

HEALTH TRADITION HEALTH PLAN

1808 East Main Street
Onalaska, WI 54650
P.O. Box 188
La Crosse, WI 54602
(608) 781-9692 or (888) 459-3020

SMALL GROUP MASTER CONTRACT

EMPLOYER:

EFFECTIVE DATE:

Health Tradition Health Plan (“**Plan**”), a Wisconsin health maintenance organization, and the **Employer** hereby agree to offer a group health plan providing benefits for **Covered Services** to **Eligible Employees** of the **Employer** who reside or are employed within the **Plan's Service Area**.

The **Benefit Plan** is made in consideration of the **Employer's** payment of the required **Contract Charges** as specified herein.

Coverage under the **Benefit Plan** shall begin at 12:01 a.m. and shall terminate at 12:00 midnight of the applicable effective and termination dates of coverage.

This **Master Contract** is delivered in and governed by the laws of the State of Wisconsin.

THIS MASTER CONTRACT IS GUARANTEED RENEWABLE UNLESS TERMINATED IN ACCORDANCE WITH SECTION V.

SECTION I

DEFINITIONS

This section defines the terms used in this **Master Contract**. These terms will be capitalized and boldfaced throughout this **Master Contract** when referred to in the context defined. The **Plan** shall determine the interpretation and application of the definitions in each and every situation.

- 1.1 **Annual Out-of-Pocket Maximum** – the maximum Cost Sharing Amounts a Member is required to pay for Covered Services received in a calendar year. If the Cost Sharing Amount charged to a Member is increased due to a failure to comply with the Referral and Prior Authorization requirements of the Plan, then the difference between the Cost Sharing Amount charged and the Cost Sharing Amount that would have been charged had the requirements been met shall not constitute a Cost Sharing Amount for purposes of the Annual Out-of-Pocket Maximum.
- 1.2 **Benefit Plan** – the agreement with the **Plan**, including the **Master Contract**, the **Subscribers'** Member enrollment forms, **Membership Card**, **Certificate of Coverage**, **Summary of Benefits**, and any schedules, supplements, exhibits, endorsements, attachments, addenda, riders or amendments.
- 1.3 **Certificate of Coverage** – the evidence of coverage that states the terms, conditions and benefits of coverage, and any endorsements, attachments, supplements, addenda, riders, or amendments thereto.
- 1.4 **Class of Coverage** – the type of coverage the **Subscriber** is enrolled under, identifying who is eligible to receive **Covered Services** under the **Benefit Plan**. The **Classes of Coverage** are listed in the **Employer Group Application**.
- 1.5 **Contract Charge** – the sum of the **Premiums** for all **Members**.
- 1.6 **Cost Sharing Amounts** – the dollar amount a **Member** is responsible for paying when **Covered Services** are received from a **Healthcare Provider** or pharmacy. **Cost Sharing Amounts** include **Coinsurance**, **Copayment**, and **Deductible** amounts. Applicable **Cost Sharing Amounts** are identified in the **Summary of Benefits**. **Healthcare Providers** may bill the **Member** directly or may request payment of **Coinsurance**, **Copayment**, and **Deductible** amounts at the time **Covered Services** are provided.
 - A. **Coinsurance** – a defined percentage of the charges a **Member** must pay for certain **Covered Services**.
 - B. **Copayment** – the specified dollar amount a **Member** must pay for certain **Covered Services**.
 - C. **Deductible** – the amount a **Member** must pay for certain **Covered Services** each calendar year or **Coverage Year** before the **Plan** will begin to pay benefits.
 - D. **Confinement Fee** – the amount a **Member** must pay for inpatient hospitalization.
- 1.7 **Coverage Year** – the time period from the effective date of the **Benefit Plan** to the renewal date, and the year beginning upon each renewal date. The effective date of the **Benefit Plan** is indicated in the **Summary of Benefits**.

- 1.8 **Covered Services** – medically necessary **Healthcare Services** described in *Article V–Schedule of Benefits* of the **Certificate of Coverage** for which benefits will be provided, unless limited or excluded by *Article IV–Cost Sharing and Access to Healthcare* or *Article VI–Exclusions and Limitations* or elsewhere in the **Certificate of Coverage**.
- 1.9 **Dependent** – a person (a) who is eligible for **Dependent** coverage, (b) who has been accepted for coverage under the **Benefit Plan**, and (c) for whom **Premium** has been paid. Further information regarding **Dependent** enrollment and who is eligible for coverage as a **Dependent** can be found in *Article II – Eligibility and Participation* of the **Certificate of Coverage**.
- 1.10 **Eligible Employee** – any employee who meets the criteria set forth in *Article II–Eligibility and Participation* of the **Certificate of Coverage**.
- 1.11 **Employer** – the organization through which the **Benefit Plan** is offered. The **Employer** is named in the **Summary of Benefits**.
- 1.12 **Employer Group Application** – the application completed by the **Employer** prior to the desired effective date of coverage with the **Plan**.
- 1.13 **Healthcare Provider** – institutional **Healthcare Providers** or individual **Healthcare Providers** (practitioners) providing Healthcare Services to **Members**. Each **Healthcare Provider** must be licensed, registered or certified by the appropriate state agency where the Healthcare Services are performed. Where there is no appropriate state agency, the **Healthcare Provider** must be registered or certified by the appropriate professional body.
- 1.14 **Healthcare Services** – the provision of medical treatment, disposable supplies, durable medical equipment, prosthetics, or prescription drugs.
- 1.15 **Identification Number** – a number assigned by the **Plan** and listed on the **Membership Card** that identifies the **Subscriber** for administrative purposes.
- 1.16 **Master Contract** – this document, including the **Employer Group Application** and any schedules, exhibits, addenda, supplements, attachments, or amendments thereto.
- 1.17 **Member** – a **Subscriber** or **Dependent** who is participating under the **Benefit Plan** in accordance with *Article II–Eligibility and Participation* of the **Certificate of Coverage**.
- 1.18 **Membership Card** – an identification card issued in the **Subscriber’s** name with the **Identification Number** of the **Subscriber**.
- 1.19 **Plan** – Health Tradition Health Plan.
- 1.20 **Premium** – the monthly fee required for coverage under the **Benefit Plan**. **Premiums** are set forth on the **Premium Rate Sheet** and are based on a **Subscriber’s Class of Coverage**. **Premiums** may be amended from time to time, as provided in in the **Master Contract**.
- 1.21 **Premium Rate Sheet** – the document listing the current monthly **Premium** for each **Class of Coverage** under the **Benefit Plan**.
- 1.22 **Renewal Agreement Form** – the document listing the **Premium** for each **Class of Coverage** for the next renewal period, the renewal terms, and any changes to the **Benefit Plan**.

- 1.23 **Service Area** – the geographic area served by the **Plan**. Contact the **Plan** to determine the precise geographic area served by the **Plan**. The **Service Area** may change from time to time.
- 1.24 **Small Employer Group** – an **Employer** employing an average of not less than 2 or more than 50 employees on business days during the preceding calendar year. If the **Employer** was not in existence during the preceding calendar year, it will qualify as a **Small Employer Group** if it reasonably expects to employ an average of at least 2 but no more than 50 employees on business days during the current calendar year. As used within this definition, employee shall mean any individual employed by the **Employer**.
- 1.25 **Subscriber** – an **Eligible Employee** who is properly enrolled for coverage under the **Benefit Plan**. The **Subscriber** is the person (who is not a **Dependent**) on whose behalf the **Benefit Plan** is issued to the **Employer**. **Subscriber** also includes a former employee who is otherwise entitled to coverage and properly enrolled under the **Benefit Plan**.
- 1.26 **Summary of Benefits** – the separate companion document that accompanies the **Certificate of Coverage**. It lists the **Cost Sharing Amounts** that apply to **Covered Services** under the **Benefit Plan**. The **Certificate of Coverage** and **Summary of Benefits** work together and are evidence of coverage for the **Member**.

SECTION II

PLAN RESPONSIBILITIES

- 2.1 *Covered Services:* Subject to the terms and conditions of the **Benefit Plan**, the **Plan** will provide benefits to **Members** for **Covered Services** specified in the **Benefit Plan**.
- 2.2 *Eligibility:* The **Plan** shall administer enrollment eligibility as governed by rules in the **Benefit Plan** and eligibility requirements set forth by the **Employer** as described in 3.9, below.
- 2.3 *Effective Date:* The effective date of the **Benefit Plan** is shown on the cover page of this **Master Contract**. Rules governing effective dates of coverage for **Members** are specified in the **Benefit Plan**.
- 2.4 *Renewal Date:* The renewal date of the **Benefit Plan** is listed in the **Employer Group Application**. The **Benefit Plan** is renewable in accordance with Section V.
- 2.5 *Disenrollment:* The **Plan** may terminate a **Member**'s coverage and disenroll such **Member** from the **Benefit Plan** for any of the reasons specified in the **Benefit Plan**. If the **Plan** disenrolls a **Member** for any reason other than failure to pay required premiums, the **Plan** will make arrangements to provide similar alternative coverage to the disenrolled **Member**. Coverage shall continue until the **Member** finds other coverage or until the next opportunity for the **Member** to change insurers, whichever comes first.
- 2.6 *Overpayment:* The **Plan** will refund or credit the **Employer** any overpayment that may have been paid to the **Plan** by the **Employer** on behalf of a **Member**.
- 2.7 *Standard Reports:* Reports and data requested by the **Employer** will be provided at a charge of \$150 per programmer/analyst hour for report/data development, and a run charge to cover the cost of producing these reports or data.

- 2.8 *Certificates of Creditable Coverage:* The **Plan** agrees to provide **Members** with a Certificate of Creditable Coverage upon request at any time they are covered under the Benefit Plan, at the time they cease to be covered, or upon request within two (2) years of the date they cease to be covered, as required by federal law.

SECTION III

EMPLOYER RESPONSIBILITIES

- 3.1 *Payment of Contract Charges:* The monthly due date for payment of **Contract Charges** by the **Employer** shall be the first day of each month. There is a thirty (30) day grace period for payment of these **Contract Charges**. If payment is not received by the twentieth day of the coverage month, a termination warning letter will be sent to the **Employer**. If payment is not received by the end of the grace period, a termination letter will be sent to the **Employer** and all **Subscribers** as required by Wisconsin law. Termination will occur the first day of the month following the termination letter, or as indicated in the termination letter.
- 3.2 *Billing Method:* The billing method is outlined in the **Employer Group Application**.
- 3.3 *Notification:* The **Employer** will notify the **Plan** of new **Members** and of changes in **Class of Coverage** within thirty (30) days of the effective date of such addition or change.

The **Employer** will notify the **Plan** of **Member** coverage terminations within thirty (30) days of the effective date of such termination. Failure to report termination of coverage will not continue such coverage beyond the date it is scheduled to terminate according to the terms of the **Benefit Plan**.

- 3.4 *Contract Charge Adjustments:* Retroactive **Contract Charge** adjustments will be made or permitted by the **Plan** the month following notification of such changes by the **Employer** for any **Member** additions, terminations or **Class of Coverage** changes. Retroactivity of **Contract Charge** adjustments will be limited to sixty (60) days. **Contract Charge** adjustments will be made as outlined in the **Employer Group Application**. Retroactive adjustments will be made only to the extent notification is made in accordance with Paragraph 3.3. Coverage status is subject to the provisions in the **Benefit Plan**.
- 3.5 *Termination of Member Coverage:* An **Employer** may terminate any **Member** from coverage as provided in the **Benefit Plan**. The **Plan** will not be liable for claims incurred after the date the **Member's** coverage terminates in accordance with the **Benefit Plan**.
- 3.6 *Records and Inspection of Records:* The **Employer** will furnish to the **Plan** all information the **Plan** may reasonably require regarding any matters pertaining to the **Benefit Plan** and its effective administration, including, but not limited to timely notice or appropriate forms of addition, termination and **Class of Coverage** changes. The **Employer** shall permit **Subscribers** to inspect a copy of this **Master Contract** at its office or offices during reasonable business hours. The **Employer** will also allow the **Plan** to audit employee records, billing statements and other files that may be necessary to effectively administer the **Benefit Plan**.

The **Employer** agrees to verify all eligibility information provided by **Subscribers**. If the **Plan** pays benefits for **Covered Services** for **Members** who are determined by the **Plan** to be ineligible for coverage, the **Employer** agrees to reimburse the **Plan** for such benefits paid.

- 3.7 *Terminated Employees – Notice of Right to Continuation:* The **Employer** shall inform **Subscribers** (within fourteen (14) days of loss of coverage) of their right to continue coverage, subject to payment of the applicable **Premium**, under the **Benefit Plan** (including, but not limited to coverage of **Dependents**, if any). The **Employer** shall also inform the terminating **Subscriber** of the manner in which payment is to be made and the time limits on payment for continuation coverage. Notice shall be sent in writing by first-class mail to the last known address of the **Subscriber** provided to the **Employer**.
- 3.8 *Uniformed Services Employment and Reemployment Rights Act (USERRA):* National Guard or reservists may be absent from employment for service in the Armed Forces. An example would be a **Subscriber** or **Member** who is ordered to or retained on active duty. These persons and their civilian employers have certain rights and responsibilities under USERRA.

The **Employer** may voluntarily maintain healthcare coverage under the **Benefit Plan** for persons absent from employment for service in the Armed Forces. If the **Employer** does not choose to voluntarily maintain healthcare coverage, USERRA *requires* the **Employer** to offer the option for a **Subscriber** to maintain coverage, at the **Subscriber's** own expense, through continuation of health benefits during the period of military service. **Subscribers** and **Members** are also eligible for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). **If COBRA applies, employers should give employees simultaneous notice of USERRA and COBRA rights to continuation coverage upon beginning military leave.**

- 3.9 *Eligibility:* The **Employer** shall determine the period of time during which new employees of the **Employer** must wait before becoming eligible to join the **Plan**. This period of time is known as the employee waiting period and is shown in the **Employer Group Application**.
- 3.10 *Enrollment:* **Eligible Employees** may enroll only during periods agreed upon by the **Employer** and the **Plan** and as required in accordance with state and federal law. Enrollment requirements are specified in the **Certificate of Coverage**.
- 3.11 *Participation Requirements:*

For **Small Employer Groups**, the following participation requirements must be met:

<u>Number of Eligible Employees*</u>	<u>Number Enrolled</u>
2-4	2
5-6	3
7	4
8-9	5
10	6
11 or more	70%

(rounded up to the nearest whole number)

*Does not include **Eligible Employees** with other creditable coverage.

- 3.12 *Contribution Requirements:* **Small Employer Groups** are required to contribute at least 50% of the composite single rate.

SECTION IV

ADJUSTMENT OF RATES

- 4.1 *Renewal with Altered Terms:* If the **Benefit Plan** will be renewed with less favorable terms or at a higher **Premium**, the **Plan** shall notify the **Employer** at least sixty (60) days before expiration of the **Benefit Plan**. If the **Plan** notifies the **Employer** less than sixty (60) days before expiration of the **Benefit Plan**, the altered terms shall not take effect until sixty (60) days after notice and the **Employer** shall have the right to cancel the **Benefit Plan** at any time during the 60-day period. As used in this election, higher **Premium** means a **Premium** rate that is at least 25% higher than the current **Premium** or that is not generally applicable to the class of business that includes the **Benefit Plan**. Higher **Premium** does not include an increase in the **Premium** that results from a change based on action by the **Employer** that alters the nature or extent of the risk covered by the **Benefit Plan**.
- 4.2 *Renewal Agreement Form:* The **Renewal Agreement Form**, illustrating the agreed upon renewal terms, must be completed and signed by the **Employer** prior to the renewal date for the **Benefit Plan**.
- 4.3 *Premium Rate:* The **Premium** rate may be changed if the nature or extent of risk under the **Benefit Plan** is changed by amendment or by reason of any provisions of law or any government regulations.
- 4.4 Should a state or federal law be enacted or amended to impose tax or an assessment on the **Plan's** receipts, premiums, or income, the **Plan** may, upon thirty (30) days written notice (even during the initial **Benefit Plan** term), increase the **Premiums** for the **Benefit Plan** by the amount of such tax or assessment attributable to the receipts, premiums, or income received by the **Plan** from the **Employer**.

SECTION V

TERM AND TERMINATION

- 5.1 *Term:* The **Benefit Plan** will be effective as of the effective date specified on the cover page of this **Master Contract** and shall automatically renew and continue in effect from year to year, subject to nonrenewal and termination as described in this section, or unless terminated in accordance with Section VI.
- 5.2 *Member Coverage and Notice:* **Members** will be covered, and **Premiums** will be due and payable, according to the option elected in the **Employer Group Application**. If a **Member's** coverage under the **Benefit Plan** is terminated, coverage for the **Member** will continue through the end of the month of termination. The full month **Premium** is due for the terminated **Member**.

If the **Plan** terminates the **Benefit Plan** for non-payment of the **Contract Charge**, the **Plan** will give the **Employer** and **Subscribers** at least ten (10) days written notice of termination and shall include information regarding the **Subscriber's** rights to convert to an individual policy.

5.3 *Termination or Nonrenewal:*

- A. This **Master Contract** may be terminated or nonrenewed:
1. By the **Employer** at any time by giving at least 60 days advance written notice to the **Plan**.
 2. By the **Plan** with at least 30 days advance written notice only for the following reasons:
 - (a) Failure to meet participation or contribution requirements;
 - (b) Fraud or misrepresentation by the **Employer**;
 - (c) Substantial breaches of contractual duties, conditions, or warranties;
 - (d) There is no longer a **Member** who resides or works in the **Plan's Service Area**; or
 - (e) If the **Benefit Plan** is issued to a bona fide association, the **Employer** ceases to be a **Member** of the association on which the coverage is based.
- B. The **Plan** may discontinue offering the **Benefit Plan** if:
1. The **Plan** ceases to offer coverage in the market in which the **Benefit Plan** is included;
 2. The **Plan** provides a 90-day notice of the cancellation to each **Employer** and to each **Member** who has coverage under the **Benefit Plan**; and
 3. The **Plan** offers to each **Employer** the option to purchase the **Plan's** other **Benefit Plans** that it offers in the **Service Area**.
- C. The **Plan** may discontinue offering the **Benefit Plan** and all of its other **Benefit Plans** in the state of Wisconsin if:
1. The **Plan** ceases to offer in Wisconsin all **Benefit Plans** in the large group market or in the group market other than the large group market, or in both group markets;
 2. The **Plan** provides notice to all affected **Employers** and to the Commissioner in each state in which an affected **Member** resides not later than 180 days before termination of coverage; and
 3. The **Plan** does not establish a new class of business earlier than 5 years after the nonrenewal of the **Benefit Plans**.

5.4 *Failure to Meet Participation Requirements.* If the **Plan** terminates the **Benefit Plan** for failure to meet participation requirements, the **Plan** may cancel the **Benefit Plan** on any **Contract Charge** due date with thirty (30) days advance written notice to the **Employer**. If this occurs, the **Benefit Plan** will be continued for sixty (60) days beyond the cancellation date to allow the **Employer** to meet the participation requirements. The **Employer** must pay the required **Contract Charges** for the 60-day period. If the **Employer** meets the participation requirements during the 60-day period, the **Plan** shall continue the **Benefit Plan** in force as though the **Employer's** eligibility had been continuous.

SECTION VI

UNFORSEEN CIRCUMSTANCES

- 6.1 In the event the **Employer's** or the **Plan's** operations are substantially interrupted by war, fire, insurrection, the elements, earthquakes, or, without limiting the foregoing, any other cause beyond the control of the affected party (including, but not limited to the **Plan's** inability to meet all material requirements imposed on the **Plan** by state or federal law resulting in a significant impact on the **Plan's** operations), the affected party shall be relieved of its obligations only as to the affected portions of the **Benefit Plan**. In the event the performance of the affected party is substantially interrupted pursuant to such event, the other party shall have the right to terminate the **Benefit Plan** upon ten (10) days prior written notice to the affected party.

SECTION VII

GENERAL PROVISIONS

- 7.1 *Assignment:* No assignment of the **Benefit Plan** shall be made by either party. Any attempted assignment in violation of this provision shall void the **Benefit Plan**. However, this provision shall not be interpreted to limit any right of a **Subscriber** to make assignment of benefits payable to a **Healthcare Provider** for **Covered Services**.
- 7.2 *Clerical Error:* Clerical error will not deprive any individual of coverage, or will not create coverage not otherwise validly in effect. Upon discovery of a clerical error, an appropriate adjustment in **Premium** and/or **Contract Charge** shall be made.
- 7.3 *Workers' Compensation Not Affected:* The coverage provided under the **Benefit Plan** is not in lieu of, and does not affect any requirements for coverage by, workers' compensation insurance.
- 7.4 *Notice:* Any notification regarding the terms and provisions of the **Benefit Plan** shall be in writing and shall be sent to the **Plan** or the **Employer** at the appropriate address as listed on the **Employer Group Application**. Each party has the responsibility to notify the other parties within two (2) business days of any change in the information provided in section *B.3 - Notice of the Employer Group Application*.

Notice given by the **Plan** to an authorized representative of the **Employer** shall be deemed notice to all affected **Subscribers** in the administration of the **Benefit Plan**, including, but not limited to notice of termination of the **Benefit Plan** or termination of individual coverage. However, when termination is due to nonpayment of **Contract Charges**, notice will also be given to **Subscribers** by the **Plan** and this shall be deemed notice to all affected **Members**.

- 7.5 *Alterations:* No alteration of the **Benefit Plan** and no waiver of any of its provisions shall be valid unless evidenced by a schedule, supplement, exhibit, attachment, addenda, rider, endorsement or an amendment which is signed by an executive officer of the **Plan**, attached to the **Benefit Plan**. No agent has authority to change the **Benefit Plan** or to waive any of its provisions.

The **Plan** shall have the right, in its sole discretion, upon sixty (60) days advance notice to the **Employer**, to modify the terms of the **Benefit Plan** as of the date of each annual renewal of the **Benefit Plan**. Except as stated in this paragraph 7.5 or otherwise provided in Section IV, the **Benefit Plan** may be amended only by mutual written consent of both parties.

- 7.6 *Entire Contract:* The agreement with the **Plan**, which includes only the following documents; this **Master Contract**, the **Subscriber's** enrollment form, the **Employer Group Application**, the **Subscriber's Membership Card**, the current **Certificate of Coverage**, the current **Summary of Benefits**, the current **Premium Rate Sheet**, and any schedules, supplements, exhibits, endorsements, attachments, addenda, riders or amendments, shall constitute the entire contract between the parties. Any prior agreements, promises, negotiations, or representations, whether oral or written, relating to the subject matter of the **Benefit Plan**, not expressly set forth in the **Benefit Plan**, are of no force or effect.

- 7.7 *Headings:* The headings of sections and subsections contained in this **Master Contract** are for reference purposes only and shall not affect, in any way, the meaning or interpretation of this **Master Contract**.

- 7.8 *Severability:* In the event any provision of the **Benefit Plan** is rendered invalid by an Act of Congress or by the Wisconsin Legislature, or by any regulation duly promulgated by offices of the United States or the State of Wisconsin acting in accordance with law, or if any provision hereof is declared null and void by any court of competent jurisdiction, the remaining provisions of the **Benefit Plan** shall continue in full force and effect.

- 7.9 *ERISA Responsibilities.* The **Plan** will not be, and is not, a plan sponsor, plan administrator, or fiduciary for any purpose under the Employee Retirement Income Security Act (ERISA) of 1974, as amended, or under any other state or federal law. The **Employer** is solely responsible for carrying out any obligation created, required, or imposed by ERISA or any other law, as it may apply to such group insurance policies. The **Employer** is also obligated to provide notice and information to its employees with regard to special enrollment rights and consequences of late enrollment under HIPAA and state law.

- 7.10 *Choice of Law and Conformity with Statutes.* The **Benefit Plan** is designed to comply with the applicable provisions of federal and state law. The **Benefit Plan** will be administered, construed, and enforced according to the laws of the state of Wisconsin and the courts situated in that state. Any provisions that are in conflict with the laws of the state of Wisconsin and/or federal law are amended to conform to the minimum requirements of those laws. This **Master Contract** and the **Benefit Plan** are prepared to comply with state law; the Plan makes no guarantees about tax implications.

SECTION VIII

SIGNATURES

IN WITNESS WHEREOF, each party hereto has caused this Master Contract to be signed by its duly authorized representatives and is effective on the date shown on the cover page of this Master Contract.

EMPLOYER:

HEALTH TRADITION HEALTH PLAN

By _____

By _____

Title _____

Title _____

Date _____

Date _____