

**PROVIDER PARTICIPATION AGREEMENT
FEE-FOR-SERVICE FACILITY**

This Provider Participation Agreement ("Agreement") is made and entered into as of the 1st day of August, 2011 (the "Effective Date") by and between Natividad Medical Center ("Provider"), and Network Providers, LLC ("NPLLC").

RECITALS

A. Provider has the legal authority to enter into this Agreement, and to deliver or arrange for the delivery of Contracted Services.

B. NPLLC is an affiliate of Health Net Federal Services ("HNFS") and, as such has the legal authority to enter into this Agreement, and to perform the obligations of NPLLC hereunder with respect to the provision of services pursuant to the prime contract executed between HNFS and the California Department of Corrections and Rehabilitation, Agreement No. ICHC 09556 ("HNFS Contract").

C. The parties desire to enter into this Agreement to arrange for Provider to provide services to the Patient-Inmate population as contemplated in the HNFS Contract, and as defined by the California Prison Health Care Services ("CPHCS"). CPHCS and CDCR shall be used interchangeably throughout this Agreement.

D. Provider's primary consideration shall be the quality of the health care services rendered to the Patient-Inmate population.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and the covenants contained herein, the parties hereby agree as follows:

I. DEFINITIONS

Many words and terms are capitalized throughout this Agreement to indicate that they are defined as set forth in this Article I.

1.1 **California Department of Corrections and Rehabilitation (CDCR).** The State of California Department of Corrections and Rehabilitation, authorized by Penal Code, Section 5000 et seq., and the CCR, Title 15, to maintain the custody and care of California's institutionalized public offenders.

1.2 **California Prison Health Care Services (CPHCS).** The entity responsible for medical care treatment, performance and decisions, and is responsible for paying Participating Providers for Covered Services rendered to Patient-Inmates.

1.3 **CDCR Medical Standards of Care.** The official CDCR health care policy document used by the CDCR Health Care Managers and Chief Medical Officers (HCM/CMO) to distinguish the parameters of the delivery of health care services and treatment to the State of California adult inmates.

1.4 **Complete Claim.** A Complete Claim means a claim or portion thereof, if separable, including attachments and supplemental information or documentation, which provides reasonably relevant information as defined by applicable State or federal statutes and regulations, and which is submitted by Provider directly to CPHCS' Third Party Administrator ("TPA"), such that the claim may be processed by the TPA and NPLLC without requiring any additional information from Provider or from a third party.

1.5 **Contracted Services.** Covered Services that are (i) those services which Provider is licensed to provide and which Provider customarily provides to its patients, (ii) to be provided to a Patient-Inmate under the terms of the this Agreement or as required by State or federal law, and (iii) compensated in accordance with this Agreement except as otherwise may be required by State or federal law.

1.6 **Covered Services.** The health care services, equipment and supplies that are covered as determined by the CPHCS and by applicable State and federal law and regulations, including without limitation decisions issued by CPHCS as a result of independent medical review conducted under applicable State or federal law.

1.7 **Discharge Summary.** A recapitulation of significant findings and events of the patient's hospitalization, patient's condition on discharge and the recommendations and arrangements for future care (CCR, Title 22, Division 5, Licensing and Certification of Health Facilities, Home Health Agencies, Clinics, and Referral Agencies, Chapter 1, Article 7, Section 70749).

1.8 **Emergency.** The immediate care or treatment necessary to prevent death, severe or permanent disability or to alleviate severe pain, including medically necessary crisis intervention for inmates suffering from situational crisis or acute episodes of mental illness, in accordance with CCR, Title 15. Emergency services shall be available on a 24 hour per day basis for each prison.

1.9 **Facility(ies).** All service locations owned, operated, leased, or subcontracted by Provider at which Contracted Services are provided under this Agreement. Provider's service locations as of the date this Agreement is executed by the parties are listed on the signature page of this Agreement.

1.10 **Chief Executive Officer (CEO)/Health Care Manager (HCM)/Chief Medical Officer (CMO).** The CDCR Division of Correctional HealthCare Services' Deputy Director's designee responsible for the day-to-day supervision of field health care operations, reporting directly to the Division of Correctional Health Care Services' Health Care Regional Administrator for their respective institutions. Health Care Managers are part of the institution's executive management team and participate in institution executive staff meetings. Health Care Managers may also be CMOs and/or CEOs. Health Care Managers are given full authority to grant Prior Authorization for the delivery of health care services rendered to Patient-Inmates.

1.11 **Inpatient Services.** An inpatient day is a measure of time during which a Patient-Inmate receives hospital services and which occurs when a Patient-Inmate occupies a bed as of twelve o'clock midnight and is admitted to Provider's Facility. Inpatient Services include, but are not limited to: a) bed and board; b) all medical, nursing, surgical, pharmacy and dietary services; c) all diagnostic and therapeutic services required by a Patient-Inmate when ordered by an attending physician with appropriate medical and clinical staff privileges; d) use of facilities, and medical, mental health, social services, and discharge planning services required for the provision of Contracted Services; e) drugs while an inpatient, implants, supplies, appliances and equipment; f) transportation services subsequent to admission and prior to discharge required in providing Inpatient Services; g) Covered Services delivered by Professional Providers in Provider's Facility where Provider bills for these services on a CMS UB04 or successor form.

1.12 **Medically Necessary.** The health care services that are determined by the attending physician to be reasonable and necessary to protect life, prevent significant illness or disability, or alleviate severe pain, and are supported by health outcome data as being effective medical care (CCR, Title 15, Division 3, Chapter 1, Subchapter 4, Article 8, Section 3350(b), Provision of Medical Care and Definitions).

1.13 **Outpatient Services.** Those services customarily provided at a Facility, and/or a Professional Provider's office, to a Patient-Inmate who is not admitted as an inpatient, including without limitation Emergency Services, observation services, outpatient and short stay surgery, day program, clinic care, urgent care, and related nursing, surgical, pharmaceutical, dietary, diagnostic and ancillary services.

1.14 **Participating Provider.** A facility, physician, physician organization, physician group, independent practice association, health care provider, supplier, or other organization which has met applicable credentialing requirements, if any, and has, or is governed by, an effective written agreement directly with NPLLC or indirectly through another entity, such as a PPG, to provide Covered Services.

1.15 **Patient-Inmate.** A CDCR adult incarcerated public offender receiving health care services.

1.16 **Payer.** Any public or private entity contracted with NPLLC or its affiliate which provides, administers, funds, insures or is responsible for paying Participating Providers for Covered Services rendered to Patient-Inmates under a Prison Healthcare Provider Network Project, including self-funded health plans.

1.17 **Policies.** The policies, procedures and programs established by CPHCS and/or NPLLC are applicable to Participating Providers in effect at the time Covered Services are rendered, including without limitation CPHCS and/or NPLLC's authorization requirements, credentialing standards, grievance and appeal procedures, provider dispute and/or appeal process, drug formulary or preferred drug list, fraud detection, recovery procedures, eligibility verification, the CMS National Correct Coding Initiative ("NCCI") billing and coding guidelines, payment and review policies, anti-discrimination requirements, medical management programs, continuity of care policies, provider manuals and/or operations manuals. To the extent that any provision of a NPLLC Policy is in conflict with any CPHCS Policy, CPHCS' Policy shall take precedence and supersede such conflicting provision(s).

1.18 **PPG.** A participating physician group that has entered into an agreement with NPLLC to deliver or arrange for the delivery of certain Covered Services to Patient-Inmates.

1.19 **Prior Authorization.** The required advance authorization approval granted by the CEO/CMO/HCM or his/her designated representative for the rendition of Covered Services.

1.20 **Prison Healthcare Provider Network Project.** The program in which Provider participates to deliver health care services to Patient-Inmates. The terms and conditions such as payment rates relating to such program are set forth in the Addenda to this Agreement.

1.21 **Professional Provider.** The physicians, allied health professionals and other health care providers who contract with Provider, or are employed by Provider, and who have been accepted by NPLLC to provide Contracted Services to Patient-Inmates under the terms and conditions of this Agreement, and billed through Provider's federal tax identification number and/or national provider identifier. Professional Providers covered by this Agreement as of the date this Agreement is executed by the parties are listed on an exhibit to this Agreement.

1.22 **Records.** Books, documents, contracts, subcontracts, and records prepared and/or maintained by a party that relate to this Agreement whether in written or electronic format, including without limitation medical records, Patient-Inmate billing and payment records, financial records, policies and procedures, and other books and records that may be required by applicable federal and State law.

1.23 **State.** The State of California.

1.24 **Surcharge.** An additional fee which is charged to CPHCS for a Covered Service, provided to a Patient-Inmate but which is not approved by the applicable State and federal regulatory authority, and is neither disclosed nor provided for under this Agreement.

1.25 **Transfer Summary.** The written document which precedes or accompanies an inmate/patient upon an Patient-Inmates discharge from the hospital to a skilled nursing or intermediate care facility, Correctional Treatment Center, or to the distinct skilled nursing or intermediate care service unit of the hospital where continuing care will be provided. The transfer summary, signed by the attending physician, includes the following information relative to the Patient-Inmate's 1) diagnosis; 2) hospital

course; 3) medications; 4) treatments; 5) dietary requirements; 6) rehabilitation potential; 7) known allergies; and 8) treatment plan.

1.26 **Urgent Care.** A non-emergency admission, service or occurrence where timely evaluation and treatment is required for medical/psychiatric attention and/or hospitalization, but there is no immediate threat to loss of life or limb.

1.27 **Telemedicine.** Medical services or consultations conducted through an electronic video process for Patient-Inmate care.

II. DUTIES OF PROVIDER

2.1 **General Obligations.** Provider agrees on behalf of itself, and each of its Facilities and Professional Providers, as applicable, that during the term of this Agreement and any renewal terms, each of them is:

- 2.1.1 licensed without restriction or limitation by the State to provide Contracted Services to the extent required by the State;
- 2.1.2 operating and providing Contracted Services in compliance with applicable local, State, and federal laws, rules, regulations and legal standards of care;
- 2.1.3 accredited or certified by the accrediting or certifying organization(s) listed on the signature page of this Agreement, if any;
- 2.1.4 maintaining such physical plant, equipment, patient service personnel and allied health personnel as may be necessary to provide Contracted Services;
- 2.1.5 Provider agrees to remain HIPAA compliant.

2.2 **Service Delivery Obligations.** Provider agrees on behalf of itself, and each of its Facilities and Professional Providers, as applicable, that during the term of this Agreement and any renewal terms, each of them shall ensure the following minimum standards below are met. NPLLC may provide training to Provider regarding advanced access principles to ensure Provider's ability to meet the following required access standards:

- 2.2.1 Ensure availability to Patient-Inmates twenty-four (24) hours per day, seven (7) days per week on an Emergency basis;
- 2.2.2 In the event there is to be a delay which may interrupt the services being delivered on the day of the scheduled appointment Provider or their staff shall immediately notify the Health Care Manager ("HCM")/Chief Executive Officer ("CEO")/Chief Medical Officer ("CMO") or their designee by telephone. If Patient-Inmate(s) are already at Provider's location waiting to be seen, Provider or their staff shall notify the custody officers of the delay and provide an estimate of time delay.
- 2.2.3 Provider shall notify CPHCS at least twenty-four hours in advance of interruptions in scheduled services if unable to provide services for reasons other than illness of provider staff members, or immediately provide alternative medical service replacement to avoid disruption of service.
- 2.2.4 Provider shall agree that CPHCS may cancel, modify, and/or change a request for services by telephone, without incurring any liability, up to twenty-four (24) hours before medical services are to be provided. If CPHCS cancels, modifies, and/or changes a request for any reason, including emergency security situations, such as a lockdown, less

than twenty-four (24) hours before a scheduled reporting time, CPHCS shall make every effort to provide immediate notification to Provider.

- 2.2.5 Provider will make every effort to provide for scheduling blocks to treat multiple Patient-Inmates in order to reduce the travel and custody costs.
- 2.2.6 Provider shall provide medical services at the request of the CDCR institutions' HCM/CEO/CMO or designee and must obtain written Prior Authorization as required, excluding Emergency, from the respective CDCR institution's HCM/CEO/CMO or designee. The Patient-Inmate written Prior Authorization for treatment is contained in the treatment package that will be provided prior to or at the time of the appointment. Provider shall complete and return all forms regarding treatment of Patient-Inmates. Provider shall obtain additional authorization from CPHCS before performing any non-emergency specialty treatment, consultations by specialty physicians, diagnostic procedures not specifically stated in the CPHCS Prior Authorization form and any excluded conditions specifically listed in California Code of Regulations (CCR), Title 15, Division 3, Chapter 1, Subchapter 4, Article 8, Section 3350.1.
- 2.2.7 Provider shall ensure that availability for support of all referrals for medical services, and proposed surgical procedures shall be consistent with the urgency of the medical need as determined by the primary care team. Services shall be delivered at the time scheduled. In the event there is to be a delay which may interrupt the services being delivered it must be reported to the institution's HCM/CEO/CMO or his/her designated representative.
- 2.2.8 As required by law, CDCR retains full authority to determine the manner in which a Patient-Inmate is transported to the CDCR institutions or transferred to other health care facilities, after course of treatment or therapy has been implemented or completed. Unless there is a need for Emergency services, Provider shall not transfer the Patient-Inmate without written or verbal Prior Authorization from the CDCR institution's HCM/CEO/CMO or designee.
- 2.2.9 Except for Emergency care, CPHCS or its administrator shall not render payment for services that do not have Prior Authorization from CPHCS or its administrator and it is the responsibility of the Provider to obtain Prior Authorization before performing any non-Emergency procedures. Providers acknowledge that CPHCS or its administrator is not obligated to pay for health care services or treatment beyond those which are essential and authorized.
- 2.2.10 CPHCS reserves the right to request in writing at any time that NPLLC and/or CPHCS conduct an inspection and evaluation of Provider to determine if Provider is in compliance with the Interqual Guidelines, scheduling requirements and medical treatments. CPHCS reserves the right to not refer Patient-Inmates to specific providers in the network, including Provider, pending the results of the inspection and evaluation and NPLLC shall assist CPHCS with finding an alternate provider(s). CPHCS or its administrator shall not pay for any services performed by Provider which are deemed unacceptable in accordance with the required services contemplated by this Agreement.
- 2.2.11 Providers performing hospital services shall issue a written Discharge Summary and/or Transfer Summary, upon hospital discharge of a Patient-Inmate back to the appropriate CDCR institution. Providers shall give the CDCR institution's HCM/CEO/CMO or designee a full, dictated or written formal Discharge Summary within three (3) days of the discharge of a Patient-Inmate in all cases. The Discharge Summary and/or Transfer Summary shall include the staff physician's recommendations for continuance of care for Patient-Inmate noting medications, treatment, and diet orders, along with instructions to Patient-Inmate. The Discharge Summary or Transfer Summary shall proceed or accompany the Patient-Inmate's discharge and shall include the following essential

information: 1) diagnosis, 2) medications, 3) treatments, 4) dietary requirements, 5) rehabilitation potential, 6) known allergies and 7) treatment plan and shall be signed by a physician, in all cases. In the event that lab or other test results are pending, providers shall provide an updated report within seventy-two (72) hours of receipt of such lab or test results.

- 2.2.12 Provider practicing off-site shall adhere to prescribing and/or recommending medication therapy available on the CDCR Formulary. When Patient-Inmates are discharged on medications not on the CDCR Formulary, an explanation will be provided by Provider justifying the use of the non-formulary medication. If the Provider is licensed to dispense prescription drugs for outpatient retail pharmacy services, the discharging facility shall provide a three (3) day supply of all active parenteral (IV) and non-formulary medications to assure continuity of care during the transition back to CDCR.
- 2.2.13 Provider, as required by law, shall communicate to the CPHCS Public Health Department all laboratory results of a Patient-Inmate indicating communicable diseases within seventy-two (72) hours of receipt in accordance with California Penal Code Title 8, Sections 7500-7550.
- 2.2.14 Provider shall immediately notify the HCM/CEO/CMO or designee in the event of a Patient-Inmate death while under their care or in the hospital. The attending health care service provider(s) will discuss with the CDCR institutions HCM/CEO/CMO or designee, the appropriateness/need for a post-mortem. Both parties shall mutually agree upon the decision for an autopsy, prior to or in conjunction with the Coroner's Office. Both parties agree that the decision for necessity of an autopsy remains with the Coroner's Office.
- 2.2.15 Hospital In-Patient Services shall have the ability to meet the non-medical dietary requirements of CDCR Patient-Inmates. (Examples are vegetarian, kosher, etc.) If a Provider is not able to meet the non-medical dietary requirements of a Patient-Inmate, Provider shall immediately notify the institution's HCM/CEO/CMO or designee.
- 2.2.16 CPHCS will notify the Provider at the time of scheduling of a Patient-Inmate's primary language requirements and Provider will need to inform CPHCS if they cannot meet the language requirement and/or do not have a translator available. CPHCS will be responsible to provide a translator at the time of the appointment.
- 2.2.17 Provider shall notify NPLLC in writing, thirty (30) days in advance, of any changes to federal tax identification numbers and/or national provider identifier numbers.
- 2.2.18 Outpatient specialty care shall not exceed a ninety (90) day waiting period for elective appointments and fourteen (14) day waiting period for high priority or Urgent Care visit.
- 2.2.19 Urgent Care appointments shall be scheduled not later than forty-eight (48) hours following the request.
- 2.2.20 Wait time shall not exceed thirty (30) minutes after scheduled appointment in a Professional Provider's office;
- 2.2.21 Scheduling wait time for routine appointments for specialty care shall not exceed ninety (90) days;
- 2.2.22 Non-Hospital Professional Providers shall provide all clinical documentation to CPHCS, including but not limited to prescriptions, clinical notes, Discharge Summaries, and brief operative notes sufficient to support continuity of care within the institution, and any other required reports within forty-eight (48) hours of a visit.

2.2.23 Professional Provider practicing off-site shall adhere to prescribing and/or recommending medication therapy available on the CDCR Formulary. In the event that there is no acceptable CDCR Formulary medication or the patient circumstances warrant the use of a medication not on the CDCR Formulary, Professional Provider shall document the reason CDCR Formulary alternatives were unacceptable. When it is deemed that a non-formulary medication is required, Professional Provider shall follow the CDCR non-formulary approval process. If no justification for the use of a non-formulary drug is provided, it will be assumed that a formulary alternative is acceptable. Professional Provider practicing on-site shall follow the CDCR Formulary.

2.3 **Provision of Services.** Provider agrees to render Contracted Services to Patient-Inmates under the terms and conditions of this Agreement. Notwithstanding the foregoing, Provider understands and agrees that NPLLC or CPHCS does not have an obligation under this Agreement to assign or refer to Provider any minimum amount of Patient-Inmates. NPLLC has not represented or guaranteed to Provider that any Patient-Inmates shall receive Covered Services from Provider or that Provider shall participate in all networks of Participating Providers offered by or through NPLLC.

Provider acknowledges that NPLLC or a CPHCS shall not be liable for, nor will exercise control or direction over, the manner or method by which Provider, Facilities, and/or Professional Providers render any Covered Services to Patient-Inmates under this Agreement.

2.4 **Non-Discrimination.** Provider and its subcontractors shall not discriminate, harass, or allow harassment against any Patient-Inmate in the provision of Contracted Services hereunder, whether on the basis of the Patient-Inmate's coverage, age, sex, marital status, sexual orientation, race, color, religion, ancestry, national origin, disability (including HIV and AIDS), handicap, health status, source of payment, utilization of medical or mental health services, equipment, pharmaceuticals or supplies, or other unlawful basis including, without limitation, the filing by such Patient-Inmate of any complaint, grievance or legal action against Provider, NPLLC or CPHCS. Provider agrees to make reasonable accommodations for Patient-Inmates with disabilities or handicaps, including but not limited to, providing such auxiliary aides and services to Patient-Inmates as are reasonable, necessary and appropriate for the proper rendering of Contracted Services at the Provider's expense.

Additionally, Provider and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Provider and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Provider and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.), are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Provider and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

2.5 **Professional Providers and Facilities.** The following provisions apply when Provider utilizes Professional Providers or Facilities to deliver Contracted Services to Patient-Inmates:

2.5.1 Provider binds its Facilities and Professional Providers, if any, covered by this Agreement, to the terms and conditions of this Agreement, to the extent Contracted Services and/or contractual provisions are performed by, or apply to, such Facilities and Professional Providers;

2.5.2 NPLLC and Provider agree to meet and confer in the event Provider desires to add a new or satellite facility to this Agreement. No new or satellite facility shall be added to, or

allowed to deliver Covered Services under this Agreement until NPLLC has approved such Facility. NPLLC may deny participation under this Agreement to any new or satellite facility without any obligation to provide a right to appeal except as may be required by applicable State and federal law.

- 2.5.3 In the event Provider desires to add a new Professional Provider, Professional Provider shall notify NPLLC in writing as soon as possible but no later than sixty (60) days before such proposed addition is to become effective with NPLLC. Provider agrees that no new Professional Provider shall be added to this Agreement, or be allowed to render Covered Services under this Agreement, unless and until NPLLC has approved the addition of such Professional Provider. NPLLC will not unreasonably withhold such approval or denial. Provider agrees to meet and confer regarding the proposed addition within forty five (45) days of the date in the event NPLLC does not approve such addition. NPLLC may deny participation under this Agreement to any proposed new Professional Provider on the basis of quality concerns.

Provider additionally shall comply with the terms of Section 2.6 hereof with respect to its Facilities and Professional Providers, to the extent Facilities are not owned, and/or Professional Providers are not employed, by Provider.

2.6 **Subcontracting.** The following requirements shall survive termination of this Agreement with respect to Contracted Services rendered during the term of the Agreement and apply when Contracted Services are provided by a subcontractor, such as a reference laboratory:

- 2.6.1 Provider shall furnish NPLLC with copies of a template and signature pages of its subcontracts within five (5) days of NPLLC's written request
- 2.6.2 Every subcontract shall comply with all applicable local, State and federal laws, including privacy/confidentiality and medical record accuracy laws, be consistent with the terms and conditions of this Agreement, and shall not be used by Provider with respect to Patient-Inmates, and/or Contracted Services upon the reasonable request of NPLLC.
- 2.6.3 Provider shall not subcontract either directly or indirectly, with any provider that has been excluded from participation in the Medicare Advantage Program under Section 1128 or 1128A [42 U.S.C. 1320a-7] of the Social Security Act or in the State Medi-Cal program.
- 2.6.4 Each such subcontractor shall meet applicable NPLLC credentialing requirements, if any, prior to the subcontract becoming effective with respect to Contracted Services.
- 2.6.5 (i) Provider shall be solely responsible to pay the subcontractor and (ii) Provider shall hold NPLLC, CPHCS and Patient-Inmates harmless from and against any and all claims which may be made by subcontractors in connection with Covered Services provided to Patient-Inmates by the subcontractor; and (iii) Provider shall require that the subcontractor hold NPLLC, CPHCS, and Patient-Inmates harmless from and against any and all claims for payment for such services and shall not attempt to collect any sums owed by Provider from NPLLC or a Patient-Inmate.
- 2.6.6 Subcontracts shall not restrict the rights and obligations of a healthcare provider to communicate freely with Patient-Inmates regarding their medical condition and treatment alternatives including medication treatment options, regardless of coverage limitations.
- 2.6.7 In the event that any of Provider's subcontracts fail to comply with the requirements set forth herein, NPLLC or CPHCS shall not be required to recognize the existence or validity of the subcontract with respect to Patient-Inmates and/or Covered Services.

CPHCS shall further have the right, but not the obligation, to directly pay subcontractors submitting claims for Contracted Services, and to recoup any compensation otherwise due by CPHCS to Provider pursuant to the terms and conditions of this Agreement. Provider shall indemnify and hold harmless NPLLC or CPHCS for all such payments and related costs.

2.7 **Participating Providers.** Except in an Emergency, Provider shall coordinate all referrals for Patient-Inmates for Covered Services through CPHCS or its designee. Provider shall use reasonable efforts to assist NPLLC in their efforts to contract with Provider's Facility-based physicians.

2.8 **Policies.** Provider shall participate in and comply with all Policies in effect on the effective date of this Agreement, and as modified periodically by CPHCS and/or NPLLC in accordance with Section 3.2 of this Agreement. Provider hereby acknowledges that it has had the opportunity to review Policies regarding quality assurance and utilization management that pertain to NPLLC and/or CPHCS, and Provider's rights and obligations under this Agreement at least fifteen (15) business days prior to the date Provider has executed this Agreement. Provider shall comply with CPHCS guidelines, the provisions of the Utilization Management program, and agree to participate in and cooperate with the Quality Improvement Program as outlined in the Policies.

2.9 **Quality Assurance.** Provider shall maintain an active, systematic process based on objective and measurable criteria by which to monitor and evaluate the quality and appropriateness of Patient-Inmate health care services and to provide assurances that those services rendered were cost effective, Medically Necessary, and delivered with the assurance of quality.

NPLLC and Provider agree to maintain a mechanism for reporting the results of these activities to CPHCS. Provider shall, as requested, provide NPLLC and CPHCS with Patient-Inmate data needed for the purposes of updating, enhancing or modifying the CDCR Medical Standards of Care health care policy. Patient-Inmates data requested shall include patient complications, patient mortality, and instability at discharge/transfer, post-discharge complication rate, post-discharge mortality rate, and readmission rate. Additional data may be provided to CPHCS and/or NPLLC upon written request and as agreed upon by the parties.

2.10 **Utilization Management (UM).** CPHCS reserves the right to inspect, monitor, and perform utilization reviews prospectively, concurrently, or retrospectively, regarding the courses of medical treatment or hospitalization provided to CDCR's Patient-Inmates when performed by Provider and/or its subcontractors. CPHCS may delegate this right to another State Agency or party. Such reviews shall be undertaken to determine whether the course of treatment or services had Prior Authorization, were Medically Necessary and performed in accordance with CDCR Medical Standards of Care. Provider agrees to make available to CPHCS for purposes of utilization review, an individual Patient-Inmate's medical record upon request from a CPHCS physician or UM nurse. Provider agrees that Provider's discharge protocols may not be applicable to all CPHCS cases and that discharge determinations shall be with the concurrence of the CPHCS guidelines. Provider acknowledges and agrees to inform its subcontractors that UM decisions shall not be deemed a substitute for the independent judgment of the treating physician or preclude treatment but shall be cause for denial of compensation for such treatment or hospitalization found to be inappropriate, whether identified through prospective, concurrent, or retrospective utilization review. Provider acknowledges and agrees that concurrent utilization management review shall not operate to prevent or delay the delivery of Emergency medical treatment.

2.11 **Prior Authorization and Referrals.** When either Prior Authorization and/or a referral is required for the rendition of a health care service, the receipt of the required Prior Authorization and/or the required referral, is a prerequisite to payment of Complete Claims for Covered Services prior to delivering service as required by this Agreement and the Policies. Provider shall seek Prior Authorization and/or referral from CPHCS or its designee prior to delivering services. CPHCS or its designee may rescind or modify its Prior Authorization, in a manner consistent with Policies, based on variety of factors, including but not limited to whether the rendered service is a Covered Service.

2.12 Credentialing Program. Provider shall submit to NPLLC or its designee any applicable Credentials Application, which meets minimum requirements of NPLLC and CPHCS service requirements. Provider or any Professional Provider or subcontractor shall not begin performing Provider's obligations under this Agreement, until Provider and/or Professional Provider and/or Facility has satisfied applicable credentialing or re-credentialing requirements, if any.

2.13 Insurance. Provider shall maintain insurance in amounts and types as required by the Policies. Provider agrees to provide NPLLC with a Certificate of Insurance from Provider's insurance carrier or other mutually agreeable written evidence of such insurance coverage within three (3) days of such request by NPLLC. Provider also agrees to notify NPLLC in writing at least thirty (30) days prior to any termination, cancellation or material modification of any policy for all or any portion of the coverage required herein. Provider shall furnish to NPLLC evidence of valid workers' compensation coverage. Provider agrees that the workers' compensation insurance shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires or is canceled at any time during the term of this Agreement, Provider agrees to give at least thirty (30) days prior notice to NPLLC before said expiration date or immediate notice of cancellation. Evidence of coverage shall not be for less than the term of the Agreement or for a period of not less than one year. NPLLC and the State reserve the right to verify the Provider's evidence of coverage. In the event Provider fails to keep workers' compensation insurance coverage in effect at all times, the NPLLC reserves the right to terminate this Agreement and seek any other remedies afforded by the laws of this State.

Furthermore, Provider shall meet the following insurance requirements as a condition of the State's obligation to pay for medical services: (1) Commercial General Liability for Facilities - \$3,000,000 per occurrence \$10,000,000 annual policy aggregate if services are to be performed at their office, surgery center and/or hospital, and Commercial General Liability for Professional Providers - One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) annual policy aggregate if services are to be performed at their office, surgery center and/or hospital (2) Workers' Compensation Liability - \$1,000,000 annual policy if services are to be performed at their office, surgery center and/or hospital, and (3) Professional Liability - \$1,000,000 per occurrence \$3,000,000 annual policy aggregate for all physicians providing services to CDCR/CPHCS. If Provider is self-insured for any of the insurance requirements, Provider shall provide NPLLC with a Certificate of Insurance from Provider's insurance carrier or other mutually agreeable written evidence of such insurance coverage within three (3) days of such request by NPLLC. By signing this Agreement, Provider certifies that the carrier of any professional liability insurance required in the performance of this Agreement has knowledge of the Provider's and any subcontractor's extension of services to CDCR inmates. Provider also agrees to notify NPLLC in writing at least thirty (30) days prior to any termination, cancellation or material modification of any policy for all or any portion of the coverage required herein. CDCR/CPHCS and NPLLC reserve the right to conduct reviews of a provider(s) contracted file to ensure compliance with insurance or self-insurance requirements.

2.14 Trade names, Trademarks, Directories. Provider shall not use or display the trade names, trademarks, or other identifying information of NPLLC without NPLLC's prior written approval of both form and content, which approval shall not be unreasonably withheld. However, this provision shall not prohibit Provider from posting a reasonable notice on its website or in its Facilities listing by name those insurance carriers that are accepted by Provider so long as the notice lists each name in substantially similar format. Provider shall supply all printed materials and other information requested by NPLLC in connection with the production of provider directories within seven (7) days of NPLLC's request. Provider agrees that NPLLC may list the name, address, telephone number and other factual information of Provider, each Facility and Professional Provider, and of Provider's subcontractors and their facilities in its provider directories, marketing and informational materials, and electronic media.

2.15 Publicity. Any news releases, public announcement, advertisement or publicity released by either party concerning this Agreement, or any proposals, or any resulting contracts or subcontracts to be carried out hereunder, will be subject to prior approval of NPLLC. Notwithstanding the foregoing, NPLLC in no way restricts Provider from discussing medical treatment options with Patient-Inmates.

2.16 Additional Rights and Obligations. Any additional rights or obligations of Provider or NPLLC shall be set forth in the Addenda to this Agreement.

2.17 **Telemedicine Services.** Provider agrees on behalf of itself, and each of its Facilities and Professional Providers, as applicable; to abide by the Telemedicine requirements outlined by the Policies and by the CPHCS Office of Telemedicine Services. Coordination of all Telemedicine Services is maintained through the CPHCS Office of Telemedicine Services. Provider may access the Telemedicine Scope of Work at: http://www.cdcr.ca.gov/Divisions_Boards/Plata/docs/Exhibit%20A-Attachment%201-Telemedicine%20Services_02-10-10%20.pdf. Provider shall abide by the Policies outlining the guidelines for performing Telemedicine services for CDCR/CPHCS that will be provided to Provider by NPLLC or by the CPHCS Office of Telemedicine Services upon approval to begin performing these services. All Telemedicine services provided under this Agreement must be authorized, coordinated and scheduled by the CPHCS Office of Telemedicine Services. Provider will not directly contact the institution(s) to initiate providing services. Provider shall render Telemedicine services from Provider's place of business. If Provider is going to be delivering services via Telemedicine, they will also be required to update and keep current their Telemedicine availability via the web-based telemedicine scheduler. Provider also agrees to submit required recommendations for treatment (report) to the institution within 72 hours.

III. DUTIES OF NPLLC

3.1 **Payment.** NPLLC shall price and shall direct CPHCS or its administrator to make payment to Provider for Contracted Services in accordance with Article IV and the applicable addenda, schedules and exhibits of this Agreement.

3.2 **Policies.** Policies are set forth in references and forms available to Provider through the Provider portal of NPLLC's website at "www.healthnet.com" or by other means which NPLLC will communicate to Provider periodically. Policies in existence as of the effective date of this Agreement are hereby incorporated into this Agreement by reference. Notwithstanding the foregoing and/or any other provision of this Agreement, the parties agree that a formal amendment to this Agreement shall not be required to effectuate modifications to Policies. Modifications to Policies may be made periodically as determined by NPLLC and/or CPHCS. Such modifications shall be deemed incorporated in this Agreement as of the effective date of such modification. If Provider rejects any such modification, NPLLC shall have the right to consider such rejection as an intent to terminate the Agreement, and NPLLC may terminate this Agreement upon one hundred eighty (180) days prior written notice pursuant to Section 5.5 hereof.

3.3 **Insurance.** NPLLC shall maintain appropriate insurance programs or policies including bodily injury and personal injury coverage, which includes persons serving on NPLLC committees as insured by definition. In the event that a policy or program is terminated or the coverage of committee persons is materially changed, NPLLC shall so notify Provider.

3.4 **Reporting to Regulators.** NPLLC and/or CPHCS shall accept sole responsibility for filing reports, obtaining approvals and complying with applicable laws and regulations of State, federal and other regulatory agencies having jurisdiction over NPLLC and/or CPHCS; provided, however, that Provider agrees to cooperate in providing NPLLC and/or CPHCS with any information and assistance reasonably required in connection therewith, including without limitation, permitting the regulatory agencies such as CPHCS or its designee to conduct periodic site evaluations of Provider, Facilities, Professional Providers and any of their equipment, operations, and billing and medical Records of Patient-Inmates. Such Records shall be located in the State.

IV. **FINANCIAL OBLIGATIONS.** The terms of this Article IV shall survive termination of this Agreement with respect to Covered Services rendered during the term of this Agreement:

4.1 **Payment Rates.** NPLLC shall price and Provider shall accept from CPHCS or its administrator, as payment in full for Contracted Services, the rates payable by CPHCS under the terms and conditions of this Agreement (including the payment conditions and other provisions set forth in the applicable addenda, schedules and exhibits to this Agreement.) Any overpayment, inaccurate payment or other payment error made by CPHCS or pricing errors made by NPLLC, shall not be deemed or construed

or otherwise operate to change the payment terms or rates provided for under this Agreement. CPHCS and not NPLLC shall be solely responsible to reimburse Provider.

4.2 Billing and Payment.

4.2.1 Billing. If Provider is compensated for a Complete Claim for a Covered Service on a fee-for-service basis, Provider shall submit Complete Claims directly to CPHCS or its administrator, via CPHCS or its administrator's electronic claims submission program or hardcopy as determined by CPHCS, within one hundred eighty (180) days after Provider renders Contracted Services. If Provider fails to comply with the timely claims submission/filing requirements set forth herein, NPLLC or CPHCS shall have no obligation to pay for such claims, and Provider shall be prohibited from billing the Patient-Inmate as set forth in Section 4.5 hereof.

Provider agrees that NPLLC, CPHCS or their designees shall have the right to determine the accuracy of all Complete Claims submitted to it prior to payment, including verification of diagnostic codes, DRG assignment, and whether Provider has delivered the Covered Service in good faith and pursuant to the terms of an applicable Prior Authorization.

4.2.2 Payment. Pursuant to the HNFS Contract, CPHCS shall make payment on each of Provider's timely-submitted Complete Claims in accordance with this Agreement and pursuant to the timeframes, procedures and other requirements of applicable State and federal law Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927. In no event shall NPLLC be under any obligation to pay Provider for any claim or expense, which is the responsibility of CPHCS.

4.3 Reimbursement for the Paroled. Provider understands and agrees that CDCR does not have statutory authority to render payment for services provided to parolees (California Code of Regulations Title 15, Section 3356). Additionally, Provider understands and agrees that NPLLC shall not be liable for payment for services provided to parolees. In the event that an inmate reaches his/her parole date while in the care of Provider, the appropriate CPHCS Health Care Manager or physician designee shall notify, no later than ten (10) working days before the date of parole, the parolee's appropriate CDCR Parole Region and the Patient-Inmate's upcoming parole date and medical status. The CMO or Health Care Manager shall make a good faith effort to notify Provider if a Patient-Inmate's parole date is expected to occur while a Patient-Inmate is under Provider's care. The appropriate Parole Region will notify the Agent of Record who will assist in providing for appropriate follow-up care to include:

- a. Transfer to a community health facility in the geographic vicinity of the parole region; or
- b. Continued care in the existing community health facility with arrangements for continued payment by the county of residence and/or enrollment in the Medi-Cal Program; or
- c. Transfer to outpatient care in the area of the parole release.

Provider agrees that under no circumstances shall the parole date prevent an inmate from receiving Emergency medical services or result in being discharged prematurely.

4.4 Collection of Surcharges. Provider shall not charge CPHCS any fees or Surcharges for Contracted Services rendered pursuant to this Agreement. In addition, Provider shall not collect a sales, use or other applicable tax from CPHCS for the sale or delivery of Contracted Services unless required by applicable State or federal law. If NPLLC or CPHCS receives notice of any attempt to collect or the receipt of any inappropriate additional charges, including without limitation Surcharges, NPLLC or

CPHCS shall take appropriate action. Provider shall cooperate with NPLLC or CPHCS to investigate such allegations, and shall promptly refund to the party who made the payment, including any payment reasonably determined to be improper by NPLLC or CPHCS.

4.5 Patient-Inmate Held Harmless. Provider agrees that in no event, including, but not limited to, non-payment by CPHCS, insolvency of NPLLC or CPHCS, or breach of this Agreement, shall Provider bill, charge, collect a deposit from, seek compensation, remuneration, or reimbursement from, or have any recourse against Patient-Inmates or persons acting on their behalf other than NPLLC or CPHCS for Contracted Services provided pursuant to this Agreement. Provider agrees that: (i) this provision shall survive the termination of this Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of Patient-Inmates; and (ii) this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between Provider and Patient-Inmates or persons acting on their behalf. Provider agrees to address any and all concerns it has with claims payment through CPHCS' dispute resolution process pursuant to this Agreement and the Policies.

4.6 Negligent Acts. Provider shall indemnify, defend, and hold harmless Health Net Inc. (including Network Providers LLC, and all subsidiary, parents, and sister companies), their officers, employees and agents, against any and all losses, liabilities, settlements, claims, demands, damages, or deficiencies (including interest) and expenses of any kind (including, but not limited to, attorney fees) arising out of or due to any injury or negligent acts of the State, CPHCS, CPHCS' officers, agents, and employees, and CPHCS' prisoners. To the extent Provider is injured or harmed in any way by Patient-Inmate seeking services under this Agreement, Provider agrees to hold Health Net Inc. (including NPLLC and its parent, sister and subsidiary companies) harmless for such acts.

4.7 Disclosure. Neither the State nor any State employee will be liable to Provider or its staff for injuries inflicted by inmates of the State. The State agrees to disclose to Provider any statement(s) known to State staff made by any inmate which indicates violence may result in any specific situation, and the same responsibility will be shared by Provider in disclosing such statement(s) to the State.

4.8 Failure of Legislature to Appropriate Funds To CPHCS. Provider understands that if a State Budget Act for the current year and/or any subsequent fiscal years covered under this Agreement does not appropriate sufficient funds for the Prison Healthcare Provider Network Project under which the services are being provided to Patient-Inmates, the State has no liability to pay any funds whatsoever to NPLLC and its network providers (including Provider) or furnish any other considerations. In the event the above transpires, neither NPLLC, nor any of its parent, sister, or subsidiary companies shall be liable to reimburse Provider for any services rendered effective from the date the necessary appropriated funds no longer exist.

V. TERM AND TERMINATION

5.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of two (2) years thereafter (the "Initial Term"). Either party may terminate this Agreement effective as of the end of the Initial Term by providing at least one hundred eighty (180) days prior written notice to the other party except as otherwise allowed under this Agreement. This Agreement shall automatically renew for successive one (1) year periods (the "Renewal Terms").

5.2 Immediate Termination. Either party may terminate this Agreement immediately upon notice to the other party, in the event of: (i) a party's violation of material law, rule or regulation; (ii) a party's failure to maintain the insurance coverage specified hereunder; or (iii) a felony conviction related to the medical and/or financial practices of a party. NPLLC may terminate this Agreement immediately upon notice to Provider in the event of (iv) action taken by a State or federal regulator that results in a material restriction upon Provider's ability to operate a Facility or reportable discipline against Provider's license, accreditation, or certification; (v) the health, safety or welfare of any Patient-Inmate may be in jeopardy if this Agreement is not terminated; (vi) any material adverse finding as a result of a lawsuit or claim, related to the medical and/or financial practices of Provider.

5.3 Budget Contingency Clause. It is mutually agreed that if the State Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the Prison Healthcare Provider Network Project, this Agreement shall be of no further force and effect. In this event, neither NPLLC, CPHCS, nor the State shall have any liability to pay any funds whatsoever to Provider and its subcontractors or furnish any other considerations under this Agreement, and Provider and its subcontractors shall not be obligated to perform any provisions of this Agreement. If funding for any fiscal year is reduced or deleted by the State Budget Act for purposes of this Prison Healthcare Provider Network Project, NPLLC shall have the option to either cancel this Agreement with no liability occurring to NPLLC and/or the State, or offer an amendment to Provider to reflect the reduced amount.

5.4 Termination Due to Material Breach. In the event either party believes the other party has committed a material breach of this Agreement, the non-breaching party shall send the other party a written Notice of Breach and Demand to Cure ("Notice"). Without limiting either party's other termination rights under this Article V, in the event that either party fails to cure a material breach of this Agreement within thirty (30) days of receipt of the Notice from the other party (the "Cure Period"), the non-defaulting party may terminate this Agreement by providing the defaulting party thirty (30) days prior written notice of termination. The non-defaulting party may exercise this termination option, if at all; within thirty (30) days of the date the Cure Period expires. If the breach is cured within the Cure Period, or if the breach is one, which cannot reasonably be corrected within the Cure Period, and the defaulting party is making substantial and diligent progress toward correction during the Cure Period to the reasonable satisfaction of the non-defaulting party, this Agreement shall remain in full force and effect. The provisions of this Section 5.4 shall not apply to claims payment timeliness issues which are governed by Article IV of this Agreement, unless and until the parties have completed the dispute resolution process set forth in Sections 7.5 of this Agreement, and the dispute relates to habitual, chronic and material claims payment timeliness issues.

5.5 Termination Upon Notice. Either party may terminate this Agreement during a Renewal Term for any reason or no reason upon one hundred eighty (180) days prior written notice to the other party. In the event that either party provides the other party with such notice, CPHCS may, at its option, begin to transition Patient-Inmates under this Agreement to another Participating Provider.

5.6 Information to CPHCS and Patient-Inmates. The parties each agree not to disparage the other in any information supplied by either party to CPHCS, Patient-Inmates or other third parties in connection with any expiration, termination or non-renewal of this Agreement. NPLLC shall assume sole responsibility for notifying CPHCS, and CPHCS may commence transferring Patient-Inmates to alternate providers, prior to the effective date of any expiration, termination or non-renewal of this Agreement in accordance with State and federal law. If CPHCS seeks services or Participating Providers order tests or seek services from Provider after the effective date of any expiration, termination or non-renewal, Provider shall inform such NPLLC, CPHCS and Participating Providers only that Provider no longer has an agreement with NPLLC to render Covered Services and shall direct them to NPLLC. Provider shall not otherwise initiate communications with CPHCS, Patient-Inmates or other third parties, verbally or in writing, concerning the expiration, termination or non-renewal of this Agreement and Provider's participation in NPLLC's Participating Provider network, unless the parties have agreed in writing to the content of such communications in the context of a mutually agreed communication plan. Nothing in this provision is intended nor shall it be construed to prohibit or restrict Provider, Professional Provider, or other Participating Providers from (i) disclosing to any Patient-Inmate information regarding treatment options available, the risks, benefits and alternatives thereto, or (ii) disclosing to any Patient-Inmate the decision or process of CPHCS to Prior Authorize or deny services, or (iii) posting a reasonable notice on Provider's website or in Provider's Facilities listing by name those insurance carriers that are accepted by Provider, provided that the notice lists each name in substantially similar format. The terms of this Section 5.6 shall survive termination of this Agreement.

5.7 Effect of Termination. In the event that a Patient-Inmate is receiving Contracted Services on the date this Agreement expires, non-renews, and/or terminates, upon the request of CPHCS and NPLLC, Provider shall continue to provide Contracted Services to the Patient-Inmate until the later of: (i) treatment is

completed; (ii) the Patient-Inmate is discharged if Provider is an inpatient facility; or (iii) the Patient-Inmate is assigned to another Participating Provider. Provider's compensation for such Contracted Services shall be at the rates contained in the applicable Addendum hereto. If Provider's services are continued beyond the expiration, non-renewal, and/or termination of this Agreement, Provider shall be subject to the same contractual terms and conditions that were imposed on Provider prior to the expiration/non-renewal/termination, including, but not limited to, credentialing, hospital privileging, utilization review, peer review, and quality assurance requirements.

5.8 Termination of HNFS Contract by CDCR. To the extent the State of California terminates HNFS Contract, either in whole or in part, for any reason, prior to the end of the term of HNFS Contract with CDCR, NPLLC shall be permitted to immediately terminate this Agreement with Provider and shall not bear any financial responsibility for any services rendered subsequent to the termination date unless agreed to in writing by both parties.

5.9 Stop Work. CPHCS may, at any time, by written notice to NPLLC, require Provider to stop all, or any part, of the work called for by this Agreement for a period up to ninety (90) days after the notice is delivered to NPLLC or to Provider, and for any further period to which CPHCS and NPLLC may agree. The notice shall be specifically identified as a "Stop Work Order" and shall indicate it is issued under this clause. Upon receipt of the Stop Work Order, Provider shall immediately comply with its terms.

5.10 Professional Provider Termination. The following provisions apply if Provider employs or otherwise engages Professional Providers to deliver Covered Services to Patient-Inmate under the terms of this Agreement: Provider shall notify NPLLC in writing at least ninety (90) days prior to any termination of an agreement between Provider and a Professional Provider, or if Professional Provider decides to close his or her medical practice or refuse to accept any additional Patient-Inmate. When ninety (90) days prior written notice is not possible, Provider shall nonetheless provide as much advance notice as possible under the circumstances. Provider shall immediately notify NPLLC whenever a Professional Provider fails to renew his or her agreement with Provider, whenever Provider has reason to believe a Professional Provider will fail to renew his or her agreement with Provider, and whenever Provider knows of an occurrence giving rise to an immediate termination of a Professional Provider by Provider. In the event of a Professional Provider termination, Provider shall ensure that there is sufficient capacity in Provider's network to meet the access standards set forth in the Policies.

NPLLC may reasonably request and Provider shall terminate any Professional Provider from providing Covered Services to Patient-Inmate under this Agreement, at any time, upon at least thirty (30) days prior written notice from NPLLC to Provider; provided, however, that no such termination shall be because a Professional Provider is advocating on behalf of a Patient-Inmate for health care services. Provider shall notify NPLLC within five (5) working days of Provider becoming aware that a Professional Provider has been found guilty of a criminal offense, or has been barred or sanctioned from participation under the Medicare program, in which case, upon NPLLC's written request, Provider shall terminate Professional Provider from providing Covered Services to Patient-Inmate under this Agreement. If NPLLC makes a determination, at its sole discretion, that treatment by a Professional Provider may jeopardize the health and safety of any Patient-Inmate, Provider shall terminate such Professional Provider from providing Covered Services to Patient-Inmate under this Agreement upon NPLLC's written request.

VI. RECORDS, AUDITS AND REGULATORY REQUIREMENTS

6.1 Medical and Other Records. Health Records shall be kept in accordance with CCR, Title 22, Section 70751, and in compliance with all applicable federal and State confidentiality and privacy laws, on all Patient-Inmates. All required Patient-Inmates health Records, either originals or accurate reproduction of the contents of such originals, shall be maintained by Provider, or his/her authorized medical staff, in such form as to be legible and readily available upon request by authorized representatives of CDCR, CPHCS and/or NPLLC and any other person authorized by law to make such a request.

Provider shall safeguard the information in all health Records of CDCR Patient-Inmates against loss, defacement, tampering or use by unauthorized persons. Provider shall comply with and require

Professional Providers to comply with all confidentiality and Patient-Inmate Records accuracy requirements.

Patient-Inmates health Records including x-ray films or reproductions thereof shall be preserved safely for a minimum of seven (7) years following discharge of the Patient-Inmate in accordance with CCR, Title 22, Section 70751. Provider shall provide copies of Patient-Inmates health Records or information within health Records, as requested by NPLLC or by CPHCS, at no additional charge.

6.2 Access to Records and Audits by Regulatory Agencies and Accreditation Agencies.

Subject only to applicable State and federal confidentiality or privacy laws, Provider shall permit designated representatives of local, State, and federal regulatory agencies including CPHCS having jurisdiction over NPLLC or CPHCS ("Regulatory Agencies") and designated representatives of accreditation agencies having jurisdiction over NPLLC or CPHCS ("Accreditation Agencies"), access to Provider's Records, at Provider's place of business in this State during normal business hours, in order to audit, inspect and review and make copies of such Records. Such Regulatory Agencies shall include, but not be limited to, CPHCS, the United States Justice Department, CMS and the United States Department of Health and Human Services and any of their representatives. Such Accreditation Agencies shall include, but not be limited to, the National Committee on Quality Assurance (NCQA). When requested by Regulatory Agencies and/or Accreditation Agencies, Provider shall produce copies of any such Records at no charge. Additionally, Provider agrees to permit Regulatory Agencies and Accreditation Agencies or their representatives, to conduct audits, site evaluations and inspections of Provider's Records, offices and service locations. Provider shall make available the access, audits, evaluations, inspections, Records, and/or copies of Records required by this Section, at no cost to NPLLC, CPHCS, Regulatory Agencies and/or Accreditation Agencies, and within a reasonable time period, but not more than five (5) days after the request is submitted to Provider.

6.3 Quality Assurance, and Financial, Audits/Reviews. NPLLC for its own account or on behalf of CPHCS, or CPHCS directly, reserves the right to conduct Quality Assurance and Financial audits/reviews and/or delegate authority to a third party for the purposes of conducting audits/reviews of Provider at anytime for the purposes of verifying Provider's compliance with the performance provisions, scope of work, terms and conditions selected for review in this Agreement, the pricing of and/or medical treatment services listed in the invoices paid, quality of medical care and services rendered to Patient-Inmates, and compliance with State laws and regulations and/or Policies and CPHCS guidelines. Such audit/review may be undertaken directly by CPHCS or by third parties engaged by CPHCS, including NPLLC, accountants, consultants and physicians. Provider shall cooperate fully with such auditors; however, such audit shall not interfere with the administration of the Agreement or with the delivery of health care services.

Provider shall provide in electronic format, within ten (10) days of a request by NPLLC or CPHCS and/or its delegate copies of any Patient-Inmate Records at no cost to CPHCS and/or its delegate if the documents have not previously been provided to CPHCS and/or its delegate. If Provider is unable to meet the ten (10) days requirement, a written notification from Provider shall be sent to the requestor, (NPLLC or CPHCS), and will include a timeline for completing the request Provider is responsible to immediately notify CPHCS and/or its delegate in the event of a delay in providing electronically the Records requested by the timeframe provided in the notification.

All adjustments, payments, and reimbursements determined by CPHCS or its delegate to be necessary by such audit/review shall be effected promptly by Provider upon issuance of a final audit report, except for portions of that report which are challenged or appealed by Provider. In the case of challenge or appeal, Provider shall effect the adjustment, payment or reimbursement immediately upon a settlement, or pursue remedy through the provisions as set forth in the Dispute Resolution section of this Agreement.

Findings shall be submitted to Provider, and CPHCS and/or its delegate will establish a review date at which time expectations and time frames for correcting any deficiencies will be established.

Failure by Provider to correct deficiencies, within agreed upon time frames, shall be reason for termination in accordance with Section 5.4, Termination Due to Material Breach of this Agreement.

6.4 **Continuing Obligation.** The obligations of Provider under this Article VI shall not be terminated upon termination of this Agreement, whether by rescission, non-renewal or otherwise. After such termination of this Agreement, NPLLC, CPHCS and Regulatory Agencies shall continue to have access to Provider's Records as necessary to fulfill the requirements of this Agreement and to comply with all applicable laws, rules and regulations.

6.5 **Regulatory Compliance.** Each party agrees to comply with all applicable local, State, and federal laws, rules and regulations, now or hereafter in effect, regarding the performance of the party's obligations hereunder, including without limitation, laws or regulations governing Patient-Inmate confidentiality, privacy, appeal and dispute resolution procedures to the extent that they directly or indirectly affect Provider, Provider's Facility(ies), Provider's Professional Providers, Patient-Inmate, NPLLC, or CPHCS, and bear upon the subject matter of this Agreement. If NPLLC is sanctioned by any Regulatory Agency for non-compliance that is caused by gross or deliberate non-compliance or misconduct by the Provider, Provider shall compensate NPLLC for amounts tied to this sanction incurred by NPLLC including NPLLC's costs of defense and fees.

VII. GENERAL PROVISIONS

7.1 **Amendments.** This Agreement may be amended by mutual written agreement of the parties. Notwithstanding the foregoing, amendments required to comply with State or federal laws or regulations, requirements of Regulatory Agencies, or requirements of Accreditation Agencies, shall not require the consent of Provider or NPLLC and shall be effective immediately on the effective date of the requirement. The parties acknowledge that changes to Policies that may affect a party's rights or obligations under this Agreement are addressed in Section 3.2 hereof.

7.2 **Separate Obligations.** The rights and obligations of NPLLC under this Agreement shall apply to NPLLC and/or CPHCS accessing this Agreement only to the extent NPLLC and/or CPHCS has accessed this Agreement with respect to the Prison Healthcare Provider Network Project. CPHCS and not NPLLC, shall bear full financial responsibility to the Provider. The terms of this Section 7.2 shall survive termination of this Agreement.

7.3 **Assignment.** Neither this Agreement, nor any of Provider's rights or obligations hereunder, is assignable by Provider without the prior written consent of NPLLC which consent shall not be unreasonably withheld. NPLLC expressly reserves the right to assign, delegate or transfer any or all of its rights, obligations or privileges under this Agreement

7.4 **Confidentiality.** NPLLC, CPHCS and Provider agree to hold Patient-Inmate health information and records, the terms of this Agreement, and all confidential or proprietary information or trade secrets of each other, in trust and confidence. NPLLC, CPHCS and Provider each agree to keep strictly confidential all terms, including without limitation compensation rates, set forth in this Agreement and its Addenda, except that this provision does not preclude disclosure by NPLLC to potential customers, Patient-Inmates, Regulatory Agencies and Accreditation Agencies of the method of compensation used by NPLLC with respect to NPLLC's Participating Provider networks, e.g., fee-for-service, DRG or per diem. NPLLC, CPHCS and Provider agree that such information shall be used only for the purposes contemplated herein, and not for any other purpose. NPLLC, CPHCS and Provider agree that nothing in this Agreement shall be construed as a limitation of (i) Provider's rights or obligations to discuss with the Patient-Inmates matters pertaining to the Patient-Inmates' health or (ii) NPLLC's rights or obligations with respect to subcontractors, including without limitation delegated providers, or (iii) disclosures to counsel or a consultant of a party for the purpose of monitoring regulatory compliance or rendering legal advice pertaining only to this Agreement or disclosures to internal or independent auditors of a party for audit purposes pertaining to this Agreement, provided that in either case the counsel or consultant agrees in writing to comply with the provisions of this Section 7.4 and agrees that the terms of this Agreement may not be disclosed to any other person or entity or used in any manner whatsoever in connection with any

other agreement involving NPLLC. The terms of this Section 7.4 shall survive termination of this Agreement.

7.5 Dispute Resolution

7.5.1 Contract Disputes between Provider and NPLLC.

If Provider has a dispute on any issue with NPLLC, Provider shall first submit any such disputes to CPHCS as set forth under Section 7.5 herein. Once CPHCS determines a dispute is NPLLC's responsibility, CPHCS shall forward such dispute to NPLLC who shall then follow the steps set out under Section 7.5.1. Notwithstanding the foregoing, NPLLC shall only be responsible to address any Provider dispute that involves the terms of this Agreement or the repricing of Provider's claims.

(i) Meet and Confer Process:

Initiation: If the parties are unable to resolve any dispute through applicable NPLLC internal appeal processes, if any, the parties agree to meet and confer within thirty (30) days of a written request by either party in a good faith effort to informally settle any dispute. The parties each agree and understand that the meet and confer requirements set forth herein may be satisfied only by meeting each of the following requirements: (a) an actual meeting must occur between executive level employees of the parties who have authority to resolve the dispute and are each prepared to discuss in good faith the dispute and proposed resolution(s) to the dispute, and (b) such meeting may take place either in person or on the telephone at a mutually agreeable time, and (c) unless otherwise mutually agreed by the parties, neither party is allowed to have legal counsel present at the meeting or to substitute legal counsel for the executive level employee, and (d) such meeting and all related discussions between the parties shall be treated in the same manner as confidential protected settlement discussions under the State Rules of Civil Procedure.

Confidentiality: All documents created for the purpose of, and exchanged during, the meet and confer process and all meet and confer discussions, negotiations and proceedings shall be treated as compromise and settlement negotiations subject to applicable State law. To the extent the parties produce or exchange any documents, the parties agree that such production or exchange shall not waive the protected nature of those documents and shall not otherwise affect their inadmissibility as evidence in any subsequent proceedings.

(ii) Voluntary Mediation:

If the parties are unable to resolve any dispute through the meet and confer process set forth above, and desire to utilize other impartial dispute settlement techniques such as mediation or fact-finding, a joint request for such services may be made to the American Arbitration Association ("AAA"), or the Judicial Arbitration and Mediation Services ("JAMS") prior to submitting a dispute to arbitration, or the parties may initiate such other procedures as they may mutually agree upon.

(iii) Arbitration:

Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Sacramento, California, before one arbitrator. At the option of the first to commence an arbitration, the arbitration shall be administered either by JAMS pursuant to its (Comprehensive Arbitration Rules and Procedures) (Streamlined Arbitration Rules and Procedures), or by American Arbitration Association pursuant to its

rules. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

- 7.5.2 **Dispute Resolution between Provider and CPHCS.** If Provider has a dispute on any issue with CPHCS or which is determined to be CPHCS' responsibility, Provider shall follow the following process(es):

Provider as a condition precedent to the right of Provider to pursue litigation or other legally available dispute resolution process with CPHCS, if any, agree that all disputes arising under or related to this Agreement shall be resolved pursuant to the following processes. Pending the final resolution of any such disputes, Provider agrees to diligently proceed with the performance of the Agreement, including the delivering of goods or providing of services. Provider's failure to diligently proceed shall constitute a material breach of the Agreement.

- 7.5.2.1 **Verbal Appeal.** Provider can verbally appeal disputes to the CPHCS Medical Contracts Section Chief, if Provider was unable to resolve the problem by informal discussion. Provider will be contacted within five (5) working days of the request with the date and time of telephone conference with the CPHCS Medical Contracts Section Chief to attempt to resolve the issues verbally.
- 7.5.2.2 **Informal Appeal.** If the issue is not resolved at the verbal appeal level, Provider shall file, within thirty (30) working days, an informal written appeal specifying: the issue(s) of dispute, legal authority or other basis for Provider's position, supporting evidence, and remedy sought, with the CPHCS Medical Contracts Deputy Director, and provide a photocopy to the CDCR Section Chief. CPHCS Medical Contracts Deputy Director shall make a determination on the issue and respond in writing within thirty (30) working days of receipt of the informal appeal, indicating the decision reached. Provider shall be notified if an extension of time is necessary.
- 7.5.2.3 **Formal Appeal.** Should Provider disagree with the informal appeal decision, or no written decision has been issued from CPHCS after thirty (30) calendar days, or other mutually agreed extension, Provider shall submit, within ten (10) working days after Provider's receipt of the decision of the informal appeal, to the CPHCS Medical Contracts Deputy Director, written notification indicating why the informal appeal decision is unacceptable, along with a copy of the original statement of dispute and a copy of Deputy Director's response. The Director, or his or her designee, may meet with Provider to review the issues within twenty (20) working days of the receipt of Provider's notification and shall provide Provider with written notification of the decision within forty five (45) working days from the receipt of the formal appeal.
- 7.5.2.4 **Further Resolution.** If the dispute is not resolved by the formal appeal process to the Contractor's and/or its Network Provider's satisfaction, or no written decision has been issued from CPHCS after thirty (30) calendar days, or other mutually agreed extension, Contractor and/or its Network Provider may thereafter pursue its right to institute other dispute resolution process(es), if any, available under the laws of the State of California.
- 7.5.2.5 If Provider pursues an appeal with NPLLC which lies within the jurisdiction of CPHCS and should have been filed or lodged with CPHCS, NPLLC shall forward the appeal on to CPHCS, with notice to the Provider, and all further communications relating to that appeal shall be between Provider and CPHCS.

7.6 **Entire Agreement.** This Agreement, which includes all applicable Policies that are updated periodically, represents the entire agreement between the parties hereto with respect to the subject

matter hereof and supersedes any and all other agreements, either oral or written, between the parties with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Agreement shall be valid or binding.

7.7 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State, except to the extent such laws conflict with or are preempted by any Federal law, in which case such federal law shall govern. NPLLC is subject to the requirements of various local, State, and federal laws, rules and regulations. Any provision required to be in this Agreement by any of the above shall bind Provider and NPLLC whether or not expressly set forth herein.

7.8 Indemnification

7.8.1 Terms of Contract. Provider shall indemnify, defend, and save harmless NPLLC, the State, CPHCS, and CPHCS' officers, employees and agents, against any and all losses, liabilities, settlements, claims, demands, damages, or deficiencies (including interest) and expenses of any kind (including, but not limited to, attorneys' fees) arising out of or due to a breach of any representation or warranty, covenant, or agreement of the Provider contained in this Agreement. NPLLC, the State, CPHCS and CPHCS' officers, agents, and employees shall be responsible for their own acts and omissions.

7.8.2 Provision of Services. Provider shall be solely responsible for any and all losses, liabilities, settlements, claims, demands, damages, or deficiencies (including Interest) and expenses of any kind (including but not limited to, attorney's fees) arising out of Provider's, subcontractors, or their representatives negligent acts or omissions hereunder. NPLLC, the State, CPHCS and CPHCS' officers, agents, and employees shall be responsible for their own acts and omissions.

7.9 Non-Exclusive Contract. This Agreement is non-exclusive and shall not prohibit Provider or NPLLC or CPHCS from entering into agreements with other health care providers or purchasers of health care services.

7.10 No Third Party Patient-Inmate. Nothing in this Agreement is intended to, or shall be deemed or construed to, create any rights or remedies in any third party, including a Patient-Inmate. Nothing contained herein shall operate (or be construed to operate) in any manner whatsoever to increase the rights of any such Patient-Inmate or the duties or responsibilities of Provider or NPLLC or CPHCS with respect to such Patient-Inmates.

7.11 Notice. Notices regarding the breach, term, termination or renewal of this Agreement shall be given in writing in accordance with this Section 7.11 and shall be deemed given five (5) days following deposit in the U.S. mail, postage prepaid. If sent by hand delivery, overnight courier, or facsimile, notices shall be deemed given upon documentation of delivery. All notices shall be addressed as follows:

NPLLC:

Vice President of Provider Network Management
21281 Burbank Blvd, 4th Floor
Woodland Hills, CA 91367
Facsimile: (818) 676-5701

Provider:

CEO
1441 CONSTITUTION BLVD.
SALINAS, CA 93906
Facsimile number: (831) 755-6254

The addresses to which notices are to be sent may be changed by written notice given in accordance with this Section.

7.12 **Severability.** If any provision of this Agreement is rendered invalid or unenforceable by any local, State, or federal law, rule or regulation, or declared null and void by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

7.13 **Status as Independent Entities.** None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create any relationship between Provider and NPLLC or CPHCS other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither Provider nor NPLLC, CPHCS nor any of their respective agents, employees or representatives shall be construed to be the agent, employee or representative of the other.

7.14 **Addenda.** Each Addendum to this Agreement is made a part of this Agreement as though set forth fully herein. Any provision of an Addendum that is in conflict with any provision of this Agreement shall take precedence and supersede the conflicting provision of this Agreement with respect to the subject matter of the Addendum.

7.15 **Calculation of Time.** The parties agree that for purposes of calculating time under this Agreement, any time period of less than ten (10) days shall be deemed to refer to business days and any time period of ten (10) days or more shall be deemed to refer to calendar days unless the term "business" precedes the term "days".

7.16 **Waiver of Breach.** The waiver of any breach of this Agreement by either party shall not constitute a continuing waiver of any subsequent breach of either the same or any other provision(s) of this Agreement. Further, any such waiver shall not be construed to be a waiver on the part of such party to enforce strict compliance in the future and to exercise any right or remedy related thereto.

7.17 **Force Majeure.** NPLLC, CPHCS, or Provider shall not be liable for any delay or non-performance of its obligations under this Agreement arising from any act of God, governmental act, act of terrorism, war, fire, flood, epidemic, earthquake or explosion. If NPLLC and/or Provider are unable to perform their obligations or if the rendition of service provided is delayed or rendered impractical due to such circumstances, then NPLLC and/or Provider have no liability or obligation under this Agreement for such delay or such failure to provide services.

7.18 **Major Disaster or Epidemic.** In the event of any major disaster or epidemic, as declared by the Governor of the State and affecting Provider's service area, or epidemic, as declared by the State Department of Health Services, or other appropriate entity, Provider shall render or attempt to arrange for the provision of services insofar as practical, according to their best judgment, within the limitations of such facilities and personnel as are then available, but neither Provider nor Provider's employees have any liability or obligation for delay or failure to provide any such services due to lack of available facilities or personnel if such lack is the result of such disaster or epidemic.

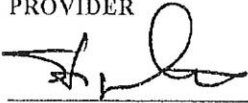
7.19 **Security Clearance/Fingerprinting.** The State reserves the right to conduct fingerprinting and/or security clearance through the Department of Justice, Bureau of Criminal Identification and Information (BCII), at any time during the term of the Agreement, in order to permit Provider and/or Provider's employees' and its subcontractors access to State premises. The State or NPLLC further reserve the right to terminate the Agreement should a threat to security be determined.

7.20 **Provider Employee Misconduct.** During the performance of this Agreement, it shall be the responsibility of the Provider whenever there is an allegation of employee misconduct associated with and directly impacting Patient-Inmate rights, to immediately notify the CPHCS of the incident(s), to cause an investigation to be conducted, and to provide CPHCS with all relevant information pertaining to the incident(s). All relevant information includes, but is not limited to: a) investigative reports; b) access to Patient-Inmates and the associated staff; c) access to employee personnel records; d) that information reasonably necessary to assure CPHCS that Patient-Inmates are not or have not been deprived of any legal rights as required by law, regulation, policy and procedures; and e) written evidence that Provider has taken such remedial action, in the event of employee misconduct with Patient-Inmate, as will assure against a

repetition of the incident(s). Notwithstanding the foregoing, and without waiving any obligation of Provider, CPHCS retains the power to conduct an independent investigation of any incident(s). Furthermore, it is the responsibility of the Provider to include the foregoing terms within any and all subcontracts, requiring that sub-contractor(s) agree to the jurisdiction of CPHCS to conduct an investigation of their facility and staff, including review of sub-contractor employee personnel records, as a condition of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

PROVIDER



Signature

HARRY WEIS

Print Name

CEO

Title

06/23/11

Date

94-600524

Federal Tax Identification Number

COUNTY OF MONTEREY

Name of Tax Identification Number Owner

HOSPITAL

Provider Type (Hospital, Ancillary)

1205863255

NPI #

Network Providers, LLC



NPLLC Signature

PAUL GILBERTSON

Print Name

SR. VP AND COO

Title

29 JUNE 2011

Date

The information below is mandatory. Please complete all applicable fields.

Provider must submit a populated billing form (e.g. UB 04 or successor form) for each as directed by NPLLC. In addition, the corresponding Tax Identification Number, with a completed W-9 for each TIN, shall be attached. The billing information on the billing form must be consistent with the W-9 form.

Provider/Facility Name, Address, Telephone and Facsimile Phone	State License Number	Federal Tax Identification Number	Medicare Provider Number	National Provider Identifier	Accrediting Body (If Applicable)
NATIVIDAD MEDICAL CENTER 1441 CONSTITUTION BLVD. SALINAS, CA 93906 (831)755-4231 f-(831)759-6536	07000070	94-6000524	05-0248	1205863255	JC4549
<i>Additional Location(s):</i>					
<i>Billing/Remit Address:</i> NATIVIDAD MEDICAL CENTER P.O. BOX 80007 SALINAS, CA 93912-0007	<i>Same as above</i>				

Professional

Provider must submit a sample billing form (CMS 1500 or successor form) for each as directed by NPLLC. In addition, as directed by NPLLC, the corresponding Tax Identification Number shall be indicated, with a completed W-9 for each TIN as directed by NPLLC. The Tax Identification Number on the billing form must be consistent with the TIN on the W-9 form.

A complete Physician Roster must be submitted with this Agreement for a Physician Practice Group. The Roster shall include Physician Name, License number, NPI number, and CAQH number (if applicable), and be attached to Exhibit II.

Provider/Group Name, Address, Telephone and Facsimile Phone	State License Number	Federal Tax Identification Number	Medicare Provider Number	National Provider Identifier
<i>Billing/Remit Address:</i>				

ADDENDUM A

PRISON HEALTHCARE PROVIDER NETWORK PROJECT

I. Applicability. This Addendum A and accompanying exhibits apply to Covered Services delivered to Patient-Inmates covered by Prison Healthcare Provider Network Project. All Covered Services delivered to a Patient-Inmate covered by a Prison Healthcare Provider Network Project shall be paid in accordance with this Addendum A.

II. Prison Healthcare Provider Network Project and Payor Disclosures. Provider understands and agrees that NPLLC may, lease, transfer or convey a list, including Provider, to Payors.

Provider agrees that Prison Healthcare Provider Network Project's Payor, CPHCS is eligible to pay Provider's contracted rate under this Addendum A as of the effective date of this Agreement:

III. Payment. As compensation for rendering Contracted Services to Patient-Inmates covered by the Prison Healthcare Provider Network Project under this Addendum A, NPLLC shall price and shall direct CPHCS to pay and Provider shall accept as payment in full the rates set forth in Exhibit A-1 or Exhibit A-2, as applicable, subject to the payment conditions set forth in Addendum B, the terms of this Agreement and applicable State and federal law. Notwithstanding any other provision in this Agreement, the parties acknowledge that CPHCS is solely responsible for paying Provider for Covered Services rendered to Patient-Inmates. NPLLC shall not be obligated to pay all or any portion of any Provider claim on CPHCS' behalf.

EXHIBIT A-1
FACILITY FEE-FOR-SERVICE RATE EXHIBIT
PRISON HEALTHCARE PROVIDER NETWORK PROJECT

I. Payment Rates

Subject to the terms of this Agreement, including without limitation the Payment Conditions set forth in Addendum B, NPLLC shall price and shall direct CPHCS or its administrator to pay and Provider shall accept as payment in full for Medically Necessary Covered Services delivered under the Prison Healthcare Provider Network Project pursuant to this Addendum, the lesser of: (i) % of Provider's billed charges, or (ii) % Provider's Medicare MS-DRG or Medicare allowable amounts for Inpatient Services and Outpatient Services current on the date Contracted Services are rendered.

REDACTED RATES

II. Payment Conditions

The Payment Conditions applicable to the Prison Healthcare Provider Network Project are set forth in Addendum B, Facility Fee-For-Service Payment Conditions and supplement the Policies.

EXHIBIT A-2
PRISON HEALTHCARE PROVIDER NETWORK PROJECT
PROFESSIONAL FEE-FOR-SERVICE RATE EXHIBIT

Subject to the terms of this Agreement, including without limitation the Payment Conditions set forth in Addendum B, NPLLC shall price and shall direct CPHCS or its administrator to pay and Professional Provider shall accept as payment in full for Medically Necessary Covered Services delivered pursuant to this Addendum, the lesser of: (i) the rates listed below, or (ii) one hundred percent (100%) of Provider's billed charges.

Category of Service	Compensation
Covered Services delivered or arranged by Professional Provider	% of CMS Allowable
Anesthesia Services when provided by an Anesthesiologist or Certified Registered Nurse Anesthetist (American Society of Anesthesiology (ASA) unit scale)	% of CMS Allowable
Medical/Surgical Services by an Anesthesiologist or Certified Registered Nurse Anesthetist	% of CMS Allowable

REDACTED RATES

ADDENDUM B

FEE-FOR-SERVICE PAYMENT CONDITIONS

PAYMENT CONDITIONS APPLICABLE TO PAYMENT RATES BASED ON MEDICARE/CMS ALLOWABLE

The following payment conditions shall apply to payment rates based upon a percentage of Medicare/CMS allowable rates, and methodology.

1.1 A MS-DRG/case rate shall be payable for each Patient-Inmate who is admitted. Should the Patient-Inmate require readmission to acute care status, Provider will be paid for the initial admission and subsequent re-admission based on CMS payment guidelines. Payment for any Outpatient Services delivered to a Patient-Inmate prior to or following an inpatient admissions will be paid in accordance with CMS payment guidelines.

1.2 Provider shall be reimbursed in accordance with CMS guidelines for all Outpatient Services.

1.3 Medicare/CMS allowable for Inpatient Services is defined as Medicare DRG including, DME, DSH, Capital and other Medicare payments, and including outliers as defined by Medicare/CMS, but excluding IME.

1.4 Provider agrees to adhere to NCCI edits, Outpatient Code Editor, and CMS/Medicare billing and compensation guidelines for all services.

II. PAYMENT CONDITIONS APPLICABLE TO PAYMENT RATES FOR PROFESSIONAL PROVIDERS

The Payment Conditions set forth in this Addendum supplement the Policies, and are applicable to Prison Provider Network Program.

2.1 Professional Provider shall utilize valid CPT/HCPCS/ICD9 diagnosis codes, or successor codes, when submitting Complete Claims for Covered Services under this Agreement. The parties acknowledge that applicable coding agencies periodically issue coding modifications. Such modifications may be implemented by NPLLC within sixty (60) days of the date NPLLC receives the modification from the applicable coding agency. The parties agree that in the event such coding modifications have the effect of changing a payment amount in this Agreement, the resulting payment amount change shall be effective on a prospective basis. The parties further agree to reasonably and in good faith discuss any contract rate amendment that may be appropriate based on comprehensive and substantive coding changes by the applicable coding agency within ninety (90) days of written notification by either party. Any and all rate modifications that may result from such contract amendment shall be effective on a prospective basis.

2.2 The rates set forth in this Agreement apply to all current and future locations billed under this and future Tax Identification Numbers indicated by Professional Provider through a signed W-9 form and subject to terms of this Agreement.

1	<p><u>Requirement to Complete Payee Data Record, STD. 204</u></p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.</p>
2	<p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p>
3	<p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p>
4	<p><u>Are you a California resident or nonresident?</u></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below: Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov</p>
5	<p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>
6	<p>This section must be completed by the State agency requesting the STD. 204.</p>
	<p><u>Privacy Statement</u></p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p>

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do NOT send to the IRS.

Name (If a joint account or you changed your name, see Specific Instructions on page 2.)
COUNTY OF MONTEREY D.B.A. NATIVIDAD MEDICAL CENTER

Business name, if different from above. (See Specific Instructions on page 2.)
NATIVIDAD MEDICAL CENTER

Check appropriate box: Individual/Sole proprietor Corporation Partnership Other COUNTY

Address (number, street, and apt. or suite no.)
1441 CONSTITUTION BLVD

City, state, and ZIP code
SALINAS, CA 93906

Requester's name and address (optional)

Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, if you are a resident alien OR a sole proprietor, see the instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see How To Get a TIN on page 2.

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Social security number
| | | + | | | | |

OR

Employer identification number
91461000524

List account number(s) here (optional)

For Payees Exempt From Backup Withholding (See the instructions on page 2.)

Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me) and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Certification Instructions.—You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here Signature NSMayer Date 6/21/11

Purpose of Form.—A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are an exempt payee.

Note: If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What Is Backup Withholding?—Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

- You do not furnish your TIN to the requester, or
- The IRS tells the requester that you furnished an incorrect TIN, or
- The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
- You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or
- You do not certify your TIN when required. See the Part III instructions on page 2 for details.

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate instructions for the Requester of Form W-9.

Penalties

Failure To Furnish TIN.—If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding.—If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal Penalty for Falsifying Information.—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs.—If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.