

**PGBA, LLC**  
**EDIG Operations**  
**P. O. Box 17151**  
**Augusta, GA 30903**  
**Fax: 803-264-9864**

## **ELECTRONIC TRADING PARTNER AGREEMENT**

Agreement No.: \_\_\_\_\_

This Electronic Trading Partner Agreement (“Agreement”) is made as of the day of \_\_\_\_\_, 20\_\_ (“Effective Date”), by and between, PGBA, LLC, a subsidiary of Blue Cross Blue Shield of South Carolina, located at I-20 Alpine Road, Columbia, South Carolina 29219, and

\_\_\_\_\_ (“Trading Partner”) located at \_\_\_\_\_.  
This Agreement provides the terms and conditions governing electronic transfers of data communications and funds between PGBA, LLC and Trading Partner (collectively “Parties”) by direct digital or electronic transmission over communication lines to accomplish the Parties’ business objectives regarding the provision and acquisition of products and services and the transfer of funds. This Agreement will remain in effect until terminated according to its terms.

### **RECITALS**

WHEREAS, both Parties consider their mutual interest to be served by engaging in the electronic transfer of data communications as a means of furthering their respective business objectives; and

WHEREAS, PGBA, LLC provides benefit payments on behalf of persons covered under health benefit programs and engages in the electronic transfer of data between Payors, Providers and Suppliers; and

WHEREAS, Trading Partner is a business entity that transacts business with PGBA, LLC on a regular basis pursuant to the terms of a Business Agreement; and

WHEREAS, each Party is or will be equipped at its own expense with the Operating System and trained personnel necessary to engage in the successful exchange of electronic data and funds; and

WHEREAS, both Parties are entering into this Agreement to facilitate, through transmission via electronic formats consistent with or otherwise allowed by Social Security Act § 1173 and the Transaction Rules, the submission and payment of claims for medical services and supplies rendered or sold to TRICARE Eligible Individuals, and Covered Individuals; and

WHEREAS, in the electronic transmission of data and funds, the confidentiality and security of the data exchanged are an utmost priority to both Parties; and

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WHEREAS, PGBA, LLC anticipates that Trading Partner may use, in the performance of this Agreement, various third-party Business Associates in the electronic exchange of information;

NOW, THEREFORE, in consideration for the mutual promises herein, the Parties agree as follows:

## I. DEFINITIONS

The following terms with initial capitals have these meanings:

- 1.1 ANSI means American National Standards Institute, an organization whose Accredited Standards Committee develops and approves uniform standards for the electronic interchange of business transactions.
- 1.2 Business Agreement means a written agreement between PGBA, LLC and Trading Partner whereby PGBA, LLC and Trading Partner may exchange Data and/or funds and includes, without limitation, a Plan Hospital Contract, a Medicare Provider Agreement, a Medical Services Advisory Agreement, a PPO Hospital Contract, a PPO Physician Agreement, a Managed Care Network Preferred Physician Agreement or any other applicable written agreement between the Parties that now exists or that the Parties may enter into from time to time.
- 1.3 Business Associate means a third-party organization, designated in the Trading Partner Business Associate Authorization Rider, that contracts with Trading Partner to perform services to facilitate the electronic transfer of Data or funds or to conduct other business functions on behalf of Trading Partner. Examples of Business Associates include, without limitation, clearinghouses, vendors, billing services, service bureaus, accounts receivable management firms and banking institutions.
- 1.4 TMA means the TRICARE Management Activity of the United States Department of Defense. TMA is a federal agency that administers the TRICARE programs.
- 1.5 Confidential Health Information means information relating to specific Individuals, including Individually Identifiable Health Information and Health Information, that is exchanged by and between PGBA, LLC and Trading Partner or Business Associate for various business purposes, and that is protected from disclosure to unauthorized persons or entities by Social Security Act § 1171 *et seq.*, the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Parts 160 and 164, the Privacy Act of 1974 (5 U.S.C. § 552A), or other applicable state and federal statutes and regulations, including statutes and regulations protecting the privacy of general medical, mental health and substance abuse records (collectively “Privacy Statutes and Regulations”).
- 1.6 Covered Individual means an Individual who is eligible for payment of certain services or supplies rendered or sold to the Individual or to the Individual’s eligible dependents under the terms, conditions, limitations and exclusions of a health benefit program issued or administered by PGBA, LLC or a health benefit program issued or administered by another Payor.

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- 1.7 Data mean formalized representation of specific facts or concepts suitable for communication, interpretation or processing by people or automatic means.
- 1.8 Data Transmission means automated transfer or exchange of Data, pursuant to the terms and conditions of this Agreement, between PGBA, LLC and Trading Partner or Business Associate by means of their respective Operating Systems, which are compatible for that purpose, and includes without limitation Electronic Data Interchange (“EDI”), Electronic Remittance Advice (“ERA”), Electronic Funds Transfer (“EFT”) and Electronic Media Claims (“EMC”) transmissions.
- 1.9 Electronic Data Interchange (“EDI”) means the automated exchange of business documents from application to application.
- 1.10 Electronic Funds Transfer (“EFT”) means the value-dated transmission of an electronic message to a depository institution instructing it to make a book entry reflecting the transfer of funds between PGBA, LLC and Trading Partner.
- 1.11 Electronic Media Claims (“EMC”) means automated methods of submitting claims for payment of medical services or supplies rendered or sold by a Provider or Supplier to an Individual.
- 1.12 Electronic Remittance Advice (“ERA”) means a document containing information pertaining to the disposition of a specific claim for payment of services or supplies rendered to an Individual that a Provider or Supplier files with PGBA, LLC on the Individual’s behalf. The documents include, without limitation, information such as the Provider or Supplier name and address, Individual’s name, date of service, amount billed, amount paid, whether the claim is approved or denied, and if denied, the reason for the denial.
- 1.13 Envelope means a control structure in a format mutually agreeable to PGBA, LLC and Trading Partner for the electronic interchange of one or more encoded Data Transmissions between PGBA, LLC and Trading Partner or Business Associate.
- 1.14 HHS means the United States Department of Health and Human Services.
- 1.15 Health Information means any information, whether oral or recorded in any form or medium that (i) is created or received by a Provider, health plan, public health authority, employer, life insurer, school, university or health care clearinghouse and (ii) relates to the past, present, or future physical or mental health or condition of an Individual, the provision of health care to an Individual or the past, present, or future payment for the provision of health care to an Individual.
- 1.16 Individual means a person whose claims for services or supplies may be eligible to be paid under the terms of an applicable governmental or private program for which PGBA, LLC processes or administers claims, and specifically includes without limitation Medicare Eligible Individuals, Medicaid Eligible Individuals and Covered Individuals. PGBA, LLC and Trading Partner acknowledge and agree that claim payments made

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according to this Agreement will be made directly to Trading Partner or Business Associate on behalf of the Individual.

- 1.17 Individually Identifiable Health Information means any Health Information, including demographic information collected from an Individual, that is created or received by a Provider, health plan, employer or health care clearinghouse and either (i) identifies an Individual or (ii) creates a reasonable basis to believe the information can be used to identify the Individual.
- 1.18 Lost or Indecipherable Transmission means a Data Transmission that is not received or cannot be processed to completion by the receiving Party because it is garbled or incomplete, regardless of how or why the Data Transmission was rendered garbled or incomplete.
- 1.19 TRICARE means the Department of Defense healthcare program for active duty members, and their families, and retirees and their families. TRICARE is an enhancement of CHAMPUS, the Civilian Health and Medical Program of the Uniformed Services, established under the Code of Federal Regulations #19917.
- 1.20 TRICARE Eligible Individuals mean those Individuals eligible for payment of charges for services rendered or supplies sold to them under TRICARE.
- 1.21 National Standard Identifier means the standard unique health identifier for each Individual, employer, health plan and Provider for use in the health care system.
- (a) Employer Identifier means the Federal Employer Identification Number assigned by the Internal Revenue Service to identify the tax accounts of businesses with employees or businesses operating as partnerships or corporations or such other unique alphanumeric identifier assigned to employers pursuant to regulations implementing the Health Insurance Portability and Accountability Act of 1996.
- (b) National Provider Identifier means the unique alphanumeric identifier assigned to each Provider pursuant to regulations implementing the Health Insurance Portability and Accountability Act of 1996.
- (c) Additional Identifiers mean identifiers for health plans and Individuals assigned pursuant to regulations implementing the Health Insurance Portability and Accountability Act of 1996.
- 1.22 Operating System means the equipment, software and trained personnel necessary for a successful Data Transmission.
- 1.23 Payor means a business organization that provides benefit payments for certain services or supplies rendered or sold to Covered Individuals or their eligible dependents under the terms, conditions, limitations and exclusions of a health benefit program issued or administered by the Payor.

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- 1.24 Proprietary Information means information used or created by PGBA, LLC in the conduct of its business activities that is not normally made available to PGBA's customers, competitors or third parties, the disclosure of which will or may impair PGBA's competitive position or otherwise prejudice PGBA's ongoing business.
- 1.25 Provider means a hospital or professional practitioner duly certified or licensed to provide health care services to Covered Individuals, and includes, without limitation, extended care facilities, skilled nursing facilities, rehabilitation facilities, home health agencies, hospices, physicians, dentists, clinical social workers, ambulance services, and hospitals or professional practitioners specifically certified or approved by HHS to provide reimbursable health care services to Medicare Eligible Individuals.
- 1.26 Security Access Codes mean alphanumeric codes that PGBA assigns to Trading Partner to allow Trading Partner access to PGBA's Operating System for the purpose of successfully executing Data Transmissions or otherwise carrying out this Agreement.
- 1.27 Source Documents mean documents containing Data that are or may be required as part of a Data Transmission concerning a claim for payment of charges for medical services that a Provider furnishes or medical supplies that a Supplier sells to a Covered Individual. Source Documents are subject to the security standards of Article V of this Agreement. Examples of Data contained within a Source Document include, without limitation, Individual's name and identification number, claim number, diagnosis codes for the services rendered, dates of service, service procedure descriptions, applicable charges for the services rendered, the Provider's or Supplier's name and/or National Standard Identifier, and signature.
- 1.28 Supplier means a person or organization engaged in the business of selling or leasing durable medical equipment or supplies to Covered Individuals.
- 1.29 Trade Data Log means the complete, written summary of Data and Data Transmissions exchanged between the Parties over the period of time this Agreement is in effect and includes, without limitation, sender and receiver information, and transmission date, time and general nature.
- 1.30 Transaction Rules means the Standards for Electronic Transactions, 45 C.F.R. Parts 160 and 162, as may be amended or modified from time to time.

## II. TERM AND TERMINATION

- 2.1 Term of Agreement. This Agreement will remain in effect for an initial period of One year (1) year(s) from the Effective Date, and will automatically renew for successive periods of One year (1) year(s) unless terminated pursuant to Section 2.2 or Section 2.3.
- 2.2 Voluntary Termination. Either Party may terminate this Agreement on Sixty (60) day(s) prior written notice to the other Party.

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- 2.3 Termination for Cause. Either Party may terminate this Agreement upon Sixty (60) day(s) prior written notice to the other Party upon the default by the other Party of any material obligation of this Agreement, provided that the written notice sets forth the default with reasonable specificity and the default is incurable or, being capable of cure, has not been cured within the Sixty (60) day period after receipt of the written notice.

In the event of (i) a breach by Trading Partner of any section of Article V or of Article VII of this Agreement or (ii) termination of any applicable Business Agreement between the Parties, PGBA will have the unilateral right to terminate this Agreement immediately by providing Trading Partner with written notice of termination.

### **III. OBLIGATIONS OF THE PARTIES**

- 3.1 Mutual Obligations. The mutual obligations of PGBA and Trading Partner include the following:

- (a) EDI/EFT Data Transmission Accuracy. The Parties will take reasonable care to ensure that Data Transmissions are timely, complete, accurate and secure. Each Party will take reasonable precautions in accordance with Article V of this Agreement to prevent unauthorized access to the other Party's Operating System, Data Transmissions or the contents of an Envelope transmitted to or from either Party.
- (b) Retransmission of Lost or Indecipherable Transmissions. A Party will retransmit the original transmission within Five (5) business day(s) of its discovery that a Data Transmission is a Lost or Indecipherable Transmission.
- (c) Equipment Cost. Each Party will obtain and maintain, at its own expense, its own Operating System necessary for timely, complete, accurate and secure Data Transmission pursuant to this Agreement. Each Party will pay its own costs related to Data Transmission under this Agreement, including, without limitation, charges for the Party's own Operating System equipment, software and services, maintaining an electronic mailbox, connection time, terminals, connections, telephones, modems and applicable minimum use charges. Each Party will be responsible for its own expenses incurred for translating, formatting and sending or receiving communications over the electronic network to any electronic mailbox of the other Party.
- (d) Backup Files. Each Party will maintain adequate backup files, electronic tapes or other sufficient means to recreate a Data Transmission for at least seven (7) years from the Data Transmission's creation date. Such backup files, tapes or other sufficient means will be subject to the terms of Article V of this Agreement to the same extent as the original Data Transmission.
- (e) Transmission Format. All standard transactions, as defined by Social Security Act § 1173(a) and the Transaction Rules, conducted between PGBA, LLC and

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Trading Partner or Business Associate, will only use code sets, data elements and formats specified by the Transaction Rules.

All other Data Transmissions conducted between PGBA, LLC and Trading Partner or Business Associate will use the code sets, data elements and formats specified in Exhibit B of this Agreement.

- (f) Testing. Prior to the initial Data Transmission, each Party will test and cooperate with the other Party in testing each Party's Operating System to ensure the accuracy, timeliness, completeness and confidentiality of each Data Transmission.
- (g) EFT Payments. Trading Partner may elect to receive EFT payment on claims submitted to PGBA for services that Trading Partner furnishes or supplies that Trading Partner sells to an Individual. Trading Partner will make this election by forwarding to PGBA a complete, executed Electronic Funds Transfer Rider ("EFT Rider") and EFT Rider Appendix to provide PGBA, LLC with banking and administrative information necessary for PGBA, LLC to transfer funds electronically to Trading Partner. Each Party will be responsible for its own EFT expenses.

Trading Partner will submit to PGBA, LLC a complete, executed EFT Rider and EFT Rider Appendix at least Ninety (90) days prior to the desired EFT commencement. PGBA, LLC and Trading Partner will undertake and complete testing and verification procedures prior to the actual commencement of EFT and electronic transmission of associated remittance information. The complete and executed EFT Rider and EFT Rider Appendix will be incorporated into and supplement this Agreement with respect to all EFT between PGBA, LLC and Trading Partner. The terms of this Agreement will control any conflict that may arise between the EFT Rider and this Agreement.

- (h) Data and Data Transmission Security. PGBA, LLC and Trading Partner will employ security measures necessary to protect Data and Data Transmissions between them, including authentication, encryption, password use, or other security measures in compliance with Social Security Act § 1173(d) and any HHS implementing regulations or guidelines and as set forth in Article V of this Agreement. Unless PGBA and Trading Partner agree otherwise, the recipient of Data or Data Transmission will use at least the same level of protection for any subsequent transmission as was used for the original transmission.
- (i) National Standard Identifiers. PGBA, LLC and Trading Partner will use National Standard Identifiers in all Data and Data Transmissions conducted between the Parties no later than PGBA's compliance date with any National Standard Identifier adopted by HHS through regulations implementing the Health Insurance Portability and Accountability Act of 1996.
- (j) Security Access Codes. The Security Access Codes that PGBA, LLC issues to Trading Partner will, when affixed to Data Transmissions, be legally sufficient to

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verify the identity of the transmitter and to authenticate the Data Transmission, thereby establishing the Data Transmission's validity. Data Transmissions having a Security Access Code affixed to them will be deemed to have been "written" or "signed" by the sender. Computer printouts of the information contained in such correspondence and documents that have been electronically or magnetically recorded and kept in the normal course of the sender's or receiver's business will be considered original business records admissible in any judicial, arbitration, mediation or administrative proceeding to the same extent and under the same conditions as other business records originated and maintained in documentary form.

3.2 Trading Partner Obligations. Trading Partner will:

- (a) Not copy, reverse engineer, disclose, publish, distribute, alter or use Data, Data Transmission or Envelope for any purpose other than for which PGBA, LLC has specifically authorized Trading Partner under the terms of this Agreement.
- (b) Not obtain access by any means to Data, Data Transmission, Envelope, or PGBA's Operating System for any purpose other than as PGBA, LLC has specifically granted Trading Partner access under this Agreement. In the event that Trading Partner receives Data or Data Transmissions not intended for Trading Partner, Trading Partner will immediately notify PGBA, LLC and make arrangements to retransmit or otherwise return the Data or Data Transmission to PGBA, LLC. After such retransmission or return, Trading Partner will immediately delete the Data and Data Transmission from its Operating System.
- (c) Protect and maintain the confidentiality of Security Access Codes issued to Trading Partner by PGBA, LLC.
- (d) Limit disclosure of Security Access Codes to authorized personnel on a need-to-know basis.
- (e) Provide PGBA, LLC in writing all information requested in Exhibit A to this Agreement not later than Trading Partner's execution of this Agreement. While this Agreement is in effect, Trading Partner will notify PGBA, LLC in writing within Twenty (20) business days of any material change in the information on Exhibit A to this Agreement.

3.3 PGBA Obligations. PGBA, LLC will:

- (a) Make available to Trading Partner, via electronic means, Data and Data Transmissions for which this Agreement grants Trading Partner access or authorization, or as provided by law.
- (b) Provide Trading Partner with at least Ninety (90) days prior written notice of any change or addition to the code sets, data elements or formats for Data Transmissions set forth in Section 3.1(e) and Exhibit B of this Agreement.

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- (c) Provide Trading Partner with Security Access Codes that will allow Trading Partner access to PGBA's Operating System. PGBA, LLC reserves the right to change Security Access Codes at any time and in such manner as PGBA, LLC, in its sole discretion, deems necessary.

#### **IV. BUSINESS ASSOCIATES**

- 4.1 Business Associate Obligations. Trading Partner will ensure that Business Associate will be bound by the mutual obligations of the Parties set forth in Section 3.1 and Trading Partner's obligations set forth in Section 3.2, even though Business Associate is not a signatory to this Agreement.
- 4.2 Responsibility for Business Associates. Trading Partner is liable to PGBA, LLC for any act, failure, or omission of Business Associate with which Trading Partner contracts or that Trading Partner uses to receive, transmit, store or process Data or Data Transmissions or perform related activities, as though the act, failure or omission were that of Trading Partner.
- 4.3 Notices Regarding Business Associates. Trading Partner will, prior to commencement of Business Associate's services in connection with this Agreement, submit a complete, executed Trading Partner Business Associate Authorization Rider ("Business Associate Rider") designating each Business Associate authorized to send or receive Data or Data Transmissions to or from PGBA on Trading Partner's behalf. Trading Partner will notify PGBA at least Sixty (60) days prior to the date of any material change to the information contained in the Business Associate Rider. The Business Associate Rider will be effective and incorporated into this Agreement on the date it is received by PGBA, LLC. Trading Partner's designation of any Business Associate for purposes of performing services in connection with this Agreement is subject to PGBA's approval. PGBA, LLC will not unreasonably withhold approval of Trading Partner's designated Business Associates.

#### **V. CONFIDENTIALITY AND SECURITY**

- 5.1 Data Security. Trading Partner will maintain adequate security procedures to prevent unauthorized access to Data, Data Transmissions, Security Access Codes, Envelope, backup files, Source Documents or PGBA's Operating System. Trading Partner will immediately notify PGBA, LLC of any unauthorized attempt to obtain access to or otherwise tamper with Data, Data Transmissions, Security Access Codes, Envelope, backup files, Source Documents or PGBA's Operating System.
  - (a) Confidential Health Information. Trading Partner will comply with all applicable Privacy Statutes and Regulations, guidelines and health care industry customs concerning treatment of Confidential Health Information.
  - (b) Proprietary Information. Trading Partner will treat PGBA's Proprietary Information obtained or learned in connection with this Agreement as confidential and will not use PGBA's Proprietary Information for Trading Partner's own

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commercial benefit or any other purpose not authorized in this Agreement. Trading Partner will safeguard PGBA's Proprietary Information against unauthorized disclosure and use.

(c) Notice of Unauthorized Disclosures and Uses. Trading Partner will promptly notify PGBA of any unlawful or unauthorized use or disclosure of Confidential Health Information or PGBA's Proprietary Information that comes to Trading Partner's attention and will cooperate with PGBA in the event that any litigation arises concerning the unlawful or unauthorized disclosure or use of Confidential Health Information or PGBA's Proprietary Information.

5.2 Operating Systems Security. Each Party will develop, implement and maintain measures necessary to ensure the security of each Parties' own Operating System and each Parties' records relating to its Operating System. Each Party will document and keep current its security measures. Each Party's security measures will include, at a minimum, the requirements and implementation features set forth in Social Security Act § 1173(d) and all applicable HHS implementing regulations.

## **VI. RECORDS RETENTION AND AUDIT**

6.1 Records Retention. Trading Partner will maintain complete, accurate and unaltered copies of all Source Documents from all Data Transmissions it receives from PGBA, LLC for not less than seven (7) years from the date that Trading Partner receives them. All retained records will be subject to the same security measures as Data and Data Transmissions.

6.2 Trade Data Log. PGBA and Trading Partner will each establish and maintain a Trade Data Log to record all Data Transmissions between the Parties during the term of this Agreement. Each Party will take necessary and reasonable steps to ensure that its Trade Data Log constitutes a complete, accurate, and unaltered record of each Data Transmission between the Parties. Each Party will retain Data Transmission records for not less than Twelve (12) month(s) following the date of a Data Transmission. Each Party will maintain its Trade Data Log on computer media or other suitable means that permit timely retrieval and presentation in readable form.

6.3 Right to Audit. PGBA, LLC will have the right to audit relevant Trading Partner business records, Trading Partner's Trade Data Log, Trading Partner's Operating System and Business Associate as PGBA, LLC, in its sole discretion, deems necessary to ensure compliance with this Agreement.

6.4 Government Requests for Information. Trading Partner will notify PGBA, LLC immediately upon Trading Partner's receipt of any request from a government authority for information or documents relating to this Agreement, except to the extent such notification is prohibited by law.

## **VII. REPRESENTATIONS AND WARRANTIES**

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7.1 Government Programs. Trading Partner represents and warrants that:

- (a) Neither the United States government, any state or local government, nor any prime contractor, subcontractor or other person has notified Trading Partner, either orally or in writing, that Trading Partner has breached or violated any law, certification, representation, clause, provision or requirement pertaining to or involving any government contract or government subcontract that has resulted or may result in Trading Partner being charged with a criminal offense;
- (b) No termination for convenience, termination for default, cure notice or show cause notice is currently in effect or threatened against Trading Partner by the United States government or any state or local government;
- (c) Neither Trading Partner nor any of its directors, officers, employees or agents are or have been under criminal investigation or indictment by any government entity;
- (d) Trading Partner has not been debarred or suspended from participation in the award of contracts with any government entity (excluding for this purpose ineligibility to bid on certain contracts due to generally applicable bidding requirements);
- (e) There exists no fact or circumstance that would warrant the institution of suspension or debarment proceedings or the finding of nonresponsibility or ineligibility on the part of Trading Partner or any director, officer or employee of Trading Partner; and
- (f) No payment has been made by Trading Partner or by any person on behalf of Trading Partner in connection with any government contract or government subcontract in violation of or requiring disclosure pursuant to the Foreign Corrupt Practices Act, as amended (15 U.S.C. §§ 78dd-1, 78dd-2).

7.2 Legal Compliance. Trading Partner will use reasonable efforts to comply, and to cause Trading Partner's directors, officers, employees and Business Associate to comply, in all material respects with all requirements of all laws pertaining to government contracts or government subcontracts, the violation of which may result in Trading Partner or its directors, officers or employees, or other persons being charged with a criminal offense. For purposes of this Section 7.2, "laws" mean all applicable statutes, laws, rules, regulations, permits, decrees, injunctions, judgments, orders, rulings, determinations, writs and awards.

7.3 Warranties Regarding Business Associates. Trading Partner warrants that Business Associate will make no changes in the Data content of Data Transmissions or the contents of an Envelope. Trading Partner further warrants that Trading Partner will advise Business Associate of this Agreement and that Business Associate will comply in all respects with the terms of this Agreement.

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- 7.4 Notice of Violations. Trading Partner will notify PGBA, LLC in writing within Twenty (20) business days of obtaining knowledge of any criminal investigation, indictment, information or charge by any governmental entity (or communications indicating that the same may be contemplated) related to Trading Partner or any of Trading Partner's directors, officers, employees, vendors, agents or Business Associate.
- 7.5 Right to Terminate. If, during the term of this Agreement, Trading Partner, any of its related business entities or any of its officers, directors, managing employees or Business Associate is:
- (a) charged with a criminal offense relating to one or more government contracts or government subcontracts or to federal health care programs (as defined in Social Security Act § 1128B(f));
  - (b) listed by a federal agency as debarred, proposed for debarment, or suspended; or
  - (c) otherwise excluded from federal program participation, including exclusion from participation in a federal health care program (as defined in the Social Security Act § 1128B(f));

PGBA, LLC will have the right to terminate this Agreement by written notice to Trading Partner.

## **VIII. INDEMNIFICATION**

- 8.1 Indemnification of PGBA, LLC. Trading Partner will indemnify, defend and hold PGBA, LLC harmless from any and all claims, actions, damages, liabilities, costs, or expenses, including, without limitation, reasonable attorneys' fees, arising out of any act or omission of Trading Partner, Business Associate, or their respective employees, subcontractors or other persons in the performance of this Agreement. PGBA, LLC will have the option at its sole discretion to employ attorneys to defend any such claim, action or proceeding arising out of these acts or omissions, the costs and expenses of which will be Trading Partner's responsibility. PGBA, LLC will provide Trading Partner with timely notice of the existence of such action. Trading Partner will provide information, documents and other cooperation as reasonably necessary to assist PGBA, LLC in establishing its defenses to such action.
- 8.2 Breach of Warranties. Trading Partner will indemnify and hold PGBA, LLC harmless from and against any and all liability resulting from:
- (a) any misrepresentation in Trading Partner's representations and warranties in Article VII of this Agreement;
  - (b) Trading Partner's failure to notify PGBA, LLC as required in Section 7.4 of this Agreement; or

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- (c) actual exclusion during the term of this Agreement from any federal health care program (as defined in the Social Security Act § 1128B(f)).
- 8.3 Participation in Actions. PGBA, LLC reserves the right, at its option and expense, to participate in the defense of any suit or action brought against Trading Partner or Business Associate arising out of any act or omission in connection with this Agreement.
- 8.4 Dispute Assistance. Each Party will reasonably cooperate in providing necessary assistance to the other Party when the other Party is actively involved in a dispute with a third party concerning Data Transmissions that either are or reasonably could be the source of litigation with that third party.
- 8.5 Limitation of Liability. Except claims or causes of action related to Trading Partner's actual or alleged breach of Article V of this Agreement or fraud by Trading Partner, neither Party will be liable for any special, incidental, indirect, exemplary or consequential damages resulting from any claim or cause of action arising out of any delay, omission or error in any Data Transmission or the other Party's performance or failure to perform in accordance with the terms of this Agreement, including, without limitation, loss of use, revenues, profits or savings, even if a Party has been advised in advance of the possibility of such damages.

**IX. MISCELLANEOUS**

- 9.1 Notices. Any notice pertaining to this Agreement will be in writing. Notice will be deemed given when personally delivered to the Party's authorized representative listed below, or sent by means of a reputable overnight courier or by certified mail, postage prepaid, return receipt requested. A notice sent by overnight courier or by certified mail will be deemed given on the date of receipt or refusal of receipt. All notices will be addressed to the appropriate Party as follows:

To: PGBA, LLC  
Government Programs Electronic Data Interchange Department, FC-DEC  
PO Box 202007  
Florence SC 29502-2007  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_

To: \_\_\_\_\_  
(Trading Partner)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(City, State, Zip Code)  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_

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- 9.2 Amendments. This Agreement may not be changed or modified except by an instrument in writing signed by each Party's authorized representative.
- 9.3 Choice of Law. This Agreement and the Parties' rights and obligations hereunder are governed by and will be construed under the laws of the State of South Carolina.
- 9.4 Dispute Resolution. The Parties will work together in good faith to resolve any dispute or alleged breach of this Agreement within a reasonable period of time by using a mutually agreed alternative dispute resolution technique prior to resorting to litigation. This provision does not apply to actions by either Party that are the subject of immediate termination under this Agreement or to disputes involving fraud or breach of the requirements of Article V of this Agreement, in which case a Party will be free to seek available remedies in any appropriate forum at any time.
- 9.5 Assignment of Rights and Delegation of Duties. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assigns. PGBA, LLC retains the right to assign or delegate any of its rights or obligations hereunder to any of its wholly owned subsidiaries, affiliates or successor companies. Otherwise, neither Party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld or delayed.
- 9.6 Relationship of PGBA, LLC to Blue Cross Blue Shield of South Carolina, BCBSSC. This Agreement constitutes a contract between Trading Partner and PGBA, LLC. PGBA, LLC is a subsidiary of BCBSSC. PGBA, LLC is not contracting as the agent of BCBSSC. Trading Partner has not entered into this Agreement based upon representations by any person other than PGBA, LLC, and no person, entity or organization other than PGBA, LLC will be held accountable or liable to Trading Partner for any of PGBA's obligations to Trading Partner under this Agreement.
- 9.7 Force Majeure. Each Party will be excused from performance for any period of time during this Agreement that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond its reasonable control and without its fault or negligence. Such acts include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, earthquakes, floods or other natural disasters. Delays in performance because of the occurrence of such events will automatically extend due dates for a period equal to the duration of such events. Such automatic extension will have no effect on the exercise of either Party's right of voluntary termination of this Agreement under Section 2.2 of this Agreement.
- 9.8 No Waiver. Failure or delay on the part of either Party to exercise any right, power, privilege or remedy in this Agreement will not constitute a waiver. No provision of this Agreement may be waived by either Party except in a writing signed by an authorized representative of the Party making the waiver.

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- 9.9 No Agency. Nothing in this Agreement will place PGBA, LLC and Trading Partner in a relationship whereby either (i) is the principal or agent of the other for any purpose or (ii) has the authority to bind the other in any way.
- 9.10 Severability. The provisions of this Agreement are severable. If any provision of this Agreement is held or declared to be illegal, invalid or unenforceable, the remainder of the Agreement will continue in full force and effect as though the illegal, invalid or unenforceable provision had not been contained in the Agreement.
- 9.11 Entire Agreement. This Agreement, together with its Exhibits, any applicable Business Associate Rider, EFT Rider and other Riders and Amendments, constitutes the entire understanding between PGBA, LLC and Trading Partner with respect to the subject matter of this Agreement and supersedes and cancels all previous written or oral understandings, agreements, negotiations, commitments, and any other writing and communication by or between the Parties. In the event of any inconsistency between any provision of this Agreement and any provision of a Rider to this Agreement, the provision of this Agreement controls.
- 9.12 Automatic Amendment for Regulatory Compliance. This Agreement will automatically amend to comply with any final regulation or amendment to a final regulation adopted by HHS concerning the subject matter of this Agreement upon the effective date of the final regulation or amendment.
- 9.13 Survival. The provisions of Sections 3.1(d) and 3.2; Article V; Sections 6.1 and 6.2; and Article VIII will survive termination of this Agreement.

Agreement No.: \_\_\_\_\_

**SIGNATURES**

The Parties will be bound by all the terms, provisions and conditions of this Agreement upon execution of the Agreement by each Party's authorized representative.

Agreed to  
**TRADING PARTNER**

Agreed to  
**PGBA, LLC**

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

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

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

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

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

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

Authorized Signature: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Address: \_\_\_\_\_

200 North Dozier Blvd

City, State, Zip: \_\_\_\_\_

Florence SC 29501

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

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

Contact: \_\_\_\_\_

Contact: \_\_\_\_\_

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

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

Telephone: (\_\_\_\_) \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_

**PLEASE NOTE: Trading Partner must complete and return Exhibit A with this signed Electronic Trading Partner Agreement.**

Agreement No.: \_\_\_\_\_

**EXHIBIT A  
TRADING PARTNER INFORMATION**

**Trading Partner Information**

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

Address: \_\_\_\_\_

\_\_\_\_\_

Contact: \_\_\_\_\_

Telephone: (    ) \_\_\_\_\_ Tax ID: \_\_\_\_\_

National Provider Identifier (NPI #) \_\_\_\_\_

**Vendor Information**

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

Address: \_\_\_\_\_

\_\_\_\_\_

Contact: \_\_\_\_\_

Telephone: (    ) \_\_\_\_\_ Tax ID: \_\_\_\_\_

**Billing Service Information**

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

Address: \_\_\_\_\_

\_\_\_\_\_

Contact: \_\_\_\_\_

Telephone: (    ) \_\_\_\_\_ Tax ID: \_\_\_\_\_

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**Clearinghouse Information**

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

Address: \_\_\_\_\_

\_\_\_\_\_

Contact: \_\_\_\_\_

Telephone: (    ) \_\_\_\_\_ Tax ID: \_\_\_\_\_

**Means of Electronic Access** (please check one):

- Asynchronous
- Synchronous
- Direct Data Entry (DDE)
- Magnetic Tape/Cartridge
- Network Data Mover (NDM)

Modem Baud Rate \_\_\_\_\_

**EXHIBIT B**  
**EDI STANDARDS**

- I. Standard Formats for Data Transmissions.** PGBA, LLC, Trading Partner and Business Associate will send and receive Data Transmissions involving the standard transactions established by the Transaction Rules in compliance with the Transaction Rules as follows:
- (a) Health Care Claim or Equivalent Encounter Information:
    - (1) Professional or Institutional health care claim—ASC X12N 837, Version 5010 (05/2006).
    - (2) Retail pharmacy claim—National Council for Prescription Drug Programs (“NCPDP”) equivalent NCPDP Batch Standard Batch Implementation Guide, Version 1 Release 1 (01/2000) with the claim information using the Telecommunications Standard Implementation Guide, Version 5 Release 1 (9/99).
  - (b) Coordination of Benefits:
    - (1) Professional or Institutional health care claim—ASC X12N 837, Version 5010 (05/2006).
    - (2) Retail pharmacy claim—National Council for Prescription Drug Programs (“NCPDP”) equivalent NCPDP Batch Standard Batch Implementation Guide, Version 1 Release 1 (01/2000) with the claim information using the Telecommunications Standard Implementation Guide, Version 5 Release 1 (9/99).
  - (c) Health Care Claim Payment / Advice—ASC X12N 835, Version 5010 (05/2006).
  - (d) Health Care Claim Status Request and Response—ASC X12N 276/277, Version 5010 (05/2006).
  - (e) Referral Certification and Authorization Request and Response—ASC X12N 278, Version 5010 (05/2006).
  - (f) Health Care Eligibility Benefit Inquiry and Response—ASC X12N 270/271, Version 5010 (05/2006).
  - (g) Benefit Enrollment and Maintenance—ASC X12N 834, Version 5010 (05/2006).
- II. EDI Communication Protocols.** PGBA, LLC and Trading Partner or Business Associate will send and receive Data Transmissions in accordance with the EDI

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communication protocols set forth in the Gpnet Technical Communications User's manual.

**III. EDI Acknowledgement transactions.** All trading partners will receive response files consisting of one record for each claim submitted to EDIG. The record layouts for the response files are described in the GPNet Technical Communications User's Manual and for submitters submitting NCPDP format in the GPNET NCPDP manual.

**IV. Security Standards.** PGBA, LLC, Trading Partner and Business Associate will each develop, implement and maintain appropriate security measures for its own Operating System. These security measures will be in compliance with Social Security Act § 1173(d) and any HHS implementing regulation or guideline for electronically maintained or electronically transmitted Confidential Health Information.

If final electronic data security regulations issued by HHS implementing the Health Insurance Portability and Accountability Act of 1996 require a Chain of Trust Partner Agreement with terms and conditions not included in the Agreement, including the Exhibits and Riders to the Agreement, sufficient to comply with such final electronic data security regulations, then the Parties will amend or add a rider to the Agreement to bring the Agreement into compliance with the requirement for such a Chain of Trust Partner Agreement. If the Parties are unable or unwilling to make such an amendment or add such a rider to the Agreement within 30 days prior to the compliance date for such final electronic data security regulations, PGBA, LLC may terminate the Agreement effective no later than such compliance date.

**V. Automatic Amendment for Regulatory Compliance.** This Exhibit B will automatically amend to comply with any final regulation or amendment to a final regulation adopted by HHS concerning the subject matter of this Exhibit B upon the effective date of the final regulation or amendment.