

ELECTRONIC TRADING PARTNER AGREEMENT

This Electronic Trading Partner Agreement (“Agreement”) is made as of the _____ day of _____, 20__ (“Effective Date”), by and between [company names], located at 840 Carolina Street, Sauk City, WI, 53583, (collectively, “Companies”) and _____, (“Trading Partner”), a _____, located at _____ (individually, a “Party” and, collectively, the “Parties”).

This Agreement provides the terms and conditions governing electronic transfers of data communications and funds between Companies and Trading Partner by direct digital or electronic transmission.

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 CMS means the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services.
- 1.3 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 self-funded health benefit plan administered by Companies or a health benefit program issued or administered by Companies.
- 1.4 Data means formalized representation of specific facts or concepts suitable for communication, interpretation, or processing by people or automatic means.
- 1.5 Data Transmission means automated transfer or exchange of Data, pursuant to the terms and conditions of this Agreement, between Companies and Trading Partner by means of their respective Operating Systems.
- 1.6 Electronic Data Interchange (“EDI”) means the automated exchange of business documents from application to application.
- 1.7 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 Companies and Trading Partner.
- 1.8 Envelope means a control structure in a format mutually agreeable to Companies and Trading Partner for the electronic interchange of one or more encoded Data Transmissions between Companies and Trading Partner.
- 1.9 HHS means the United States Department of Health and Human Services.
- 1.10 HIPAA means the administrative simplification provision of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, including the Transaction Rules.

- 1.11 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 Companies process or administer claims.
- 1.12 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.
- 1.13 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 HIPAA.
- (b) National Provider Identifier means the unique alphanumeric identifier assigned to each Provider pursuant to regulations implementing HIPAA.
- (c) Additional Identifiers mean identifiers for health plans and Individuals assigned pursuant to regulations implementing HIPAA.
- 1.14 Operating System means the equipment, software and trained personnel necessary for a successful Data Transmission.
- 1.15 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.
- 1.16 Protected Health Information has the definition used in HIPAA.
- 1.17 Provider means a hospital, other healthcare facility, or professional practitioner duly certified or licensed to provide health care services to Covered Individuals.
- 1.18 Security Access Codes mean alphanumeric codes that Companies assigns to Trading Partner to allow Trading Partner access to Companies' Operating System for the purpose of successfully executing Data Transmissions or otherwise carrying out this Agreement.
- 1.19 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.
- 1.20 Supplier means a person or organization engaged in the business of selling or leasing durable medical equipment or supplies to Covered Individuals.
- 1.21 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.
- 1.22 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 12 months from the Effective Date, and will automatically renew for successive periods of 12 months unless terminated pursuant to Section 2.2 or Section 2.3.
- 2.2 Voluntary Termination. Either Party may terminate this Agreement on 60 days prior written notice to the other Party.
- 2.3 Termination for Cause. Either Party may terminate this Agreement upon 15 days 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 15-day period after receipt of the written notice.
- 2.4 Effect of Termination. Termination or expiration of this Agreement or any other contract between the Parties does not relieve either Party of its obligations under this Agreement and under federal and state law, including HIPAA, pertaining to the confidentiality, privacy, and security of Protected Health Information and proprietary or other confidential Data.

III. OBLIGATIONS OF THE PARTIES

- 3.1 Mutual Obligations. The mutual obligations of Companies and Trading Partner include the following:
- (a) EDI/EFT Data Transmission Accuracy. The Parties will take reasonable care, consistent with industry standards and practices and HIPAA, to ensure that Data Transmissions are timely, complete, accurate and secure and that the confidentiality, integrity, and availability of the Data is protected.
 - (b) Retransmission of Lost or Indecipherable Transmissions. A Party will retransmit the original transmission within ten (10) business days of its discovery that a Data Transmission is a Lost or Indecipherable Transmission. Each Party will notify the other Party within two (2) business days if any Data Transmission is received that is unintelligible, garbles, or in an unclear form.
 - (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 any applicable minimum use charges. Each Party is 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 ten (10) years from the Data Transmission's creation date.
 - (e) Transmission Format. All standard transactions, as defined by HIPAA, conducted between Companies and Trading Partner, will only use code sets, data elements, and formats specified by the Transaction Rules. For standard transactions, as defined by HIPAA, the Parties will not add or change any data definitions, data conditions, or use of data elements, or segments prescribed in the

Transaction Rules, and will not use any code or data elements that are either marked as “not used” or are not contained in the Transaction Rules. Parties agree to transmission of all HIPAA standard transactions, including but not limited to the following: Professional Claim (837P); Institutional Claim (837I); Dental Claim (837D); Pay/Remittance Advice (835); Eligibility/Response (270/271); Claim Status Inquiry/Response (276/277); Request for Review/Response (278); Enrollment and Disenrollment in a Health Plan (834); Health Plan Premium Payment (820)

- (f) Testing. Prior to the initial Data Transmission, if requested by Parties, each Party will test and cooperate with the other Party in testing each Party’s Operating System to ensure the accuracy, timeliness, completeness, availability, privacy, and confidentiality of each Data Transmission. Each Party will cooperate with the other in such testing when a new version of ANSI standards is implemented or when there is a change in the Operating System of either Party.
- (g) EFT Payments. Trading Partner may elect to receive or to facilitate receipt of EFT payment on claims submitted to Companies for services that Trading Partner or Trading Partner’s client furnishes, or supplies that Trading Partner or Trading Partner’s client sells to an Individual. Trading Partner will make this election by providing banking and administrative information necessary for Companies to transfer funds electronically to Trading Partner or to enable Trading Partner to facilitate transfer of funds electronically via forms on Companies’ website (QuartzBenefits.com) at least 30 (thirty) days prior to the desired EFT commencement. Each Party will be responsible for its own EFT expenses. Parties will undertake and complete testing and verification procedures prior to the actual commencement of EFT and electronic transmission of associated remittance information.
- (h) Data and Data Transmission Security. Parties 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 HIPAA. Unless Parties agree in writing otherwise, the Party receiving 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) HIPAA Compliance. The Parties shall comply with federal law, including HIPAA, and any applicable state laws.
- (j) National Standard Identifiers. Parties will use National Standard Identifiers in all Data and Data Transmissions conducted between the Parties no later than the date established for mandatory compliance with each National Standard Identifier pursuant to HIPAA.
- (k) Policies, Procedures, and Controls. Each Party will establish and maintain policies, procedures, and controls to ensure that EDI is secure and that the privacy, security, confidentiality, integrity, and availability of Protected Health Information is safeguarded.
- (l) Security Access Codes. Parties will use mutually agreed upon Security Access Codes which will, when affixed to Data Transmissions, be sufficient to verify the identity of the transmitter and to authenticate the Data Transmission, thereby establishing the Data Transmission’s validity. Data Transmissions with a Security Access Code affixed to them will be deemed to have been “written” or “signed” by the sender.

3.2 Trading Partner Obligations.

- (a) Use and Protection of Data. Trading Partner will use Data only according to the terms of this Agreement. Trading Partner will not copy, reverse engineer, disclose, publish, distribute, alter, or use Data, Data Transmission, or Envelopes originating from Companies for any purposes other than those specifically authorized under this Agreement.
- (b) Confidentiality. Trading Partner will protect and maintain the confidentiality and security of Security Access Codes issued to Trading Partner by Companies. Trading Partner will limit disclosure of Security Access Codes to authorize personnel on a need-to-know basis. Trading Partner will adopt reasonable safeguards to ensure that former Trading Partner employees, contractors, and/or agents cease to have access after termination of employment or duties. Trading Partner will notify Companies immediately if Trading Partner has reason to believe that the Security Access Codes have

- been compromised or disclosed to unauthorized individuals.
- (c) Errors. Trading Partner, at its own expense, will investigate and correct any erroneous billing transmitted to Companies for processing.
 - (d) Permissions. Trading Partner will obtain all necessary authorizations, consents, releases, or permissions needed to transmit Protected Health Information.
 - (e) Transmission. Trading Partner shall transmit Protected Health Information in a secure manner in accordance with HIPAA.
 - (f) Information. Trading Partner will provide Companies with 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 Companies in writing within 10 (ten) business days of any material change in the information on Exhibit A to this Agreement.
 - (g) Use of Intermediaries. Trading Partner may authorize one or more intermediaries to electronically send or receive Data on its behalf and at its own expense. Trading Partner shall perform appropriate due diligence on every intermediary. Every intermediary must first be approved by Companies in writing. Every intermediary agrees to be bound by written agreement with Trading Partner to comply with any applicable law and regulations and with the terms of this Agreement. Trading Partner agrees and represents that it will disclose to the intermediary that information necessary to enable Data to be transmitted to or received from Companies if, and at such time as, Trading Partner terminates its relationship with the intermediary. Trading Partner's use of an intermediary shall not relieve Trading Partner of any of its obligations hereunder. Trading Partner will bear all costs associated or resulting from its use of an intermediary.
 - (h) ISA/GS Codes. Trading Partner will provide Companies' representatives with its ISA Interchange Qualifier, ISA Interchange ID, and GS Application Code at least ten (10) days prior to

3.3 Companies' Obligations.

- (a) Availability of Information. Companies will 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) Changes to code sets, data elements, or formats. Companies will provide Trading Partner with at least 30 (thirty) 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) of this Agreement.
- (c) Security Access Codes. Companies will provide Trading Partner with Security Access Codes that will allow Trading Partner access to Companies' Operating System to the extent necessary to carry out the purposes of this Agreement. Companies reserve the right to change Security Access Codes at any time and in such manner as Companies, in its sole discretion, deem necessary.
- (d) Transaction Processing. Companies will process those transactions listed in Section 3.1(e) of this Agreement consistent with the data as it is contained in Companies' system at the time of transmission. Companies is not responsible for the transmission of incorrect data resulting from changes made subsequent to the transmission, including retroactive changes made to Companies' system.
- (e) Support. Companies will provide to Trading Partner telephone and electronic mail inquiry support services during Companies' normal business hours.

IV. CONFIDENTIALITY AND SECURITY

- 4.1 Data Security. The Parties will maintain adequate policies, procedures, and safeguards to:
 - (a) prevent unauthorized access to and disclosure of Data, Protected Health Information, Data Transmissions, Security Access Codes, Envelope, backup files, Source Documents, or the other Party's Operating System;

- (b) Assure that Data are not inappropriately modified, deleted, or destroyed; and,
- (c) Assure the availability, security, and integrity of Data.
- 4.2 Unauthorized Access. Trading Partner will immediately notify Companies of any unauthorized attempt to obtain access to or otherwise tamper with Companies' Data, Data Transmissions, Security Access Codes, Envelope, backup files, Source Documents or Companies' Operating System. In the event that either Party receives Data or Data Transmissions not intended for it, the receiving Party will immediately notify the other Party and make arrangements to return, retransmit, or destroy the Data or Data Transmission to the other Party as directed by the other Party. After such retransmission or return, the receiving Party will immediately delete the Data and Data Transmission from its Operating System.
- 4.3 Confidentiality. Trading Partner will maintain the confidentiality of all Protected Health Information received, accessed, or transmitted, as required by all applicable state and federal laws and regulations. Trading Partner will safeguard and maintain the confidentiality of all information obtained or learned in connection with this Agreement. Trading Partner will not use such information for Trading Partner's own commercial benefit or any other purpose not authorized in this Agreement. Trading Partner will notify Companies of any unlawful or unauthorized use or disclosure of any information obtained or learned in connection with this Agreement with five (5) business days that such use or disclosure is or should have reasonably been known to Trading Partner.
- 4.4 Operating Systems Security. Each Party will develop, implement, and maintain administrative, physical, and technical measures and safeguards necessary to ensure the security of each Party's own Operating System and each Party's records relating to its Operating System and in compliance with applicable law.

V. RECORDS RETENTION AND AUDIT

- 5.1 Records Retention. Trading Partner will maintain complete, accurate and unaltered copies of all Source Documents from all Data Transmissions it receives from Companies for not less than ten (10) 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.
- 5.2 Trade Data Log. Parties 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 ten (10) years 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.
- 5.3 Right to Audit. Trading Partner agrees that the Companies have the right, for the purpose of charge and service verification, to inspect, examine, and copy, records relating to Data Transmissions. For purposes of determining Trading Partner's compliance with Federal or State law, or upon request of Quartz or the US Government, Trading Partner shall: (i) make its policies and procedures, related documentation, records maintained, and any other relevant internal practices, books and records available to Quartz, and (ii) provide reasonable access to Trading Partner's facilities, equipment, hardware and software.
- 5.4 Government Requests for Information. Trading Partner will notify Companies within five (5) business days of Trading Partner's receipt of any request from any local, state, or federal government authority for information or documents relating to this Agreement, except to the extent such notification is prohibited by law.

VI. INDEMNIFICATION

- 6.1 Indemnification of Companies. Trading Partner will indemnify, defend, and hold Companies 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, or Trading Partner's intermediaries, employees, subcontractors, agents, or other persons or entities in the performance of this Agreement. Companies 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. Companies 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 Companies in establishing its defenses to such action.
- 6.2 Participation in Actions. Companies reserve the right, at its option and expense, to participate in the defense of any suit or action brought against Trading Partner or Trading Partner's intermediaries arising out of any act or omission in connection with this Agreement.
- 6.3 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.
- 6.4 Limitation of Liability. Except claims or causes of action related to Trading Partner's actual or alleged breach of Article IV 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.

VII. MISCELLANEOUS

- 7.1 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 Companies:
Quartz Health Solutions, Inc.
840 Carolina Street
Sauk City, WI 53583
Attention: Mgr. Technical Services

Quartz Health Solutions, Inc.
840 Carolina Street
Sauk City, WI 53583
Attention: General Counsel

To Trading Partner:

- 7.2 Amendments. This Agreement may not be changed or modified except by an instrument in writing signed by each Party's authorized representative.
- 7.3 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 Wisconsin, to the extent not preempted by federal law.
- 7.4 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 disputes involving fraud or breach of the requirements of Article IV of this Agreement, in which case a Party will be free to seek available remedies in any appropriate forum at any time.
- 7.5 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. Companies retain the right to assign or delegate any of its rights or obligations hereunder to any of its affiliates, wholly owned subsidiaries, or successor companies. 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.
- 7.6 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, acts of terrorism, epidemics, 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.
- 7.7 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.
- 7.8 No Agency. Nothing in this Agreement will place Parties 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.
- 7.9 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.
- 7.10 Entire Agreement. This Agreement, together with its Exhibits, and Amendments, constitutes the entire understanding between the Parties 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 that relate to the subject matter of this Agreement.
- 7.11 Automatic Amendment for Regulatory Compliance. The Parties agree to use best efforts to amend this Agreement to comply with any final regulation or amendment to a final regulation adopted by HHS concerning the subject matter of this Agreement at least thirty (30) days prior to the effective date of the final regulation or amendment.
- 7.12 Survival. The provisions of Sections 3.1(d) and 3.2; Article IV; and Sections 5.1 and 5.2; will survive termination of this Agreement.

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 by:

QUARTZ HEALTH SOLUTIONS, INC.

By: _____
Name: Terry R. Bolz
Title: President and CEO

QUARTZ HEALTH BENEFIT PLANS CORPORATION

By: _____
Name: Terry R. Bolz
Title: President and CEO

QUARTZ HEALTH PLAN CORPORATION

By: _____
Name: Terry R. Bolz
Title: President and CEO

QUARTZ HEALTH PLAN MN CORPORATION

By: _____
Name: Terry R. Bolz
Title: President and CEO

QUARTZ HEALTH INSURANCE CORPORATION

By: _____
Name: Terry R. Bolz
Title: President and CEO

TRADING PARTNER: _____

By: _____
Name: _____
Title: _____

EXHIBIT A TRADING PARTNER INFORMATION

Trading Partner Information

Name: Address:
Contact:
Telephone: ()
Tax ID:
E-mail address:

Billing Service Information

Name: Address:
Contact:
Telephone: ()
Tax ID:
E-mail address:

Clearinghouse Information

Name: Address:
Contact:
Telephone: ()
Tax ID:
E-mail address:

Companies' day-to-day contact person:

Joe Boerboom, Manager, Technical Services
840 Carolina Street Sauk City, WI 53583
Direct phone: (608) 643-1531