PROCUREMENT CONTRACT FOR PROVISION OF SERVICES

BETWEEN

PARTNERS BEHAVIORAL HEALTH MANAGEMENT

LME/PIHP

AND

[COMPANY]

A PROVIDER OF MH/DD/SA SERVICES –

LICENSED INDEPENDENT PRACTITIONER

1. **[COMPANY]** (Contractor), agrees to comply with the conditions set forth by PARTNERS BEHAVIORAL HEALTH MANAGEMENT (LME) in the General Conditions for Provision of Services for Procurement Contract-Licensed Independent Practitioner (LIP), PARTNERS BHM Provider Manual, and all referenced Contract Attachments and Exhibits.

2. **TERM**: The term of this Contract shall begin **,** 2015 and shall remain in effect until , 2018, or terminated as provided in the Contract and General Conditions for Provision of Services for Procurement Contract. LME reserves the right to terminate the term of this Contract should Contractor fail to comply with the terms of this Contract, the General Conditions for Provision of Services for Procurement Contract -Licensed Independent Practitioner, and Contract Attachments and Exhibits. Contractor understands that the General Conditions for Provision of Services for Procurement Contract - Licensed Independent Practitioner, the Provider Manual, and Contract Attachments and Exhibits as well as State and Federal requirements may be changed or updated during the term of this Contract. Contractor agrees to all revisions unless Contractor provides notice to LME of its objection to changes or revisions within thirty (30) days of the date of the change. LME will notify Contractor of changes to LME requirements/documents via mail or electronic notification. LME may impose time limits on the term of this Contract in the event that Contractor provides notice that it objects to new provisions, and an agreement cannot be reached within thirty (30) days. All time limits stated in this Contract are of the essence.

Any agreement for reimbursement and payment to Contractor are subject to annual budgetary appropriations as specified in Section 6, Reimbursement, of this Contract.

SPECIFIC CONTRACT ELEMENTS

3. **SERVICES**: No referrals of Clients or authorizations of services are guaranteed under this Contract. Contractor is authorized to provide services to Medicaid Eligible Clients as set forth in Attachment A.

Services are to be provided consistent with the requirements of the Provider Manual, the General Conditions for Provision of Services for Procurement Contract – Licensed Independent Practitioner, and all referenced attachments as approved by LME and the North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. A link to the Service Definitions and the Provider Manual are posted on the LME's website at www.partnersbhm.org. Printed copies of the Provider Manual are made available to Providers upon request.

All clinicians providing services under this Contract must be approved and credentialed by the LME's Credentialing Committee to qualify for reimbursement for services provided to LME Clients. All clinicians providing services under this Contract shall only provide services in accordance with their professional licensure and LME credentialing.

Contractor shall insure all Clients served under this Contract meet the service specific guidelines for medical necessity, as defined in the LME Provider Manual, and length of stay as specified in APSM 1026, MH/DD/SA Service Definitions and Enhanced Benefit Service Definitions.

With the exception of services that are intended to be provided in the community or Clients' home per approved North Carolina MH/DD SA Service Definition, services shall only be provided at sites that are licensed by the North Carolina Division of Facility Services (if applicable) and have been reviewed and/or qualified by the LME. Contractor's approved and contracted services are listed in Attachment A.

4. AUTHORIZATION OF SERVICES:

Basic Benefit Plan Services:

Adult Clients whose services are covered under the Basic Benefit Plan have eight (8) unmanaged visits each fiscal year (July to June). Child Clients whose services are covered under the Basic Benefit Plan have sixteen (16) unmanaged visits each fiscal year (July to June). If Contractor is credentialed and contracted to provide services under the Basic Benefit Plan, authorization is not required for the unmanaged visits/units for adults and children so long as the services are medically necessary. If Contractor is in doubt whether or not a Client has reached their "unmanaged" visit/unit limit, Contractor should complete and submit a Service Authorization Request (SAR) to the LME.

Basic Augmented and Enhanced Benefit Plan Services:

If Contractor is credentialed and contracted to provide services under the Basic Augmented Benefit Plan or Enhanced Benefit Plan, pre-authorization by LME is required for services and for continued treatment by Contractor.

Contractor shall complete and submit an electronic SAR for all contracted services which require authorization. Contractor shall submit supporting clinical documentation as applicable to request.

Supporting clinical documentation shall be submitted to LME's Access and Utilization Management / Clinical Management Department. The LME shall process, review, and approve or deny requests for authorization of services as presented on the SAR and medical necessity.

5. DOCUMENTATION:

Contractor shall document all services provided and must assure that the documentation is in compliance with Controlling Authority and the North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse Services Records Management and Documentation Manual for Providers of Publicly-Funded MH./DD/SA Services (APSM 45-2), and Rules for Mental Health, Developmental Disabilities, and Substance Abuse Facilities and Services (APSM 30-1).

6. REIMBURSEMENT:

Any and all payments by LME to Contractor agreed upon in this Procurement Contract, including any reimbursements under Service Authorization Letters issued hereunder, are subject to annual budgetary appropriations by LME for such payments in accordance with G.S. 122C-144.1(a) under the provisions of Article III of Subchapter 3 of G.S. Chapter 159, the Local Government Budget and Fiscal Control Act.

Contractor understands and agrees that reimbursement rates are established by LME.

LME will provide payment to Contractor for services provided and approved which were authorized by LME for which Contractor has been credentialed. All claims will be processed in accordance with the North Carolina State Division of Mental Health, Developmental Disabilities, and Substance Abuse Services Prompt Pay Guidelines as set forth in the General Conditions for Provision of Services for Procurement Contract – Licensed Independent Practitioner.

Medicaid Waiver Services:

Contractor must bill LME for all Medicaid Waiver Services for Clients whose county of Medicaid as designated by the Department of Social Services is from Burke, Catawba, Cleveland, Gaston, Iredell, Lincoln, Surry or Yadkin Counties. Contractor will be reimbursed on a Fee-For-Service basis. LME will establish reimbursement rates and reserves the right to modify rates. Contractor will be reimbursed according to LME rate schedule. All service(s) beyond the basic benefit must be authorized by LME prior to delivery. Contractor must be credentialed by LME. Contractor agrees to accept payment from LME as payment in full.

Billing:

Claims for Medicaid Waiver Services must be submitted within ninety (90) days of the date of service. All claims submitted past ninety (90) days of the date of service will be denied and cannot be resubmitted to LME.

Billing Diagnosis submitted on claims must be consistent with the service provided.

When a specific service is rendered multiple times in a single day, the service must be billed as a combined unit rather than as separate line items.

Contractor must submit all claims for services by one of the following methods:

1. Electronic submission on the American National Standards Institute 837 Professional (P) or Individual (I) format; or

2. Submission using Alpha MCS, a secure web-based application.

Contractor shall have one-hundred and eighty (180) days from the date of service to resubmit a claim to LME. Any denied claims resubmitted past one-hundred and eighty (180) days from the date of service will be denied and no further rebilling will be processed by LME.

Medicaid:

Contractor's responsibility is to verify Client's Medicaid coverage prior to rendering services each time Contractor provides the Client services.

Third Party Reimbursement:

Contractor must comply with the Third Party reimbursement requirement as described in the General Conditions for Provision of Services for Procurement Contract – Licensed Independent Practitioner.

7. SEVERABILITY:

If any one or more provisions of this Agreement are declared invalid or unenforceable, the same shall not affect the validity or enforceability of any other provision of this Agreement and such invalid or unenforceable provision shall be limited or curtailed only to the extent necessary to make such provision valid and enforceable.

8. INDEMNIFICATION:

In accordance with 10A NCAC 27A, .0106, section 8, the Contractor agrees to indemnify and hold LME harmless to the extent allowed by law from all liability, loss, damage, claim and expense of any kind, including costs of the defense which result from negligent or willful acts and omissions by the Contractor and its agents or employees regarding the duties and obligations of the Contractor under this Contract or otherwise, including the duty to maintain the legal standard of care applicable to the Contractor. If this Contract is terminated, the obligations of the Contractor regarding indemnification under this Contract shall survive the termination of this Contract regarding any liability for acts or omissions, which occurred prior to the termination.

9. REQUIRED APPENDICES & ATTACHMENTS:

Appendix A - GENERAL CONDITIONS, PROCUREMENT CONTRACT –LICENSED INDEPENDENT PRACTITIONER

Attachment A - CONTRACTED SERVICE CODES AND HITECH STATEMENT

Attachment B - CORE PERFORMANCE INDICATORS

Signature Page Between:

PARTNERS BEHAVIORAL HEALTH MANAGEMENT

And

[Company]

IN WITNESS WHEREOF, each party has caused this agreement to be executed in multiple copies, each of which shall be deemed an original, as the act of said party. Each individual signing below certifies that he or she has been granted the authority to bind Contractor to the terms of this Contract and any Addendums or Attachments thereto.

[Company]

_____ _____

Legally Authorized Representative Date

Printed Name: _____

Title: _____

[Company Address]

[Company Phone]

Contact:

Tax ID:

PARTNERS BEHAVIORAL HEALTH MANAGEMENT

_____ _____

Legally Authorized Representative Date

W. Rhett Melton

Chief Executive Officer

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

_____ _____

Legally Authorized Representative Date

Susan Lackey

Chief Finance Officer

APPENDIX A

GENERAL CONDITIONS OF THE PROCUREMENT CONTRACT – LICENSED INDEPENDENT PRACTITIONER

Article I
General Conditions

1. Basic Relationship:

The Contractor is an independent contractor of Partners Behavioral Health Management (LME). This Contract is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association between the Contractor and the LME, their employees, partners, or agents but rather Contractor is an independent contractor of the LME. Further, the Contractor shall not be considered an employee or agent of the LME for any purpose including but not limited to, compensation for services, employee welfare and pension benefits, workers' compensation insurance, or any other fringe benefits of employment.

2. Assignment:

The services covered by the Contract shall not be subcontracted or assigned without the prior written consent of the LME.

3. Non-Exclusive Arrangement:

The LME has the right to enter into a similar contract with any other Agency or professional organization cooperating in the conduct of the LME'S MH/DD/SA services. The Contractor shall have the right to enter into other contracts with any other LME or third party payers to provide services.

Article II
Rights and Obligations of the Contractor

1. Compliances-General:

The Contractor shall provide services in accordance with the LME's Procurement Contract for Provision of Services, Contract Attachments and amendments to Contract Attachments in accordance with respective effective dates. The Contractor shall comply with all relevant laws, regulations, standards, policies, and procedures in the operation of the program, which is the subject of the Contract. The Contractor will comply with Federal, State, and LME requirements regarding access to care, utilization review, clinical studies and utilization management, care management, quality management and credentialing activities as required by the LME in accordance with 42 C.F.R. parts 441 and 456.

2. Compliance with Laws, Rules, and Regulations:

The Contractor shall comply with all applicable Federal laws and regulations and State laws/rules/regulations; and

a. Maintain knowledge of all applicable laws/rules/regulations that pertain to the services being provided to individuals served under this Contract.

b. Implement services in accordance with applicable laws/rules/regulations.

c. Train employees in all relevant laws/ rules/regulations and ensure that they have working knowledge of such in order to perform their duties.

3. Exclusion of Providers:

In accordance with Section 1128 or Section 1128A of the Social Security Act, the LME may not knowingly have an individual who has been debarred, suspended or otherwise excluded from participating in procurement activities as follows:

- As a director, officer, partner or person with beneficial ownership of more than five percent (5%) of the LME'S equity; or

- Have an employment, consulting or other agreement with such a person for the provision of items and services that are significant to the entity's contractual obligation with DMA.

The Contractor certifies that neither Contractor, nor any of its agents or employees is excluded from participation in Federal Health Care Programs under either section 1128 or section 1128A of the Social Security Act.

The Contractor shall within one (1) business day report to the LME in writing any changed circumstance from the last such certification, including the occurrence of any circumstance that is likely to lead to the exclusion of the Contractor or any of its agents or employees from participation in the Federal Health Care Programs under either section 1128 or section 1128A of the Social Security Act. This includes any action taken by any regulatory agency such as institution of civil or criminal proceedings against owners, officers, directors or employees of Contractor that may lead to debarment of Contractor from the Medicare or Medicaid programs. The LME shall immediately terminate the Contract if the Contractor is found to be out of compliance with these provisions and shall not extend or renew this Contract unless the LME shall in consultation with the North Carolina Division of Medical Assistance, determine, in the LME'S sole discretion, that compelling reasons exist for doing so.

4. Disclosure:

The Contractor must disclose any affiliation by contract or otherwise, with any other provider agency, or independent contractor. The Contractor must disclose whether it has done business under another name, or is doing business using a DBA (doing business as). This information must be disclosed to the LME at the time of Contract signature.

The Contractor must identify and notify the LME in writing of the names, addresses, and relationships to one another of owners of more than ten percent (10%) interest, and a list of all parent, sister, and subsidiary entities. This information must be disclosed to the LME at the time of Contract signature. Contractor shall notify LME of any changes in such ownership within three (3) business days of such change.

The Contractor must report to LME any sanctions under the Medicare or Medicaid programs, including paybacks, lawsuits, insurance claims, or payouts, as well as adverse actions by regulatory agencies within the previous five (5) years. This information must be disclosed to the LME at the time of Contract signature.

5. Assurance of the Rights of Clients:

The Contractor shall comply with the implementation of all laws/rules created for the assurance of the rights of Clients served by the program and in accordance with Article 3, Part 1 of General Statute Chapter 122C and rules promulgated there under. Rights include but are not limited to the following:

i. The right to be treated with respect and due consideration of dignity and privacy.

ii. The right to receive information on available treatment options and alternatives, presented in a manner appropriate to the Client's condition and ability to understand.

iii. The right to participate in decisions regarding health care, including the right to refuse treatment.

iv. The right to be free from any form of restraint or seclusion use as a means of coercion, discipline, convenience, or retaliation.

v. The right to request and receive a copy of his or her medical record, subject to the therapeutic privilege set forth in G.S. 122C-53(c) and 45 C.F.R. and to request that the record be amended or corrected in accordance with 45 C.F.R. Part 164 and the provisions of G.S. 122C-53(c) not inconsistent therewith.

6. <u>Abuse, Neglect and Exploitation</u>:

The Contractor shall assure that Clients are not abused, neglected or exploited while in his/her care and assures compliance with all LME, State and Department of Social Services reporting requirements. The Contractor must insure those incidents of actual or alleged abuse, neglect, and/or exploitation, the facts of the incident, and the action, if any, taken by the Contractor are reported to the LME's Consumer Relations Director or designee within seventy-two (72) hours of the initial report of the incident.

The Contractor will ensure that following any allegations of abuse, neglect or exploitation made towards an employee, Client or family member, protective measures will be put into place immediately that ensures that the accused person has no access to persons served until the allegation can be unsubstantiated.

The LME prohibits the use of restrictive interventions by Licensed Independent Practitioners and other Provider Agencies with which the LME contracts for services, except as specifically permitted by Contract and reflected by each Client's treatment/habilitation plan or on an emergency basis. "Prone" Restraint may not be used for any Client served under this Contract without prior written consent from the LME's Utilization Management Department. When a restrictive intervention is used four (4) or more times within a thirty (30) day period or is used as a therapeutic treatment designed to reduce dangerous, aggressive, self injurious, or undesirable behaviors to a level, which will allow the use of less restrictive treatment or habilitation procedures, it must be included in the Client's treatment / habilitation plan as a planned restrictive intervention. When used, such interventions will follow the State's Client Rights Statutes and Regulations, LME requirements, and stipulations of this Contract.

If the Contractor is providing clinical services to a Provider Agency under contract to the LME, or that is providing services to a Client of the LME, the Contractor shall ensure that any use of restrictive interventions by that Provider Agency is permitted by the LME, that the Provider Agency has submitted required policies and procedures to the LME, and that the Provider Agency has adequate procedures for training of staff and monitoring the use of interventions. The Contractor must ensure that the Provider Agency submit to the LME documentation of the use of any restrictive intervention, whether used on a planned or emergency basis, within seventy-two (72) hours. Documentation must contain all information required by State rules/regulations. Any supporting documentation such as investigations or medical follow up must be submitted with the documentation.

7. <u>Confidentiality</u>:

The Contractor shall ensure that all individuals providing services hereunder will maintain the confidentiality of any and all Clients and other information received in the course of providing services hereunder and will not discuss, transmit, or narrate in any form any Client information of a personal nature, medical or otherwise, except as authorized in writing by the Client or his legally responsible person or except as otherwise permitted by applicable

Federal and State confidentiality laws and regulations including HIPAA, N.C.G.S. 122C, Article 3, which addresses confidentiality of all confidential information acquired in attending or treating a Client, and 42 CFR, Subchapter A, Part 2, which addresses confidentiality of records of drug and alcohol abuse patients. The Contractor shall, in addition, meet all confidentiality guidelines promulgated by any applicable governmental authority. Sharing of confidential information is allowed between the Contractor and the LME without written consent to release, except as provided in the above-referenced confidentiality laws and regulations.

8. Compliance with Federal Statutes, Regulations and Executive Orders to Prevent Discrimination in Employment Practices:

The Contractor shall ensure compliance with Titles VI and VII of the Civil Rights Act of 1964, Section 503 and 504 of the Vocational Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Executive Order 11246, and subsequent amendments and regulations developed pursuant thereto, to the effect that no person shall, on the grounds of sex, age, race, religious affiliation, handicap, or national origin, be subjected to discrimination in the provision of any services or in employment practices.

9. Americans With Disabilities Act:

The Contractor shall ensure compliance with the Americans with Disabilities Act.

10. Licenses, Certifications, and Credentialing:

The Contractor shall keep current and shall insure that any employed staff of the Contractor's practice providing services on its behalf under the Contract shall keep current all professional licenses and required certifications (if applicable) under the Contract. The Contractor shall at all times maintain copies of required professional licenses certificates and necessary qualifications as may be required by State and Federal statutes and regulations. The Contractor's Licensed Independent Practitioners (LIPs) and Provisionally Licensed Practitioners (PLP) can provide services to LME Clients upon LME's receipt of the LIP's or PLP's completed Credentialing and Enrollment Application. Upon approval of the LIPs or PLP's credentialing status by LME's Credentialing Committee, the Contractor can submit claims for services provided by the credentialed LIP or PLP back to the date of a complete application submission. The reimbursement of all claims are subject to the conditions set forth in the "Authorization of Services" and "Reimbursement" sections of the Contract and "Article VI: Reimbursement" of the General Conditions of the Contract. The Contractor shall notify the LME within one (1) business day of any change in the status of such licenses, accreditations, certifications and the status of such.

If the Contractor or employed staff providing services under this Contract for any reason fails to maintain professional licenses, certifications, or credentialing, then the LME may immediately terminate the Contract. The Contractor shall not provide or bill any services under the Contract during any period of revocation or suspension of required licensure or certification, or prior to or during a lapse in credentialing of employed staff performing the services under this Contract.

11. Drug Free Workplace:

The Contractor will comply with the Drug Free Workplace Act of 1988. The Contractor will notify the LME within ten (10) days after receiving notice from an employee of any conviction under a criminal drug statute for a violation occurring in the workplace or otherwise receiving actual notice of such conviction.

12. Federal Required Certification:

The Contractor shall comply with the attached federally required certifications. The Contractor shall execute the attached federally required Certification:

a. Environmental Tobacco Smoke – Certification for Contracts, Grants, Loans and Cooperative Agreements.

b. Lobbying – Certification for Contracts, Grants, Loans and Cooperative Agreements.

c. Drug-Free Workplace Requirements.

d. Debarment, Suspension, Ineligibility &Voluntary Exclusion-Lower Tier Covered Transactions

13. Insurance Requirements:

The Contractor shall purchase and maintain insurance as listed below from a company, which is licensed and authorized to do business in the State of North Carolina by the North Carolina Dept of Insurance. Insurance policies shall require that the coverage cannot be suspended, voided, canceled or reduced in coverage or limits without thirty (30) days prior notice to the LME. Any loss of insurance shall be the basis of a payback to the LME for services billed during this period and may result in the termination of this Contract. All insurance requirements of this Contract must be fully met unless specifically waived in writing by LME.

a. Professional Liability: The Contractor shall purchase and maintain professional liability insurance protecting the Contractor and any employee performing work under the Contract for an amount of not less than $1,000,000.00 per occurrence and proof of coverage at or exceeding $3,000,000.00 in the annual aggregate. In the event that the Contractor discovers that a claim, suit of criminal/administrative proceeding has been brought or may be brought against the Contractor and/or Practitioner relating to the quality of services provided under this Agreement, then Contractor shall notify LME within ten (10) days and LME will determine whether to terminate this Agreement.

b. Comprehensive General Liability: Bodily Injury and Property Damage Liability Insurance shall protect the Contractor and any employee performing work under the Contract from claims of Bodily Injury or Property Damage, which may arise from operations under the Contract. The amounts of such insurance shall not be less than $1,000,000.00 per Occurrence/$3,000,000.00 per Aggregate/$1,000,000.00 Personal &Advertising Injury /$50,000.00 Fire Damage. The insurance shall not include exclusion for contractual liability.

c. Automobile Liability: Automobile Bodily Injury and Property Damage Liability Insurance covering all owned, non-owned, and hired automobiles for limits of not less than $1,000,000.00 each person and $1,000,000.00 each occurrence of Bodily Injury Liability and $1,000,000.00 each occurrence of Property Damage Liability. Policies written on a combined single limit basis should have a limit of not less than $1,000,000.00. Automobile Liability may be waived if the Contractor certifies to the LME in writing that an automobile is not used as part of their business. If the Contractor intends to use the Contractor's automobile for business, the Contractor must immediately notify the LME (prior to the change) of the intent and provide the required certificate of coverage.

d. Workers' Compensation and Occupational Disease Insurance: Contractor with three (3) or more employees shall secure Worker's Compensation and Occupational Disease Insurance. The insurance coverage must meet the statutory requirements of the State of North Carolina; and Employer's Liability Insurance for an amount of not less than: Bodily Injury by Accident $100,000.00 each Accident, Bodily Injury by Disease $100,000.00 each Employee, and Bodily Injury by Disease $500,000.00 Policy Limit.

e. Certificate of Coverage: The Contractor shall provide the LME with Certificates of Insurance Coverage consistent with the Contract within thirty (30) days following the effective date of the Contract and on an annual basis within ten (10) days of the anniversary date of the Contract, and shall provide a new Certificate within ten (10) days of the expiration date if the Insurance Certificate expires during the contract period. Certificates shall contain the provision that the LME is given thirty (30) days written notice of any intent to amend or terminate by either the Contractor or the insurance company. The Contractor shall notify the LME in writing of any cancellation or material change, within forty-eight (48) hours, and within ten (10) days of any change in insurance provider during the period of the Contract. If the Contractor changes insurance providers during the performance period of the Contract, the Contractor shall provide evidence to the LME that the LME will be indemnified to the limits specified above for the entire performance period of the Contract, either under the policy or a combination of old and new policies.

f. Tail Coverage: Liability insurance may be on either an occurrence basis or on a claims-made basis. If the policy is on a claims-made basis, an extended reporting endorsement (tail coverage) for a period of not less than three (3) years after the end of the contract term, or an agreement to continue liability coverage with a retroactive date on or before the beginning of the contract term, shall also be provided.

g. Waivers of Subrogation: Contractor shall obtain and provide to the LME waivers from Contractor's workers compensation and occupational disease and commercial general liability carriers of any right of recovery that such liability carriers may have because of payments made by them for injury or damage arising out of work done by the Contractor under this Contract, including Contract documents issued under this Contract such as an LME Treatment Authorization Request Form.

14. Billing Audits:

At a minimum of once every two (2) years the Contractor will participate in an audit conducted by the LME. This audit will include a review of documentation to support authorizations submitted for approval as well as to support services billed to the LME. Any areas determined to be out of compliance with Federal, State or Agency standards will require a payback to the LME. Audits may be unannounced or arranged with the Contractor in advance. The Contractor will receive written documentation of findings within thirty (30) calendar days following the audit. Based upon results of the audit the Contractor may be subject to additional auditing and/or may be required to submit a plan of correction and /or payback to the LME.

15. Financial Statements:

All Contractors who receive $75,000.00 or more in reimbursement from the LME during a fiscal year must submit two (2) copies of their annual (year-end) financial statement to the LME within six (6) months of the end of the Contractor's previous fiscal year.

16. Concerns:

The Contractor shall address all concerns of the Client and the Client's family as related to the services provided to the Client by Contractor. The Contractor will refer any unresolved concerns or requests for service provider change to the LME Case Manager/care coordinator or to the Utilization Management Department of the LME. The Contractor shall have in place an impartial and fair Complaint and Grievance Process that is documented in policy or procedures, and shall ensure that said process is accessible to all Clients and families of Clients. The Contractor will maintain a system to receive and respond timely to complaints received regarding the Contractor. The Contractor will maintain documentation on the complaint to include, at a minimum, date received, points of complaint, resolution/follow up provided, and date complaint resolved.

The Contractor must advise Clients and families that they may contact the LME directly about any concerns or grievances. The Contractor will ensure that each Client/legally responsible person receives information related to the Contractor's Complaint and Grievance Process upon admission and, in addition, upon any request that is made. The LME's Anonymous Concern and Complaint line must be published and made available to Clients and family members along with the telephone number for North Carolina's Protection and Advocacy Agency, Disability Rights North Carolina.

The LME may receive complaints directly which involve the Contractor. If a complaint is received by the LME, State rules/regulations regarding the investigation and/or mediation of complaints will be followed. Based on the nature of the complaint, the LME may choose to investigate the complaint in order to determine its validity. Investigations may be announced or unannounced and the Contractor will be required to cooperate fully with all investigative requests.

The LME will maintain documentation on all follow up and findings of any complaint investigation. If any issues are cited as out of compliance with this Contract or State rules/regulations, the Contractor may be required to develop and implement a plan of correction. The Contractor will be provided a written summary of the LME'S findings.

17. Utilization Management:

The Contractor shall participate in and comply with the LME Utilization Management process, which may include requirements for pre-authorization, concurrent review and care management, credentialing review, and a retrospective utilization review of services provided for Clients whose services are funded by the LME. The Contractor shall provide the LME with the necessary information for the LME'S utilization management process, as well as any information required by the LME to meet State and Federal monitoring requirements within two (2) business days of the request. Additionally, Contractor will provide any requested documentation directly to the Division of Medical Assistance upon notification by the LME or the Division of Medical Assistance of required documents for review.

18. Monitoring Criteria:

The LME will conduct an assessment of the Contractor's services provided to Clients at a minimum of once every two (2) years. Areas to be assessed will include:

- Client/Family Member satisfaction;
- Quality Systems as applicable;
- Overall Contract compliance;
- Delivery and documentation of services provided;
- Compliance with state regulations;
- Protection of Client rights and implementation of rights standards, as applicable.

Contractor must be credentialed by the LME; re-credentialing is required every three (3) years.

The Contractor will be notified of any review dates that will be completed as a part of the Billing Audits and provided information on areas to be reviewed. The Contractor will assist in coordinating scheduling for the review.

Within thirty (30) calendar days of the review, the Contractor will receive, in writing, a summary of findings from the review and any required follow up.

Copies of review sheets to be utilized during billing reviews will be available to the Contractor. Review sheets will be maintained on the LME website at www.partnersbhm.org or can be requested by contacting any Network Management staff member.

19. Access by the LME to Clients and Client Care Monitoring:

The Contractor shall allow designated LME staff to attend any treatment team and discharge planning meetings regarding Clients served under this Contract, and to review documentation related to the provision of Client services. The Contractor will also allow LME staff immediate direct access to any LME referred or funded Client or any Client served by the Contractor within a county in the LME'S catchment area. If requested, the Contractor shall provide at least twenty-four (24) hours prior notice to the LME of the date, time and place of any treatment team or discharge-planning meeting regarding a Client. The Contractor further shall respond to requests for records or documentation concerning a Client.

20. Access to Records:

The Contractor agrees to make available clinical documentation for any Clients served under this Contract for the purpose of audits. Such documentation will be made available upon request of the LME or the Division of Medical Assistance/Center for Medicare and Medicaid. Such access by the LME is required for the LME to conduct monitoring as a necessary part of managing the service and for the LME'S accountability to the Division of MH/DD/SA, and the Division of Medical Assistance (as permitted by applicable confidentiality rules including HIPAA, G.S. 122C, Article 3, Part 1; & 42 C.F.R. Part 2) The United States Department of Health and Human Services, Centers for Medicare and Medicaid, and any other authorized Federal or State personnel or their authorized representatives shall have access to all confidential Client information in accordance with State and Federal laws and regulations pertaining to such access. These entities may also inspect and audit any financial records of the Contractor. As a Contractor of the LME, the Contractor is also subject to audits of the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, for any services paid for with state funding, and for services funded with Medicaid, the Division of Medical Assistance.

Upon initiation of the Contract, the Contractor will provide the LME a listing of the location of medical records containing Treatment Plans, Service notes, orders, and other required clinical documentation if records are not kept on-site at the Contractor's office. If records are not kept on-site where services are provided, the Client record must be immediately available in the event of unannounced monitoring visits. Any records submitted to the LME after 5:00 p.m. on the date requested will not be accepted. Such listing of record locations must be kept updated and the Contractor is responsible for notifying the LME of any changes to record location.

Upon closure of the Contractor's North Carolina business operations or termination of this Contract, regardless of the reason, all original clinical records for Clients served under this Contract, or a duly certified copy of all clinical records must be submitted to the LME within sixty (60) days.

21. Client Person Centered Plan/Treatment Plan:

For each Client served under this Contract, the Contractor will work collaboratively with all involved clinically appropriate staff necessary to ensure appropriate care and treatment. Contractor shall provide information pertinent to the development of an Individual Service Plan (Person Centered Plan). The Contractor will be responsible for the development of a Treatment Plan, Treatment Strategies, or Goal Plan with specific goals to address assigned areas of responsibility from the Person Centered Plan. The Contractor shall document all service implementation according to state regulations and shall maintain a system for the assessment and evaluation of progress against assigned goals.

If there is not an assigned Case Manager or Clinical Home Provider, the Contractor shall develop in partnership with the Client, or the Client's family, a service/treatment plan that is person centered, represents the needs and priorities of the person served, documents medical necessity for services, and which is consistent with State regulations. The plan will include goals consistent with stated needs and priorities, and strategies/intervention plans developed at a level consistent with the staff who will implement the service. The Contractor will maintain systems that allow for routine evaluation of progress made on goals/plan with documentation in the Client's record that this has been completed.

If upon evaluation of an Individual Service Plan or upon the request of a Client or Client's Legal Guardian, the LME determines that any Client is in need of a service or mix of services different from that provided by the Contractor, the LME will discuss with the Client their needs and desires in relation to appropriate services and may assist the Client in changing providers in order to obtain the indicated services. In such event, any authorization for services that have not been provided will be terminated.

22. Record Retention:

The Contractor shall maintain a medical record and adhere to the record retention schedule for each Client served, either in original hard copy or a form of electronic data management media as required by APSM 45-2 Records Management And Documentation Manual for Providers of Publicly-Funded MH/DD/SA Services, CAP¬MR/DD Services, and Local Management Entities and APSM 10-3 Client Records as amended October 1, 2004.

23. Medical Records Documentation:

The Contractor shall be responsible for completion of all necessary and customary documentation required for the services provided under the Contract in accordance with all applicable laws and regulations as currently constituted and hereafter amended including but not limited to: APSM 30-1 (Rules for MH/DD/SA Facilities and Services); APSM 45-2 (Records Management And Documentation Manual for Providers of Publicly-Funded MH/DD/SA Services, CAP-MR/DD Services, and Local Management Entities); APSM 95-2 (Client Rights Rules in Community MH/DD/SA Services); APSM 10-3 (Confidentiality); Medicaid Guidelines, as appropriate; and APSM 45-1 (Confidentiality Rules 42 C.F.R. Part 2, "Confidentiality of Alcohol and Drug Abuse Patient Records"); applicable statutory requirements in General Statutes in 122C, and Standards for Privacy of Individually Identifiable Health Information 45 CFR Parts 160 and 164 of the Health Insurance Portability and Accountability Act (HIPAA).

24. Medicaid Eligibility:

The Contractor shall report any third party coverage to the LME within five (5) days of obtaining this information from a source other than DSS. Contractor shall report any change in county of residence to the LME.

Contractor understands that a Client is automatically dis-enrolled from the LME'S Medicaid Waiver program if the Client:

a. Changes County of residence for Medicaid eligibility purposes to a county other than Burke, Catawba, Cleveland, Gaston, Iredell, Lincoln, Surry and Yadkin counties;

b. Is deceased;

c. Is admitted to a correctional facility for more than thirty (30) days;

e. No longer qualifies for Medicaid or becomes ineligible due to the following:

i. Medicare Qualified Beneficiaries (MQB).

ii. Non-qualified Aliens or Qualified Aliens during the five (5) year ban.

iii. Medically Needy in deductible status.

iv. Children within the age of 0-36 months, except Innovations recipients.

v. Recipients with Presumptive Eligibility.

25. Proprietary Information and Intellectual Property:

a. Proprietary Information - The Contractor shall not publish or disseminate any advertising or proprietary business material either printed or electronically transmitted (including photographs, films, and public announcements) or any business papers and documents which identify the LME or its facilities without the prior written consent of the LME. Any documents, reports, or other products, with the exception of any and all proprietary business papers and documents, developed in connection with the performance of the Contract, shall be in the public domain and shall not be copyrighted or marketed for profit by the Contractor, any individual, or other entity.

b. Intellectual Property - Contractor acknowledges that all language in all documents prepared by the LME used and provided in connection with bids for, negotiations for, executions of, and performance under this Contract are the property of the LME, along with all ideas and concepts as to the business practices of the LME. Intellectual Property belongs to the LME. Contractor acknowledges that LME is the owner of all intellectual property pertaining to any and all documents prepared by the LME used and provided to Contractor in connection with this Contract. LME reserves all rights in said intellectual property. If Contractor desires to use any of the said intellectual property for purposes outside the performance of this Contract, then Contractor must first obtain the permission of LME.

26. Conflict Of Interest:

In accordance with 1993 Session Laws, Chapter 321, Section 16, the Contractor, if a private non-profit entity, shall file with the LME, a notarized copy of the Contractor's policy addressing conflicts of interest that may arise involving Contractor's management, employees and the members of its Board of Directors or other governing body.

Contractors that are for-profit entities shall file with the LME a notarized copy of the Contractor's policy addressing conflicts of interest that may arise involving Contractor's management, employees, and the members of its Board of Directors or other governing body.

27. HIPPA:

For some purposes of the Contract (other than treatment purposes) the Contractor may be considered a "Business Associate" of the LME as defined under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and as such will comply with all applicable HIPAA regulations for Business Associates.

28. Reporting Requirements:

Data on the Contractor' services are necessary for the LME to fulfill its statutory responsibilities and an expeditious exchange of information is necessary for the effective and efficient operation of the program. Therefore, the Contractor shall provide reports and information to the LME in addition to reporting requirements set forth elsewhere in this Contract. Contractor shall submit all reports and electronic data as specified in this Contract and within the timeframes established. Contracts shall be fully executed and all required documents and reports should be submitted

within required time frames for the Contractor to remain in "good standing". Payment for services provided shall be contingent upon timely submission to LME of complete and accurate information in the required formats.

Upon request Contractor shall provide to LME data regarding Clients for research and study; such data, excluding Client names may be further transmitted to the Division of MH/DD/SA Services for research & study.

29. Leave Of Absence from the Network:

The Contractor may request a leave of absence (for other than vacation) for a period of time without violating conditions of the Contract. The process to request a leave of absence is as follows:

a. Request leave of absence from credentialing committee; and

b. Concurrently submit professional credentials to the credentialing committee of the Licensed Practitioner who will be covering the Client case load; and

c. Contractor shall not request more than four (4) leaves of absence or Leaves of Absence that total twelve (12) months during a seven (7) year period.

30. No Rejection of Referrals:

The Contractor shall have a "no reject" policy with regard to acceptance of referrals of Clients within the capacity and parameters of their competencies, and specializations if the following apply:

a. The referral meets the Contractor's admission criteria as established and approved through the LME Credentialing process; and

b. The Contractor has the open capacity to provide the service(s); and

c. The referral does not jeopardize the health and safety of staff or Clients already in the Contractor's service.

31. Code of Ethics:

The Contractor will abide by the LME's Code of Ethics, as noted in LME's Provider Manual.

32. Hours of Operation:

The Contractor shall offer hours of operation that are the same as the hours of operation offered to Medicaid Fee-For-Service Clients.

33. Service Availability Requirements:

The Contractor shall have the following service availability standards:

a. Emergency: within one (1) hour; immediate for life threatening emergencies;

b. Urgent Care: within forty-eight (48) hours;

c. Routine need: within seven (7) days.

34. Appointment Wait Standards:

The Contractor shall have the following access standards for appointment wait times:

a. Scheduled Appointment: within one (1) hour;

b. Walk-In: within two (2) hours or schedule for subsequent appointment;

c. Emergency: within one (1) hour; life threatening emergencies must be seen immediately.

35. Advocacy for Clients:

During the effective period of this contract, the Contractor shall not be restricted from communicating freely with, providing information or advocating for Clients regarding behavioral health care, medical needs, and treatment options regardless of benefit coverage limitations. Clients may need to decide among relevant treatment options, the risks, benefits, and consequences, including their right to refuse treatment and to express their preferences about future treatment decisions regardless of benefit coverage limitation.

Article III
Rights and Obligations of the LME

1. The LME Shall:

a. Reimburse the Contractor for services to Clients according to the conditions outlined in the Procurement Contract for Provision of Services to Clients and as specified in the LME Service Authorization Letter.

b. Advise the Contractor of any change in funding patterns that would affect support to the Contractor based on availability of the various types of funds.

c. Comply with G.S. 122C-142 which requires the LME to monitor the Contract to assure compliance with rules of the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services and the Secretary of the North Carolina Department of Human Resources and applicable General Statutes.

2. Referrals to Contractor:

The LME may refer Clients to Contractor for services based on medical necessity and the Client's individual choice. The LME reserves the right to refer to other providers and no referrals or authorizations are guaranteed to take place under this Contract.

3. Utilization Monitoring:

The LME shall monitor and review service utilization data related to the Contractor and the LME's Provider Network to insure that services are being provided in a manner consistent with the LME's agreement with the Division of Mental Health, Developmental Disabilities and Substance Abuse Services and the Division of Medical Assistance.

4. Enrollment of Providers:

The LME will establish and enforce quality standards for the endorsement and qualification of Agency providers. The Contractor shall maintain the quality standards mandated by the LME and by state and federal laws and regulations in order to remain an enrolled provider in the LME'S Provider Network.

The LME is not required to contract with providers beyond the number necessary to meet the needs of its Clients. The LME shall not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment.

Article IV
Quality Assurance and Quality Improvement

1. <u>LME's Responsibility for Quality Assurance and Quality Improvement</u>:

The LME shall establish a written program for Quality Assurance/Quality Improvement. This program shall include Clients, family members and providers through a Global Quality Assurance Committee. With regard to quality management of provider agencies the LME will:

a. Measure the performance of providers and Client specific outcomes from service provisions based on the global CQI performance indicators. Examples include, but are not limited to, identification of practices that do not meet standards, recommendation of appropriate action to correct deficiencies, and monitoring of corrective action by providers.

b. Measure provider performance through Medical Record audits and termination audits as specified in Article IX (e).

c. Monitor service provision, care, and the health and safety of Clients.

d. Provide performance feedback to providers including clinical requirements and LME expectations.

e. Investigate problems and complaints regarding Contractor when LME deems such an investigation to be appropriate, and Contractor shall cooperate fully with such investigations.

2. <u>Contractor's Responsibility for Quality Assurance and Quality Improvement</u>:

The LME/PIHP shall establish a written program for Quality Assessment and Performance Improvement in accordance with 42 CFR §438.240 that shall include Enrollees, family members and providers through a Global Quality Assurance Committee. The Contractor will comply with the APSM 30-1 and participate in Quality Improvement projects. The QA/QI plan will be reviewed by the LME for content as a condition of this Contract. Changes/updates to the Contractor's Quality Assurance/Quality Improvement plan shall be submitted to the LME at the time of the Contractor's implementation of the revised plan.

Based upon information provided to the Contractor by the LME, the Contractor will develop interventions to address needed areas of improvement and ensure that interventions are implemented and monitored for their level of effectiveness. Contractor shall also:

a. Provide Contractor with a copy of the current program and any subsequent changes within thirty (30) days of changes to the Global Quality Assurance Plan.

b. Measure the performance of providers and Enrollee specific outcomes from service provisions based on the global CQI performance indicators. Examples include, but are not limited to, conducting peer review activities such as identification of practices that do not meet standards, recommendation of appropriate action to correct deficiencies, and monitoring of corrective action by providers.

c. Measure provider performance through medical record audits and clinical outcomes agreed upon by both parties.

d. Monitor the quality and appropriateness of care furnished to Enrollees.

e. Provide performance feedback to providers including clinical standards and the LME/PIHP expectations.

f. Follow up with Contractor concerning grievances reported to LME/PIHP by Enrollees.

Upon request, Contractor shall cooperate fully with any investigation of Contractor conducted by any department of the LME and particularly by the LME's Network Development Department.

3. Incident Reporting:

Each Contractor shall collect documentation on any incident that occurs in relation to a Client. The Contractor will follow all state reporting regulations regarding Level I, II and III Incidents as required by North Carolina Administrative Code 10A NCAC 27G .0600 and in accordance with the DMH/DD/SAS-Community Policy Management – Incident Manual. Supporting documentation in relation to the incident shall be submitted with the incident report.

Any incident involving abuse, neglect or exploitation will be reported as outlined in state regulations. The LME may choose to conduct its own investigation of any incidents reported. Investigations may be announced or unannounced. The Contractor will cooperate fully with all investigative requests. The LME will provide the Contractor a written summary of its findings. During an investigation, if any issues are cited as out of compliance with this Contract or State rules/regulations, the Contractor may be required to document and implement a plan of correction.

4. Cultural Competence:

The Contractor is required to develop a Cultural Competence Plan. The Contractor's Cultural Competence Plan should be consistent with the LME's most current Cultural Competence Provider Plan posted on their website. The Contractor shall develop procedures for the implementation of systems to evaluate and/or measure adherence to their Cultural Competence Plan, ensure that all staff are trained, and have training available for review by the LME's Quality Management Department.

5. Satisfaction:

The Contractor will participate in and report the outcomes of State level and/or LME satisfaction assessment projects as requested. Participation will include distribution and collection of satisfaction assessment forms within given timelines. The Contractor will take measures to ensure that all surveys returned are treated in a highly confidential manner.

Article V
Fraud and Abuse

The Contractor shall comply with procedures, audits and other monitoring activities established by the LME and delineated by the LME'S Quality Assurance and Corporate Compliance Plans. The Contractor understands that for each case of reasonably substantiated suspected fraud and abuse or questionable practice, the LME is required to provide the Division of Medical Assistance with the provider name, type of provider, source of the complaint, and approximate dollars involved. Contractor agrees and understands that the Division of Medical Assistance, at its discretion may conduct a preliminary or full investigation to evaluate the suspected fraud and abuse and the need for further action, if any.

Article VI
Reimbursement

1. <u>Submission of Claims</u>:

a. Claims will be submitted electronically either through the HIPAA Compliant Transaction Sets 837; or the LME's Alpha MCS secure web based billing system.

b. Claims for services must be submitted within ninety (90) days of the date of service. All claims submitted past ninety (90) days of the date of service will be denied and cannot be resubmitted. The date of receipt is the date LME receives the claim, as indicated on the electronic data records, and the date paid is the date of the check or other form of payment.

c. If a claim is denied for reasons other than stated above, Contractor must resubmit the claim within ninety (90) calendar days of the date of the denial of Contractor's claim. Contractor must request and receive LME waiver within ninety (90) calendars days after denial from the LME if circumstances prohibit Contractor's ability to resubmit within the ninety (90) calendar days.

2. <u>Payment of Claims</u>:

a. Within eighteen (18) calendar days after the LME receives a claim from Contractor, the LME shall either: (1) approve payment of the claim, (2) deny payment of the claim, or (3) request additional information that is required for making an approval or denial. The foregoing requirement is further specified as follows:

i. If the LME approves payment of a claim, the LME shall pay the claim within thirty (30) calendar days after making the approval.

ii. If the LME denies payment of a claim, the LME shall provide Contractor the ability to electronically access the specific denial reason through "Claims Status" of the Alpha MCS system. "Claims Status" of a claim is available within five to seven (5-7) days of the LME receiving the claim.

iii. If the LME determines that additional information is required for making the approval or denial of the claim, the LME shall provide the Contractor with notice of this. The LME shall provide such notice to the Contractor within eighteen (18) calendar days after the LME received the claim. Upon the LME's receipt of the additional information in either original or certified copy form from the Contractor, the LME shall process the claim within the time periods stated above for approving, denying, and paying the claim.

iv. The LME is not limited to approving a claim in full or requesting additional information for the entire claim. Rather, as appropriate, the LME may approve a claim in part, deny a claim in part, and/or request additional information for only a part of the claim, as long as the LME either approves, denies, or requests additional information for each part of the claim within the required eighteen (18) calendar day period.

b. The LME will not reimburse the Contractor for services provided by non-¬credentialed staff, or staff not meeting privileging/competency requirements as specified by this Contract, or as specified in the State Medicaid Plan, Medicaid Waivers, and Mental Health, Developmental Disabilities, and Substance Abuse Service Definitions.

3. <u>Paybacks</u>:

a. If LME determines Contractor has failed to comply with State, Federal, Medicaid or any other LME revenue source requirements, LME will recoup the amount owed to LME from current and/or future claims. If payback amount exceeds outstanding provider claims, the LME will invoice Contractor the amount owed to LME. Contractor shall

have thirty (30) calendar days from the invoice date to pay back the total amount owed. If Contractor fails to repay funds identified as requiring payback to the LME, the LME reserves the right to take action to collect the outstand balance from the Contractor.

b. If LME or Contractor determines Contractor has received revenues as a result of an error or omission, the LME will consult with the Contractor on preferred method of repayment to the LME. If the Contractor fails to repay the LME within the specified period, the LME will recoup the amount owed to LME from current and/or future claims.

c. If LME, through an audit or review, determines Contractor has been paid for a service or a portion of a service that LME determines should have been disallowed, LME will recoup the amount owed to LME from current and/or future claims. If payback amount exceeds outstanding provider claims, the LME will invoice Contractor the amount owed to LME. Contractor shall have thirty (30) calendar days from the invoice date to pay back the total amount owed. If Contractor fails to repay funds identified as requiring payback to the LME, the LME reserves the right to take action to collect the outstanding balance from the Contractor.

d. At its sole discretion the LME may establish a payment plan with Contractor for repayment of funds as noted above in 3.a, 3.b, and 3.c of Article VI.

e. If LME, through an audit or review, determines Contractor has been paid for a claim that was fraudulently billed to LME, LME will recoup the amount owed to LME from current and/or future claims. If payback amount exceeds outstanding provider claims, the LME will invoice Contractor the amount owed to LME. Contractor shall have thirty (30) calendar days from the invoice date to pay back the total amount owed. Fraudulent billing may include, but is not limited to, unbundling services, billing for services by non-credentialed or non-licensed staff, or billing for a service that Contractor never rendered or for which documentation is absent or inadequate.

4. <u>Fee for Services</u>:

Contractor will comply with General Statute 122C-146, which requires LME make every reasonable effort to collect appropriate reimbursement.

a. Third Party Reimbursement:

Each time a Client receives services; Contractor is responsible to determine if the Client has third party coverage that covers the service provided and to bill all applicable third party payors prior to billing LME.

Insurance

If the Client has third party insurance for the services requested, but Contractor does not have paneled staff, Contractor must refer the Client to an eligible provider or ask LME'S Call Access Center for assistance in locating an eligible provider. LME will not reimburse Contractor for covered services provided to a recipient with third party coverage by Contractor's non-paneled staff. The third party payor reimbursement or denial information must be indicated on the claim submitted to LME. Claims submitted without third party information will be denied.

Medicare

If the Client has Medicare coverage for the services requested, but Contractor does not have paneled staff, Contractor must refer the Client to an eligible provider or ask LME'S Call Access Center for assistance in locating an eligible provider. LME will not reimburse Contractor for covered services provided to a recipient with Medicare coverage by Contractor's non-paneled staff. Medicare reimbursement or denial information must be indicated on the claim submitted to LME. Medicaid claims submitted without Medicare information will be denied.

b. First Party (Ability to Pay):

Only applicable to non-Medicaid Clients and non-Medicaid billable services.

Each Client enrolled with LME must be evaluated by Contractor to determine Client's ability to pay for services. The combination of a Client's adjusted gross monthly income and the number of dependents will indicate if the Client has first-party liability. The sliding fee schedule is established by LME and is listed on Attachment AAA. Contractor shall use LME'S established rates when determining the amount of first party liability that a Client must pay.

Contractor shall indicate on the claim all required first party fees, regardless of collection of fees. Payments to Contractor from LME shall be reduced dollar for dollar by first party liability. If a Client does not qualify for the sliding fee schedule, they must pay one hundred percent (100%) of the cost of the services being provided by Contractor and the service shall not be billed to LME.

Clients with Medicare only insurance are not subject to sliding fee schedule for Medicare covered services. Clients with Medicaid are not subject to sliding fee schedules for Medicaid covered services.

Clients receiving services covered by third party are subject to first party payment requirements on unpaid amounts that are not reimbursed by the third party insurance coverage.

Contractor shall evaluate, at least every ninety (90) days, the Client's ability to pay according to the LME established fee scale. Documentation shall be maintained by Contractor indicating first party liability calculation and will be audited periodically.

c. Medicaid:

The LME is subject to revision in the Medicaid reimbursement rate. Should these rates change during the Contract period, the LME may revise the payment rate for Medicaid reimbursed services. In such event, the LME will provide 30 (thirty) days written notice in advance of rate changes. Should rate negotiations be unsuccessful, the Contract shall be null and void in thirty (30) days following the date of notification of the upcoming rate change.

5. <u>Financial Records:</u>

Contractor agrees to maintain necessary records and accounts related to the Contract, including personnel and financial in accordance with Generally Accepted Accounting Procedures and Practices to assure a proper accounting of all funds. All expenditures made pursuant to this Contract shall be properly supported by payroll records, invoices, purchase orders, vouchers, contracts, cancelled checks, and any other necessary documentation.

Contractor shall maintain detailed records of costs related to services provided including both administrative and direct service costs for the purpose of audit and evaluation by DMA and other Federal or State personnel. Records shall be maintained by Contractor according to normal retention guidelines or five (5) years thereafter (whichever is longer), unless an audit is in progress. When an audit is in progress or audit findings are unresolved, records shall be kept until all issues are finally resolved. All costs associated with this program and shared with other Contractor activities, whether contracted by LME or otherwise, shall be auditable within the accounts of the program.

In the event the LME provides funding for the Contractor using non unit-cost reimbursement funds such as start up or special purpose funding, the title to assets in whole or in part rests with the Contractor so long as the Contractor continues to provide the services which the assets were intended and are supported by the Contract; if such services are discontinued, disposition of the assets shall occur as approved by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

Article VII
Discharge Planning

The LME understands the importance of Client-Provider matching and that problems or incompatibilities arise in the therapeutic relationship. Nevertheless, Contractor shall collaborate with Clients, family members, and the LME to assure continuity of care and that there is no disruption of service. The LME will work collaboratively with the Contractor to resolve the problem or transfer the Client to another provider. Contractor shall comply with North Carolina Continuity of Care statute (GS 122C-63) which requires sixty (60) days notice by the Contractor to the LME of intent to close a facility or discharge a Client with mental retardation who may be in need of continuing care as determined by the LME. Contractor shall give the LME thirty (30) day notice of intent to close a facility or discharge a Client with mental illness who may be in need of continuing care as determined by the LME.

Article VIII
Sanctions

If the Contractor fails to fulfill its duties and obligations pursuant to this Contract, the LME may impose sanctions as follows:

a. Corrective action plan or LME imposed corrective action plan.

b. Suspension of referrals.

c. Transfer of LME funded clients to another provider.

d. Additional audits.

e. Reduction of Provider Performance Profile Level/Rating.

f. Interest charges on paybacks.

g. De-credentialing of Contractor or individual practitioners within the group practice

Sanctions imposed by the LME may be progressive or cumulative in order to address the specific area(s) of the Contract that are not being fulfilled by the Contractor.

Article IX
Termination

The Contract may be terminated under the following circumstances:

a. The LME may terminate the Contract immediately if Federal, State or local funds, allocated to the LME, are revoked or terminated in a manner beyond the control of the LME for any part of the Contract period. In this situation, any and all of the obligations of the LME and the Contractor under the Contract shall immediately cease. If Federal, State, or local funds allocated to the LME are reduced in a manner beyond the control of the LME, or if it is determined by the LME that the Contractor will not be able to provide the full number of service units authorized in the LME Service Authorization Letter, the LME may immediately reduce the payments to the

Contractor in proportion to such reduction in funding or such shortfall in service units, provided that in either such event the LME may in its sole discretion immediately terminate the Contract.

b. The LME may terminate the Contract immediately with cause upon written notice to the Contractor; cause shall be documented in writing detailing the grounds for determination. Cause for termination of the Contract may include, but is not limited to:

i. determination by the LME that the Contractor has failed to meet certification and/or accreditation standards prescribed by State or Federal law, regulation, or guidelines: and/or

ii. determination that there has been a loss of licensure by the Contractor, or Contractor's staff providing services under this Contract; and/or

iii. based on the choice of the Client receiving services to discontinue services or to change contractors; and/or

iv. determination by the LME that there has been a failure to implement services as specified in the Contract, the General Conditions of Procurement Contract, and Attachments. Failure to provide timely complete and accurate documentation of services as required by this Contract may lead to withholding of funds or termination of the Contract and/or

v. the conduct of the Contractor, Contractor's employees or agents or the standard of services provided threatens to place the health or safety of any Client in jeopardy; and/or

vi. the Contractor provides fraudulent, misleading, or misrepresented information to any Client; and/or

vii. if fraudulent billing, documentation or clinical practices are discovered; and/or

viii. if Contractor fails to cooperate with any investigation of Contractor deemed necessary by LME; and/or

ix. if Contractor fails to adhere to paybacks as determined by the LME or payment plans as established with the LME as outlined in section 3 of Article VI of these General Conditions of the Procurement Contract

c. This Contract may be terminated at any time upon mutual consent of both parties or after sixty (60) days upon written notice of termination by one of the contracting parties.

d. The obligations of the Contractor under this Contract shall continue following termination, including retention of records, confidentiality requirements, submission of an audit for the Contract period, insurance provisions, including provisions for Medicaid Payback and all other relevant provisions of this Contract.

e. Upon notice of termination, and prior to final payment, the LME will perform a Contract audit to ensure that all Contractual and other fiscal requirements have been fulfilled. All original Client records must be returned in accordance with Article II, number 20. In addition, a review of billing, documentation and other fiscal records will be performed and any adjustments for amounts due to the LME from the Contractor will be deducted from the final Contract payment.

f. Contractor understands and agrees that this Contract may be terminated by the Division of Medical Assistance for non-compliance with the requirements of this Contract.

EFFECT OF TERMINATION: All payments provided herein shall be adjusted so as not to exceed the amount due for services actually rendered prior to the date of termination. If advance payments have been made for services not provided as of the date of termination, the Contractor shall promptly refund all excess funds paid within thirty (30) days. If additional payments are due from the LME, said payments shall be made only after receipt of final billing and required documentation. All continuing obligations of the Contractor shall remain in effect after termination including, but not limited to, those set forth in the Contract and in the Provider Manual.

Article X
Other Requirements

1. Choice of Law/Forum:

This agreement shall be interpreted in accordance with the laws of the State of North Carolina. The venue for all legal actions upon this Contract shall be in the State Courts of Gaston County or the U.S. District Court for the Western District of North Carolina, Charlotte Division.

In the event that Federal and State laws should be amended or judicially interpreted so as to render the fulfillment of the Contract on the part of either party unfeasible or impossible, both the Contractor and the LME shall be discharged from further obligation under the terms of this Contract, except for equitable settlement of the respective debts up to the date of termination.

2. Entire Agreement/Revisions:

The Contract, consisting of the General Conditions of Procurement Contract for Licensed Independent Practitioners and attachments, the Procurement Contract for Provision of Services to Clients, and the Schedule of Authorized Services constitutes the entire Contract between the LME and the Contractor for the program of services delineated in the Procurement Contract for Provision of Services section or Consultant Contract. Any alterations, amendments, or modifications in the provision of the Contract shall be in writing, signed by all parties hereto, and attached hereto.

The LME is subject to revision in the Medicaid reimbursement rate. Should these rates change during the Contract period, the LME on thirty (30) days written notice to Contractor may revise the payment rate for Medicaid reimbursed services (if applicable). Should rate negotiations be unsuccessful, the Contract shall be null and void in thirty (30) days.

3. Headings:

The section headings used herein are for reference and convenience only, and shall not enter into the interpretation hereof. Any appendices, exhibits, schedules referred to herein, or attached, or to be attached hereto are incorporated herein to the same extent as if set forth in full herein.

4. Counterparts:

The Contract shall be executed in two counterparts, each of which will be deemed an original.

5. Non-waiver:

No covenant, condition, or undertaking contained in the Contract may be waived except by the written agreement of the Parties. Forbearance or indulgence in any other form by either party in regard to any covenant, condition or undertaking to be kept or performed by the other party shall not constitute a waiver thereof, and until complete

satisfaction or performance of all such covenants, conditions, and undertakings have been satisfied, the other party shall be entitled to invoke any remedy available under the Contract, despite any such forbearance or indulgence.

6. Indemnification:

In accordance with 10A NCAC 27A, .0106, section 8, the Contractor agrees to indemnify and hold LME harmless to the extent allowed by law from all liability, loss, damage, claim and expense of any kind, including costs of the defense which result from negligent or willful acts and omissions by the Contractor and its agents or employees regarding the duties and obligations of the Contractor under this Contract or otherwise, including the duty to maintain the legal standard of care applicable to the Contractor. If this Contract is terminated, the obligations of the Contractor regarding indemnification under this Contract shall survive the termination of this Contract regarding any liability for acts or omissions, which occurred prior to the termination.

It is further agreed the Contractor hereby releases the LME and agrees that the LME, and each officer, and employee shall not be liable for, and agrees to indemnify and hold harmless the LME and each officer or employee thereof, from any liabilities, obligations, claims, damages, (including but not limited to any civil or criminal penalties, and the repayment of any funds which an audit might disclose are due to be repaid to the State or Federal government or to the agencies of either), litigation costs and expenses (including attorney's fees and expenses) imposed on, incurred by or asserted against the LME, or officer, or employee thereof for any reason whatsoever arising out of the Contractor's actions or omissions in connection with the performance of the Contract.

7. Dispute Resolution and Appeals:

The LME employee designated to do so by the LME Area Director/CEO shall administer the Contract. The Contractor may file a complaint and/or appeals as outlined in the Provider Manual, Area Authority Appeals Process, and the LME's Reconsideration Process.

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ATTACHMENT A

LIST OF LIP CONTRACTED SERVICE CODES

All services listed will be reimbursed at the current Division published rate. Rates are subject to change automatically upon action by the NC General Assembly, NC Division of Medical Assistance, and/or the NC Division of MH/DD/SA Services. It is the responsibility of Contractor to monitor rates. No written notice to Contractor will occur nor is required by LME when and if rate changes occur. Providers must bill appropriately for any codes that are discontinued or end-dated by the state during this contract period.

[Company]

SERVICE CODE and DESCRIPTION

Provider hereby agrees to fully comply with all requirements pursuant to Health Insurance Portability and Accountability Act of 1996, as modified and amended by the Health Information Technology for Economic and Clinical Health Act (HITECH), as well as related Federal regulations including but not limited to the Omnibus Final Rule effective 2013. Failure to comply may result in the termination of this contractual agreement between Partners BHM and Provider.

ATTACHMENT B

CORE PERFORMANCE INDICATORS FOR PROVIDERS OF MH/DD/SA SERVICES

1. Providers shall be responsible for full participation in an LME-MCO monitoring/review process that includes the Division of MH/DD/SA Confidence Assessment Criteria and the Local Monitoring discussion guide. Frequency of reviews and corrective requirements are determined by demonstration of acceptable compliance with quality indicators and scores from the Confidence Assessment.

2. 100% of all Level I Incidents as defined by the NC Division of MH/DD/SAS shall be recognized, adequately responded to, and reported/documented internally by the Provider, and reported in aggregate form quarterly to the LME-MCO.

3. At least 85% of all Level II Incidents as defined by the NC Division of MH/DD/SAS shall be recognized, adequately responded to, and reported to the LME-MCO and the Department within 72 hours via the *DHHS Incident & Death Form*. An aggregate total for the quarter will be part of the Provider's quarterly report to the LME-MCO.

4. At least 85% of all Level III Incidents as defined by the NC Division of MH/DD/SAS shall be recognized, adequately responded to, and reported verbally immediately to the LME-MCO, and in written form to the LME-MCO and the Department within 72 hours via the DHHS Incident & Death Form. The Provider shall convene an incident review committee within 24 hours. Deaths that occur within 7 days of seclusion or restraint are reported immediately to the LME-MCO. An aggregate total for the quarter will be part of the Provider's quarterly report to the LME-MCO.

5. Providers shall implement policies, procedures, and practices to attempt to achieve 0% client rights violations. 100% of all substantiated client rights violations shall be reported through the Incident reporting process to the Customer Services/Consumer Affairs Unit of the Area Program/County Program Quality Management Department, and show evidence of being acted upon.

6. 100% of quality of care issues, as noted through Area Authority monitoring, shall promptly begin to be addressed through the development and initiation of a corrective action plan submitted for approval to the LME-MCO within the time limits specified in the LME-MCO's Quality Management Plan.

7. A representative sample of consumers shall be given the opportunity to express their *perception of satisfaction* for services received through the implementation of an empirical process no less often than twice a year. Survey results are submitted to the LME-MCO. Providers may meet this requirement by

full participation in the LME-MCO's Quarterly Consumer Satisfaction Survey. The Provider is also required to participate in the Division of MH/DD/SAS's annual Consumer Satisfaction Survey.

8. When applicable, Providers shall meet no less than 85% of established time frames for initial face-to-face consumer contact (Emergent: within 2 hours; Urgent: within 48 hours; Routine: 14 calendar days.).

9. Providers shall meet 100% compliance with Operations Manual administration protocols for established Outcome Measures for each eligible consumer (NC-TOPPS). As applicable to the service population, Providers shall participate in the annual Core Indicators survey (DD consumers and families).

10. Providers shall demonstrate a Continuous Quality Improvement (CQI) process by identifying a minimum of 3 improvement projects acted upon per year. Projects and results will be reported to the LME-MCO in any quarter of completion.

11. Providers shall comply with current North Carolina E-Verify laws.

12. Partners has adopted the following measures for integration into provider contracts beginning July 1, 2015. We have been able to complete a baseline review since January 1, 2015 and the above measures have been tested for validity.

Domain	Outcome	Measures
1. Claims Accuracy	Increase Provider Claims Approval Rate	Provider must have a claims approval rate at or above 80% in each quarter of the fiscal year per funding source. (applies to provider specific denial reasons, not LME/MCO issues)
2. UM Authorizations Approval	Increase Authorization Approval Rates	Provider must demonstrate an authorization approval rate on service requests is at or above 75% during the Partners' identified quarter of each fiscal year (example, July, August, September 2015) –across all services and all providers
3. NCTOPPs Compliance	Increased timeliness of 3 month interview submissions	95% of all Provider 3 month interview submissions will be in compliance with timely submission requirements. ***(for all providers required to submit NCTOPPs and for the services that required NC TOPPs submission)***

SPECIFIC SERVICE DELIVERY PERFORMANCE INDICATORS

***Subject*:** Information Exchange Between Partners BHM & Providers
Purpose: Communication expectations ensure that required grant, financial & other County, State, and/or Federal reporting information is made available to the LME-MCO and other applicable parties.

SPECIFIC SERVICE DELIVERY PERFORMANCE INDICATORS

I. Financial

A. Accounting and Claims Processing:

1) Provider must maintain an accounting and claims processing system compliant with G.S. 159-26 and shall have proper internal controls to ensure proper record keeping and generally accepted accounting procedures are continually in place.

2) Provider must have a system in place that allows an audit to be completed for consumer accounts. In the event an overpayment of funds is found during an audit, the Provider must repay said funds within 30 days to LME-MCO.

B. Billing

Consumers eligible for Medicaid are not eligible to receive IPRS/State Funding. IPRS funds are a payer of last resort. Providers must collect first and third party revenue. The Provider must have a system in place to monitor such activity and subsequently repay any related amounts to consumers.

II. Best Practice Model

A. Provide/coordinate psychiatric services along with clinical home for these consumers if in the person-centered plan.

B. Assure all consumers have choice of provider and these processes are followed for transition of consumers as well as referrals.

C. Providers must fully comply with First Responder duties.

III. Committee Participation

A. Partners would like the Provider to attend or actively participate in the Community Collaborative process for children's families and attend work groups or committees as invited by the LME-MCO.

IV. Authorizations

A. Providers will comply with the following regarding service authorizations.
- **1)** Submit authorization requests at least 14 days before the end of an existing authorization.
- **2)** Limit request(s) to service type, scope and duration that is medically necessary and consistent with IPRS benefit grids.
- **3)** Submit all documentation that is requested by the LME-MCO staff to conduct Utilization Review within timeframes communicated.

In order for Partners Behavioral Health Management to report pertinent information to federal, state and local authorities (as mandated by various contracts and agreements), providers are expected to submit the data listed below according to the related timelines. In order to ensure timely payment, all required information must be submitted as detailed below.

Providers will acknowledge all referrals (accept the referral) made to them via the Slot

Scheduler via Provider Portal within 24 hours or next business day, by checking the acknowledgement checkbox in the referral.

If a Provider is unable to acknowledge (accept) the referral they will email Customer Services at AccessStaff@partnersbhm.org and inform Customer Services that the consumer will need to be scheduled with another provider and why.

Areas of reporting include (where applicable), but are not necessarily limited to:

Reporting Requirement	Applicable Service	Submission Timeline
After-care Planning w/ State Operated Facilities		Day After No Show
CARF (Applies to Non-Accredited Providers)		As Requested
Client Movement Report	All	Each occurrence
Complete Admissions Data	All	Enrollment / Authorization
Complete Diagnostic Data	All	Enrollment / Authorization
Complete Drug of Choice Data	All	Enrollment / Authorization
Complete ID & Demographic Data	All	Enrollment / Authorization
Continuous Quality Improvements (CQI) Projects	All	3 Per Year, or as mandated by Division and/or accreditation
Death Reports: Level II	All	Within 72 hours
Death Reports: Level III	All	Immediate verbal/written w/i 24 hrs
Diversion Law (MR consumers)		At Placement
DSS Referrals	All	As Referred
Financial & Annual Statement	All	Annually; after each official audit
Housing Programs		March 7th
JCPC Client Tracking Form		Enrollment / Authorization
JCPC Semi-Annual Report		January 10th & July 10th
Juvenile Court Services Referrals		As Referred
Level I Incident Reports	All	Quarterly by 10th of month
Level II Incident Reports	All	Within 72 hours of Incident
Level III Incident Reports	All	Immediate verbal/written w/I 72 hrs
MAJORS Report / JJSAMHP	MAJORS	Monthly by the 10th
National Core Indicators	DD Providers	2nd / 3rd Qtr - As Scheduled
NC-SNAP	DD Providers	Enrollment / Yearly
NC-TOPPS Transfer/Discharge	MH & SA Providers	At Transfer/Discharge

NC-TOPPS Initial	MH & SA Providers	Within 30 days of First Service (New) In conjunction with PCP Update (Current)
NC-TOPPS Update	MH & SA providers	As Scheduled
No Missing Data	All	Enrollment / Authorization
No Unknown Data	All	Enrollment / Authorization
Out of Home Community Placement	All	At Placement
Quality Improvement Practices and Outcomes	All	As Requested
Restrictive Intervention Reports	All	Within 72 hours of Incident
SAPTBG Compliance Report	SA Providers	January 10th & July 10th
Service Information – Audits	All	As Requested
State Consumer Satisfaction Survey	All	1st Qtr. - As Scheduled
State/Federal Funding MH Adult Reports: (PATH, MH Block Grant, SAPTBG, etc.)	Homelessness, SA Providers	January 10th & July 10th
Work First	Work First-SA	Quarterly by 10th of month
Urgent and Routine No Show List	All	Daily
Weapon's Permit Information		As Requested

Emergent-Client Specific	Urgent-Client Specific	Routine-Client Specific
Who was seen within 2 hours of referral from Clinical Services	Who was seen within 48 hours of Clinical Services referral	Who was seen within 14 days of Clinical Services referral
Who could have been seen but consumer decided not to show up until later	Who could have been seen but consumer decided not to show until later or declined an appointment until later	Who could have been seen but consumer decided not to show until later or declined an appointment until later
Who could not be seen within two hours because Provider had no availability of services	Who could not be seen within 48 hours because Provider had no availability of services	Who could not be seen within fourteen days because Provider had no availability of services
Who did not show at all	Who did not show at all	Who did not show at all