



CDCS Health Claims Inc.

ADMINISTRATIVE SERVICES CONTRACT

GROUP # _____

EFFECTIVE DATE: _____

THIS AGREEMENT made this

_____/_____/_____
Day Month Year

BETWEEN:

CDCS HEALTH CLAIMS INC. (previously Computer Dental Claims Services Inc.)
(hereinafter called "**CDCS**"),

- AND -

(hereinafter called "the Employer").

Address: _____

WHEREAS:

- (A) CDCS is engaged in the administration of Group Health Benefits Plans and;
- (B) The Employer wishes to engage CDCS to assist in the administration of the health benefits plan established by the Employer for its employees and their dependants; and
- (C) CDCS has agreed to provide administrative assistance to the Employer in accordance with the provisions of this Agreement.

NOW THEREFORE: CDCS and the **Employer** hereby agree as follows;

1. For the purpose of this Agreement, the following definitions shall apply:

- (a) "Claim" means the amount of money claimed by a Participating Provider or an Eligible Member for health services covered by the Plan and provided by the Participating Providers to an Eligible Member.
- (b) "Contestable Claim" means a Claim in respect of which the claims procedure established by CDCS has not been followed or the eligibility of which for any reason is subject to determination by the Medical Director.
- (c) "Medical Director" means the member of CDCS for the time being or any professional designated by the Medical Director from time to time to decide a Contestable Claim.
- (d) "Eligible Member" means any employee or any of their dependants who are Eligible for benefits under the Plan.
- (e) "Eligible Employee" means an employee who is an Eligible Member.
- (f) "Employee" means an employee, officer or director of the Employer or a person who has formerly held such a position.
- (g) "Participating Provider" means a Professional authorized provider who provides health services to an Eligible member.
- (h) "Plan" means the Employer's health benefits plan, the terms and conditions of which are set forth and described in Appendix "A";
- (i) "COVER CARD®" means the plastic ID card issued to an employee who is Eligible to receive benefits under the Plan.
- (j) "Extra Benefits Claim" means the amount of money claimed by a Participating Provider or an Eligible Member for health services not covered by or exceeding the limits of the plan but authorized by the Employer and provided by the Participating Provider to an Eligible Member.



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2. CDCS shall provide the following assistance to the Employer:
- Auditing of Claims to ascertain their eligibility for payment;
 - Determination of Contestable Claims by the Medical Director;
 - Payment of Claims to participating Providers or Eligible employees;
 - Provision of statements to the Employer in accordance with paragraph 8;
 - Consultation with respect to the health plan design;
 - Issuance of "COVER CARD®" cards or other identification means to Eligible employees and spouses.
 - Provision of claims forms to the Employer and Participating Providers.
3. The Employer shall pay to CDCS, in the manner provided in this Agreement, the amount of all Claims paid by CDCS to Participating Providers or Eligible employees for health services provided to Eligible members. In addition, the Employer shall pay to CDCS an administration charge specified below and any commissions specified plus any and all Taxes and service charges. The administration charges and Consultant fees are guaranteed for the specified period unless the Broker/Consultant of record is changed at which time CDCS reserves the right to change the administration charge coincident with the change in the Broker/Consultant of record. The employer authorizes CDCS to pay Consultant fees at the specified rate to a Broker/Consultant of record, if any, as designated by the Employer in writing from time to time.
- The administration charges will be broken down as follows and **guaranteed for 12 months:**
CDCS administration charge of (_____% of claims dollars [**paid or submitted**]) plus taxes, plus a
Broker/Consultant fee of (_____include in above) or (_____% of claims dollars [**paid or submitted**]) plus taxes.
4. The Employer shall pay to CDCS the following amounts towards the payment of Claims and the administration charges due to CDCS, Select option a) or b) 1 to 4:
- The **sum of \$** _____ as an advance to the claims account on execution of this Agreement which has been calculated as _____ **times** the estimated **Monthly Claims of \$** _____, **plus a set-up fee of \$** _____. The advance will be kept in trust and used to pay amounts due under this contract. The advance may be adjusted semi-annually if the average monthly claims amount over the previous six months varies from the estimated monthly claims by more than + or - five (5%) percent, and
 - The Total Monthly Amount Due which includes claims paid during the billing period plus administration charges and taxes and commissions where applicable via the method indicated below (**check one**)
 - 1) Pay the **Total Due Amount** on the monthly statement, or
 - 2) Pay an **Budgeted Monthly Amount of \$** _____ in advance, which amount will be applied to the total due and reconcilable and adjustable at six month intervals, or
 - 3) Pay a **Flexible Monthly Amount of \$** _____ per single member and \$ _____ per family member in advance, which amount will be applied to the total due and reconcilable and adjustable from time to time, or
 - 4) Send **Advance Claims Payment** (with claims) at the rate of claims dollars payable plus _____% of claims.
Late payment under option 2 or 3 may result in option 1 being implemented the following month.
Late payment under option 1 may result in option 4 being implemented the following month.
5. CDCS will effect payment of an Extra Benefit Claim only if the Employer provides CDCS with:
- A written request for such payment, outlining the type and cost of the health services provided or to be provided;
 - Supporting invoices and claim forms; and
 - Payment to CDCS of an amount equal to the amount of the Extra Benefits Claim plus the administration charge in #3 above.
6. CDCS shall apply the monies paid by the Employer hereunder firstly in payment of Taxes and Administration charges current and outstanding and secondly to replenish the Claims account.
7. Should the Employer fail to pay when due any amount payable to CDCS under this Agreement, the Employer shall pay interest to CDCS on all amounts past due at the rate of 24% per annum from the date of default until payment is received.
8. CDCS shall furnish to the Employer annual statements of total Claims, Administration charges and taxes payable and paid during the immediately preceding twelve (12) months, commencing at the end of the first year that this Agreement is in force. Such statement is to be certified correct by a responsible officer of CDCS. Additionally, CDCS shall furnish to the Employer monthly statements showing the total Claims, Administration charges and taxes payable and paid during each month that this Agreement is in force. Such statements shall be provided to the Employer within a reasonable time after the end of the reporting period.



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9. CDCS shall keep proper and sufficient records and accounts for the purposes of this Agreement. The Employer or its duly accredited agent may at any reasonable time and upon not less than (5) days' prior notice to CDCS inspect such records and accounts at the head office of CDCS for the purpose of verifying any statement furnished by CDCS. Provided however, that any such inspection must be completed not later than six (6) months after delivery to the Employer of such statement. Provided further, that in no event shall any such inspection or planned inspection permit the Employer to delay payment of any amounts required by this Agreement
10. The Employer shall notify CDCS forthwith if an employee ceases to be eligible under the plan.
11. This Agreement may be terminated by not less than sixty (60) days' notice given by either party to the other. Earlier termination by the Employer or its Agent of Record will be subject to a pro-rated monetary penalty of administration fees and applicable taxes, payable to CDCS.
12. The Employer shall give notice to CDCS of any proposed changes in the Plan and such changes shall form part of this Agreement when accepted by CDCS in writing.
13. CDCS shall not be responsible or liable for any act or omission by a Participating Provider or by the employees or agents of a Participating Provider or by any other person performing health or other professional services covered under the Plan or for the availability, quality or results of any health services or for the failure of an Eligible member to obtain health services.
14. For the purposes of determining the eligibility of any Claim, the Medical Director shall have the exclusive right to determine any health question which may arise in connection with any Claim and any such determination made in good faith shall be conclusive and binding upon the employer and CDCS.
15. Any controversy or claim arising out of or relating to this Agreement or its breach between or by either or both of the parties shall be determined by a single arbitrator agreeable to both parties. If the parties fail to agree upon an arbitrator or if such arbitrator fails to act, then another arbitrator may be appointed by a judge of the Courts of Ontario upon the application of either party. The decision of the arbitrator shall be final and binding on both parties. The arbitration shall be governed by the Arbitration Act of Ontario.
16. If any part of this Agreement or any amendment of it shall be determined by any arbitrator, court or other competent authority to be illegal, void or unenforceable, such determination shall not abrogate this Agreement, or any part of it other than the part determined to be illegal, void or unenforceable, and all other provisions of this Agreement shall remain in full force and effect, unless the invalid part shall be an essential term.
17. The following documents are annexed to and made a part of this Agreement:
Appendix "A" - the Plan.
18. Notwithstanding any other provision of this Agreement, if the Employer fails to pay to CDCS any of the amounts provided for in this Agreement:
 - (a) CDCS may refuse or suspend payment of claims until the default is remedied; and
 - (b) CDCS may terminate this Agreement forthwith by notice to the employer, whether or not payment of Claims has been refused or suspended.
19. When benefits provided under the Plan are available to an Eligible Member under any other health benefits or health insurance plan, the benefits of the other plan or plans may be deemed payable prior to the application of benefits under this Plan in accordance with industrial standards for co-ordination of benefits rules. The amount payable under this Plan will be limited to the extent that the total amount available under all coverage's will not exceed one hundred (100%) percent of the allowable expenses.
20. This Agreement, including the terms defined in paragraph 1, shall be construed with all changes in gender and number required by the context.
21. This Agreement shall be deemed to have been made in and shall be governed by the laws of the Province of Ontario.
22. Time shall be of the essence of this Agreement.
23. No waiver by either party of any breach of any provision of this Agreement shall be taken or held to be a waiver of any other breach of the same provision.



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- 24. Notices given under this Agreement as required, shall be in writing given to the parties at their respective addresses set forth above. Either party may change its address for notices at any time by written notice to the other. Notices given by mail shall be deemed to have been received on the second postal delivery day next following the date of mailing. Provided that in the event of disruption of mail service a notice shall only be effective if actually delivered.
- 25. This Agreement shall endure to the benefit of and be binding upon the parties and their respective successors and assigns.
- 26. This Agreement and the appendices and any amendments embody the entire agreement between the parties with regard to the subject matter.
- 27. CDCS and the Employer will adhere to the rules and regulations under the Privacy Act and utilize data available on Eligible Members for the sole purpose of determining coverage and adjudicating claims.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized signing officers effective as of the day and year first above written.

CDCS HEALTH CLAIMS INC.

Per: _____
DAVID CARNES President

EMPLOYER

Per: _____

Title: _____



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APPENDIX "A" - THE PLAN

Please Complete All Sections

GROUP # _____

CLASSES - DIVISIONS/UNITS (use reverse side of this form if required)

Class Name and Number	Division/Units	Plan Design if different
_____	_____	_____
_____	_____	_____

<i>COVERAGE:</i> CLASS "___"	Basic Dental (includes Endo/Perio)	Major Restorative	Orthodontics
Reimbursement %	_____	_____	_____
Deductible	_____	_____	_____
Maximum	_____	_____	_____
MAXIMUM	Calendar year _____	<i>or</i> Policy Year _____	
	Per Person _____	<i>or</i> Per Cardholder _____	
COMBINED MAXIMUM	Yes _____ No _____	Comments _____	
LIFETIME MAXIMUM	Yes _____ No _____	Comments _____	
FEE GUIDE YEAR (<i>GP</i>)	Current _____	Fixed at _____ /yr.	
SPECIALIST FEES (____%)	Yes _____ No _____		

<i>COVERAGE:</i> CLASS "___"	Basic Dental (includes Endo/Perio)	Major Restorative	Orthodontics
Reimbursement %	_____	_____	_____
Deductible	_____	_____	_____
Maximum	_____	_____	_____
MAXIMUM	Calendar year _____	<i>or</i> Policy Year _____	
	Per Person _____	<i>or</i> Per Cardholder _____	
COMBINED MAXIMUM	Yes _____ No _____	Comments _____	
LIFETIME MAXIMUM	Yes _____ No _____	Comments _____	
FEE GUIDE YEAR (<i>GP</i>)	Current _____	Fixed at _____ /yr.	
SPECIALIST FEES (____%)	Yes _____ No _____		

Please Complete Reverse Side...



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APPENDIX "A" - THE PLAN continued... & Additional Information

Waiting Period _____ months. Applies to employees in the waiting period now? Yes _____ No _____

Dependent unmarried children to their _____ birthday, or to their _____ birthday if attending a recognized educational institute or are mentally/physically infirm and dependent on the employee for support.

Termination age _____ or retirement, whichever is earlier.

Current Carrier _____ Is a copy of the wording/current codes and health plan enclosed? _____

CDCS to apply Co-ordination of Benefits guidelines to determine the order of benefits determinations and amounts payable? Yes _____ No _____

Special Concerns - please provide any information you feel may be necessary to establish your plan.

CONTACT Name _____ Title _____

Telephone # _____ Facsimile # _____

E-Mail Address _____