

ADDENDUM TO PPN PARTICIPATING SERVICE PROVIDER AGREEMENT

1. CONTRACTING PARTIES

This agreement is entered into between:

1.1 **PREFERRED PROVIDER NEGOTIATORS (PTY) LTD**

Registration Number : 1992/000075/07

and

1.2

Registration Number / Identity Number : _____

Trading Title : _____

BHF No : _____

(hereafter referred to as "***the participating service provider***")

2. INTERPRETATION GUIDELINES

2.1 ***The contracting parties*** entered into a written participating service provider agreement ("***the PPN Agreement***") in terms of which ***the participating service provider*** is appointed as a preferred provider for rendering ***optometric benefits***, to ***beneficiaries*** (both as defined in ***the PPN Agreement***) of ***contracted medical schemes***, listed in ***Annexure E*** to ***the PPN Agreement***.

2.2 The definitions in clause 2.3 of ***the PPN Agreement***, shall also apply to this addendum.

2.3 "***LabCo***" means NVS Healthcare (Pty) Ltd, Registration Number : 2003/031958/07, the owner and licensor of ***the LabCo electronic lens ordering system***.

2.4 "***LabCo electronic lens ordering system***" means the electronic ordering facilitator which enables:

- 2.4.1 ***the participating service provider*** to order prescribed lenses for ***beneficiaries***, from ***PPN accredited laboratories***; and
- 2.4.2 ***PPN accredited laboratory*** to invoice ***PPN*** for the manufacturing of the prescribed lenses through an online interface with ***the PPN accredited laboratory***,
- available to ***PPN, the PPN accredited laboratory***, and contracted ***participating service providers***, by means of the current log in facility, available on ***the Optimum website***, accessible by ***the participating service provider*** by means of a personal identification number.
- 2.5 “***LabCo electronic lens ordering system utilization fee discount***” means the fee payable by ***PPN*** to ***the participating service provider*** every time ***the participating service provider*** makes use of ***the LabCo electronic ordering system*** to order lenses prescribed by him / her / it for a ***beneficiary*** of a ***contracted medical scheme*** from a ***PPN accredited laboratory***, which at the commencement of the terms of this addendum is R100,00 (VAT inclusive).
- 2.6 “***Optimum***” means the application software made available by ***PPN*** to ***participating service providers*** to facilitate the confirmation of membership of ***beneficiaries*** of ***contracted medical schemes***, submission and payment of claims for optometric services rendered, and optometric appliances supplied with an interface for ***the LabCo electronic lens ordering system***.
- 2.7 “***Optimum User Manual***” means ***Optimum’s*** manual detailing the processes and steps to follow when submitting claims electronically for optometric services rendered and optometric appliances supplied in terms of ***the PPN Agreement***, which manual has been updated to include ***the LabCo electronic lens ordering system*** and its processes, which may be amended from time to time by ***Optimum***, a copy of which was handed to ***the participating service provider*** prior to signing of this addendum, and is available in electronic format on ***the Optimum website***.

2.8 “**PPN accredited laboratories**” mean those laboratories, and their branches, listed in **Annexure AD 1**, who are contracted to **PPN** to accept and execute electronic orders from **the participating service provider** through **the Optimum website** for the manufacture and supply of prescribed optical lenses to correct errors of refraction of **beneficiaries** of **contracted medical schemes**, at discounted prices, through **the LabCo electronic lens ordering system**.

3. **EXPRESSED COMMON INTENTION AND BUSINESS PURPOSE**

3.1 **The contracting parties** wish to add agreed terms to **the PPN Agreement**, as a result of which they have to comply with the terms of clauses 23 and 24 of **the PPN Agreement**, hence the need for this written and signed addendum.

3.2 It is the expressed mutual agreement of **the contracting parties** to add the terms recorded in this addendum, to **the PPN Agreement**, in order to introduce **the LabCo electronic lens ordering system**, as part of the agreed terms of **the PPN Agreement**.

3.3 **PPN** has contracted with **LabCo** to make use of their application software interface, defined as **the LabCo electronic lens ordering system**, in order to achieve the efficiencies and benefits recorded in this addendum to **the PPN Agreement**.

3.4 **The LabCo electronic lens ordering system:**

3.4.1 is available for use on a voluntary elective basis by **the participating service providers** on the terms agreed and recorded in this addendum;

3.4.2 enables **PPN**:

3.4.2.1 to negotiate discounted delivery times and prices for **the participating service providers**, and the ultimate benefit of **beneficiaries** and **contracted medical schemes**; and

- 3.4.2.2 to closely manage prescribed optical lens manufacturing and supply;
- 3.4.2.3 to better assess and control the risk associated with optical benefits, on behalf of **contracted medical schemes** in a managed health care environment;
- 3.4.3 will as a result of the foregoing achieve costs savings, for its **contracted medical schemes**, their **beneficiaries**, and **PPN**, and benefit **the participating service provider**.
- 3.5 The work flow of **the LabCo electronic lens ordering system** is recorded in **the Optimum User Manual** available to all **participating service providers**, on **the Optimum website**.

4. THE AGREED FUNCTIONALITY AND INTRODUCTION OF THE LABCOS ELECTRONIC LENS ORDERING SYSTEM

- 4.1 **The LabCo electronic lens ordering system:**
- 4.1.1 is available to **the participating service provider** on **the Optimum website**;
- 4.1.2 is accessible by **the participating service provider** by making use of the personal identification number issued to **the participating service provider** by **PPN**;
- 4.1.3 contains a list of **PPN accredited laboratories**, and their discounted lens prices;
- 4.1.4 electronically creates a detailed and complete electronic order for the lenses prescribed by **the participating service provider** placed on a **PPN accredited laboratory** of **the participating service provider's** choice; and

- 4.1.5 electronically transmits:
- 4.1.5.1 the order created in terms of clause 4.1.4 to ***the PPN accredited laboratory*** of choice;
- 4.1.5.2 a confirmation of the order to ***the participating service provider*** to enable ***the participating service provider*** to print the order for collection with the selected frame from ***the participating service provider*** by ***the PPN accredited laboratory*** of choice;
- 4.1.6 electronically creates an invoice by ***the PPN accredited laboratory*** to ***the participating service provider*** for the costs of the manufacture and supply of the prescribed lenses at the agreed tariffs in terms of ***the PPN Agreement***, and delivers it to ***PPN*** for payment on behalf of ***the participating service provider*** to ***the PPN accredited laboratory***;
- 4.1.7 requires ***the participating service provider*** to authorize ***PPN***:
- 4.1.7.1 to make direct payment, of the costs of the lens ordered by ***the participating service provider***, and reflected in the invoice produced in terms of clause 4.1.6, to ***the PPN accredited laboratory***, on behalf of ***the participating service provider***; and
- 4.1.7.2 to set off the costs of the lenses paid to ***the PPN accredited laboratory*** by ***PPN***, against the total amount due to ***the participating service provider*** by ***PPN*** in respect of such claim,

for which purpose this clause read with clause 7.2 shall constitute the irrevocable written authority of ***the participating service provider*** to ***PPN***, to set-off the amounts paid to ***PPN accredited laboratories*** against the normal benefit payments due to ***the participating service provider*** in respect of such claims.

4.2 ***The contracting parties*** by agreement introduce the use of ***the LabCo electronic lens ordering system*** as part of ***the PPN Agreement***, on the terms agreed and recorded in this addendum.

4.3 ***The participating service provider*** shall be entitled, but not obliged, to make use of ***the LabCo electronic lens ordering system*** on the terms agreed to and recorded in this addendum.

5. **PPN'S PERFORMANCE OBLIGATIONS**

PPN:

5.1 shall list ***the PPN accredited laboratories***, their branches where applicable, and discounted lens prices on ***the Optimum website***;

5.2 shall generate an electronic order for lenses prescribed by ***the participating service provider*** to ***the PPN accredited laboratory*** of choice; and

5.3 shall e-mail the electronic order and proof of payment to ***the participating service provider*** to enable ***the participating service provider*** to submit same with the frame selected, to ***the PPN accredited laboratory*** of choice;

5.4 pay the amount due in terms of the invoice issued in terms of clause 4.1.6 to ***the PPN accredited laboratory*** on behalf of ***the participating service provider***;

5.5 shall be entitled to set off the amounts paid to ***the PPN accredited laboratory*** against the normal benefit payments due to ***the participating service provider*** in respect of such claim;

5.6 shall pay the net amount due, after set-off in terms of clause 5.5, to ***the participating service provider***, as part of the normal twice weekly payment runs;

5.7 shall load remittances and payments as confirmation of transactions on behalf of ***the participating service provider*** onto ***the Optimum website***.

6. **OTHER TERMS**

The remainder of the terms agreed and recorded in ***the PPN Agreement*** shall continue to be of force and effect as recorded and signed.

7. **EXECUTION**

PARTIES	DATE	PLACE	WITNESSES
<p>7.1 <i>PPN</i></p> <p>The terms of this agreement were accepted on behalf of <i>PPN</i> by the authorised representative at the place and date mentioned in the presence of the subscribing witnesses. The signatory warrants his / her principal's capacity and his / her own authority to contract.</p> <p>_____</p> <p>q.q. <i>PPN</i></p>			<p>1. _____</p> <p>2. _____</p>
<p>7.2 <i>Participating Service Provider</i></p> <p>The terms of this agreement were accepted on behalf of <i>the participating service provider</i> by the natural person referred to in clause 1.2 read with Annexure I to <i>the PPN Agreement</i>, at the place and date mentioned in the presence of the subscribing witnesses. The signatory warrants his / her principal's capacity and his / her own authority to contract, if acting in a representative capacity.</p> <p>_____</p> <p>q.q. <i>The participating service provider</i></p>			<p>1. _____</p> <p>2. _____</p>