

CRESCENT PREFERRED PROVIDER ORGANIZATION, INC.

**INSURER AMENDMENT AND ADDENDUM
TO:**

PARTICIPATING FACILITY AGREEMENT

THIS AMENDMENT AND ADDENDUM (“Addendum”) is entered into by Crescent Preferred Provider Organization, 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 Facility Agreement (Form Number **CRESCENT.HOSP.2001**) (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 they have 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 Service Agreements. Facility understands that Crescent intends to enter into Crescent Service Agreements with Payors under which Crescent will be required to arrange certain Covered Services, including Facility 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 Service Agreement, with respect to the Crescent Service Agreement related to Plans with which Facility has elected to be In-Plan Provider, (pursuant to Section 3 below), such relevant Crescent Service Agreement will control.

If Crescent enters or has entered a Crescent Service Agreement requiring Crescent to arrange for Facility Services within the Service Area, and the applicable Payor has not requested that Facility be excluded from being an In-Plan Provider in connection with such Crescent Service Agreement, Crescent shall send or arrange to send to Physician a schedule of the Recognized Charges (if any) proposed by the Payor(s) to Facility thereunder and a description of the contract terms under such Crescent Service 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 Facility 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 Changes or other competitively sensitive terms for Physician.

If no schedule of Recognized Charges for Facility Services is proposed by the Payor or TPA, Facility 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 Service Agreement, Facility 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 Facility Services to Members of such Plans as defined in the applicable Crescent Service Agreement. The terms and provisions of applicable Crescent Service Agreements with respect to which Facility elects to be an In-Plan Provider through this Agreement apply to Facility; proposed amendments to material terms applicable to Facility are subject to the requirements of Section 11.1 of this Agreement. A summary of material terms and provisions of Crescent Service Agreements shall be provided to Facility upon request, and a copy of such Crescent Service Agreements shall be available for Facility’s review.

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

3.4 Discrimination Prohibited. Facility agrees that he, she or it will not differentiate or discriminate in the treatment of Members by reason of the fact that they are enrolled in a Plan. Facility further agrees to provide Covered Services to Members in accordance with the same standards and within the same time availability as provided to Facility’s other patients. Facility 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 Noncovered Services. To the extent required by the applicable Crescent Services Agreement, Facility 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. Facility shall have no obligation to provide services that are not Covered Services to Members, except as required by law. Facility 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 Agreement, to the extent permitted by law, Facility may bill Members directly for Covered Services upon Payor's failure to make timely payment.

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

8.1 Insurance. Facility agrees to maintain, at all times during the term of this Agreement, comprehensive general liability and professional liability insurance coverage in such amounts and on such terms as are customary for providers like Facility (and no less than the prevailing standard in the provider community) to insure Facility for any damages resulting from rendering of or failure to render Facility Services by Facility or by any person for whose acts or omissions Facility is responsible, the use of any property or facilities provided to any such party, and the activities performed by Facility in connection with this Agreement. Facility shall furnish Crescent with appropriate evidence of such coverage upon request. Facility shall provide, to any Insurer(s) with which Facility 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 "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.2 “HMO Member” means a Member of a Plan issued by a health maintenance organization licensed in the State of North Carolina.

A.3 “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.3 “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 thirty (30) 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.

C. Term and Termination.

C.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.

C.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 _____ 200__.

CRESCENT PREFERRED PROVIDER ORGANIZATION, INC.

By: _____
Myrna S. Harris

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 Agreement, 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 Agreement applicable to “In-Plan Provider.”