



Group Contract For HMO or Direct HMO

PO Box 1407, Church Street Station
New York NY 10008-1407

The group named below agrees as follows:

To offer Empire BlueCross HMO or Direct HMO coverage as an alternative benefit plan to persons who are employed by the group or are members of the group. The employees or members will decide on an individual basis whether they wish to select the HMO or Direct HMO alternative.

HMO coverage is provided through a certificate issued by the Empire BlueCross health maintenance organization. If Direct HMO is selected, coverage is provided through the HMO certificate and a separate indemnity certificate.

The coverage to be offered by Empire BlueCross will include the standard coverage as described in the Certificates of Coverage and the following riders, which are attached to and made a part of this Contract:

The coverage listed above for which the group agrees to remit premium payments was selected by the group in order to provide as broad a benefit package as possible, yet to limit the employee's own contribution, if any, to a reasonable amount. In the event the group changes its other health insurance program, or changes the amount the group contributes towards the cost of that other health insurance program, the group reserves the right to alter the array of riders selected above for which it agrees to remit premiums in order to continue to provide as broad a package of benefits as possible, yet to limit the employee contribution to a reasonable amount.

The group is at all times acting as an agent for the subscribers and their dependents and not as an agent for Empire BlueCross. When a notice is to be delivered from Empire BlueCross, Empire may deliver sufficient copies of the notice to the group and the group will assume responsibility for distributing the notice to the subscribers.

As agent for the subscribers, the group agrees to remit subscriber premiums to Empire BlueCross. The group agrees that all premium payments are due in advance, must be paid by a single check or money order, and must be for at least a one-month period. The group understands that the Certificate of Coverage provides that the coverage will automatically terminate as of the date to which the premium was paid if Empire BlueCross does not receive the monthly premium by the end of a fifteen (15) day grace period following the date the monthly premium was due.

An enrollment period will be held once a year at which time employees or members will have the option to select the HMO or Direct HMO alternative coverage, unless the group and Empire mutually agree to a different schedule of offering the alternative.

The first enrollment period will be conducted between _____ and _____.

The first effective date for coverage offered under this Contract will be _____; or will be mutually agreed upon within ninety (90) days after the effective date of this Contract.

Optional provision below may be included subject to Empire BlueCross guidelines. Check if applicable.

At the request of the group, the premium rate for each year or rating period will be a composite rate. The composite rate reflects the projected proportion of enrollment from each of the geographic rating regions, and is a weighted average of the premium rates for those regions. The total amount of premium payments made during the year or rating period using the composite rate will be preferred to as the Composite Premium Payments (CPP).

At the end of each year or rating period the actual geographic distribution of enrollment will be determined and will be multiplied by the appropriate premium rates. The total amount of premium payments due for the year or rating period for the actual geographic distribution of enrollment will be referred to as the Adjusted Total Premium (ATP).

The difference between the Composite Premium Payments and the Adjusted Total Premium will be referred to as the Annual Adjustment. The dollar amount of the Annual Adjustment will be applied to increase or decrease the composite rate for the following year, paid in cash, or paid in any other manner mutually agreed in writing by the group and Empire BlueCross. In the event the parties do not agree within 90 days after the end of the year or rating period, the Annual Adjustment shall be paid by Empire BlueCross in the event the Composite Premium Payments exceed the Adjusted Total Premium, and by the group in the event the Adjusted Total Premium exceeds the Composite Premium Payments, in cash, by the 120th day after the end of the year or rating period.

NAME OF GROUP

EMPIRE BLUECROSS

BY

BY

PRINT NAME AND TITLE

PRINT NAME AND TITLE

DATE

DATE

FORM IPA-11, Rev. 9/00

Services provided by Empire HealthChoice HMO, Inc., a licensee of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.