PROCUREMENT CONTRACT FOR PROVISION OF SERVICES BETWEEN TRILLIUM HEALTH RESOURCES (LME/PIHP) AND CONTRACTOR NAME A PROVIDER OF MH/DD/SA SERVICES

ARTICLE I: GENERAL TERMS AND CONDITIONS

1. DEFINITIONS:

Any term that is defined in NCGS122C-3 shall have the same definition in this contract unless otherwise specified.

a. "Catchment area" Geographic Service Area meaning a defined grouping of counties. Local Management Entity/Prepaid Inpatient Health Plan (LME/PIHP).
b. "Clean Claim" means a claim that can be processed without obtaining additional information from the provider of the services or from a third party. It does not include a claim under review for medical necessity, or a claim that is from a Provider that is under investigation by a governmental agency for fraud or abuse.
c. "Continuous Quality Improvement (CQI)" refers to a continuous effort to achieve measurable improvements in the efficiency, effectiveness, and accountability of an organization. This process is designed to improve the quality of services by tracking performance through outcome and performance measures. (The following link provides a description of what the Centers for Medicare and Medicaid Services (CMS) expects with regard to Continuous Quality Improvement: http://www.medicaid.gov/Federal-Policy-Guidance/downloads/SHO-13-007.pdf)
d. Closed Provider Network shall, mean the group Contractors that have contracted with the LME/PIHP to furnish covered mental health, intellectual or developmental disabilities and substance abuse services to Enrollees.
e. "Contract" means this Procurement Contract for the Provision of Services between LME/PIHP and Contractor, including any and all Appendices and attachments.
f. "Contractor" means **CONTRACTOR NAME**, the provider of services pursuant to this contract, including all staff and employees of Contractor. Contractor shall, as a party to this Contract be considered a Network Provider.
g. Controlling Authority means as defined in this Contract.
h. "Department" means the North Carolina Department of Health and Human Services (DHHS) and includes the Divisions of Medical Assistance (DMA) and Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS).
i. "Emergency services" With respect to an emergency service, covered inpatient and outpatient services that:
    1. are furnished by a provider that is qualified to furnish such services; and
    2. are needed to evaluate or stabilize an emergency medical condition.

j. "Enrollee" refers to (i) for purposes of Medicaid-reimbursable services, a Medicaid beneficiary whose Medicaid eligibility arises from residency in a county covered by the LME/PIHP or who is currently enrolled in the LME/PIHP and/or (ii) for non-Medicaid reimbursable services, a a State Funded Consumer.
k. LME/PIHP means the political subdivision organized pursuant to N.C.G.S. §122C-3(20-c), and which is responsible for authorizing, managing and reimbursing providers for all Medicaid and State-funded mental health, substance abuse, and developmental disability services pursuant to contracts with the Department for those Enrollees within the LME/PIHP's defined catchment area. For purposes of this Contract, unless otherwise specified, Trillium Health Resources is the LME/PIHP.
l. "Medical Record" means a single complete record, maintained by the Provider of services, which documents all of the treatment plans developed for, and behavioral health services received by, an Enrollee.
m. "Network Provider" shall mean as defined in 42 CFR 438.2.
n. "Notice" means a written communication between the parties delivered by trackable mail, electronic means, facsimile or by hand.
o. "Party" refers only to the contractor as defined in this agreement or the LME/PIHP who are the two signatories to this contract.
p. "Post stabilization services" or "Post stabilization care services" mean as defined in 42 CFR §422.113 and §438.114.
q. Prepaid Inpatient Health Plan (PIHP): An entity that: (1) provides medical services to Enrollees under contract with the State agency, and on the basis of prepaid capitation payments, or other payment arrangements that do not use state plan payment rates; (2) provides, arranges for, or otherwise has responsibility for the provision of any inpatient hospital or institutional services for its Enrollees; and (3) does not have a comprehensive risk contract.
r. "Provider Operations Manual" (also Provider Manual) refers to the manual developed by LME/PIHP pursuant to its contracts with the Department and posted on the LME/PIHP website for use and reference by Contractor.
s. "State-Funded Consumer" refers to an individual who receives Mental Health, Developmental Disability, and/or Substance Abuse (MH/DD/SA) services that are paid with State funds (which may include state and/or federal block grant funds).
t. "Unmanaged Visits" refers to visits not requiring prior authorization.

2. BASIC RELATIONSHIP:

Contractor enters into this Contract with LME/PIHP for the purpose of providing medically necessary MH/DD/SA services to the LME/PIHP's Enrollee(s) and agrees to comply with Controlling Authority, the conditions set forth in this Contract and all Appendices or Attachments to this Contract. The Parties acknowledge and agree that a termination of this Contract is not an adverse determination as set forth in G.S. 108C and that Controlling Authority allows this Contract to be terminated with or without cause. Contractor is an independent contractor of LME/PIHP. 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 parties, their employees, partners, or agents but rather Contractor is an independent contractor of the LME/PIHP. Further, neither party shall be considered an

employee or agent of the other 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.

3. ENTIRE AGREEMENT/ REVISIONS:

This Contract, consisting of the Procurement Contract for the Provision of Services, and any and all Appendices and Attachments, constitutes the entire Contract between the LME/PIHP and the Contractor for the provision of services to Enrollee(s). This contract shall supersede and replace any current Medicaid and/or State contract between the Contractor and LME/PIHP. Except for changes to Controlling Authority published by CMS, the LME/PIHP, the Department, its divisions and/or its fiscal agent as referenced in Article I, Section 4, any alterations, amendments, or modifications in the provision(s) of the Contract shall be in writing, signed by all parties, and attached hereto.

4. CONTROLLING AUTHORITY:

This Contract is required by State and Federal law, including 42 C.F.R. §438.206 and §438.214, and shall be governed by the following, including any subsequent revisions or amendments thereto, (hereinafter referred to as the "Controlling Authority"):

a. Title XIX of the Social Security Act and its implementing regulations, N.C.G.S. Chapter 108A, the North Carolina State Plan for Medical Assistance, the North MH/DD/SA services health plan waiver authorized by CMS pursuant to section 1915(b) of the Act, and the N.C. Home and Community Based Services Innovations waiver authorized by CMS pursuant to section 1915(c) of the Act; and
b. The federal anti-kickback statute, 42 U.S.C. §1320a-7b(b) and its implementing regulations; the federal False Claims Act, 31 U.S.C. §3729 – 3733 and its implementing regulations; and the North Carolina Medical Providers False Claims Act, N.C. Gen. Stat. §108A-70-10 *et seq*.; and
c. All federal and state Enrollee's rights and confidentiality laws and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Standard for Privacy of Individually Identifiable Health Information and Health Insurance Reform: Security Standards, 45 CFR Part 164, alcohol and drug abuse patient records laws codified at 42 U.S.C. §290dd-2 and 42 CFR Part 2, the Health Information Technology for Economics and Clinical Health Act (HITECH Act) adopted as part of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and those State laws and regulations denominated in Appendix G; and
d. Regulations concerning access to care, utilization review, clinical studies, utilization management, care management, quality management, disclosure and credentialing activities as set forth in 42 CFR parts 438, 441, 455, and 456; and
e. State licensure and certification laws, rules and regulations applicable to Contractor; and
f. Applicable provisions of Chapter 122C of the North Carolina General Statutes; and
g. Medical or clinical coverage policies promulgated by the Department in accordance with N.C.G.S. §108A-54.2; and
h. The North Carolina Medicaid and Health Choice Provider Requirements, N.C. Gen. Stat. Ch. 108C.

i. The Americans With Disabilities Act, 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, 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; and
j. The Drug Free Workplace Act of 1988; and
k. The requirements and reporting obligations related to the Substance Abuse and Treatment Block Grant (SAPTBG), Community Mental Health Services Block Grant (CMHSBG), Social Services Block Grant (SSBG) and accompanying state Maintenance of Effort (MOE) requirements; Projects to Assist in the Transition from Homelessness (PATH) formula grant; Strategic Prevention Framework – State Incentive Grant (SPF-SIG), Safe and Drug Free Schools and Communities Act (SDFSCA), and all other applicable federal grant program funding compliance requirements, if applicable.
l. Any other applicable federal or state laws, rules or regulations, in effect at the time the service is rendered and concerning the provision or billing of Medicaid-reimbursable or State-funded Mental Health, Developmental Disabilities and Substance Abuse (MH/DD/SA) services; and
m. The LME/PIHP's Provider Operations Manual and LME/PIHP contracts with the Department

Contractor agrees to operate and provide services in accordance with and pursuant to Controlling Authority and the terms of this Contract. Contractor shall be responsible for keeping abreast of changes to Controlling Authority and to provide education and training to its staff and employees as appropriate. Contractor shall develop and implement a compliance program in accordance with 42 U.S.C. §1396a(kk)(5).

5. TERM:

The term of this Contract shall have an effective date of **MONTH DAY, YEAR**, and shall remain in effect for no more than three (3) years from the effective date, or **MONTH DAY, YEAR**, unless terminated by either party as set forth herein. The LME/PIHP reserves the right to impose shorter time limits on the term of this Contract should Contractor fail to comply with the terms of this Contract. Contractor understands that State and Federal statutory and regulatory requirements as set forth in this contract or Controlling Authority may be changed or updated during the term of this Contract. The LME/PIHP will provide notice to the Contractor thirty (30) days prior to the effective date of any changes to LME/PIHP manuals or forms. The parties' respective duties and obligations as to non-Medicaid services, set forth herein shall be dependent and contingent upon the appropriations, allocation, and availability of funds to LME/PIHP. Any changes to reimbursement shall be in writing to Contractor thirty (30) days prior to such change. This contract may be terminated at any time upon mutual consent of both parties or upon sixty (60) days notice of termination by one of the contracting parties.

6. CHOICE OF LAW/FORUM:

The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The place of this contract and all transactions and agreements relating to it, and their sites and forum, shall be the County of North Carolina in which the LME/PIHP's principal place of business is located, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

7. **HEADINGS:**
The Paragraph 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.

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

9. **NONWAIVER:**
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.

10. **DISPUTE RESOLUTION AND APPEALS:**
The Contractor may file a complaint, grievance and/or appeal as set forth in the LME/PIHP Provider Operations Manual or as otherwise set forth in Controlling Authority.

11. **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(s) shall be limited or curtailed only to the extent necessary to make such provision valid and enforceable.

12. **NOTICE:**
Any notice to be given under this Contract will be in writing, addressed to the Contract Administrators designated by each party and noted at the address listed below, or such other address as the party may designate by notice to the other party, and will be considered effective upon receipt when delivery is either by trackable mail, postage prepaid, or by electronic means, or by fax, or by hand delivery.

Contractor Name Attn: 1st St., Suite A (0000-000) Anywhere, N.C. 00000-000 555-555-5555 (PHONE) jdoe@Contractoremail.net	Trillium Health Resources Contracts Department 201 W. 1st Street Greenville, NC 27858-1132 866-998-2597 (PHONE)

13. ADMINISTRATIVE ACTIONS, SANCTIONS AND TERMINATION:

a. Either party may terminate the Contract if Federal, State or local funds allocated to the LME/PIHP are revoked or terminated in a manner beyond the control of the LME/PIHP for any part of the Contract period. If Federal, State, or local funds allocated to the LME/PIHP are reduced in a manner beyond the control of the LME/PIHP, the LME/PIHP will notify Contractor and provide payment to Contractor for services provided which were authorized by the LME/PIHP prior to the notification and for which Contractor has been qualified and credentialed.

b. Contractor understands, acknowledges and agrees that LME/PIHP may issue an educational (technical assistance) or warning letter, require a plan of correction, or impose administrative actions or sanctions against Contractor as the result of program integrity and any other monitoring activities. Possible administrative actions and sanctions are outlined in the Provider Operations Manual and include but are not limited to increased monitoring/ probation, limitation or suspension of referrals, moratorium on site or service expansion, payment suspension, site- or service- specific suspension or termination, full contract suspension, full contract termination and/or exclusion from participation in the Closed Network. Contractor further understands, acknowledges and agrees that LME/PIHP is not required to issue an educational (technical assistance) or warning letter or plan of correction prior to the imposition of administrative actions or sanctions.

c. In accordance with LME/PIHP accrediting body requirements, LME/PIHP may also suspend this Contract in response to any serious health or safety risk to Enrollees identified by the LME/PIHP Chief Medical Officer or other Senior Clinical Staff Person, and such suspension shall remain in effect during the pendency of any investigation into such health or safety risk.

d. This Contract may be terminated with cause, effective upon written notice to the Contractor or such other date as specified in the notice. The Contract may be terminated without cause after sixty (60) days' notice of termination to either party by one of the contracting parties.

e. In the event this Contract is terminated for cause, cause may include, but is not limited to:

   i. Issuance by the Department of a revocation or suspension of Contractor's license to operate or issues a Type A1 penalty against Contractor; issuance of a payment suspension against Contractor in accordance with 42 CFR §455.23; or issuance of a revocation of state and/or federal funding against Contractor in accordance with 10A NCAC 26C .0504; or

   ii. Termination or suspension of contractor's participation in the Medicare program, NC Medicaid program, or another state's Medicaid program; or

iii. Termination of Contractor for cause from participation in another LME/PIHP's provider network or the provider network of any other managed care organization; or

iv. Any other loss of, or sanction against, required facility or professional licensure, accreditation or certification of the Contractor; or

v. Determination by LME/PIHP that Contractor fails to meet certification, accreditation or licensure standards prescribed by Controlling Authority;

vi. Determination by LME/PIHP that Contractor has failed to provide services as specified in the Contract, including a failure to comply with Controlling Authority; or

vii. Determination by LME/PIHP that the conduct of Contractor or the standard of services provided threatens to place the health or safety of any Enrollee in jeopardy.

viii. Determination by LME/PIHP that Contractor is engaged in fraudulent or abusive billing, documentation or clinical practices; or

ix. Determination by LME/PIHP that Contractor has provided fraudulent, misleading or misrepresented information to LME/PIHP or any Enrollee;

x. Failure by Contractor to cooperate with any investigation, audit or post-payment review conducted by LME/PIHP or failure to provide timely, complete and accurate documentation of services as required by this Contract; or

xi. Failure by Contractor to timely reimburse the LME/PIHP for overpayment(s) identified by the LME/PIHP or failure to comply with any payment plan authorized by the LME/PIHP for the repayment of any overpayment(s); or

xii. Contractor's failure to have an Electronic Health Record in place by June 1, 2019, or to otherwise adhere to G.S. 90-414.4.; or

xiii. Any other material breach of this Contract not described above.

f. In the event LME/PIHP issues a sanction or terminates this Contract, Contractor may submit a request for reconsideration of administrative actions and sanctions as outlined in the Provider Operations Manual.

g. 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/PIHP shall be discharged from further obligation under the terms of this Contract, except for settlement of the respective debts and claims up to the date of termination.

h. Termination or Amendment as a Result of Governmental Regulation. The Parties acknowledge and agree that this Agreement is intended to comply with all state and federal laws and regulations regarding the provision of Medicaid-reimbursable behavioral health services, including but not limited to the 1915 b/c Medicaid Waivers referenced in Article I, Section 4. Controlling Authority, which state and federal laws and regulations may be amended from time to time. The Parties further acknowledge and agree that, pursuant to Session Law 2015-245, as amended, it is contemplated that the PIHP will begin to operate as a Tailored Plan, as that term is understood in Session Law 2015-245, as amended, which may necessitate amendments to the Contract in order to comply with changes to applicable state and federal laws and regulations. PIHP shall have the right to terminate or unilaterally amend this Contract without liability, to bring it into accordance with the applicable state

and federal laws, rules and regulations for PIHP's operation of a Tailored Plan. Notwithstanding PIHP's right to terminate, PIHP shall first use its reasonable efforts to amend this Contract to the extent necessary to conform to the applicable laws or regulations, and will only terminate this Contract pursuant to this Section if it determines, in its reasonable judgment, that an amendment cannot be obtained or will not enable PIHP to effectively operate a Tailored Plan. Contractor shall have the right to consent to any amendment proposed pursuant to this Section, but Contractor shall not unreasonably withhold Contractor's consent. If Contractor reasonably withholds consent to an amendment proposed pursuant to this Section, the Parties agree that it shall constitute a mutual, voluntary termination of this Contract. The Parties agree that Contractor's withholding of consent shall be deemed reasonable if the proposed amendment would result in a material adverse economic effect on Contractor.

i. Change In Law. Except as set forth in the previous section, if there is a change in any law, regulation, rule, state or federal, which affects this Contract or the activities of either party under this Contract, or any change in the judicial or administrative interpretation of any such law, regulation or rule and PIHP reasonably believes in good faith that the change will have a substantial adverse effect on PIHP's operations or its rights or obligations under this Contract, then PIHP may, upon written notice, require the Contractor to enter into good faith negotiations to renegotiate the terms of this Contract. If the Parties are unable to reach an agreement concerning the modification of this Contract within the earlier of forty-five (45) days after the date of the notice seeking renegotiation or the effective date of the change, or if the change is effective immediately, then the Contract shall be deemed to be mutually, voluntarily terminated.

14. EFFECT OF TERMINATION:

a. The obligations of both parties under this Contract shall continue following termination, only as to the terms and conditions outlined in Article II, 4, 5, and 9, Article III, 1, 2, and 7 and Article IV.
b. Upon notice of termination, a post-payment review of billing, documentation and other fiscal records may be performed and any adjustments for amounts due or owed to either party shall be added or deducted from the final Contract payments.
c. In the event of termination the Contractor shall submit all claims or registrations of putative Enrollees within ninety (90) days of the date of termination.
d. The parties shall settle their respective debts and claims within the timeframes established within Article II, 5, Article III, 7, and Article IV.
e. In the event of any audit or investigation described in 14.b. above, both parties shall settle their debts and claims within thirty (30 days) of the completion of such audit or investigation and receipt of all final billing and required documentation. 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 the above-referenced thirty (30) days.
f. Contractor shall comply with Continuity of Care requirements set forth in Controlling Authority and provide notice to the LME/PIHP with respect to the closing of a facility. Contractor shall provide sixty (60) days' written notice to the LME/PIHP of intent to close

a facility or discharge an Enrollee with intellectual or developmental disabilities who may be in need of continuing care as determined by the LME/PIHP and thirty (30) days' written notice of intent to close a facility or discharge an Enrollee with a mental illness or substance abuse disorder who may be in need of continuing care as determined by the LME/PIHP. A transition plan shall be developed for each enrollee prior to being discharged.

15. NON-EXCLUSIVE ARRANGEMENT:

The LME/PIHP has the right to enter into a Contract with any other provider of MH/DD/SA services. The Contractor shall have the right to enter into other Contracts with any other LME/PIHP or third party payers to provide MH/DD/SA services. Both parties shall ensure that any subcontractors performing any of the obligations of this Contract shall meet all requirements of the Contract. When a subcontractor meets the URAC definition of a delegated or partially delegated entity, prior approval by the LME/PIHP will be required.

16. NO THIRD PARTY CONTRACT RIGHTS CONFERRED:

Nothing in this Contract shall be construed as creating or justifying any liability, claim or cause of action, however alleged or arising, by any third party, against LME/PIHP, Contractor or the Department.

Furthermore, nothing in this Contract shall be construed as creating or justifying any liability, claim or cause of action, however alleged or arising, by LME/PIHP or Contractor against the Department.

ARTICLE II:
RIGHTS AND OBLIGATIONS OF THE CONTRACTOR

1. DISCLOSURE:

a. The Contractor shall make those disclosures to the LME/PIHP as are required to be made to DMA pursuant to 42 C.F.R. §455.104 and 106 and are required by the LME/PIHP accrediting body. LME/PIHP will share accrediting body requirements with Contractor upon request.
b. To the extent any of the above required disclosure information is captured in current or existing Medicare or NC Medicaid enrollment application documentation, the LME/PIHP shall accept electronic or paper copies of such documentation as meeting this requirement. Entities no longer enrolled in Medicaid or Medicare will be required to independently meet all disclosure requirements of this Paragraph, federal and state laws, rules and regulations, and the LME/PIHP accrediting body.

2. LICENSES, ACCREDITATIONS, CREDENTIALING AND QUALIFICATIONS:

a. The Contractor shall maintain all licenses, certifications, accreditations, credentialing and registrations required for its facilities and staff providing services under the Contract, as are required by Controlling Authority. Within ten (10) days after the Contractor receives notice of any sanction by any applicable licensing board, certification or registration

agency, or accrediting body or other authority which affect the ability of Contractor to bill the LME/PIHP for services, the Contractor shall forward a copy of the notice to the LME/PIHP.

b. The Contractor shall not bill the LME/PIHP:
   1. For any services provided by Contractor during any period of revocation or suspension of required licensure or accreditation of the Contractor's facility;
   2. For any services provided by a member of the Contractor's staff during any period of revocation or suspension of the staff member's required certification, licensure, or credentialing.

c. The Contractor certifies that at the time of execution of this Contract, that neither Contractor, nor any of its staff or employees, is excluded from participation in Federal Health Care Programs under section 1128 of the Social Security Act and/or 42 CFR Part 1001. Within five (5) business days of notification of exclusion of Contractor or any of its staff or employees by the U.S. Office of Inspector General, CMS or any other State Medicaid program, Contractor shall notify the LME/PIHP of the exclusion and its plan for compliance.

d. Contractor, upon written request by the LME/PIHP, shall provide the LME/PIHP with proof of Contractor accreditation and copies of accreditation reports as part of the credentialing process.

e. The LME/PIHP will conduct an assessment of the Contractor's qualifications to remain in the LME/PIHP's network at a minimum of once every three (3) years, unless otherwise required by the Department

3. EVENT REPORTING AND ABUSE/ NEGLECT/ EXPLOITATION:

a. Contractor shall use best efforts to ensure that Enrollee(s) are not abused, neglected or exploited while in its care.

b. Contractor shall report all events or instances involving abuse, neglect or exploitation of Enrollees as required by incident reporting guidelines by all applicable agencies and the Controlling Authority.

c. Contractor shall not use restrictive interventions except as specifically permitted by the individual Enrollee's treatment/habilitation plan or on an emergency basis in accordance with 10A NCAC 27E, 10A NCAC 13B, or as otherwise authorized in applicable Controlling Authority.

d. LME/PIHP shall have the right to conduct its own investigation of any events reported to determine whether any claims were paid in error or to ensure compliance with practice guidelines by the Contractor. The Contractor shall cooperate with all such investigative requests. Failure to cooperate is a material breach of this contract. The LME/PIHP will provide the Contractor a written summary of its findings within 30 days. During such an investigation, if any issues are cited as out of compliance with this Contract or federal or state laws, rules or regulations, the Contractor may be required to document and implement a plan of correction. Contractor may contest and appeal a determination that claims were paid in error as outlined in the LME/PIHP Provider Operations Manual or as otherwise set forth in Controlling Authority.

4. BILLING AUDITS, DOCUMENTATION AND RECORDS RETENTION:

a. Unmanaged visits by enrollees to Contractor do not require prior authorization. All service delivery, both managed and unmanaged, require documentation and record retention in accordance with this section.
b. The Contractor shall participate in and use best efforts to comply with the LME/PIHP's 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 Enrollees whose services are reimbursed by the LME/PIHP. The Contractor shall provide the LME/PIHP with all necessary clinical information for the LME/PIHP's utilization management process. For purposes of this Article II, Section 4., Contractor shall provide specifically denominated clinical or encounter information required by the LME/PIHP to meet State and Federal monitoring requirements within fifteen (15) calendar days of the request, except that LME/PIHP may grant additional time to respond for good cause shown and depending upon the size and scope of the request. Additionally, Contractor will provide any documentation directly to the L M E / P I H P for review when requested. Contractor may satisfy any request for information by either paper or electronic/digital means.
c. 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 Controlling Authority.
d. Documentation must support the billing diagnosis, the number of units provided and billed, and the standards of the billing code. The provider will be responsible for the adoption, assessment, collection, and disposition of fees in accordance with G.S. 122C-146; and
e. The Contractor shall maintain all documentation and records supporting Enrollee's medical necessity for the services and shall provide it to the LME/PIHP for an investigation, audit or review upon request, within time frames established by the LME/PIHP, except that LME/PIHP may grant additional time to respond for good cause shown and depending upon the size and scope of the request.
f. The Contractor agrees and understands that the LME/PIHP may inspect financial records concerning claims paid on behalf of Enrollees, records of staff who delivered or supervised the delivery of paid services to Enrollees demonstrating compliance with Controlling Authority, Enrollees' clinical records, and any other clinical or financial items related to the claims paid on behalf of Enrollees deemed necessary to assure compliance with the Contract. Contractor is also subject to audits, investigations and post-payment reviews conducted by the United States Department of Health and Human Services, including the Department's Office of Inspector General, CMS and the Department, or their agents. Program integrity activities do not have to be arranged in advance with Contractor. The equipment purchased with non unit-cost reimbursement funds, such as start up or special purpose funding, title to assets purchased under the contract in whole or in part rests with the contractor so long as that party continues to provide the services which were supported by the contract; if such services are discontinued, disposition of the assets shall occur as approved by the DHHS.
g. Contractor agrees to maintain necessary records and accounts related to the Contract, including personnel and financial records in accordance with Generally Accepted

Accounting Procedures and Practices to assure a proper accounting of all funds, including budget revisions.

Contractor shall maintain detailed records of administrative costs and all other expenses incurred pursuant to the Contract including the provision of services and all relevant information relating to individual Enrollees as required by Controlling Authority. When an audit is in progress or audit findings are unresolved, records shall be kept until all issues are finally resolved.

At a minimum of once every two (2) years the Contractor will participate in an audit of paid claims conducted by the LME/PIHP. LME/PIHP shall conduct an entrance interview at the outset of any such audit. Any paid claims determined to be out of compliance with Controlling Authority shall require a repayment to the LME/PIHP as required by Controlling Authority. Any underpayments to Contractor shall require payment by the LME/PIHP. Audits shall be arranged with the Contractor in advance, except when the LME/PIHP has received a credible allegation of fraud, the health, safety or welfare of Enrollee(s) is at risk, or the LME/PIHP is participating in a joint investigation with the Department, its Divisions, its contractor(s) or another federal or state agency. At the conclusion of any such audit, the LME/PIHP shall conduct an exit conference with Contractor to discuss any tentative negative findings. The Contractor will receive written documentation of findings within thirty (30) 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 may be required to remit funds back to the LME/PIHP as required by Controlling Authority. LME/PIHP may use statistical sampling and extrapolate audit results in accordance with Controlling Authority.

The Contractor shall use best efforts to provide data to the LME/PIHP in the implementation of any studies or improvement projects required of the LME/PIHP by the Department. Contractor and LME/PIHP will mutually agree upon the data to be provided for these purposes, and the format and time frame for provision of the data.

h. In accordance with Controlling Authority, specifically 42 CFR §420.300 through §420.304, for any contracts for services the cost or value of which is $10,000 or more over a 12-month period, including contract for both goods and services in which the service component is worth $10,000 or more over a 12-month period, the Comptroller General of the United States, USDHHS, and their duly authorized representative shall have access to Contractor's books, documents, and records until the expiration of four years after the services are furnished under the contract.

i. The Contractor shall maintain a medical record and adhere to the federal record retention schedule for each Enrollee served, either in original paper copy or an electronic/digital copy. Contractor shall maintain medical records and other documentation in accordance with NC DHHS *Records Management and Documentation Manual for Providers* (APSM 45-2), *Rules for MH/DD/SAS Facilities and Services* (APSM 30-1) and the *Basic Medicaid Billing Guide*, and any other applicable federal and state laws, rules and regulations. Medical records shall be maintained at the Contractor level; therefore, Enrollees may have more than one record if they receive services from more than one Contractor. LME/PIHP shall monitor Medical record documentation to ensure that the standards are met. LME/PIHP shall have the right to inspect Contractor records without prior notice. LME/PIHP shall also require Contractor to submit a plan for maintenance

and storage of all records for approval by the LME/PIHP or transfer copies of medical records of Enrollees served pursuant to this Contract to LME/PIHP **in the event that the Contractor closes its North Carolina business operations**, whether the closure is due to retirement, bankruptcy, relocation to another state or any other reason. The LME/PIHP has the sole discretion to approve or disapprove such plan. LME/PIHP shall not be held liable for any provider records not stored, maintained, or transferred pursuant to this provision so long as it has attempted, in good faith, to obtain a written plan for maintenance and storage or a copy of such records from the Contractor. If the Contractor's contract is terminated or if the Contractor closes network operations (but continues to have operations elsewhere in the State), the Contractor shall either: 1) provide copies of medical records of Enrollees to LME/PIHP, or 2) submit a plan for maintenance and storage of all records for approval by the LME/PIHP. The LME/PIHP has the sole discretion to approve or disapprove such plan.

j. Contractor shall make available to the LME/PIHP its accounting records for the purpose of audit by State authorities and that the party will, when required by general statute, have an annual audit by an independent certified public accountant. A copy will be forwarded to the office of the State Auditor and the LME/PIHP.

5. FRAUD, ABUSE, OVER UTILIZATION AND FINAL OVERPAYMENTS, ASSESSMENTS OR FINES:

a. Contractor understands that whenever LME/PIHP receives a credible allegation of fraud, abuse, overutilization or questionable billing practice(s), the LME/PIHP is required to investigate the matter and where the allegation(s) proves credible, the LME/PIHP is required to provide DMA with the provider name, type of provider, source of the complaint, and approximate dollars involved. Contractor agrees to cooperate in any such investigation, and failure to do so, may result in possible sanction up to and including termination of this contract. Contractor understands that the Medicaid Fraud Investigations Unit of the North Carolina Attorney General's Office or DMA, at their discretion, may conduct preliminary or full investigations to evaluate the suspected fraud, abuse, over utilization or questionable billing practice(s) and the need for further action, if any. 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.

b. If the LME/PIHP determines Contractor has failed to comply with Controlling Authority and has been reimbursed for a claim or a portion of a claim that the LME/PIHP determines should be disallowed, or that Contractor has been paid for a claim that was fraudulently billed to the LME/PIHP, the LME/PIHP will provide thirty (30) days notice to the Contractor of the intent to recoup funds. Such notice of adverse action shall identify the Enrollee(s) name and date(s) of service in question, the specific determination made by the LME/PIHP as to each claim, and the requested amount of repayment due to the LME/PIHP. Contractor shall have thirty (30) days from date of such notification to either appeal the determination of the LME/PIHP or to remit the invoiced amount.

c. If the LME/PIHP or Contractor determines that the Contractor has received payment from the LME/PIHP as a result of an error or omission, the LME/PIHP will provide thirty (30) days notice to the Contractor of its intent to recoup funds related to errors or omissions.

The LME/PIHP will provide an invoice to the Contractor including the Enrollee(s) name and date(s) of service in question. Contractor shall have thirty (30) days from date of such notification to either appeal the determination of the LME/PIHP or to remit the invoiced amount.

d. When authorized by Controlling Authority, Contractor may request a reconsideration of a recoupment or overpayment identified pursuant to this Article II., Section 5., as outlined in the LME/PIHP Provider Operations Manual
e. Contractor understands and agrees that self-audits are encouraged by the LME/PIHP.

6. FEDERALLY REQUIRED CERTIFICATIONS AND ATTACHMENTS:

The Contractor shall execute and comply with the attached federally required certifications and attachments, as follows:

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, and
d. Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions.
e. Outcomes and Reporting Measures
f. Mixed Services Payment Protocol
g. Provider Addendum
h. Business Associate Agreement
i. Contracted Services and Qualified/Approved Sites

7. COMPLAINTS AND GRIEVANCES:

a. The Contractor shall address all clinical concerns of the Enrollee as related to the clinical services provided to the Enrollee pursuant to this Contract. Contractor shall refer any unresolved Enrollee concerns or requests to the LME/PIHP. In accordance with 10A NCAC 27G .0201(a)(18), the Contractor shall have in place a written policy for a Complaint and Grievance Process and procedures for review and disposition of Enrollee complaints and grievances. The process shall be accessible to all Enrollees and conducted in a fair and impartial fashion.
b. The LME/PIHP may receive complaints directly from internal staff, Enrollees, service providers, the Department or other third parties, which concern or pertain to the Contractor. When the LME/PIHP receives a complaint or grievance concerning Contractor LME/PIHP shall process and resolve the complaint or grievance in accordance with Controlling Authority, including applicable State or Federal rules and regulations. In the event a complaint or grievance results in an investigation, review or audit of Contractor by LME/PIHP, Contractor shall fully cooperate with all investigative requests of the LME/PIHP. Contractor's failure to cooperate with the LME/PIHP's investigation, review or audit performed pursuant to this Article II, Section 7. shall constitute a material breach of this contract.
c. 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 LME/PIHP will maintain documentation on all follow up and findings of any complaint investigation. The Contractor will be provided a written summary of the LME/PIHP's findings upon completion of the investigation, review or audit performed pursuant to this Article II, Section 7.

8. ACCESS TO CARE: ACCESS BY THE LME/PIHP:

a. Contractor shall coordinate the discharge of Enrollees with LME/PIHP to ensure that appropriate services have been arranged following discharge and to link Enrollees with other providers or community assistance. Contractor shall also allow appropriately credentialed LME/PIHP staff direct access to any Enrollee, if requested by Enrollee, determined to be clinically appropriate by the Enrollee's treating physician, and requested in advance by the LME/PIHP. Contractor shall endeavor to provide at least twenty-four (24) hours prior notice to the LME/PIHP of the intended date and time of any discharge of an Enrollee.

b. The LME/PIHP understands the importance of Enrollee-Contractor matching and that problems or incompatibilities arise in the therapeutic relationship. Nevertheless, Contractor shall with the consent of the Enrollee, collaborate with Enrollee, Enrollee's family members, and the LME/PIHP to assure continuity of care and that there is no disruption of service. The LME/PIHP will work collaboratively with the Contractor to resolve any problem(s) of continuity of care or in transferring the Enrollee to another provider.

c. When Contractor is accepting referrals, Contractor shall provide services to Enrollees (1) within two (2) hours of an emergency or immediately for a life threatening emergency; (2) within forty-eight hours when the service need is urgent and (3) within fourteen (14) days when service need is routine.

d. Contractor shall meet the following access standards related to office waiting times:
   i. For scheduled appointments, Enrollees shall be seen within sixty (60) minutes after the appointed meeting time;
   ii. For walk-in appointments, Enrollees shall be seen within two (2) hours after their arrival and, if that is not possible, Contractor must schedule an appointment for the next available day;
   iii. For emergencies, Enrollees shall receive face-to-face emergency care within two (2) hours after the request for care is initiated, except that life threatening emergencies shall be managed immediately.

e. For Contractors contracted to provide and bill FBC/Detox services/code below
   - H0010
   - H2036
   - S9484
   - S9484: HA
   - YP485 for State

   i. Contractor shall ensure that an enrollee receiving such services will also receive appropriate follow-up services within 7 calendar days
   ii. In the event Contractor does not meet this standard by at least 50% of your enrollees Trillium may institute a financial penalty or other sanction

9. PROPRIETARY INFORMATION AND INTELLECTUAL PROPERTY:

Neither the Contractor nor the LME/PIHP shall 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 other party or its facilities without the prior written consent of the other party. 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/ the LME/PIHP, any individual, or other entity; provided, however, that medical records, business records, and any other records related to the provision of care to and billing of patients shall not be in the public domain. Contractor consents to the use of its demographics, including practice specialties, phone numbers and addresses, in the LME/PIHP provider directory listings.

10. CONFIDENTIALITY:

For some purposes of the Contract (other than treatment purposes) the Contractor may be considered a "Business Associate" of the LME/PIHP 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 as further expanded by the Health Information Technology for Economic and Clinical Health Act (HITECH Act), which was adopted as part of the American Recovery and Reinvestment Act of 2009, commonly known as "ARRA" (Public Law 111-5). Pursuant to Controlling Authority, specifically 45 C.F.R. § 164.506, Contractor and LME/PIHP may share an Enrollee's protected health information (PHI) for the purposes of treatment, payment, or health care operations without the Enrollee's consent

11. HOURS OF OPERATION:

The Contractor shall offer for state-funded consumers, at a minimum, hours of operation that are no less than the hours of operation offered to Medicaid recipients.

12. ADVOCACY FOR ENROLLEES:

During the effective period of this contract, the Contractor shall not be restricted from communicating freely with, providing information to, or advocating for, Enrollees regarding the Enrollees' mental health, developmental disabilities, or substance abuse care needs, medical needs, and treatment options regardless of benefit coverage limitations.

13. RESTRICTIONS ON THE EXPENDITURE OF SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT (SAPTBG) FUNDS, COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT (CMHSBG) FUNDS AND PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH) FUNDS:

a. CMHSBG funds shall not be used to provide inpatient services;
b. SAPTBG funds are prohibited to be used to provide or purchase inpatient hospital services, except that SAPTBG funds may be used with the exception as described in 45 CFR 96.135 (c), along with documentation of the receipt of prior written approval of the

DMH/DD/SAS Director of Financial Operations and the Chief of Addictions and Management Operations;.

c. SAPTBG and Mental Health Block Grant (MHBG) funds are prohibited to be used to make, or to allow to be made, any cash payments to any recipients or intended recipients of health or behavioral health services. The provision of cash or cash cards is strictly prohibited, as is the provision of gift cards, which are considered to be cash equivalents.
d. SAPTBG and MHBG Funds are prohibited to be used for the purchase or improvement of land, purchase, construction or permanent improvement (other than minor remodeling) of any building or other facility, or purchase of major equipment, including medical equipment;
e. SAPTBG and MHBG Funds are prohibited to be used to satisfy any requirement for the expenditure of non-Federal funds as a condition of receipt of Federal funds. (i.e. Federal funds may not be used to satisfy any condition for any state, local or other funding match requirement);
f. SAPTBG and MHBG Funds are prohibited to be used to provide financial assistance to any entity other than a public or nonprofit private entity;
g. SAPTBG funds are prohibited to be used to provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs;
h. SATBG funds are prohibited to be used to provide individuals with treatment services in penal or correctional institutions of the State (This includes jails, prisons, adult and juvenile detention centers, juvenile training schools, holding facilities, etc.);
i. SAPTBG and MHBG Funds are prohibited to be used towards the annual salary of any contractor or subcontractor, including LME/PIHP, provider, or contractor employee, consultant, or other individual that is in excess of Level I of the most current US Office of Personnel Management federal Executive Salary Schedule;
j. Agencies or organizations receiving federal funds are required to receive prior written approval from the Chief of the Addictions and Management Operations Section regarding the use of evidence-based program incentives, including the specification of the type(s) and equivalent dollar value(s) of any such nominal incentives offered, and the manner of utilization of any such approved incentives for clients, recipients, students, or other persons. “Nominal incentives” are restricted to those of no more than twenty-five dollars ($25.00) in value per recipient, per event. Programs are strictly prohibited from utilizing any incentive items that could potentially be converted to cash, or that could be used for the purchase of any age-restricted product, such as tobacco, alcohol, drugs, weapons, or lottery tickets or any sexually oriented materials;
k. Federal funds shall not be utilized for law enforcement activities;
l. No part of any federal funding shall be used for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any state legislative body itself;
m. No part of any federal funding shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any state legislature;

n. PATH (as applicable) formula grant funds shall not be expended:
   1. to support emergency shelters or construction of housing facilities;
   2. for inpatient psychiatric treatment costs or inpatient substance abuse treatment costs; or
   3. to make cash payments to intended recipients of mental health or substance abuse services, except as permitted by 45 CFR § 96.135(c).

14. TRAINING AND TECHNICAL ASSISTANCE:

Contractor providing MH/DD/SA services paid for with State and/or federal block grant funds shall attend all Orientation Sessions as determined by the LME/PIHP at no cost to the Contractor. The Contractor shall attend all mandatory trainings related to Business practices at no charge to the Contractor. The Contractor shall attend at its cost clinical trainings provided/sponsored by the LME/PIHP or by outside Parties required by provisions of this Contract, accreditation and/or licensure requirements. The Contractor shall demonstrate to the LME/PIHP its application of training information received in the delivery of services and compliance with the provisions of this Contract.

15. PRESERVATION OF DHHS PUBLIC FUNDS:

Contractor providing MH/DD/SA services paid for with State and/or federal block grant funds shall demonstrate good faith efforts to seek alternative and/or supplemental sources of financing so as to reduce dependency on government monies. Providers offering mental health and/or substance abuse services on an outpatient basis shall demonstrate good faith efforts to seek and/or maintain membership on major commercial insurance panels, including but not limited to BlueCross BlueShield.

16. RESPONSE TO SURVIVORS OF DISASTERS AND OTHER HAZARDS:

If designated by LME/PIHP, Contractor providing MH/DD/SA services paid for with State and/or federal block grant funds, under the direction of the LME/PIHP and in coordination with the local Emergency Management agency(ies) shall deploy behavioral health disaster responders to deliver behavioral health disaster services to survivors and other responders within the counties served by the LME/PIHP. Behavioral health disaster services may be required at the site of a disaster, in emergency shelters, on the telephone/ teletypewriter (TTY) machine, and other sites in which other disaster response agencies provide information or services to survivors and responders (e.g. The Federal Emergency Management Agency (FEMA) Disaster Application Centers, emergency medical intervention, decontamination or quarantine sites). When it is determined that survivors or other disaster responders are in need of longer term mental health, developmental disabilities and/or substance abuse services Contractor's behavioral health disaster responders shall refer such persons in need to the LME/PIHP or its designee for further assistance.

17. CLINICAL OUTCOME MEASURES:

Contractor providing MH/DD/SA services paid for with Medicaid, State, and/or federal block grant funds shall complete DHHS-required outcomes assessments on clients in accordance with DHHS guidelines and any subsequent changes thereto, including, but not limited to:

a. submission of NC Treatment Outcomes and Program Performance System (NC-TOPPS) data for individuals receiving mental health or substance abuse services, as specified in the NC-TOPPS Guidelines, Appendix F, and any subsequent changes thereto;
b. collection of outcome data for special populations such as consumers transitioning from residential facilities as a result of the 2012 U.S. Department of Justice Settlement Agreement with the State of North Carolina in accordance with the guidelines and the age and disability appropriate outcome instruments defined by the LME/PIHP; and
c. participation in surveys of provider staff and consumers conducted by DHHS and LME/PIHP in accordance with DHHS guidelines and any subsequent changes thereto.

18. INSURANCE:

Contractor shall, as a material condition of this Contract obtain and continuously maintain

a. General Liability Insurance;
b. Automobile Liability Insurance;
c. Worker's Compensation Insurance;
d. Employer's Liability Insurance; and/or
e. Professional Liability Insurance;

as specified in Appendix G. LME/PIHP reserves the right to review its insurance limits annually and revise them as needed. Contractor shall obtain coverage that may only be suspended, voided, canceled or reduced by the carrier upon 30-days prior written notice to Contractor, which written notice shall be forwarded by Contractor to LME/PIHP within five (5) business days. Contractor shall submit certificates of coverage to LME/PIHP. Upon DMA's request, LME/PIHP shall submit copies of these certificates to DMA.

ARTICLE III:
RIGHTS AND OBLIGATIONS OF THE LME/PIHP

1. REIMBURSEMENT:

a. The LME/PIHP shall reimburse Contractor for services to Enrollees in accordance with the terms and conditions of this Contract, when such services have been authorized by the LME/PIHP, except in those instance where treatment authorization is not required.
b. The LME/PIHP shall advise the Contractor of any change in funding patterns that would affect reimbursement to the Contractor based on availability of the various types of funds. Any changes to reimbursement shall be in writing to Contractor thirty (30) days prior to such change based on the availability of the various types of funds.

2. CONFIDENTIALITY OF CERTAIN CONTRACTOR INFORMATION:

a. If the Contractor discloses confidential information, as that term is defined in G.S. § 132-1.2, to the LME/PIHP in connection with the Contractor's performance of this Contract, the LME/PIHP can protect the information from public disclosure to the extent permitted

by G.S. § 132-1.2, if the Contractor takes one or more of the following steps before disclosing the confidential information to the LME/PIHP. If the Contractor determines that all of the information on any given document constitutes trade secret information, as that term is defined in G.S. § 66-152(3), the Contractor may designate the entire page as confidential by marking the top and bottom of the page with the word "CONFIDENTIAL" in upper-case bold-face type. If the Contractor determines that any given page of a document contains a mixture of trade secrets and non-confidential information, the Contractor may highlight the trade secrets and indicate in the margins that the highlighted text constitutes a confidential trade secret. By so marking any page, the Contractor warrants that it has formed a good faith opinion, upon advice of counsel or other knowledgeable advisors, that the items marked confidential meet the requirements of G.S. §§ 66-152(3) and 132-1.2(1). Pursuant to 1 NCAC 5B .1501 and 9 NCAC 6B .1001, price information may not be designated as confidential.

b. The LME/PIHP may serve as the custodian of the Contractor's trade secrets but not as an arbiter of claims against the Contractor's assertion of confidentiality. If an action is brought pursuant to G.S. § 132-9 to compel the LME/PIHP to disclose information marked confidential, the Contractor agrees that it will intervene in the action through counsel and participate in defending the LME/PIHP, and NC DHHS and its officials and employees against the action. The Contractor agrees that it shall hold the State and its employees, officials, and agents and the LME/PIHP and its officials and employees harmless from any and all damages, costs, and attorneys' fees awarded against the LME/PIHP or the State in the action. The LME/PIHP agrees to give the Contractor prompt written notice of any action seeking to compel the disclosure of Contractor's trade secrets. The LME/PIHP and the State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The LME/PIHP and the State shall have no liability to Contractor with respect to the disclosure of Contractor's trade secrets pursuant to an order issued by a court of competent jurisdiction pursuant to G.S. §132-9 or any other applicable law.

3. REFERRALS TO CONTRACTOR:

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

4. UTILIZATION MONITORING:

The LME/PIHP shall monitor and review service utilization data related to the Contractor and the LME/PIHP's Provider Network to ensure that services are being provided in a manner consistent with Controlling Authority and the LME/PIHP's agreements with the Department.

5. QUALITY ASSURANCE AND QUALITY IMPROVEMENT:

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, and the LME/PIHP shall:

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 Contractor 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 Contractor performance through medical record audits and clinical outcomes agreed upon by both parties.
d. Monitor the quality and appropriateness of care furnished to Enrollees and assure compliance with the rules established by the Mental Health Commission, the Secretary of DHHS and G.S. 122C-142.
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.
g. Provide data about individual Enrollees for research and study to the Contractor based on the parameters set by the LME/PIHP.

6. CARE MANAGEMENT/ COORDINATION OF CARE:

a. The LME/PIHP shall ensure the coordination of care with each Enrollee's primary care provider and any behavioral health provider enrolled to provide care for each Enrollee. LME/PIHP shall coordinate the discharge of Enrollees with Contractor to ensure that appropriate services have been arranged following discharge and to link Enrollee with other providers or community assistance.
b. The LME/PIHP shall provide coordination of care to high risk Enrollees discharged from twenty-four hour care as set forth in LME/PIHP's contracts with the Department.
c. If an Enrollee requires medically necessary MH/DD/SA services, the LME/PIHP shall arrange for Medicaid-reimbursable services for the Enrollee when possible.

7. AUTHORIZATION OF SERVICES:

a. The LME/PIHP shall determine medical necessity for those services requiring prior authorization as set forth in Controlling Authority, including DMA Clinical Coverage Policies.
b. For those services requiring prior authorization, the LME/PIHP shall issue a decision to approve or deny a service within fourteen (14) calendar days after receipt of the request, provided that the deadline may be extended for up to fourteen (14) additional calendar days if:
    1. The Enrollee requests the extension; or
    2. The Contractor requests the extension; or
    3. The LME/PIHP justifies to the Department upon request:
        a) A need for additional information; and
        b) How the extension is in the Enrollee's interest.
c. In those cases for services requiring prior authorization in which Contractor indicates, or LME/PIHP determines, that adherence to the standard timeframe could seriously

jeopardize an Enrollee's life or health or ability to attain, maintain, or regain maximum function, including but not limited to psychiatric inpatient hospitalization services, LME/PIHP shall issue a decision to approve or deny a service within three calendar days after it receives the request for services, provided that the deadline may be extended for up to fourteen (14) additional calendar days if:

1. The Enrollee requests the extension; or
2. The LME/PIHP justifies to the Department upon request:
   a) A need for additional information; and
   b) How the extension is in the Enrollee's interest.

d. For those services requiring prior authorization, the LME/PIHP shall permit retroactive authorization of such services in instances where the Enrollee has been retroactively enrolled in the Medicaid program or in the LME/PIHP program, or where the Enrollee has primary insurance which has not yet paid or denied its claim. Retroactive authorizations include requests for deceased Enrollees. The request for authorization must be submitted within ninety (90) days of primary denial or notice of enrollment.

e. Upon the denial of a requested authorization, the LME/PIHP shall inform Enrollee's attending physician or ordering provider of the availability of a peer to peer conversation, to be conducted within one business day.

f. For appeal information, please refer to the LME/PIHP Provider Operations Manual.

g. In conducting prior authorization, LME/PIHP shall not require Contractor to resubmit any data or documents previously provided to LME/PIHP for the Enrollee's presently authorized services.

ARTICLE IV:
BILLING AND REIMBURSEMENT

1. It is the Contractor's responsibility to verify the Enrollee's Medicaid coverage prior to submitting claims to the LME/PIHP. If an individual presents for services who is not eligible for Medicaid and the Contractor reasonably believes that the individual meets Medicaid financial eligibility requirements, Contractor shall offer to assist the individual in applying for Medicaid.

2. The LME/PIHP may unilaterally revise reimbursement rates under this Contract with 30 days' notice.

3. Contractor shall comply with all terms of this Contract even though a third party agent may be involved in billing the claims to the LME/PIHP. It is a material breach of the Contract to assign the right to payment under this Contract to a third party in violation of Controlling Authority, specifically 42 C.F.R. §447.10.

4. Contractor acknowledges that the LME/PIHP and this Contract covers only those Medicaid-reimbursable, and state and/or federal block grant funded, MH/DD/SA services listed in Attachment A, and does not cover other services outlined in the North Carolina State Plan for

Medical Assistance. The Contractor may bill any such other services for Medicaid recipients directly to the North Carolina Medicaid program.

5. Contractor further understands that, regarding Medicaid services, there are circumstances that may cause an Enrollee to be disenrolled from or by the LME/PIHP. If the disenrollment arises from Enrollee's loss of Medicaid eligibility, the LME/PIHP shall be responsible for claims for the Enrollee up to and including the Enrollee's last day of eligibility. If the disenrollment arises from a change in the Enrollee's Medicaid County of residence, LME/PIHP shall be responsible for claims for Enrollee up to the effective date of date of the change in Medicaid County of residence. In any instance of Enrollee's disenrollment, preexisting authorizations will remain valid for any services actually rendered prior to the date of disenrollment.

6. Contractor shall bill LME/PIHP for all MH/DD/SA services as listed in Attachment A.

7. Unless otherwise indicated, LME/PIHP will pay the Contractor the lesser of the Contractor's current usual and customary charges or the LME/PIHP established rate for services.

8. SUBMISSION OF CLAIMS:

a. Claims must be submitted electronically either through HIPAA Compliant Transaction Sets 820 – Premium Payment, 834 – Member Enrollment and Eligibility Maintenance, 835 – Remittance Advice, 837P – Professional claims, 837I – Institutional claims, or the LME/PIHP's secure web based billing system.

b. Contractor's claims shall be compliant with the National Correct Coding Initiative effective at the date of service.

c. Both parties shall be compliant with the requirements of the National Uniform Billing Committee.

d. Claims for services must be submitted within ninety (90) days of the date of service or discharge (whichever is later), except in the instances denominated in subparagraph 8.e. below. All claims submitted past ninety (90) days of the date of service or discharge (whichever is later) will be denied and cannot be resubmitted except in the instances denominated in subparagraph 8.e. below. LME/PIHP is not responsible for processing or payment of claims that are submitted more than ninety (90) days after the date of service or discharge (whichever is later) except in the instances denominated in subparagraph 8.e. below. The date of receipt is the date the LME/PIHP receives the claim, as indicated on the electronic data records.

e. Contractor may submit claims subsequent to the ninety (90) day limit in instances where the Enrollee has been retroactively enrolled in the Medicaid program or in the LME/PIHP program, or where the Enrollee has primary insurance which has not yet paid or denied its claim. In such instances, Contractor may bill the LME/PIHP within ninety (90) days of receipt of notice by the Contractor of the Enrollee's eligibility for Medicaid and the LME/PIHP, or within 90 days of final action (including payment or denial) by the primary insurance or Medicare the date of service or discharge (whichever is later).

f. If Contractor delays submission of the claims due to the coordination of benefits, subrogation of benefits or the determination of eligibility for benefits for the Enrollee, Contractor shall submit such claims within thirty (30) days of the date of the notice of determination of coverage or payment by the third party.

g. If a claim is denied for reasons other than those stated above in subparagraph 7.e., and the Contractor wishes to resubmit the denied claim with additional information, Contractor

must resubmit the claim within ninety (90) days after Contractor's receipt of the denial. If the Contractor needs more than ninety (90) days to resubmit a denied claim, Contractor must request and receive an extension from the LME/PIHP before the expiration of the ninety (90) deadline, such extension not to be unreasonably withheld.

h. All claims shall be adjudicated as outlined in the LME/PIHP Provider Operations Manual.
i. Billing Diagnosis submitted on claims must be consistent with the service provided.
j. If a specific service (as denominated by specific identifying codes such as CPT or HCPCS) is rendered multiple times in a single day to the same Enrollee, the specific service may be billed as the aggregate of the units delivered rather than as separate line items.
k. The LME/PIHP shall not reimburse Contractor for "never events."

9. PAYMENT OF CLAIMS:

a. LME/PIHP shall reimburse Contractor for approved Clean Claims for covered services requiring prior authorization within thirty days of the date of receipt. Clean claims for emergency services which do not require prior authorization shall be reimbursed within thirty days of the date of receipt.
b. Within eighteen (18) days after the LME/PIHP receives a claim from Contractor, the LME/PIHP 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.
    1) If the LME/PIHP denies payment of a claim the LME/PIHP shall provide Contractor the ability to electronically access the specific denial reason.
    2) "Claims Status" of a claim shall be available within five to seven (5-7) days of the LME/PIHP receiving the claim.
    3) If the LME/PIHP determines that additional information in either original or certified copy form is required for making the approval or denial of the claim, LME/PIHP shall notify the Contractor within eighteen (18) days after the LME/PIHP received the claim. The Contractor shall have fifteen (15) days to provide the additional information requested, or the claim shall be denied. Upon LME/PIHP's receipt of the additional information from the Contractor, the LME/PIHP shall have an additional eighteen (18) days to process the claim as set forth in Paragraph 2, above.
    4) The LME/PIHP is not limited to approving a claim in full or requesting additional information for the entire claim. Rather, as appropriate, the LME/PIHP 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/PIHP either approves, denies, or requests additional information for each part of the claim within the required eighteen (18) day period.
    5) If PIHP fails to pay Contractor within these parameters, PIHP shall pay to the Contractor interest at the annual rate of 8% of the amount owed in excess of the Prompt Pay Requirements, compounded daily.
c. The LME/PIHP will not reimburse Contractor for services provided by staff not meeting licensure, certification, credentialing, or accreditation requirements.
d. Contractor understands and agrees that reimbursement rates paid under this Contract are established by the LME/PIHP.

10. THIRD PARTY REIMBURSEMENT:

a. Contractor will comply with N.C.G.S. §122C-146, which requires the LME/PIHP to make every reasonable effort to collect payments from third party payors. Each time an Enrollee receives services Contractor shall determine if the Enrollee has third party coverage that covers the service provided.
b. Contractor is required to bill all applicable third party payors prior to billing the LME/PIHP.
    1) Medicaid benefits payable through the LME/PIHP are secondary to benefits payable by a primary payer, including Medicare, even if the primary payer states that its benefits are secondary to Medicaid benefits or otherwise limits its payments to Medicaid enrollees.
    2) The LME/PIHP makes secondary payments to supplement the primary payment if the primary payment is less than the lesser of the usual and customary charges for the service or the rate established by the LME/PIHP.
    3) The LME/PIHP does not make a secondary payment if the Contractor is either obligated to accept, or voluntarily accepts, as full payment, a primary payment that is less than its charges.
    4) If Contractor or Enrollee receives a reduced primary payment because of failure to file a proper claim with the primary payor, the LME/PIHP secondary payment may not exceed the amount that would have been payable if the primary payer had paid on the basis of a proper claim.
    5) Contractor must inform the LME/PIHP that a reduced payment was made, and the amount that would have been paid if a proper claim had been filed.
c. Contractor shall bill the LME/PIHP for third party co-pays and/or deductibles only as permitted by Controlling Authority.

11. <u>UNDERPAYMENT/PAYMENTS POST APPEALS:</u>

a. If the LME/PIHP determines that Contractor has not been paid a claim or a portion of a claim that the LME/PIHP determines should be allowed for any reason, the LME/PIHP shall provide thirty (30) days notice to the Contractor of the intent to pay the claims or portions of claims. Such notice of action shall identify the Enrollee(s) name and date(s) of service in question, the specific determination made by the LME/PIHP as to each claim, and the amount of payment due to the Contractor. Contractor shall have thirty (30) days from date of such notification to appeal the determination of the LME/PIHP. The LME/PIHP shall make such payment within thirty (30) days of the date of the notice of intent to pay claims or portions of claims.
b. Within thirty (30) days of the conclusion of any grievance, appeal or litigation that determines that LME/PIHP improperly failed to pay a claim or a portion of a claim to Contractor, the LME/PIHP shall remit the amount determined to be owed to Contractor.

(Remainder of page left intentionally blank)

Signature Page Between:
TRILLIUM HEALTH RESOURCES
And
CONTRACTOR NAME

IN WITNESS WHEREOF:

IN WITNESS WHEREOF: Each party has caused this Contract and all applicable attachments and addendums to be executed as the act of said party. Each individual signing below certifies that he or she has been granted the authority to bind the respective party to the terms of this Contract and any Addendums or Attachments thereto.

CONTRACTOR NAME

_____ _____
Legally Authorized Representative Date
NAME
TITLE

Address: <<ADDRESSS>>
Telephone: <<PHONE#>>
Contact: <<CONTACT>>
TIN: <<TIN>>

TRILLIUM HEALTH RESOURCES

_____ _____
Legally Authorized Representative Date
CEO

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

_____ _____
Trillium Health Resources Date
Finance Officer