i) the actual price paid on the claim by the Host Plan to the health care provider ("Actual Price"), or
- (ii) an estimated price, determined by the Host Plan in accordance with BlueCard Policies, based on the Actual Price increased or reduced to reflect aggregate payments expected to result from settlements, withholds, any other contingent payment arrangements and non-claims transactions with all of the Host Plan's health care providers or one or more particular providers ("Estimated Price"), or
- (iii) an average price, determined by the Host Plan in accordance with BlueCard Policies, based on a billed charges discount representing the Host Plan's average savings expected after settlements, withholds, any other contingent payment arrangements and non-claims transactions for all of its providers or for a specified group of providers ("Average Price"). An Average Price may result in greater variation to the Member and Group from the Actual Price than would an Estimated Price.

Host Plans using either the Estimated Price or Average Price will, in accordance with BlueCard Policies, prospectively increase or reduce the Estimated Price or Average Price to correct for overestimation or underestimation of past prices. However, the amount paid by the Member is a final price and will not be affected by such prospective adjustment.

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

Return of Overpayments

Under BlueCard, recoveries from a Host Plan or from participating providers of a Host Plan can arise in several ways, including but not limited to, anti-fraud and abuse audits, provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Plan will engage third parties to assist in discovery or collection of recovery amounts.

The fees of such a third party are netted against the recovery. Recovery amounts, net of fees, if any, will be applied in accordance with applicable BlueCard Policies, which generally require correction on a claim-by-claim or prospective basis.



**Blue Cross
Blue Shield
Blue Care Network
of Michigan**

Nonprofit corporations and independent licensees
of the Blue Cross and Blue Shield Association

New Group - Part B

Group Exec Initials

Federal Tax ID Number

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Sponsored Plan Acronym <input type="text"/>		Customer ID(BCBSM), Group ID(BCN) <input type="text"/>		SubGroupID <input type="text"/>		ClassID <input type="text"/>		BCBSM Group Number <input type="text"/>				Group Suffix <input type="text"/>			
Leasing Company Acronym <input type="text"/>		Leasing Company Name <input type="text"/>										Effective Date <input type="text"/> / <input type="text"/> / <input type="text"/>			
Company Name <input type="text"/>												Phone <input type="text"/> - <input type="text"/> - <input type="text"/>			
Physical Address <input type="text"/>												County <input type="text"/>			
City <input type="text"/>												State <input type="text"/>		Zip Code <input type="text"/>	
Primary Nature Of Business <input type="text"/>												Company Fax <input type="text"/>			
Doing Business As <input type="text"/>												Company Fax <input type="text"/>			
DBA <input type="text"/>												Company Fax <input type="text"/>			
Check here if this group is ERISA Exempt <input type="checkbox"/>		Are you currently in bankruptcy? <input type="checkbox"/> Yes <input type="checkbox"/> No		Do you have any leased employees? <input type="checkbox"/> Yes <input type="checkbox"/> No		Does this group have subsidiaries, offices, or branches located at other physical locations? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, submit multiple location report									
Is Work Force Unionized? <input type="checkbox"/> Yes <input type="checkbox"/> No		Number of Employees Represented <input type="text"/>		Local Number <input type="text"/>		Contract Expiration Date <input type="text"/>		National/International Name <input type="text"/>							
Local Representative Name <input type="text"/>								Retiree Group: Is there a surviving spouse option? <input type="checkbox"/> Yes <input type="checkbox"/> No		Monthly Employer Premium Contribution <input type="checkbox"/> In Dollars <input type="checkbox"/> Percentage <input type="text"/>					
<p>A. To be eligible for coverage an employee must work a minimum of 30 hours per week.</p> <p>B. Eligible Dependent coverage will be effective on date of event, e.g., spouse, newborn, if written notification is received within 30 days thereof with billing prorated. If after 30 days, coverage will be effective at group's next annual reopening date.</p> <p>C. Newly hired full-time, or part-time employees who become full-time are to be effective on the 1st billing following <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 calendar days of employment. (check one) OR Other, enter appropriate BCBSM/BCN code selected from page 7 of this agreement: <input type="text"/></p> <p>D. Employees hired with an active BCBSM/BCN contract may transfer to this group without regard to above schedule (Item C, above).</p> <p>E. Exceptions: <input type="text"/></p>												<div style="border: 1px solid black; padding: 5px;"> <p>ID cards will be mailed directly to the subscriber unless the box below is checked.</p> <p>Mail to group <input type="checkbox"/> Yes</p> </div>			
<p>Managing Agent Name <input type="text"/></p> <p>MA Code <input type="text"/></p> <p>Agent Code <input type="text"/></p> <p>Agent Name: (first and last) <input type="text"/></p>															



Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

New Group - Part B

Group Exec Initials

Federal Tax ID Number

Previous BCBSM/BCN Coverage? [] Yes [] No

If yes, Former Group Number

Previous Carrier

BCBSM/BCN Cancellation Date

Workers Comp Information

Workers Comp Carrier

Workers Comp Policy Number

Workers Comp Renewal Date

Billing Contact Information

Billing Contact - First Name

Last Name

Billing Phone Number

Billing Contact - Job Title

Billing Address-If other than Physical Address

Billing Address County

City

State

Zip Code

Administrative Contact Information

Administrative Contact Person - First Name

Last Name

Contact Person's Phone Number

Administrative Contact Job Title

Mailing Address

Mailing Address County

City

State

Zip Code

Chief Executive Contact Information

Chief Executive - First Name

Last Name

Chief Executive's Phone Number



New Group Number - Part B

BCBSM/BCN New Hire/Rehire Options

New Hire/Rehire Option	BCBSM Code*	BCN Code*
The employee coverage will be effective the date of hire/rehire.	S2	01
BCN ONLY: Nonstandard newhire/rehire		01
The employee coverage will be effective the first billing date following the date of hire/rehire.	S4	16
The employee coverage will be effective the first billing date following thirty (30) days from the date of hire/rehire.	S30	17
The employee coverage will be effective the 31st day following the date of hire/rehire	S3-30	02
The employee coverage will be effective the first billing date following sixty (60) days from the date of hire/rehire.	S60	18
The employee coverage will be effective the 61st day following the date of hire/rehire	S3-60	08
The employee coverage will be effective the first billing date following ninety (90) days from the date of hire/rehire.	S90	19
The employee coverage will be effective the 91st day following the date of hire/rehire	S3-90	10
The employee coverage will be effective the 181st day following the date of hire/rehire	S3-180	12
The employee coverage will be effective the first billing date following 180 days (6 months) from the date of hire/rehire.	S1-180	13
The employee coverage will be effective the first billing date following 365 days (1 year) from the date of hire/rehire.	S1-365	04
The employee coverage will be effective the 366th day following the date of hire/rehire	S3-365	05

* Enter appropriate code on Page 4.



Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

Group Exec Initials

Federal Tax Id

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New Group - Part C (con't)

Complete the applicable section for all New Business or previously unenrolled

Total Group Census	Enrolling	Not Enrolling
Total Employees: <input type="text"/> <input type="text"/> <input type="text"/>	Blue Enrolled - Active: <input type="text"/> <input type="text"/> <input type="text"/>	Other: <input type="text"/> <input type="text"/> <input type="text"/>
Ineligible - Part Time: <input type="text"/> <input type="text"/> <input type="text"/>	Other/Segment: <input type="text"/> <input type="text"/> <input type="text"/>	Identify Segment: ie, Union/NHWP _____
Seasonal: <input type="text"/> <input type="text"/> <input type="text"/>	COBRA: <input type="text"/> <input type="text"/> <input type="text"/>	Enrolled, Other Carrier: <input type="text"/> <input type="text"/> <input type="text"/>
Eligible Employees: <input type="text"/> <input type="text"/> <input type="text"/>	Retirees: <input type="text"/> <input type="text"/> <input type="text"/>	Hases: <input type="text"/> <input type="text"/> <input type="text"/>
* Note: Enrolling plus Not Enrolling segments equal "Eligible Employees". Segments not enrolling (ie Union/NHWP) captured in the "Not Enrolling" section are still counted towards determining group's rating type.		Waiving Coverage: <input type="text"/> <input type="text"/> <input type="text"/>

For BCBSM/BCN Managing Agent Use Only

Effective Date: <input type="text"/> - <input type="text"/> - <input type="text"/>	Sales Office Code: <input type="text"/>	Control Code: <input type="text"/>
Billing Cycle Date: <input type="text"/>	Mail Code: <input type="text"/>	SIC Code: <input type="text"/>
Rate Renewal Date: <input type="text"/> - <input type="text"/> - <input type="text"/>	Territory Code: <input type="text"/>	County Code: <input type="text"/>
Inventory Date: <input type="text"/> - <input type="text"/> - <input type="text"/>		Cluster Code: <input type="text"/>
Group has a Retiree Segment? <input type="checkbox"/> Yes <input type="checkbox"/> No	MA Contact Person: _____	Phone Number: _____
Comments:		
Rating Type: <input type="checkbox"/> Reform <input type="checkbox"/> Non Reform <input type="checkbox"/> 50 - 99 ERS <input type="checkbox"/> ERS <input type="checkbox"/> ASC		

BCBSM 50 to 99 ERS Only - Group Authorizes PHI release to: Agent Consultant TPA (Authorization letter required)



Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

Federal Tax Id

Form for Federal Tax Id: [] [] - [] [] [] [] [] [] [] []

GROUP REIMBURSEMENT POLICY ACKNOWLEDGEMENT

Group Name _____

By signing this document, Group agrees that deductibles, coinsurance, and copayments under

- Simply Blue
Simply Blue HSA (may be paired with an HSA only)
Healthy Blue Outcomes
BlueCore Plus
Community Blue Plan 19
Community Blue Plan 20
All BCN plans, except BCN HRA is allowed on BCN deductible products
Any BCBSM prescription drug coverage*, except Flexible Blue plans (where prescription drugs are integrated with the medical deductible)
Any BCN prescription drug coverage

* applies to groups under 100 only

will not be reimbursed by any third party administrator, any employer- funded reimbursement arrangement or any fully-insured plan (whether employer or employee funded). Rules for Flexible Spending Accounts (FSAs): Employee-funded FSAs are allowed for all plans. Employer FSA contributions of up to \$250 per contract are allowed, with the following exceptions: BCBSM's Healthy Blue Outcomes and BCN's Healthy Blue Living and Healthy Blue Living Rewards.

Group understands that failure to adhere to this agreement could result in Blue Cross Blue Shield of Michigan or Blue Care Network taking either of the following actions: (1) refuse to renew the group's coverage; or (2) terminate the group's coverage. BCN may adjust the premiums for the coverage.

Group Decision Maker signature _____ Date _____

Group Decision Maker Name (Print) _____

BCBSM Group number/suffixes; BCN Group number/subgroups/classes _____

As agent of this group, in addition to the statement above, I also certify that I am not offering and will not offer or facilitate any of the above described reimbursement arrangements for this customer when the customer has purchased one of the above plans . I understand that failure to adhere to this certification can result in termination of the agent's contract with BCBSM/BCN; nonpayment of commissions; or other penalties identified by BCBSM/BCN.

Agent signature _____ Date _____

Agent name (Print) _____