

**APPENDIX G
INTERMEDIATE CARE FACILITY ADDENDUM
FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES**

CONTRACTOR NAME

1. DEFINITIONS:

“Enrollee or Member” means an individual for whom LME/PIHP has issued an authorization for the provision by Contractor of ICF/IID services, as defined by 42 C.F.R. §440.150, during his or her period of residency in (including therapeutic leave days from) a licensed and certified ICF/IID facility operated by Contractor. Such individual shall be considered to be a “Enrollee or Member” only for so long as both such authorization and residency (including therapeutic leave days) is in effect.

2. CONTROLLING AUTHORITY:

In addition to the Controlling Authority listed in the General Terms and Conditions of the Contract, Contractor and LME/PIHP acknowledge that Contractor is in the business of operating one or more licensed and certified intermediate care facilities for individuals with intellectual disabilities (“ICF/IIDs”), each of which have been issued certificate(s) of need (“CONs”) by the State of North Carolina and that such ICF/IID services are to be provided consistent with the Controlling Authorities for such facilities, including but not limited to: 42 C.F.R. §483, Subpart I, federal Guidance to Surveyors: Intermediate Care Facilities for Persons with Mental Retardation [Centers for Medicare and Medicaid Services, State Operations Manual (IOM Publication 100-7, Appendix J)], the North Carolina Certificate of Need (“CON”) Law (N.C.G.S. Chapter 131E, Article 9), and the rules of the North Carolina Commission for Mental Health, Developmental Disabilities and Substance Abuse Services administered by the Mental Health Licensure and Certification Section of the Division of Health Services Regulation of the North Carolina Department of Health (the “Section”). In the event of any conflicts between or among the above referenced Authorities, it is understood and agreed that the requirements of the federal government shall be controlling.

3. BILLING AUDITS, DOCUMENTATION AND RECORDS RETENTION:

Contractor shall be responsible for completion of all necessary and customary documentation required for the services provided under the Contract, including but not limited to the Member’s Comprehensive Functional Assessment [as required by 42 C.F.R. §483.440(c)(3)] and Individual Program Plan [as required by 42 C.F.R. §483.440(c)].

4. AUTHORIZATION OF SERVICES

Contractor shall complete and submit to LME/PIHP, for services provided under this contract, documentation of the standardized prior approval process for each Member to be served hereunder utilizing the level of care determination form as designated by the Department. Such documentation shall be provided by Contractor to LME/PIHP every one hundred and eighty (180) days for continued authorization of services.

5. SURVEYS:

The ICF/MR Branch of the North Carolina Division of Health Services Regulation shall be responsible for conducting all surveys of Contractor’s ICF/IID facilities.

6. REIMBURSEMENT:

Contractor shall be reimbursed for authorized ICF/IID level of care provided to each Member on a bed day rate equal to the facility-specific bed day rate as established by the North Carolina Division of Medical Assistance for the current fiscal year.

Contractor and LME/PIHP may create Member-specific rates to address unique needs of an individual Member.

Contractor agrees to accept the payment at the rate established in this paragraph less any applicable Patient Liability, as payment in full from LME/PIHP (but the Member shall remain responsible for the Patient Liability).

Contractor shall submit its approved rate letter from the North Carolina Division of Medical Assistance to LME/PIHP within ten (10) days of receipt.

7. REFERRALS TO CONTRACTOR:

LME/PIHP shall refer appropriate individuals to Contractor for services based on medical necessity, Member acuity, life and safety considerations and behavioral characteristics and the person's individual choice. All referred individuals shall be those for whom a community ICF/IID placement is appropriate, as determined by the individual's treatment team and with the individual's/guardian's acceptance of the placement. LME/PIHP reserves the right to refer to other providers and no referrals or authorizations are guaranteed to take place under this Contract. LME/PIHP shall endeavor at all times to ensure that vacant beds are appropriately filled within five (5) business days of the notification of the vacant bed.

In the event Contractor determines that any referral is not appropriate, LME/PIHP and Contractor shall mediate their differences regarding the referral on an informal basis within 5 business days of such referral. If mediation fails to resolve the issue the decision of the Contractor will be final.

8. PATIENT LIABILITY:

Contractor shall report the Member's Patient Liability to LME/PIHP on a monthly basis. The Patient Liability shall be reported in Box 55 of the 837I (HCFA1450-UB92). Payments to Contractor from LME/PIHP shall be reduced by the amount reported as Patient Liability.

9. INSURANCE:

A. 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 Department of Insurance.

- i. 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/\$3,000,000.00 annual aggregate.
- ii. Comprehensive General Liability: The Contractor shall purchase and maintain Bodily Injury and Property Damage Liability Insurance protecting the Contractor and any employee performing work under the Contract from claims of Bodily Injury or Property Damage arising from operations under the Contract for an amount of not less than \$1,000,000.00 per occurrence/\$3,000,000.00 annual aggregate.
- iii. Automobile Liability: If Contractor transports recipients, the Contractor shall purchase and maintain Automobile Bodily Injury and Property Damage Liability Insurance covering all owned, non-owned, and hired automobiles for an amount not less than

\$500,000.00 each person and \$500,000.00 each occurrence. Policies written on a combined single limit basis shall have a minimum limit of \$1,000,000.00.

- iv. Workers' Compensation and Occupational Disease Insurance, Employer's Liability Insurance: The Contractor shall purchase and maintain Workers' Compensation and Occupational Disease Insurance as required by the statutes of the State of North Carolina. The Contractor shall purchase and maintain Employer's Liability Insurance for an amount not less than Bodily Injury by Accident \$100,000.00 each Accident/Bodily Injury by Disease \$100,000.00 each Employee/Bodily Injury by Disease \$500,000.00 Policy Limit.
 - v. 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.
- B. Contractor shall:
- i. Provide to the LME/PIHP with Certificate(s) of Insurance (COI) or Change Endorsement(s) with the LME/PIHP named as an Additional Insured prior to the LME/PIHP's execution of the Contract, except that Licensed Independent Professionals are not required to comply with this requirement;
 - ii. Submit new COIs no later than ten (10) calendar days after the expiration of any listed policy to ensure documentation of continual coverage;
 - iii. Notify the LME/PIHP in writing within forty-eight (48) calendar hours of any cancellation or material change in coverage;
 - iv. Provide evidence to the LME/PIHP of continual coverage at the levels stated above within forty-eight (48) calendar hours if Contractor changes insurance carriers during the performance period of the Contract including tail coverage as required for continual coverage; and
 - v. Notify the LME/PIHP in writing within forty-eight (48) calendar hours of knowledge or notice of a claim, suit, criminal or administrative proceeding against Contractor and/or Practitioner relating to the quality of services provided under this Contract.
- C. Contractor shall have the right to self-insure provided that Contractor's self- Insurance program is licensed by the Department of Insurance of the State of North Carolina and has been actuarially determined sufficient currently to pay the insurance limits required in the Contract.
- D. Contractor acknowledges that:
- i. Any loss of insurance shall justify the termination of this Contract in the LME/PIHP's sole discretion;
 - ii. Upon Contractor's notification of knowledge or notice of a claim, suit, criminal or administrative proceeding against Contractor and/or Practitioner relating to the quality of services provided under this Contract, LME/PIHP in its sole discretion shall determine within ten (10) days of receipt of notification whether termination of the Contract or other sanction is required; and
 - iii. All insurance requirements of this Contract shall be fully met unless specifically waived in writing by both the LME/PIHP and Contractor.