

Medicare Producer Agreement



Medicare Advantage plans

Thank you for your interest in becoming an appointed producer with PacificSource Community Health Plans (PacificSource) for our Medicare Advantage Plans.

Please complete the attached Medicare Producer Agreement and return all pages to PacificSource, dated and signed in all areas indicated.

Please include the following items along with your completed Producer Agreement:

- Health insurance license(s)
- Errors and Omissions certificate
 - Individual producers: Policy certificate.
 - Agencies: Policy certificate. For covered producers not listed on the certificate, a declaration page or written attestation that producer is covered under the E&O is required.
- AHIP or NABIP Medicare training certificate

Commission payment options

- Pay commissions direct to Producer (documents listed below are required)
 - W-9 form
 - Direct Deposit form with voided check (optional)
- Pay commissions to Agency/Business Entity (Business Owner to complete required documents below)
 - W-9 form
 - Assignment of Commission form
 - Direct Deposit form with voided check (optional)

Return the above to the attention of:

Medicare Broker Services

Fax: 541-382-3407

Email: MedicareBrokerServices@PacificSource.com

Thank you again for your interest in PacificSource. If we can be of further assistance, please contact a member of the Medicare Broker Services Team at 866-419-0065.

Medicare Producer Agreement



Made this _____ day of _____, 20____, by and between PacificSource Community Health Plans (herein called "PacificSource"), a nonprofit corporation organized and existing under the laws of Oregon, and _____, an independent producer ("Producer").

WITNESSETH: That upon the terms and conditions, and in consideration of the agreements hereinafter set forth, to be kept and performed by the Producer, PacificSource hereby appoints the Producer its representative in the territory hereinafter designated, for the purpose of procuring applications for individual Medicare Advantage plans and Medicare Advantage plans with prescription drug coverage ("Medicare Advantage contracts") and also for performing such other acts as are incidental thereto. As used in this agreement, the word "Producer" shall refer to any individual who has entered into a direct contract with PacificSource to solicit, negotiate, and perform any other functions necessary and appropriate under the terms of their license to sell Medicare Advantage contracts on its behalf.

1. SERVICE DESCRIPTION: Producer agrees to sell on behalf of PacificSource, assist beneficiaries with completing applications, collect applications, and submit completed applications to PacificSource.
2. REPORTING RESPONSIBILITY: Producer is required to report to PacificSource all instances of compliance issues and violations in accordance with paragraph 2(c) of Schedule C. In addition, Producer is also required to report to PacificSource such information as necessary to allow PacificSource to fulfill its reporting obligations with Centers for Medicare and Medicaid Services ("CMS") and the state.
3. TERM: This contract is for one year and will automatically renew upon verified completion of the annual CMS training and testing requirements.
4. DEFINITIONS:
 - a. "Appointment", "appointment", and "appointed" as referenced in this agreement mean authorization given by PacificSource to licensed producers to solicit applications of individual PacificSource Medicare Advantage contracts in accordance with PacificSource's producer appointment policy.
 - b. "Rapid disenrollment" applies when an enrollee makes any plan change (regardless of whether the plan change is with the current carrier or to a different carrier) within the first three (3) months enrollment.
 - c. "Like plan type" means a move from:
 - i. A Medicare Advantage plan (MA) or Medicare Advantage plan with prescription drug coverage (MAPD) plan with another carrier, to a PacificSource MA or MAPD plan

"Unlike plan type" means a move from:

 - ii. A stand-alone Medicare Prescription Drug Plan (PDP) to a PacificSource MA (or MAPD) plan
 - iii. A Cost plan to a PacificSource MA (or MAPD) plan
 - iv. An Employer group plan to a PacificSource individual MA or MAPD plan
 - v. Original Medicare to a PacificSource MA or MAPD plan
 - vi. No coverage to a PacificSource MA or MAPD plan

5. PRODUCER-COMPANY RELATIONSHIP: The Producer is not an employee of PacificSource, and nothing contained in this agreement will be construed to create the relation of employer and employee between PacificSource and the Producer. The Producer is independently engaged in business as an independent producer, as those terms are defined under applicable law, and will act as an independent contractor in solicitation of applications and renewals of individual Medicare Advantage contracts pursuant to the terms and conditions contained in this agreement. The Producer will be free to determine the time, place, and manner it will accomplish the purpose of this agreement as set forth above, subject to the restrictions imposed by this agreement, applicable state and federal law, and rules and/or guidance issued by CMS or other appropriate state or federal agency.

The Producer agrees to make and file all reports and returns required or demanded by federal, state, or municipal statutes, ordinances, or regulations now or hereinafter in force, and agrees to pay all taxes, contributions, or other sums, which may be levied or assessed upon, or in connection with, the commissions paid to the Producer by PacificSource.

6. DUE DILIGENCE: The Producer agrees to use due diligence to solicit and secure applications for Medicare Advantage contracts, and to complete and submit official forms furnished by PacificSource including, but not limited to, the Enrollment Form as required by PacificSource.
7. BUSINESS ASSOCIATE: The Producer must have a signed HIPAA Business Associate Addendum (Schedule C) on file with PacificSource. With respect to information concerning enrollees in Medicare Advantage contracts, Producer agrees to implement a comprehensive written security program that includes administrative, technical, and physical safeguards for the protection of such information that is designed to ensure the integrity and confidentiality of such information, protects against any anticipated threats or hazards to the security or integrity that could result in substantial harm or inconvenience to enrollees of Medicare Advantage contracts.
8. TERRITORY: The territory in which the Producer will have the right to solicit applications for Medicare Advantage contracts will be in the service areas indicated in Schedule E (the "service area").
9. OBSERVE ALL RULES: The Producer agrees to comply with all applicable PacificSource policies and procedures and requirements of PacificSource presently in effect, and any additions or amendments made thereto from time to time (PacificSource Policies). Continued solicitation of applications or acceptance of commission by the producer after notice of any change made to PacificSource Policies or this agreement shall constitute acceptance of the terms of any change. The Producer further agrees that it/he/she will make no representation respecting benefits to be provided by PacificSource, except through and by means of written material furnished for that purpose by PacificSource. It is understood and agreed that the Producer is not authorized to make any oral or written alterations to the forms or conditions of applications or policies of PacificSource or to bind PacificSource in any manner by promise, contract, or obligation.
10. LAWS AND REGULATIONS: The Producer agrees to comply with applicable federal laws and the laws of the state(s) and with the rules and regulations of the department of insurance where Producer is appointed including, but not limited to, all applicable Medicare Advantage and/or Medicare Part D laws and regulations and all CMS policies, marketing guidelines, and instructions.
11. REBATE: The Producer shall not pay or offer to pay any rebate of subscriptions or promise any other inducement. The Producer shall not make any misrepresentation or incomplete comparisons for the purpose of inducing a policyholder in any other company or plan to lapse, forfeit, or surrender his or her insurance, contracts, or certificates, for contracts with PacificSource.
12. AUTHORITY: The Producer is without authority to perform and expressly agrees not to perform any of the following acts: (a) waive any condition or provision of PacificSource's contracts or policies or otherwise make, modify, alter, or discharge any contract or policy; (b) extend the time for the payment of any premium; (c) waive any forfeiture; (d) incur any debt or liability in the name of PacificSource; (e) incur any debt or liability against PacificSource; (f) institute any legal proceedings in the name of PacificSource; or (g) bill, charge, seek compensation remuneration, or reimbursement from, hold responsible, or otherwise have any recourse against any Medicare beneficiary (whether an actual or prospective enrollee) for any amounts otherwise payable by PacificSource. The Producer shall be responsible to PacificSource for all business done by or entrusted to persons appointed or employed by the Producer, and this agreement gives such person no claim against PacificSource, nor any rights under this agreement.

13. **AUDIT:** All books of account and other records used or kept by the Producer in the transaction of all business under this agreement will be open for inspection at all times by PacificSource or Its duly authorized representative. Producer shall maintain complete and separate records for PacificSource for a period of at least ten (10) years from the date of this agreement's expiration, termination, or audit, whichever is later, of all transactions pertaining to applications for Medicare Advantage contracts submitted and accepted by PacificSource and any other documents as may be required by CMS or other governmental agency.
14. **COMMISSIONS:** While this agreement remains in effect, PacificSource agrees to pay the Producer, in full, compensation for its services for Medicare Advantage contracts solicited by Producer and issued by PacificSource in accordance with the commission schedule issued to the Producer by PacificSource attached hereto as Schedule B. This schedule will become part of this agreement and may be amended from time to time by PacificSource. Commissions paid in error, including commissions paid for rapid disenrollment (defined in 4.b above), must be returned to PacificSource within 60 days of notification to Producer by PacificSource. PacificSource will correct commission errors, including commissions paid for rapid disenrollment, for the current calendar year and the previous calendar year. This correction will occur regardless of whether the correction is in favor of or against the Producer or PacificSource. Failure to return commissions paid in error can result in termination of Producer appointment. Commissions are paid only for valid Medicare Advantage contract enrollments received with the individual producer's name in the appropriate box on the enrollment form. Commissions will be paid to the producer of record for the months the member is enrolled in the plan.

In the event of an individual producer's death, PacificSource will pay to the estate of the individual producer any accumulated commissions due the individual producer by PacificSource at the time of such death, subject, however, to offset on account of any obligation or indebtedness due from the individual producer to PacificSource. There will be no commissions due the individual producer on payments made to PacificSource after the individual producer's death.

15. **PRODUCER OF RECORD (POR):** In order for a Producer to replace a current Producer of record on an existing client, PacificSource requires a Producer of Record letter. This letter must be submitted by and signed by the policyholder and must include the names of both the existing producer and the new producer, as well as the effective date for the change.

When PacificSource receives the Producer of Record letter, PacificSource will provide written notice of the change to the current Producer and the new producer. The change becomes effective the first of the month following the date PacificSource received notification.

16. **MINIMUM PRODUCTION REQUIREMENT:** While this agreement remains in effect, the Producer will be required to produce for PacificSource the minimum amount of sales and renewals, as determined by PacificSource, to qualify for reappointment for the next contract year. If the Producer fails to meet the annual minimum production requirement, PacificSource may, at its option, refuse to reappoint the Producer for the next contract year. If a decision is made to not reappoint a Producer, PacificSource will notify the Producer by email. There will be no commissions due the Producer after the expiration of their appointment for any payments made to PacificSource by a policyholder if PacificSource elects not to renew the appointment of the Producer.
- At the end of the first year of appointment, each appointed producer must have a minimum of five (5) active and current holders of Medicare Advantage contracts.
 - After the first year, each appointed producer must produce an annual minimum of ten (10) new Medicare Advantage contracts per year.

17. **CONCLUSIVE ACCOUNTING:** PacificSource agrees to make periodic accounting to the Producer of all monies paid or becoming due and payable to it since the most recent previous accounting. The Producer agrees that such accounting will be conclusively deemed correct, unless a written objection thereto is delivered to PacificSource within 60 days after such accounting is mailed to the Producer, at the most recent address shown for the Producer in the records of PacificSource or delivered to the Producer in person.

18. **ADVERTISING:** The Producer agrees that all advertising material relating in any way to PacificSource will be submitted to the PacificSource Marketing Communications Department in advance of publication, and that no such advertising or other use of logos, policies, or other printed references will be published by the producer until approved by PacificSource and by CMS, if required.

19. LICENSES: The Producer warrants that they, at all times this Agreement is in effect, are duly licensed as an insurance Producer in the state(s) it is selling, soliciting, or negotiating insurance on behalf of PacificSource, that no license issued to the Producer for the sale of insurance has ever been revoked or suspended, and that the Producer has never been convicted of any crime involving dishonesty or moral turpitude. The Producer agrees to pay all applicable license fees and taxes, except that PacificSource agrees to pay the appointment fee required by state law on account of this appointment and to file appointment papers with the department of insurance when applicable. The Producer further warrants that they will only perform those acts which are within the scope of its license and will inform PacificSource within twenty-four (24) hours in the event its license to transact insurance is suspended, revoked, or otherwise terminated.
20. LIMITATIONS: PacificSource reserves the right to reject or conditionally accept applications submitted by the Producer and to refuse to renew any policy in force with PacificSource if PacificSource suspects fraud or if the Producer's appointment with PacificSource is terminated. The authority to collect premium granted to the Producer by this appointment is limited to the initial premium, and the Producer is not authorized to accept any subsequent premium or other payment on behalf of PacificSource.
21. RIGHT TO DISCONTINUE OR CHANGE: It is understood and agreed by the parties that PacificSource reserves the right, at any time, to discontinue the issuance of any Medicare Advantage contract, to revise any Medicare Advantage contract, to change the premium rate on any Medicare Advantage contract, or to change the rate or payment basis of any commissions payable to the Producer on one or more contracts or policies, except that a change in rate of commissions will become effective only after notice of such change has been mailed to the Producer and at the most recent address shown in the records of PacificSource.
22. ASSIGNMENT: Any voluntary or involuntary assignment of the Producer's interest under this agreement will be invalid unless PacificSource has consented thereto in writing.
23. TERMINATION: This agreement may be terminated by PacificSource at any time without cause and without prejudice to the rights conferred by this agreement, if any, by giving thirty days written notice, either delivered in person or by mail, and addressed to the Producer at the most recent address shown for the Producer in PacificSource records. This agreement may be terminated by PacificSource at any time for cause by giving written notice, either delivered in person or by mail, and addressed to the Producer at the most recent address shown for the Producer in PacificSource records. PacificSource may terminate this agreement without notice for any reason permitted by state law applicable to such termination. Termination will occur immediately upon expiration of the Producer's license and no commission will be paid for the time the license is expired.

The Producer may terminate this agreement at any time without prejudice to the contract rights, if any, by giving written notice to PacificSource. Termination of this Agreement will not relieve the Producer of any obligation to PacificSource arising under this Agreement or otherwise, and the Producer will forthwith pay any indebtedness owed to PacificSource and deliver to PacificSource all contracts, property, records, and Producer supplies furnished by PacificSource.
24. INDEMNITY: The Producer agrees to indemnify and save harmless PacificSource from any and all liability, loss, cost, damage, or expense growing out of any violation by the Producer or failure on his/her part to conform to the provisions of this agreement, and to reimburse PacificSource for any expense to which it may be subjected in enforcing the Producer's obligations hereunder.
25. MERGER: The entire agreement between the Producer and PacificSource is expressed in this agreement, and any prior contracts or agreements between the parties are hereby released, abrogated, and declared null and void, except that any of the following, which accrued under such a prior contract or agreement, will continue to exist, subject to all set-offs or counterclaims contained therein:
 - Any debt or obligation owed by the Producer to PacificSource, or
 - Any right of the Producer to future commissions to be paid by PacificSource on contracts issued before the effective date of this agreement.
26. WAIVER: The failure of PacificSource to take advantage of any of its rights or privileges hereunder, or its forbearance or neglect to cancel or terminate this agreement in the event of the Producer's failure to comply with the provisions hereof, will not constitute a waiver by PacificSource of any of its rights or privileges hereunder.

27. ERRORS AND OMISSIONS INSURANCE: The Producer shall obtain and maintain errors and omissions liability insurance, in the minimum amount as listed below, for as long as the appointment conferred by this agreement remains in effect, for the state(s) in which the Producer is licensed to transact insurance. Producer will notify PacificSource immediately in the event of cancellation of errors and omissions insurance and will require the Producer's errors and omissions liability insurance carrier to notify PacificSource of any cancellation of Producer's errors and omissions liability insurance. The Producer will provide a copy of the face sheet from the errors and omissions policy to PacificSource upon request. The Producer understands that, except as provided in this agreement, Producers not providing proof of valid errors and omissions coverage are not authorized to sell, solicit, or negotiate insurance on behalf of PacificSource.
- a. OREGON: Errors and omissions liability insurance shall be in an amount of not less than \$1,000,000 per claim, and an annual maximum of \$1,000,000.
 - b. IDAHO: Errors and omissions liability insurance shall be in an amount of not less than \$250,000 per claim, and an annual maximum of \$750,000.
 - c. WASHINGTON: Errors and omissions liability insurance shall be in an amount of not less than \$1,000,000 per claim, and an annual maximum of \$1,000,000.
 - d. MONTANA: Errors and omissions liability insurance shall be in an amount of not less than \$1,000,000 per claim, and an annual maximum of \$1,000,000.
28. SIGNATURE: By signing below, the Producer acknowledges understanding of this agreement and schedules, and will comply with PacificSource policies and code of conduct. The Producer further agrees to make recommendations and present products consistent with the insurable needs and financial objectives of clients; provide honest and accurate disclosure of information so clients can make informed buying decisions; establish and maintain the trust of clients by treating them with respect and delivering quality service; maintain the privacy of clients by protecting confidential information; refrain from disparaging competitors and producers; maintain awareness of industry laws and PacificSource policies; communicate any client concerns to PacificSource in a timely manner; obey all federal, state, and local laws and regulations, including, but not limited to, all applicable Medicare Advantage and/or Medicare Part D laws and regulations and all CMS polices, marketing guidelines, and instructions; avoid situations in which personal interests could conflict, or reasonably appear to conflict, with the interests of the client or PacificSource; and maintain a current license and valid appointment in all states in which the producer solicits the sale of PacificSource products.
29. EFFECTIVE: This agreement will become effective when it has been executed by the Producer and by an authorized officer on behalf of PacificSource, and no amendment, modification, or waiver of any provision hereof will be valid unless in writing and signed by an authorized officer of PacificSource.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed this _____ day of _____, 20__.

PacificSource Community Health Plans

Producer



Signature

John Espinola, MD, President and CEO

Name and Title (printed or typed)

Name and Title (printed or typed)

Schedule A: Producer information (Medicare)

Producer name _____
 Street address _____
 City _____ State _____ Zip _____ County _____
 Mailing address _____
 City _____ State _____ Zip _____
 Phone number (_____) _____ Fax number (_____) _____
 Email address _____ Social Security number _____

License and NPN information

Producer name (As it appears on license)	State	License number	NPN number
	Idaho		
	Montana		
	Oregon		
	Washington		

Schedule B: Producer compensation schedule

MEDICARE ADVANTAGE PLANS

This Compensation Schedule applies to independent producers (“producers”) appointed for 2024 PacificSource Medicare Advantage plans, for enrollments into Medicare Advantage (MA) or Medicare Advantage prescription drug (MAPD) plans with an effective date in 2024 submitted with the appointed producer’s name on the application. Commission is paid to appointed producers for the months a member is enrolled in a plan.

Initial Compensation: \$611.00

Renewal Compensation: \$25.50 per month

Compensation payment type, (Initial or Renewal compensation) as described by CMS regulations CFR 42 2274(d)(5)(iii)(B), is determined by the enrollee’s health plan coverage in the month immediately prior to their effective date in a PacificSource Medicare Advantage plan.

1.0 Initial Compensation Scenarios:

Appointed producers shall be paid the initial compensation described above under the following scenarios:

- 1.1 2024 is the beneficiary’s first year of enrollment in an MA plan or an MAPD plan, or the beneficiary was not enrolled in a MA/MAPD or PDP plan in the month immediately preceding their initial effective date in a PacificSource Medicare plan, or
- 1.2 The beneficiary moves from an employer group MA plan to a non-employer group MA plan, or
- 1.3 The beneficiary was enrolled in a PDP plan in the month immediately preceding their enrollment in a PacificSource MA/MAPD plan, or
- 1.4 The beneficiary was enrolled in an MA/MAPD plan in the month immediately preceding their effective date with PacificSource, and the beneficiary was in the initial enrollment year in that MA/MAPD plan.

The initial compensation amount described above will be paid in a one-time lump-sum payment for the first calendar year, regardless of the effective date in 2024. For scenarios 1.1 and 1.2 above, the full initial compensation amount will be paid. For scenarios 1.3 and 1.4 (as required by CMS regulations CFR 42 2274(d)(5)(iii)(B)) a pro-rated initial comp amount will be paid in a lump sum.

2.0 Renewal Compensation Scenarios:

Appointed producers shall be paid the renewal compensation described above and for the life of the contract, for those months the beneficiary is enrolled in the plan under the following scenarios:

- 2.1 For existing PacificSource members, following their initial year of enrollment. For Medicare beneficiaries who enroll in a 2024 MA/MAPD Plan, and who were enrolled in a “like plan type” (within the same carrier or with a different carrier) in the month immediately preceding their effective date with PacificSource and were not in their initial enrollment year in that prior plan. “Like plan type” enrollments include moving from: An MA, MAPD, or Medicare-Medicaid plan (MMP) to another MA, MAPD, or MMP plan.

3.0 When compensation is paid

- 3.1 Compensation payments begin in the first effective month of coverage.

4.0 Commission payment with a Producer of Record (POR) change form:

- 4.1 For Producer of Record (POR) change form(s) received before the first effective month of coverage:

Original writing producer receives commission due to be paid out the first effective month of coverage. The new POR receives commission due to pay out starting with the second month of coverage.

If two producers submit applications for the same beneficiary, same plan, and the same effective date, the second application received is considered a duplicate application. Duplicate applications are treated as a POR change request and commission will be paid as described above.

- 4.2 For POR change forms received after the first effective month of coverage:

The new POR will receive the commission scheduled to be paid out beginning the month after the month PacificSource receives a POR Change Request form.

5.0 Charge Backs (Compensation recovery):

As required by Medicare regulations (CFR 42 2274(d)(5)(iii)(B)), PacificSource will charge back commissions paid to the producer if the member disenrolls under the following circumstances:

- 5.1 Within the first three months of enrollment: If a member disenrolls or moves from one plan to another plan (within the same parent organization or between different parent organizations) within the first three months of enrollment (“rapid disenrollment”), 100% of the compensation paid to the producer must be returned to PacificSource.

PacificSource will not recover commissions paid if the rapid disenrollment was due to one of the exceptions as allowed by CMS regulations (CFR 42 2274(d)(5)(iii)(B)).

- 5.2 After the third month of enrollment: If a producer was paid an initial compensation and the member disenrolls after the third month of enrollment, with an effective date of disenrollment in the first calendar year on the plan, a prorated charge back of the initial compensation will be applied. The prorated charge- back amount is 1/12 of the initial compensation (\$50.92 in 2024) times the total number of months the beneficiary was not enrolled in the plan during the first calendar year.

6.0 General Provisions:

Compensation described above will be paid to appointed producers for valid PacificSource enrollments and/or plan changes received with the Producer’s name in the appropriate box on the Enrollment Form.

Compensation will be paid as long as the member remains enrolled in a PacificSource Medicare Advantage plan, the producer remains appointed with PacificSource, is the producer of record for the member, and continues to meet the PacificSource annual compliance training and testing requirements, as well as applicable CMS requirements.

Compensation paid in error must be returned to PacificSource within 60 days of notification to the Producer by PacificSource.

Failure to return compensations paid in error back to PacificSource may result in termination of the Producer’s appointment.

This 2024 Producer Compensation Schedule provides a summary of the compensation rates and rules. For a complete description of the compensation regulations, please see:

Medicare Managed Care Manual, Medicare Communications and Marketing Guidelines for Medicare Advantage Plans, Medicare Advantage Prescription Drug Plans, Prescription Drug Plans, and Section 1876 Cost Plans

PacificSource reserves the right to amend its compensation rates and its compensation policy, including the rules and restrictions, in order to comply with CMS requirements.

APPROVED:

PacificSource Community Health Plans

Producer



Signature

John Espinola, MD, President and CEO

Name and Title (printed or typed)

Name and Title (printed or typed)

Date

Schedule C: HIPAA business associate addendum

This HIPAA Business Associate Addendum supplements and is made a part of the agreement (“agreement”) by and between PacificSource Community Health Plans (“PacificSource”) and Business Associate (“Associate”) dated the day of _____ 20_____, and is effective as of the date of the agreement (the “Effective Date”).

RECITALS

- A. PacificSource wishes to disclose certain information (“information”) to Associate pursuant to the terms of the agreement, some of which may constitute protected health information (“PHI”).
- B. PacificSource and Associate intend to protect the privacy and provide for the security of PHI disclosed to the Associate pursuant to the agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, as amended (“HIPAA”), and regulations promulgated thereunder (“the HIPAA Regulations”), and other applicable laws.
- C. The purpose of this addendum is to satisfy certain standards and requirements of HIPAA and the HIPAA regulations, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations (“CFR”), as the same may be amended from time to time.

In consideration of the mutual promises below and the exchange of information pursuant to the agreement, the parties agree as follows:

1. Definitions. Capitalized terms used herein without definition shall have the meanings assigned to such terms in 45 CFR Parts 160 and 164.
2. Obligations of Associate.
 - a. Permitted Uses and Disclosures. Associate may use and/or disclose PHI only as required to satisfy its obligations under the agreement, as permitted herein, or required by law, but shall not otherwise use or disclose any PHI.
 - b. Safeguards. Associate shall use commercially reasonable safeguards to prevent use or disclosure of PHI other than as provided for by this addendum; at a minimum, Associate shall ensure that all electronic PHI is encrypted outside of a secured data center, including without limitation that all backup tapes, mobile devices, and laptops containing electronic PHI are encrypted, and shall comply with the Security Rule (45 CFR Part 160 and Subparts A and C of Part 164). Associate shall maintain a comprehensive written information privacy and security program that includes administrative, technical and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI that it creates, receives, maintains, or transmits on behalf of PacificSource, as required by 45 CFR 164.314(a)(2)(i)(A).
 - c. Reporting of Disclosures. Associate shall report to PacificSource any use or disclosure of PHI otherwise than as provided for by this addendum of which Associate becomes aware. Associate shall also report to PacificSource any security incident related to PHI of which Associate becomes aware.
 - d. Mitigation. Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to associate of a use or disclosure of PHI by Associate in violation of this addendum.
 - e. Associate’s Agents. Associate shall ensure that any agents, including subcontractors, to whom it delegates any function or activity it has undertaken to perform on behalf of PacificSource, and to whom it provides PHI received from (or created or received by Associate on behalf of) PacificSource, agree to the same restrictions and conditions that apply to Associate with respect to such PHI.
 - f. Availability of Information to PacificSource. Associate shall make available to PacificSource such information as PacificSource may require to fulfill the obligations of PacificSource to provide access to, provide a copy of, and account for disclosures with respect to PHI pursuant to HIPAA and the HIPAA regulations, including, but not limited to, 45 CFR Section 164.524 and 164.528.

- g. Amendment of PHI. Associate shall make PHI available to PacificSource as PacificSource may require to fulfill PacificSource obligations to amend PHI pursuant to HIPAA and the HIPAA regulations, including, but not limited to, 45 CFR Section 164.526, and Associate shall, as directed by PacificSource, incorporate any amendments to PHI into copies of such PHI maintained by Associate.
 - h. Internal Practices. Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI received from (or created or received by Associate on behalf of) PacificSource available to the Secretary for purposes of determining the compliance of PacificSource with HIPAA and the HIPAA regulations.
 - i. Associate's Insurance. Notwithstanding any other provision in this agreement, Associate shall obtain appropriate liability insurance relevant to the duties undertaken herein and shall maintain such insurance during the term of this addendum and any renewal thereof. Policy limits shall be in accordance with industry standards.
 - j. Security and Privacy. To the extent that the agreement requires Associate to carry out one or more of PacificSource's obligations under Subpart E of 45 CFR Part 164, Associate shall comply with the requirements of Subpart E that apply to PacificSource in the performance of such obligation.
 - k. Notification of Breach. During the term of this addendum, Associate shall notify PacificSource within five (5) business days of any suspected act or actual breach of security, intrusion or unauthorized use or disclosure of PHI and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. The notice to PacificSource regarding a breach must include: (i) a brief description of the breach; (ii) the date that the breach occurred; (iii) the date Associate discovered the breach; (iv) a description of the different categories of PHI involved in the Breach; (v) the steps taken to date and the status of Associate's investigation; (vi) the steps Associate has taken to mitigate the harm caused by the breach; and (vii) the steps Associate has taken or will take to prevent a recurrence of the type of breach experienced.
 - l. Software. To the extent that Associate uses third-party software in the performance of services or maintenance of PHI, Associate shall keep current with all appropriate and required patches to such software so as to protect all PHI adequately or discontinue the use of such third-party software.
 - m. Offshore Work. Associate shall obtain PacificSource's prior written approval before accessing, storing, sharing, maintaining, transmitting or using or disclosing PHI in any form via any medium with any entity or person, including Associate's employees, agents or subcontractors, beyond the boundaries and jurisdiction of the United States.
3. Audits, Inspections and Enforcement. From time to time upon reasonable notice, or upon reasonable determination by PacificSource that Associate has breached this addendum, PacificSource may inspect the facilities, systems, books, and records of Associate to monitor compliance with this addendum. Associate shall promptly remedy any violation of any term of this addendum and shall certify the same to PacificSource in writing. The fact that PacificSource inspects, or fails to inspect, or has the right to inspect, Associate's facilities, systems, and procedures does not relieve the Associate of its responsibility to comply with this Addendum, nor does PacificSource's (i) failure to detect or (ii) detection but failure to notify Associate or require Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of PacificSource enforcement rights under this addendum.
4. Termination.
- a. Material Breach. A breach by Associate of any provision of this addendum, as determined by PacificSource, shall constitute a material breach of the agreement and shall provide grounds for immediate termination of the agreement by PacificSource pursuant to termination provisions for breach contained in the agreement.
 - b. Reasonable Steps to Cure Breach. If PacificSource knows of a pattern of activity or practice of Associate that constitutes a material breach or violation of Associate's obligations under the provision of this addendum or another arrangement and does not terminate the agreement pursuant to the termination provisions of the the agreement, then Associate shall take reasonable steps to cure such breach or end such violation as applicable. If Associate's efforts to cure such breach or end such violation are unsuccessful, then a material breach exists and shall provide grounds for immediate termination of this agreement by PacificSource as provided in Section 4(a).

- c. Judicial or Administrative Proceedings. PacificSource may terminate the agreement effective immediately if (i) Associate is named as a defendant in a criminal proceeding for a violation of HIPAA or (ii) a finding or stipulation that Associate has violated any standard or requirement of HIPAA or other security or privacy laws is made in any administrative or civil proceeding in which Associate has been joined.
 - d. Effect of Termination. Upon termination of this agreement for any reason, Associate shall return or destroy all PHI received from PacificSource (or created or received by Associate on behalf of PacificSource) that Associate still maintains in any form and shall retain no copies of such PHI or, if the return or destruction is not feasible, it shall continue to extend the protections of this addendum to such information.
5. Indemnification. Each party will indemnify, hold harmless, and defend the other party to this addendum from and against any and all claims, losses, liabilities, cost, and other expenses incurred as a result of, or arising directly or indirectly out of or in connection with any misrepresentation, breach of warranty or nonfulfillment of any undertaking on the part of the party under this addendum and any claims, demands, awards, judgments, actions, and proceedings made by any person or organization arising out of or in any way connected with the party's performance under this addendum. In addition, Associate will indemnify PacificSource for all expenses associated with a breach, including without limitation the cost of any notice provided to affected individuals or the media, the cost of services offered to affected individuals, attorneys' fees, consultants' fees, and the cost of responding to an audit triggered in whole or in part by a breach.
6. Disclaimer. PacificSource makes no warranty or representation that compliance by Associate with this addendum, HIPAA, or the HIPAA regulations will be adequate or satisfactory for Associate's own purposes or that any information in Associate's possession or control or transmitted or received by Associate, is or will be secure from unauthorized use or disclosure. Associate is solely responsible for all decisions made by Associate regarding the safeguarding of PHI.
7. Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to electronic data security and privacy may be evolving and that the amendment of this addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA regulations, and other applicable laws relating to the security and confidentiality of PHI. The parties understand and agree that PacificSource must receive satisfactory written assurance from Associate that Associate will adequately safeguard all PHI that it receives or creates pursuant to this addendum. Upon PacificSource's request, Associate agrees to promptly enter into negotiations with PacificSource concerning the terms of an amendment to this addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HIPAA regulations, or other applicable laws. PacificSource may terminate the agreement upon 30 days written notice in the event (i) Associate does not promptly enter into negotiations to amend this addendum when requested by PacificSource pursuant to this section or (ii) Associate does not enter into an amendment to this addendum providing assurances regarding this safeguarding of PHI that PacificSource, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.
8. Assistance in Litigation or Administrative Proceedings. Associate shall make itself and any subcontractors, employees, or agents assisting Associate in the performance of its obligations under this addendum available to PacificSource, at no cost to PacificSource, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against PacificSource, its directors, officers, or employees based upon claimed violation of HIPAA, the HIPAA regulations, or other laws relating to security and privacy, except where Associate or its subcontractors, employee, or agent is a named adverse party.
9. No Third-party Beneficiaries. Nothing expressed or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than PacificSource, Associate, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
10. Survival. The respective rights and obligations of Associate under section 4(d) shall survive termination for so long as Associate maintains PHI.
11. Effect On Agreement. Except as specifically required to implement the purposes of this addendum, or to the extent inconsistent with this addendum, all other terms of the agreement shall remain in force and effect.

12. Interpretation. This addendum and the agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, HIPAA regulations, and applicable state laws. The parties agree that any ambiguity in this addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the HIPAA regulations.

IN WITNESS WHEREOF, the parties hereto have duly executed this addendum as of the effective date.

PacificSource Community Health Plans

Producer



John Espinola, MD, President and CEO
Name and Title (printed or typed)

Signature

Name and Title (printed or typed)

Date

Schedule D: Medicare Advantage supplementary provisions

Producer may not engage in any activities that have the potential to mislead, confuse, or misrepresent PacificSource's Medicare Advantage contracts to individuals, and must comply with all applicable laws and all CMS policies to ensure that Medicare beneficiaries receive truthful, accurate, and complete information. When selling PacificSource's Medicare Advantage contracts, Producer must comply with all state licensing laws, applicable Medicare Advantage and Medicare Part D laws, CMS policies, including CMS communications and marketing guidelines, and all federal healthcare laws.

MARKETING STANDARD OF CONDUCT

The following list highlights certain prohibited activities that Producer may not engage in. Producer acknowledges that Producer is aware of these prohibited activities and agrees to refrain from engaging in them and to otherwise comply with all applicable legal requirements.

- A. Producer may not claim any representation or endorsement from CMS or that CMS recommends Medicare beneficiaries enroll in the plan.
- B. Producer may not make any statement, claim, or promise that conflicts with, materially alters, or erroneously expands upon information contained in CMS-approved materials.
- C. Producer may not use any marketing materials other than the marketing material supplied by or approved in writing by PacificSource for use in marketing, soliciting, and selling enrollments for Medicare Advantage contracts.
- D. Producer may not use providers or provider groups to distribute printed information comparing benefits of different health plans, unless the materials have the permission of all Medicare Advantage organizations involved and the materials have received prior written approval from CMS.
- E. Producer may not accept enrollment applications in provider offices or other places where healthcare is delivered.
- F. Producer may not offer gifts or payment as an inducement to enroll in Medicare Advantage contracts.
- G. Producer may not conduct door-to-door solicitation of Medicare beneficiaries, and may only visit prospects when expressly invited to do so.
- H. Producer may not engage in any discriminatory marketing practices.
- I. Producer may not ask for personal information during sales presentations.
- J. Producer may not engage in telephone solicitation except in strict compliance with the National Do Not Call Registry, as well as applicable state telemarketing "Do Not Call" regulations, honor "do not call again" requests, and abide by federal and state calling hours.
- K. Producer may not engage in unsolicited outbound telephone calls to prospective members, including text messages and leaving electronic voicemail messages.
- L. Producer may not take advantage of a Medicare lead to sell other insurance products to a Medicare beneficiary for whom the beneficiary may not be suited, to the extent such activity would violate state licensure laws.

APPROVED:

PacificSource Community Health Plans

Producer



John Espinola, MD, President and CEO

Name and Title (printed or typed)

Signature

Name and Title (printed or typed)

Schedule E: 2024 Service areas

This agreement is for Producer or agency appointment with PacificSource Medicare in the state(s):

Idaho Montana Oregon Washington

This section to be completed by PacificSource.

PacificSource Medicare Advantage plans are available in the state service areas shown below. This agreement is for appointment in all of the service areas in the state(s) checked by PacificSource above.

IDAHO

Southwest and Southern Idaho

Ada, Blaine, Boise, Camas, Canyon, Elmore, Gem, Gooding, Jerome, Lincoln, Owyhee, Payette, Twin Falls, and Valley counties

North Idaho

Bonner, Boundary, and Kootenai counties

MONTANA

Missoula and Yellowstone counties

OREGON

Central Oregon and the Mid-Columbia Gorge

Crook, Deschutes, Grant, Hood River, Jefferson, Klamath (97731, 97733, 97737, 97739), Sherman, Wasco, and Wheeler counties

Lane County

Marion and Polk counties

Portland Area

Clackamas, Multnomah, and Washington counties

WASHINGTON

Clark, Pierce, and Spokane counties

APPROVED:

PacificSource Community Health Plans

Producer



Signature

John Espinola, MD, President and CEO

Name and Title (printed or typed)

Name and Title (printed or typed)

Schedule F: Medicare Advantage addendum

PacificSource is an Oregon non-profit corporation and has several wholly owned subsidiaries and/or affiliates, including one that is a Medicare Advantage Organization contracted with the Centers for Medicare and Medicaid Services (“CMS”) to offer Medicare Advantage health insurance products. PacificSource and Contractor have entered into a separate, underlying agreement (the “Agreement”) whereby Contractor provides certain covered services to PacificSource members. PacificSource has entered into an agreement with one of its subsidiaries, PacificSource Community Health Plans, which is a Medicare Advantage Organization (the “MA Organization”). This Addendum is intended to apply on behalf of PacificSource and its related subsidiaries/affiliates to the extent that Contractor provides services to members enrolled in a Medicare Advantage policy through a PacificSource subsidiary/affiliated organization, or to the fullest extent required by CMS.

CMS requires that specific terms and conditions be incorporated into the Agreement between a Medicare Advantage Organization or First Tier Entity and a First Tier Entity or Downstream Entity to comply with the Medicare laws, regulations, and CMS instructions, including, but not limited to, the Medicare Prescription Drug, Improvement and Modernization Act of 2003, Pub. L. No. 108-173, 117 Stat. 2066 (“MMA”).

Except as provided herein, all other provisions of the Agreement between PacificSource and Contractor not inconsistent herein shall remain in full force and effect. This amendment shall supersede and replace any inconsistent provisions to such Agreement; to ensure compliance with required CMS provisions and shall continue concurrently with the term of such Agreement.

NOW, THEREFORE, PacificSource and the Agency agree as follows:

Definitions:

Centers for Medicare and Medicaid Services (“CMS”): The agency within the Department of Health and Human Services that administers the Medicare program.

Clean Claim: (1) A claim that has no defect, impropriety, lack of any required substantiating documentation (consistent with § 422.310(d)) or particular circumstance requiring special treatment that prevents timely payment; and (2) A claim that otherwise conforms to the clean claim requirements for equivalent claims under original Medicare.

Unclean Claim: A claim that is not a Clean Claim.

Contractor: The party that is contracted with PacificSource to provide certain covered services to PacificSource’s or the MA Organization’s members. A contractor may be a Provider who provides health care services, or a non-provider who provides administrative services.

Downstream Entity: Any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit, below the level of the arrangement between an MA organization (or applicant) and a First Tier Entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

Final Contract Period: The final term of the contract between CMS and the Medicare Advantage Organization.

First Tier Entity: Any party that enters into a written arrangement, acceptable to CMS, with PacificSource or applicant to provide administrative services or health care services for a Medicare eligible individual under the MA Organization program.

Medicare Advantage (“MA”): An alternative to the traditional Medicare program in which private health insurance companies provide health care benefits that those eligible beneficiaries would otherwise receive directly from the Medicare program.

Medicare Advantage Organization (“MA Organization”): A public or private entity organized and licensed by a State as a risk-bearing entity (with the exception of Provider-sponsored organizations receiving waivers) that is certified by CMS as meeting the MA contract requirements. For purposes of this Addendum, the MA Organization is PacificSource Community Health Plans.

Member or Enrollee: A Medicare Advantage eligible individual who has enrolled in or elected coverage through a Medicare Advantage Organization.

Provider: (1) Any individual who is engaged in the delivery of health care services in a State and is licensed or certified by the State to engage in that activity in the State; and (2) any entity that is engaged in the delivery of health care services in a State and is licensed or certified to deliver those services if such licensing or certification is required by State law or regulation.

Related Entity: Any entity that is related to PacificSource by common ownership or control and (1) performs some of PacificSource's management functions under contract or delegation; (2) furnishes services to Medicare enrollees under an oral or written agreement; or (3) leases real property or sells materials to PacificSource at a cost of more than \$2,500 during a contract period.

Required Provisions for Contractor:

Contractor agrees to the following:

1. HHS, the Comptroller General, or their designees have the right to audit, evaluate, and inspect any pertinent information for any particular contract period, including, but not limited to, any books, contracts, computer or other electronic systems (including medical records and documentation) of the First Tier, Downstream, and entities related to CMS' contract with the MA Organization through 10 years from the final date of the Final Contract Period of the contract entered into between CMS and the MA Organization or from the date of completion of any audit, whichever is later. 42 C.F.R. §§ 422.504(i)(2)(i) and (ii).
2. Contractor will comply with the confidentiality and enrollee record accuracy requirements, including: (1) abiding by all Federal and State laws regarding confidentiality and disclosure of medical records, or other health and enrollment information, (2) ensuring that medical information is released only in accordance with applicable Federal or State law, or pursuant to court orders or subpoenas, (3) maintaining the records and information in an accurate and timely manner, and (4) ensuring timely access by Enrollees to the records and information that pertain to them. 42 C.F.R. §§ 422.504(a)(13) and 422.118.
3. Contractor agrees to not hold Enrollees liable for payment of any fees that are the legal obligation of the MA Organization. 42 C.F.R. §§ 422.504(i)(3)(i) and 422.504(g)(1)(i).
4. For all Enrollees eligible for both Medicare and Medicaid, Enrollees will not be held liable for Medicare Part A and B cost sharing when the State is responsible for paying such amounts. Contractor will be informed of Medicare and Medicaid benefits and rules for Enrollees eligible for Medicare and Medicaid. Contractor may not impose cost-sharing that exceeds the amount of cost-sharing that would be permitted with respect to the individual under title XIX if the individual were not enrolled in such a plan. Contractor will: (1) accept the MA Organization's payment as payment in full, or (2) bill the appropriate State source. 42 C.F.R. §§ 422.504(i)(3)(i) and 422.504(g)(1)(i). This paragraph does not apply to Contractor who is not a Provider.
5. Any services or other activity performed in accordance with a contract or written agreement by Contractor are consistent and comply with the MA Organization's contractual obligations. 42 C.F.R. § 422.504(i)(3)(iii).
6. The MA Organization is obligated to pay or deny Contractor in accordance with the prompt payment provision for Clean Claims and Unclean Claims as contained in the provider agreement. 42 C.F.R. §§ 422.520(b)(1) and (2). This paragraph does not apply to Contractor who is not a Provider.
7. Contractor and any related entity, contractor or subcontractor will comply with all applicable Medicare laws, regulations, and CMS instructions. 42 C.F.R. §§ 422.504(i)(4)(v).
8. As applicable, if the MA Organization's activities or responsibilities under its contract with CMS are delegated to any First Tier, Downstream and Related Entity:
 - i. The MA Organization and Contractor acknowledge that delegated activities are clearly outlined in the Agreement, or a companion agreement specifying specific services that are delegated and the reporting responsibilities.
 - ii. CMS and the MA Organization reserve the right to revoke the delegation activities and reporting requirements or to specify other remedies in instances where CMS or the MA Organization determines that such parties have not performed satisfactorily.
 - iii. The MA Organization will monitor the performance of the parties on an ongoing basis.

- iv. The credentials of medical professionals affiliated with the party or parties will be either reviewed by PacificSource or the credentialing process will be reviewed and approved by PacificSource and PacificSource must audit the credentialing process on an ongoing basis. This paragraph does not apply to Contractor who is not a Provider.
 - v. If PacificSource delegates the selection of Providers, contractors, or subcontractor, PacificSource retains the right to approve, suspend, or terminate any such arrangement. 42 C.F.R. §§ 422.504(i)(4) and (5).
9. Contractor must comply with Pacific Source's policies and procedures, or, in the case of federal laws, Contractor's internal policies and procedures must comply with such laws and demonstrate such compliance.
 10. PacificSource may only delegate activities or functions to Contractor in a manner consistent with CMS requirements.
 11. PacificSource and Contractor shall comply with the termination provision contained in the contract, which at a minimum must require both parties to provide a minimum of 60 days written notice to each other before terminating the contract without cause. This paragraph is not applicable if termination without cause is prohibited by the contract.
 12. Contractor shall complete compliance and fraud, waste and abuse training and review and abide by PacificSource's Standards of Conduct and compliance policies and procedures for all of its current employees at least annually and new employees within 90 days of hire.
 13. PacificSource advocates for open lines of communication and requires Contractor to contact its contract administrator regarding any compliance issues or suspected compliance issues. PacificSource also maintains an anonymous reporting vehicle, which is accessed at: EthicsPoint.com or 888-265-4068.

In the event of a conflict between the terms and conditions above and the terms of the underlying Agreement, these terms shall control.

PacificSource Community Health Plans is an HMO, HMO D-SNP, and PPO plan with a Medicare contract and a contract with Oregon Health Plan (Medicaid). Enrollment in PacificSource Medicare depends on contract renewal.