



## Sanctions Policy

*Effective Date [Version]:*

*October 31, 2023*

## Background and Purpose

CommonWell Health Alliance, Inc. (“Alliance”) is committed to defining and promoting a national infrastructure with common standards and policies that promote a vendor-neutral platform to break down the technological and process barriers that currently inhibit effective health data exchange.

Alliance and its Members are committed to complying with all applicable laws and regulations, and all Members are required to comply with all applicable Alliance Policies, which are available here <http://www.commonwellalliance.org/policies>. For the purpose of this Policy the term Member shall include the Member, its Subparticipants, Authorized Users, and End Users.

Due to the above requirements, Alliance has adopted this Sanctions Policy (hereinafter “Policy”) which outlines the sanctions and actions that Alliance may take in response to the failure of a Member to comply with Applicable Law or any Alliance Policies (“Sanctions”). However, the parties understand and agree that nothing in this Policy shall be deemed to modify or replace any applicable obligations under Applicable Law, including but not limited to those under HIPAA, the FTC Rule, and/or other Applicable Law.

Definitions used in this Policy that are not defined elsewhere in the Policy are defined in Section 4 of the Policy.

## Application

This Policy identifies the terms and conditions that are applicable to any party that accesses or uses the Services, including Members.

## Terms and Conditions

1. Compliance with Applicable Laws and Policies. Member shall comply with all Applicable Laws and Alliance Policies, as they may be modified or updated from time to time.
2. Failure to Comply. In accordance with the Alliance Membership Agreement, failure to comply with the terms and conditions of the Membership Agreement, including its material obligations, may result in termination of a Member’s membership in the Alliance, which would in turn terminate such Member’s Member Services Agreement, leading to the removal of the Member and its connections from the Alliance Networks and the Services.
3. Protection of Services and Alliance Networks. In order to maintain the security and integrity of the Alliance Networks and Services, non-compliance with applicable terms and conditions that apply to the use of the Services and Alliance Networks, including not limited to Breach of Confidentiality or Security obligations, and other applicable Documentation, may lead to Sanctions, including but not limited to the suspension or termination of Member’s access or use of the Alliance Networks and Services, and which may include immediate suspension or termination of access to Alliance Networks and Services without notice. Such Sanctions may be imposed where the Alliance, at its sole and exclusive determination, believes it is necessary to protect the Alliance Networks, Services, the Alliance, Service Provider, or Member’s Confidential Information or Intellectual Property rights, or to protect the integrity of any

of them.

For the avoidance of doubt, Sanctions may include but shall not be limited to:

- A. Termination of connection(s) within the Alliance Networks and Services;
- B. Limitations on transaction volume limits, disallowing the addition of new endpoints into the directory, and other penalties appropriate to the circumstances, and;
- C. Forfeiture of any incentive payments, revenue share credit or fee discounts.

4. Definitions. In addition to terms defined elsewhere in this Policy, the following defined terms shall apply:

“Alliance Documentation” means all applicable terms and conditions of the Alliance that apply to Membership or the use of the Services, including but not limited to the Bylaws, Membership Agreements, Master Services Agreements, Alliance Specification, and all written Policies, all as may be amended from time to time by the Alliance.

“Affiliated Networks” means networks that operate with or connect to the Services and/or network, including those currently existing and those that may come to exist in the future.

“Alliance Policies” means all policies approved by the Alliance relating to the Alliance or the Services, including those related to Affiliated Networks, as updated from time to time.

“Alliance Networks” means all networks, systems, websites, APIs, hosted environments, and other technologies use to provide or make the Services available, including as provided by an Alliance Service Provider, and including Affiliated Networks.

“Alliance Policies” means all Alliance Documentation and Policies that apply to Membership or the use of the Services by a Member, including but not limited to

“Alliance Specification” means each document designated a “CommonWell Health Alliance Specification” as finally adopted and approved by the Alliance. The most current version of the Alliance Specification may be obtained here: <https://www.commonwellalliance.org/connect-to-the-network/use-cases-and-specifications/>

“Applicable Laws” means all laws (including common law), statutes, rules, regulations, ordinances, formal written guidance, codes, permits and other authorizations and approvals having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision, including without limitation agreements and operating procedures required to operate with any government agency or government sponsored healthcare exchange.

“Authorized User” means a party that accesses or uses the Services in accordance with an authorized Use Case that has a written agreement directly an Authorized User or Alliance.

“Breach” has the meaning provided for in 45 CFR 164.402 (Definitions, effective March 26, 2013; 78 Federal Register 5695) or its successor.

“Breach of Confidentiality or Security” means an incident that is reasonably likely to

adversely affect: (a) the viability, security, or reputation of the Services, or (b) the legal liability of Alliance, Service Provider, or any Member.

“HIPAA” or “HIPAA Rules” means the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations and rules.

“Member” means legal entity that is a party to a valid Alliance Membership Agreement with Alliance.

“Services” means the services approved and offered by or on behalf of the Alliance in accordance with an approved Alliance Use Case. Services may also include offerings from Affiliated Networks.

“Service Provider” means a party that Alliance has contracted with to provide the Services (or a subset of the Services).