

CRESCENT HEALTH SOLUTIONS, INC.

**INSURER AMENDMENT AND ADDENDUM
TO:**

PARTICIPATING PHYSICIAN AGREEMENT

THIS AMENDMENT AND ADDENDUM (“Addendum”) is entered into by Crescent Health Solutions, Inc. a North Carolina non-profit corporation, (hereinafter referred to as “Crescent”), and the Crescent Provider identified on the signature page (hereinafter referred to as “In-Plan Provider”).

This Addendum modifies the Participating Physician Agreement (Form Number **Crescent.IPA-PPA.2001REVISED2011**); (hereinafter referred to as “Agreement”) related to rights, obligations and duties with respect to the Agreement’s application between In-Plan Providers and all applicable Insurer(s) (as defined herein). Unless specifically defined in this Addendum, capitalized terms have the same meaning as in the Agreement. If any term or condition of this Addendum conflict with the Agreement, the terms of this Addendum controls with respect to services provided to Members enrolled in Plans sponsored or issued by Insurers with respect to which the Crescent Provider is an In-Plan Provider.

I. Amendment

A. Section 2.1 of the Agreement is deleted in its entirety and amended to read as follows:

2.1 Crescent Network Access Agreements. Physician understands that Crescent intends to enter into Crescent Network Access Agreements with Payors under which Crescent will be required to arrange certain Covered Services, including Physician Services, within the Service Area to Members of Plans sponsored or issued by the contracting Payors. In the event of a conflict between this Agreement and any applicable term(s) of the Crescent Network Access Agreement, with respect to the Crescent Network Access Agreement related to Plans with which Physician has elected to be In-Plan Provider, (pursuant to Section 3 below), such relevant Crescent Network Access Agreement will control.

If Crescent enters or has entered a Crescent Network Access Agreement requiring Crescent to arrange for Physician Services within the Service Area, and the applicable Payor has not requested that Physician be excluded from being an In-Plan Provider in connection with such Crescent Network Access Agreement, Crescent shall send or arrange to send to Physician a schedule of the Recognized Charges (if any) proposed by the Payor(s) to Physician thereunder and a description of the contract terms under such Crescent Network Access Agreement (including any subsequent revisions thereto) which impose rights or obligations applicable to Physician which are substantially different from or supplemental to the rights and obligations applicable to Physician under this Agreement. As set

forth in Section 3.1 herein, Crescent adheres to the “Messenger Model” and will not negotiate, agree upon or otherwise seek to determine Recognized Charges or other competitively sensitive terms for Physician.

If no schedule of Recognized Charges for Physician Services is proposed by the Payor or TPA, Physician agrees to comply with Section 3.1 herein by negotiating in good faith with the Payor or TPA.

Upon receipt of the schedule of Recognized Charges, if applicable, and a description of obligations imposed by the contract terms in connection with an existing or proposed Crescent Network Access Agreement, Physician may decline to or agree to or may choose to become, under the terms of Section 3.1 herein, an In-Plan Provider for and to render Physician Services to Members of such Plans as defined in the applicable Crescent Network Access Agreement. The terms and provisions of applicable Crescent Network Access Agreements with respect to which Physician elects to be an In-Plan Provider through this Agreement apply to Physician; proposed amendments to material terms applicable to Physician are subject to the requirements of Section 11.1 of this Agreement. A summary of material terms and provisions of Crescent Network Access Agreements shall be provided to Physician upon request, and a copy of such Crescent Network Access Agreements shall be available for Physician’s review.

B. Section 3.4 of the Agreement is deleted in its entirety and amended to read as follows:

3.4 Discrimination Prohibited. Physician agrees that he or she will not differentiate or discriminate in the treatment of Members by reason of the fact that they are enrolled in a Plan. Physician further agrees to provide Covered Services to Members in accordance with the same standards and within the same time availability as provided to Physician’s other patients. Physician agrees not to discriminate against Members on the basis of race, color, national origin, gender, age, religion, marital status, health status or health insurance coverage.

C. Section 4.2 of the Agreement is deleted in its entirety and amended to read as follows:

4.2 No Recourse. In-Plan Provider hereby agrees that in no event, including but not limited to non-payment, Crescent’s or Payor’s insolvency, or breach of this Agreement, shall In-Plan Provider bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from or have any recourse against, an HMO Member (or persons acting on such HMO Member’s behalf) for Covered Services. This provision shall not prohibit (1) collection of Copayments, or Coinsurance, or Deductibles authorized by an HMO Member’s Certificate of Coverage; and (2) the Member and the In-Plan Provider from agreeing to continue non-Covered Services at the Member’s expense, so long as the In-Plan Provider has notified the HMO Member in advance that the Plan may not cover or continue to cover specific services and the HMO Member chooses to receive the service.

In-Plan Provider further agrees that (1) the provisions of this Section 4.2 shall survive the termination of this Agreement with respect to services provided pursuant to this Agreement regardless of the cause giving rise to termination and that (2) the provisions of this Section 4.2 shall supersede any oral or written contrary agreement heretofore entered into between In-Plan Provider and any HMO Member or persons acting on an HMO Member's behalf.

D. Section 4.7 of the Agreement is deleted in its entirety and amended to read as follows:

4.7 Non-Covered Services. To the extent required by the applicable Crescent Network Access Agreement, Physician may only charge, bill and collect from a Member charges for healthcare services which are not Covered Services if the Member has signed a waiver acknowledging that such services were not authorized for reimbursement by Payor and that the Member will pay such charges. Physician shall have no obligation to provide services that are not Covered Services to Members, except as required by law. Physician shall have the right to pursue collections of debts incurred for services rendered to a Member prior to his or her enrollment with Payor. Subject to Section 4.2 of this Amendment and Addendum, to the extent permitted by law, Physician may bill Members directly for Non-Covered Services.

E. Section 8.1 of the Agreement is deleted in its entirety and amended to read as follows:

8.1 Insurance. Physician agrees to maintain, at all times during the term of this Agreement, comprehensive general liability and professional liability insurance coverage in such amounts acceptable to the plan to insure Physician for any damages resulting from rendering of or failure to render Physician Services by Physician or by any person for whose acts or omissions Physician is responsible, the use of any property or facilities provided to any such party, and the activities performed by Physician in connection with this Agreement. Physician shall furnish Crescent with appropriate evidence of such coverage upon request. Physician shall provide, to any Insurer(s) with which Physician is an In-Plan Provider and to Crescent, written notice at least ten (10) days prior to the effective date of any changes in the status of required coverage.

II. Addendum

A. Definitions.

A.1 “Carrier” means an insurance carrier licensed in the State of North Carolina.

A.2 “Complete Claim” means a claim form that contains essential data elements listed in North Carolina's prompt payment statute to reasonably enable the Payor or

designee, as appropriate, to process the request for payment; a Complete Claim may be paper or a mutually acceptable electronic format.

A.3. “Fee Schedule” means a list of the maximum per unit allowed amounts established for Covered Services that Provider provides for Members, and which is subject to change based on the Agreement and this Addendum.

A.4 “HMO” means a health maintenance organization licensed in the State of North Carolina.

A.5 “HMO Member” means a Member of a Plan issued by a health maintenance organization licensed in the State of North Carolina.

A.6 “Insurer” means a Payor with respect to a Plan sponsored or issued by: an insurance company subject to N.C.G.S. Chapter 58; a service corporation under Article 65 of N.C.G.S. Chapter 58; a health maintenance organization under Article 67 of N.C.G.S. Chapter 58; or a multiple employer welfare arrangement under Article 49 of N.C.G.S. Chapter 58.

A.7 “Medically Necessary” means those Covered Services that are:

- a. Provided for the diagnosis, treatment, cure, or relief of a health condition, illness, injury, or disease; and, except as allowed under N.C.G.S. 58-3-255, not for experimental, investigational, or cosmetic purposes.
- b. Necessary for and appropriate to the diagnosis, treatment, cure, or relief of a health condition, illness, injury, disease, or its symptoms.
- c. Within generally accepted standards of medical care in the community.
- d. Not solely for the convenience of the Member, the Member's family, or In-Plan Provider.

Nothing in this definition precludes a Payor from comparing the cost-effectiveness of alternative services or supplies when determining whether a service is Medically Necessary.

B. In-Plan Provider’s and Crescent’s Obligations.

B.1 In-Plan Provider shall comply with Insurer’s accessibility standards that have been provided to In-Plan Provider in accordance with Section B.4 of this Addendum, including, as applicable, call coverage or other back-up coverage.

B.2 In-Plan Provider shall maintain licensure, accreditation, and professional credentials sufficient to meet the Insurer’s credential verification program requirements, and notify Insurer of changes in status of any information related to In-Plan Provider’s professional credentials. Crescent shall provide In-Plan Provider with a copy of Insurer’s

credential verification program requirements, which requirements are contained in Insurer's provider manual.

B.3 In-Plan Provider shall maintain all Member medical records and personal information according to Insurer and industry standards. In-Plan Provider shall maintain the privacy and confidentiality of all Member medical records and personal information as required by North Carolina's Insurance Information and Privacy Protection Act (Article 39, Chapter 58 of the General Statutes of North Carolina) and all applicable federal law, including the privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and any regulations promulgated thereunder. In-Plan Provider shall maintain all Member medical records and personal information for no less than three (3) years or until the completion of Insurer's next triennial examination, whichever is later.

B.4 In-Plan Provider agrees to comply with Insurer's quality management programs, utilization management programs, peer review, grievance procedures, provider sanctions policies, credentialing verification programs, accessibility standards and any other policies that Insurer may implement including amendments thereto made from time to time. In-Plan Provider's compliance with Insurer's programs, policies, and procedures shall not override the professional or ethical responsibility of In-Plan Provider or interfere with In-Plan Provider's ability to provide information and assistance to Members. Crescent or Insurer, as appropriate, shall provide to In-Plan Provider in writing information on benefit exclusions, administrative and utilization management requirements, credential verification program, quality assessment program, provider sanction policies, and the terms of all Insurer's programs, policies, and procedures, and a copy of Insurer's provider manual. Crescent or Insurer, as appropriate, shall provide In-Plan Provider with written notification of changes in these programs, policies, and procedures, allowing a reasonable amount of time (not less than sixty (60) days) for In-Plan Provider to comply with such changes.

B.5 Crescent agrees to require Insurer to agree to comply with all applicable laws and regulations, including, but not limited to, the following requirements, (to the extent required by law applicable to the relevant Insurer): (a) to the extent compensation due In-Plan Provider under the Agreement is related to efficiency criteria, the Insurer must periodically provide In-Plan Provider performance feedback reports or other information regarding such compensation; (b) if the Insurer offers a preferred provider benefit plan, the Insurer must provide all of the In-Plan Providers information about such plans, including the benefit designs and the incentives that are used to encourage Members to use preferred providers; (c) Insurer shall provide a mechanism for In-Plan Provider to verify a patient's eligibility as a Member prior to rendering services.

B.6 In-Plan Provider's billing and claims submission, and Insurer claims processing and payment shall be conducted in accordance with the prompt payment requirements stated in N.C. Gen. Stat. §58-3-225. Without limiting the foregoing, Insurer agrees that: (i) In-Plan Provider must submit claims for services rendered to Members within one hundred (180) days after the date of services (or, if later, one hundred eighty

(180) days after an inpatient discharge) and that claims submitted after three hundred sixty-five (365) days from the date the claim is otherwise due shall not be eligible for payment unless the claim was returned for additional information; and (ii) Complete Claims shall be processed and paid within thirty (30) days after submission to Insurer by In-Plan Provider.

The recovery of overpayments or offsetting of future payments shall be made within the two years after the date of the original claim payment unless the Insurer has reasonable belief of fraud or other intentional misconduct by the In-Plan Provider or its agents, or the claim involves a In-Plan Provider receiving payment for the same service from a government payor. The In-Plan Provider may recover underpayments or non-payments by the Insurer by making demands for refunds. Any such recoveries by the In-Plan Provider of underpayments or non-payments by the Insurer may include interest. The recovery of underpayments or non-payments shall be made within the two years after the date of the original claim adjudication, unless the claim involves an In –Plan Provider receiving payment for the same service from a government payor.

B.7 The policies and procedures of a health benefit plan or insurer shall not conflict with or override any term of the Agreement, including Agreement fee schedules. In the event of a conflict between a policy or procedure and the language in the Agreement, the Agreement language shall prevail.

C. Changes to Fee Schedules.

C.1 Notice. Crescent shall cause HMO or Carrier to give Written Notice to Crescent for distribution to Crescent In-Plan Providers pursuant to N.C.G.S. 58-50-270 through 58-50-285 of a proposed change to the terms of the Agreement, including terms incorporated by reference, that modifies the Fee Schedule and that is not a change required by federal or state law, rule, regulation, administrative hearing, or court order (“Proposed Change” or “Proposed Change to a Fee Schedule”). The Proposed Change shall be dated, labeled “Amendment,” signed by HMO or Carrier, and include an effective date for the Proposed Change. The effective date shall be at least sixty (60) days from the date of receipt of the Proposed Change to object to the Proposed Change. If Provider does not object to Crescent by Written Notice within sixty (60) days from the date of the receipt of the Proposed Change, the Proposed Change shall be effective upon the effective date specified in the Proposed Change.

C.2 Objection. If Provider objects to the Proposed Change, then the Proposed Change is not effective and Crescent may facilitate further discussions between In-Plan Provider and HMO or Carrier through Crescent’s Messenger Model. If continued efforts via the Messenger Model do not result in an agreement on fees between the Crescent In-Plan Provider and the HMO or Carrier, then the HMO or Carrier may terminate the Agreement upon sixty (60) days Written Notice.

C.3 Mutual Consent. Notwithstanding Section C.1 and C.2 above, nothing in the Agreement or Addendum prohibits the parties from negotiating contract terms that

provide for mutual consent to a Proposed Change, a process for reaching mutual consent, or alternative Notice Contacts.

C.4 Addendum and Agreement. With respect to changes in Fee Schedules for HMOs or Carriers, the aforementioned sections C.1, C.2 and C.3 shall apply and expressly supersede conflicting provisions in the Agreement.

D. Term and Termination.

D.1 In the event of termination of the Agreement or insolvency of a Payor for an HMO Member, In-Plan Provider shall continue to provide inpatient care for any HMO Member until the HMO Member is ready for discharge and for the duration of the period for which premium payment has been made.

D.2 Upon termination of the Agreement or in the case of Insurer or Crescent insolvency, In-Plan Provider shall cooperate with Crescent and Insurer in the transition of administrative duties and records.

IN WITNESS WHEREOF, the undersigned have executed (or are deemed to have executed) this Addendum as of this _____ day of _____ 20__.

CRESCENT HEALTH SOLUTIONS, INC.

By: _____

Andrew L. Wilson

Title: Chief Executive Officer

Address: 1200 Ridgefield Boulevard

Suite 215

Asheville, NC 28806

***IN-PLAN PROVIDER:**

(Print Name)

By: _____

(Signature)

Address: _____

*If In-Plan Provider's group practice or employer executes this Addendum, such group practice or employer, by signature above, represents and warrants that: (i) it has the authority to bind all Physicians /Providers listed on this page or on an attachment page to the terms of this Addendum; (ii) all Physicians and Providers so listed will comply with the terms in this Addendum applicable to "In-Plan Provider," (iii) it will inform Crescent, in writing, immediately if it hires, terminates, suspends, or otherwise changes In-Plan Provider's obligations under this Addendum or the Agreement. Further, the individual signing this Agreement for In-Plan Provider's group practice or employer agrees to be the Notice of Contact for that party.