
HIPAA EDI TRADING PARTNER AGREEMENT

This HIPAA Electronic Data Interchange ("EDI") Trading Partner Agreement is entered into this _____ day of _____ (the "Effective Date"), by and between CenCal Health ("Plan"), and the person or company signing below as Plan's trading partner ("Partner").

1. Transactions; Standards. Each party may electronically transmit to or receive from the other party any of the transaction sets listed in Schedule A, and other transactions that Plan adds to the Schedule A by written notice to Partner (collectively "Transactions"). Any electronic transmission of data that is not a Transaction shall have no force or effect between the parties unless justifiably relied upon by the receiving party. All Transactions shall comply with the standards described and referenced by the HIPAA Companion Guide and Schedule A, which is incorporated in this Agreement, and with the Standards for Electronic Transactions promulgated by the Centers for Medicare & Medicaid Services of the U.S. Department of Health and Human Services (45 CFR Parts 160 and 162) (the "Federal Standards." Plan may, in its discretion, reject any Transaction that it determines does not comply with the Federal Standards, even if the Transaction is otherwise complete and, in the case of a claim for payment, even if the claim would otherwise be payable pursuant to contract or law. A Transaction shall not be deemed received by Plan until it is submitted in compliance with the Federal Standards and otherwith with this Agreement.

2. Companion Guide. Partner shall comply with Plan's HIPAA Companion Guide (the "Companion Guide") as furnished to Partner from time to time.

3. Testing. Partner shall cooperate with Plan in testing to ensure the accuracy, timeliness, completeness and confidentiality of data transmissions. Plan shall not be obligated to accept Transactions unless it is satisfied that Partner is capable of conducting Transactions in accordance with this Agreement.

4. System Operations. Each party, at its own expense, shall furnish and maintain the equipment, software, services, and testing necessary to effectively and reliably transmit and receive Transactions. Each party shall be responsible for the costs of its transmission service provider, and shall be responsible for the acts and omissions of its service provider while transmitting, receiving, storing, or handling Transactions.

5. Communications and Protocols The parties shall follow the communications and protocols for sending and receiving Transactions set forth in the Companion Guide.

6. Use of Systems; Unauthorized Access. Partner shall have access to Plan's systems solely for the purpose of submitting or receiving Transactions in accordance with this Agreement. If Partner receives any data that is not intended for it, Partner shall immediately notify Plan, cooperate with Plan in remedying the error, and delete data entirely from its system after retransmission. Notwithstanding Section 16, Plan may terminate this Agreement immediately upon written notice to Trading Partner for violation of this Section.

7. Accuracy of Transactions. Partner shall use reasonable efforts to ensure that all Transactions transmitted by it are timely, complete, accurate and secure. Partner shall promptly trace and resubmit any Transaction that, in Plan's determination, is not complete and accurate. The submission of a Transaction constitutes Partner's representation and warranty that the data contained in such Transaction is complete and accurate, and, in the case of a claim for payment,

the item or service for which the claim was made was properly provided in accordance with the terms of all service agreements between Plan and Partner, and with applicable law and regulation.

8.Response. Partner shall respond within 24 hours by telephone or electronic mail to communications from Plan relating to Transactions, and shall promptly notify Plan about inquiries or complaints Partner receives from third parties concerning Plan or this Agreement.

9.Backup Data; Log. Partner shall maintain accurate back-up files of all Transactions transmitted by it, and all documentation necessary to validate such Transactions. Upon reasonable request made at any time during such period, Partner shall afford Plan access to such data for purposes of verifying the accuracy and appropriateness of Transactions submitted by Partner. Each party shall maintain an accurate, current and complete data log that records all Transactions transmitted and received pursuant to this Agreement. The parties shall retain such data for not less than seven (7) years following the date of the Transaction to which it relates.

10.Security. Each party shall properly use security procedures reasonably sufficient to protect the security of Transmissions in accordance with sound commercial practices, and with the Standards for Privacy of Individually Identifiable Health Information and the Security Standards of the Office for Civil Rights of the U.S. Department of Health and Human Services (45 CFR Parts 160, 162 and 164). Partner shall maintain all appropriate security procedures to prevent unauthorized access to Transactions or the data contained in them, and to Plan's systems and access codes, and shall immediately notify Plan of unauthorized attempts to obtain access or to tamper with such Transactions, data or systems. Partner shall maintain all security access codes in a strictly confidential manner and abide by the requirements for such codes contained in the Companion Guide. Partner shall limit access to security access codes authorized personnel who need to know them, and shall adopt and enforce reasonable policies and procedures relating to the use of such codes, including policies for the termination of access rights of employees whose employment is terminated or who are reassigned. Partner shall provide Plan with such information as Plan may reasonably request concerning Partner's security policies and procedures, and any security incident. Notwithstanding Section 16 below, Plan may terminate this Agreement immediately upon written notice to Partner for violation of this section.

11.Confidentiality.

(a) Each Party agrees to maintain the confidentiality of any confidential information made available to it by the other party; provided, however, that such information may be disclosed to those representatives of each party who need to know it for the purpose of assisting that party (it being understood that prior to the receipt of any confidential information by representatives of such party such representatives shall be informed of the confidential nature of such information and directed by the party to treat such information as confidential and such representatives shall agree to comply with and be bound by the confidentiality terms and conditions of this Agreement) and shall not be used for any purpose other than to fulfill its obligations under this Agreement. Upon termination of this Agreement for any reason, then upon the disclosing party's direction, the other party shall either (1) return to the disclosing party its confidential information, or (2) destroy such confidential information, without retaining any copies, extracts or other reproductions in whole or in part, and further, upon the written request of the disclosing party, shall provide written certification by its officer of the delivery or destruction of the confidential information to the disclosing party no later than ten (10) business days following delivery of the request by the disclosing party.

(b) This section shall not apply to any information a) which at the time disclosed to or obtained by the receiving party is in the public domain, b) which becomes part of the public domain through no fault of the receiving party c) which was communicated to the receiving party by a third party who is not, to the receiving party's knowledge, subject to any confidentiality obligations with respect thereto; d) prior to disclosure was already rightfully in the receiving party's possession; or e) is

required to be disclosed pursuant to a court order, so long as the disclosing party is given adequate notice and the ability to challenge such required disclosure.

(c) For purposes of this section, "confidential information" means information which (i) is disclosed in written or other tangible form and conspicuously marked as being confidential and/or proprietary, or (ii) the receiving party knows, or under the circumstances should know, is considered confidential or proprietary by the other party.

(d) The obligations under this section shall survive termination for any reason of this Agreement.

12. Notification. Partner shall promptly notify Plan of any change in the information Partner submitted to Plan in connection with Partner's application for this Agreement.

13. Cooperation. Partner shall cooperate with Plan in responding to any governmental inquiry relating to this Agreement, subject to any restrictions imposed by law.

14. Authentication. The Parties agree that use of the security access codes provided by Plan to Partner is legally sufficient to verify the identity of the transmitter and to authenticate a Transaction. Transmissions with such codes affixed will be deemed to be "written" or "signed" by the sender. Printed or electronic copies of these documents shall be considered to be original records admissible in judicial, arbitration, mediation or administrative proceedings to the same extent and under the same conditions as other business records originated and maintained in the ordinary course.

15. System Availability. While Plan intends to offer Partner the use of its system for Transactions, Plan does not promise to make its system available to Partner at any time or at all, and Plan shall have no liability to Partner for any interruption in or failure of the system.

16. Termination. This Agreement shall remain in effect until terminated by either party with not less than 30 days' prior written notice, which notice shall specify the effective date of termination; provided, however, that any termination shall not affect the respective obligations or rights of the parties arising under any Transactions, or arising otherwise under this Agreement, prior to the effective date of termination.

17. Miscellaneous. This Agreement supplements any agreements between the parties entered into before the Effective Date. To the extent that the provisions of such agreements do not conflict with this Agreement, they shall continue to govern the relationship between the parties with respect to each Transaction. Neither party shall be liable for any failure to comply with the provisions of this Agreement due to causes beyond its reasonable control, including, without limitation, any mechanical, electronic, or communications failure (a "Force Majeure"). Upon cessation of the events of a Force Majeure, this Agreement shall continue in effect until or unless it is terminated pursuant to Section 16. Any provision of this Agreement that is determined to be invalid or unenforceable shall be ineffective to the extent of such determination without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such remaining provisions. This Agreement, including Schedule A, constitutes the complete agreement of the parties relating to the matters specified in this Agreement and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. No oral modification or waiver of any of the provisions of this Agreement shall be binding on either party. No obligation to enter into any Transaction is implied from the execution or delivery of this Agreement. This Agreement is for the benefit of, and shall be binding upon, the parties and their respective successors and assigns. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES ARISING FROM OR AS A RESULT OF ANY DELAY, OMISSION, OR ERROR IN THE ELECTRONIC**

TRANSMISSION OR RECEIPT OF ANY TRANSACTIONS PURSUANT TO THIS AGREEMENT, EVEN IF EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of California without regard to its principles relating to conflicts of law.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the Effective Date.

PLAN

PARTNER:

CenCal Health

BY _____

BY _____

TITLE _____

TITLE _____

DATE _____

DATE _____

Address for Notices:

Address for notices:

4050 Calle Real

Santa Barbara, CA 93110

Schedule A Transactions and EDI Standards

This Schedule lists the EDI Transactions that the parties may send and receive pursuant to this Agreement, and the applicable standards for format and code sets. The standards listed below are the Federal Standards (as defined in section) in effect as of the date of this Agreement. If the Federal Standards are amended, this Schedule shall be deemed to be amended accordingly.

Professional and Institutional Transactions (with October Addenda)

ASC X12N 837—Health Care Claim: Professional, Version 4010, May 2000, Washington Publishing Company, 004010X098A1

ASC X12N 837—Health Care Claim: Institutional, Version 4010, May 2000, Washington Publishing Company, 004010X096A1

ASC X12N 270/271—Health Care Eligibility Benefit Inquiry and Response, Version 4010, May 2000, Washington Publishing Company, 004010X092A1

ASC X12N 278—Health Care Services Review—Request for Review and Response, Version 4010, May 2000, Washington Publishing Company, 004010X094A1

ASC X12N 276/277 Health Care Claim Status Request and Response, Version 4010, May 2000, Washington Publishing Company, 004010X093A1

ASC X12N 835—Health Care Claim Payment/Advice, Version 4010, May 2000, Washington Publishing Company, 004010X091A1

[ASC X12N 834—Benefit Enrollment and Maintenance, Version 4010, May 2000, Washington Publishing Company, 004010X095A1]

[ASC X12N 820—Payroll Deducted and Other Group Premium Payment for Insurance Products, Version 4010, May 2000, Washington Publishing Company, 004010X061A1]

Retail Pharmacy Transactions:

The Telecommunication Standard Implementation Guide, Version 5 Release 1, September 1999, and equivalent Batch Standard Batch Implementation Guide, Version 1, Release 1 (Version 1.1), January, 2000, supporting Telecommunication Version 5.1 for the NCPDP Data Record in the Detail Data Record, National Council for Prescription Drug Programs.

Code Sets

International Classification of Diseases, 9th Edition, Clinical Modification, (ICD–9–CM), Volumes 1 and 2 (including The Official ICD–9–CM Guidelines for Coding and Reporting), as maintained and distributed by HHS, for the following conditions:

- (1) Diseases.
- (2) Injuries.
- (3) Impairments.

(4) Other health problems and their manifestations.

(5) Causes of injury, disease, impairment, or other health problems.

International Classification of Diseases, 9th Edition, Clinical Modification, Volume 3 Procedures (including The Official ICD–9–CM Guidelines for Coding and Reporting), as maintained and distributed by HHS, for the following procedures or other actions taken for diseases, injuries, and impairments on hospital inpatients reported by hospitals:

(1) Prevention.

(2) Diagnosis.

(3) Treatment.

(4) Management.

Code on Dental Procedures and Nomenclature, as maintained and distributed by the American Dental Association, for dental services.

The combination of Health Care Financing Administration Common Procedure Coding System (HCPCS), as maintained and distributed by HHS, and Current Procedural Terminology, Fourth Edition (CPT–4), as maintained and distributed by the American Medical Association, for physician services and other health care services. These services include, but are not limited to, the following:

(1) Physician services.

(2) Physical and occupational therapy services.

(3) Radiologic procedures.

(4) Clinical laboratory tests.

(5) Other medical diagnostic procedures.

(6) Hearing and vision services.

(7) Transportation services including ambulance.

The National Drug Codes (NDC), as maintained and distributed by HHS, for reporting the following by retail pharmacies:

(1) Drugs.

(2) Biologics.

The Health Care Financing Administration Common Procedure Coding System (HCPCS), as maintained and distributed by HHS, for all other substances, equipment, supplies, or other items used in health care services, with the exception of biologics. These items include, but are not limited to, the following:

(1) Medical supplies.

(2) Orthotic and prosthetic devices.

(3) Durable medical equipment.