

Qualified Health Plan Program Integrity Rules for
Delegated and Downstream Entities Addendum

To the extent Supplier or Independent Contractor is deemed a delegated entity in accordance with 45 C.F.R. § 156.340, Supplier hereby agrees as follows:

(a) In the course of performing the duties and obligations set forth in the Agreement (collectively referred to as “Duties”), Supplier may constitute a “delegated entity” and may contract with other entities that constitute “downstream entities,” as such terms are defined in 45 C.F.R. § 156.20, to assist in performing its Duties;

(b) Supplier shall comply with all applicable laws and regulations, including but not limited to the provisions of 45 C.F.R. Parts 155 and 156, to the extent relevant, in performing its Duties;

(c) Supplier shall grant access to its books, contracts, computers, or other electronic systems (including medical records and documentation), relating to Supplier’s compliance with applicable provisions under 45 C.F.R. Parts 155 and 156 in connection with its Duties, to Customer and the U.S. Department of Health and Human Services (“HHS”) and its Office of Inspector General (or their designees), for the duration of the period in which the Agreement is effective, and for a minimum of ten (10) years from the date the Agreement terminates;

(d) Supplier shall include in its contract with any downstream entities, and require such downstream entities to include in their contracts with other downstream entities, language that is the same or substantially similar to that contained in this Addendum and which expressly requires each downstream entity to: (i) comply with all applicable laws and regulations, including but not limited to the provisions of 45 C.F.R. Parts 155 and 156, to the extent relevant, in performing or assisting in the performance of Duties; and (ii) grant access to its books, contracts, computers, or other electronic systems (including medical records and documentation), relating to such downstream entity’s compliance with applicable provisions under 45 C.F.R. Parts 155 and 156, in connection with Duties, to Customer and HHS and its Office of Inspector General (or their designees), for the duration of the period in which the Agreement is effective, and for a minimum of ten (10) years from the date the Agreement terminates;

(e) Upon request, Supplier shall furnish Customer with a copy of the pertinent contract language (including amendments thereto) between Supplier and any downstream entities, and among two or more downstream entities, as applicable, to demonstrate compliance with subsection (d). Such contract language (including amendments thereto) shall be furnished to Customer as soon as practicable following its adoption;

(f) In the event that Customer or HHS determines that Supplier, or any downstream entity with whom Supplier contracts as described in subsection (a), has not satisfactorily performed the Duties, Customer shall have the right to revoke such Duties and immediately terminate the Agreement or give the Defaulting Party thirty (30) days within which to cure the default (in which case the Agreement shall terminate if the default is not cured to Customer satisfaction); and

(g) The provisions of this Addendum shall in no way be interpreted as an assumption by Customer of legal liability for the actions of Supplier or any downstream entities, including but not limited to malpractice liability.