

*Confidential -
Trade Secret*

**ASSIGNMENT AND AMENDMENT OF AMENDED AND RESTATED
ADMINISTRATIVE SERVICES AGREEMENT**

This Assignment and Amendment ("Assignment") dated effective as of [____], 2012 (the "Effective Date"), is made and entered into by and among Soundpath Health, Inc., a Washington corporation ("Assignor"), CollabHealth Plan Services, Inc., a Colorado corporation ("Assignee"), and Physicians of Southwest Washington, L.L.C., a Washington limited liability company ("PSW"). Each of Assignor, Assignee and PSW are also collectively referred to herein as the "Parties."

WHEREAS, Assignor and PSW entered into that certain Amended and Restated Administrative Services Agreement dated as of January 1, 2011 (the "Agreement");

WHEREAS, Northwest Physician Network of Washington, LLC, a Washington limited liability company, PSW, Assignor and Assignee entered into that certain Asset Purchase Agreement dated as of October 18, 2012 (the "Asset Purchase Agreement");

WHEREAS, pursuant to the Asset Purchase Agreement, Assignor desires to assign to Assignee all of Assignor's right, title, benefits, privileges and interests in and to the Agreement, and Assignee desires to assume all of Assignor's duties, liabilities and obligations arising under the Agreement; and

WHEREAS, Assignee and PSW desire to amend the Agreement pursuant to this Assignment to allow the Assignee to terminate the Agreement at anytime and for any reason following the provision of thirty (30) days advance written notice to PSW.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals. The foregoing recitals are hereby incorporated by this reference.
2. Assignment. Assignor does hereby grant, assign, transfer and set over unto Assignee, as of the Effective Date, all of Assignor's right, title, benefits and privileges in and to the Agreement. Assignee does hereby accept such assignment, and in connection therewith, assumes and agrees to observe, perform, pay and otherwise discharge when due Assignor's duties, liabilities and obligations arising under the Agreement.
3. Amendment. Section 15.3 of the Agreement is hereby deleted in its entirety and replaced with the following:

"15.3. **Termination by Soundpath**. Soundpath may terminate this Agreement at anytime and for any reason upon providing thirty (30) days advance written notice to PSW."

4. Miscellaneous.

- a. Nothing contained herein will itself change, amend, extend, or alter (nor should it be deemed or construed as changing, amending, extending, or altering) the terms or conditions of the Asset Purchase Agreement in any manner whatsoever. This instrument does not create or establish rights, liabilities or obligations not otherwise created or existing under or pursuant to the Asset Purchase Agreement. The Assignor acknowledges and agrees that the representations, warranties, covenants, agreements and indemnities contained in the Asset Purchase Agreement will not be superseded hereby but will remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Asset Purchase Agreement and the terms of this Assignment, the terms of the Asset Purchase Agreement will govern.
- b. The Parties will, at any time and from time to time upon the request of the other Party, execute, acknowledge and deliver all such further agreements, assignments, assumptions, assurances and other instruments as may be required to carry out the intent of this Assignment.
- c. This Assignment and the obligations of the Parties hereunder will be governed by and construed in accordance with the laws of the State of Washington without giving effect to any choice of law principles that may require the application of any other laws.
- d. This Assignment may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- e. All of the covenants, terms and conditions as set forth herein will be binding upon and will inure to the benefit of the Parties hereto and their respective successors and assigns.
- f. No amendment, modification, waiver, replacement, termination, or cancellation of any provision of this Assignment will be valid, unless the same will be in writing and signed by Assignee and Assignor.

[Remainder of page left blank; signature page follows.]

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused this instrument to be executed as of the Effective Date.

ASSIGNOR:

SOUNDPATH HEALTH, INC.

By: _____

Name: _____

Title: _____

ASSIGNEE:

COLLABHEALTH PLAN SERVICES, INC.

By: _____

Name: _____

Title: _____

PSW:

**PHYSICIANS OF SOUTHWEST
WASHINGTON, L.L.C.**

By: _____

Name: _____

Title: _____



*Confidential
Trade Secret*



Soundpath

HEALTH

Soundpath Health, Inc.

Amended and Restated Administrative Services

AGREEMENT

With

Physicians of Southwest Washington

For

Claims Administration

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AMENDED AND RESTATED ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (the "Agreement") is made and entered into between Soundpath Health, Inc. ("Soundpath"), a Washington corporation, and Physicians of Southwest Washington (PSW), a Washington limited liability corporation. The original effective date of this Agreement was and remains January 1, 2011. However the effective date for any provision amended, added, or deleted is January 1, 2012.

RECITALS

WHEREAS, Soundpath is domiciled and incorporated in the state of Washington and is certified as a health care services contractor with the Washington State Office of the Insurance Commissioner pursuant to Chapter 48.44 of the Revised Code of Washington; and

WHEREAS, Physicians of Southwest Washington, LLC is a company domiciled and incorporated in the State of Washington; and

WHEREAS, Soundpath holds a Medicare Advantage Contract to the Centers for Medicare and Medicaid Services ("CMS") for the purpose of offering Medicare Advantage Part C and Part D Plans to Medicare beneficiaries residing in its service area, and desires to enter into an Administrative Service Agreement ("Agreement") with PSW; and

WHEREAS, Soundpath has determined that PSW has the capability to perform such administrative services, and that PSW desires to provide such services to Soundpath.

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

Soundpath shall be responsible for the receipt and forwarding of claims for health services to PSW. PSW shall be responsible for the processing, adjudication, and payment of claims for Health Services provided to Assigned Enrollees. PSW, during the term of this Agreement, shall perform all of the services, reporting requirements, and other requirements (collectively "Administrative Services") set forth in this Agreement. Neither party shall have the right to modify this Agreement and/or any attachment or exhibit without the prior written agreement of the other party, except that Soundpath may amend this Agreement to comply with the requirements of state and federal regulatory authorities by providing prompt written notice to PSW of such amendment and its effective date. Both parties shall agree a mutually acceptable implementation schedule for such changes.. Unless such regulatory authorities direct otherwise, the signature of PSW will not be required.

- I. Soundpath and PSW are separate legal entities and independent contracting parties. Each company shall at all times exercise ultimate control over its assets and operations and shall retain the ultimate authority and responsibility regarding its powers, duties and responsibilities subject to the rights and responsibilities assumed under this Agreement and other agreements between the parties. This Agreement shall not be interpreted to create a joint venture, partnership or other business combination subjecting either party to any obligation to third parties except those assumed as a result of the terms and conditions of this Agreement. Except as necessary for PSW to comply with its obligations hereunder, neither PSW nor Soundpath shall be deemed to be the agent of the other party.
- II. Both parties acknowledge that Soundpath is subject to numerous federal and state laws and regulations applicable to the offering of health care benefit plans to persons enrolled in federal and state health care programs. Both parties agree that all terms and conditions of this Agreement shall be interpreted in a manner that results in the performance of all services under such federal and state health care programs in compliance with these legal obligations and standards. Both parties further agree that in these administrative services identified under this Agreement, Soundpath shall at all times retain ultimate

authority and responsibility for the supervision, direction and control of its business operations, assets and all matters relating to its health care benefit plans and programs, and the compliance of such plans and programs with applicable federal and state laws and regulations.

- III. Federal Funds - Throughout the term of this Agreement both parties shall remain in good standing with all applicable regulatory agencies, and shall comply with all applicable federal and state laws and regulations. Each party, in fulfilling its obligations under this Agreement, acknowledges that it is subject to certain laws that are applicable to individuals and entities receiving federal funds.
- IV. Compliance - Each party shall comply in all material respects with the requirements of all applicable federal and state laws and regulations, including but not limited to Medicare laws, regulations and CMS instructions, Title VI of the Civil rights Act of 1964 as implemented by regulations at 45 CFR Part 84; the Age Discrimination Act of 1975 as implemented by regulations at 45 CFR Part 91; The Rehabilitation Act of 1973; the Americans With Disabilities Act; the Health Insurance Portability and Accountability Act and its administrative simplification rules at 45 CFR parts 160, 162, and 164; applicable provisions of the Federal criminal law, the False Claims Act 32 U.S.C. 3729 et seq.; the Anti-kickback Act at Section 1128B(b); Revised Code of Washington; Washington Administrative Code; and other laws applicable to recipients of Federal funds.

1. DEFINITIONS: The terms in this Agreement shall have the following meanings:

- 1.1. "Assigned Enrollee" is a Soundpath member whose primary care provider of record participates in a pool of doctors (POD) for which Soundpath retains claims processing responsibility.
- 1.2. "Benefit Contract" refers to the written explanation of coverage (EOC) that details the benefits available to an Assigned Enrollee, which will vary based on the enrollees benefit plan and contract year.
- 1.3. "Claim" refers to either a professional (CMS 1500) or institutional (UB04) claim, submitted on paper or through Electronic Data Interchange (EDI).
- 1.4. "Clean Claim" is defined as a claim that has no defect or impropriety, including lack of required substantiating documentation for providers and suppliers, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim. A claim without an authorization is considered a clean claim. Soundpath shall provide an interpretive policy in support of this definition specific to defects within submitted claims, which defects would render the submitted claim to be 'unclean'.
- 1.5. "Complaint" is defined as any expression of dissatisfaction to Soundpath or the Quality Improvement Organization (QIO) by an enrollee made orally or in writing. A complaint could be either a grievance or an appeal, or a single complaint could include elements of both. Every complaint must be handled under the appropriate grievance and/or appeal process.
- 1.6. "Covered Services" are those Health Services that are included in an Assigned Enrollee's Benefit Contract.
- 1.7. "CMS Contract" refers to the Medicare Advantage (MA) contract between Soundpath and the Centers for Medicare and Medicaid Services.
- 1.8. "Delegate" is defined as an entity which holds the responsibility for performing designated functions in the provision of health care services on behalf of Soundpath.

- 1.9. "Health Services" shall mean all health care services, supplies, and other items that are eligible for payment, or for which benefits are available, under a Soundpath member's Benefit Contract.
- 1.10. "Carve-out Services" shall mean those Covered Services for which Soundpath, and therefore PSW, are not responsible for Claims Processing, i.e., acupuncture, chiropractic, routine dental, routine transportation, and routine vision.
- 1.11. "Participating Provider" is a physician, mid-level practitioner, facility, or ancillary provider that is under contract to provide Health Services to all Soundpath members. These providers may hold an agreement with a Delegate, Soundpath, or another provider group. Such agreements shall include reciprocity language that extends the contract terms to all Soundpath members.

2. SOUNDPATH RESPONSIBILITIES:

- 2.1. **Communication:** Soundpath will communicate in a timely manner the information necessary for PSW to perform the administrative services in this Agreement. Such information shall include applicable policies, provider contract rates, benefit interpretation, and regulatory requirements. While retroactive changes are sometimes required, Soundpath will seek to minimize such instances within its control. In the event of Soundpath negotiated changes in contract rates or changes to benefit interpretation that require reprocessing of previously adjudicated claims, the first 200 such claims per provider contract or benefit interpretation event and the first aggregate 500 claims per calendar year requiring such reprocessing are included in the base reimbursement to PSW. Upon notice and documentation to Soundpath Health that either the 200 event or 500 aggregate claims reprocessing threshold has been exceeded, the parties shall mutually negotiate an additional reimbursement to PSW for reprocessing beyond this baseline level.
- 2.2. **Claims Funding.** Soundpath will fund an account from which PSW will write checks, or initiate electronic funds transfers to pay claims pursuant to this Agreement.
- 2.3. **Compensation.** Soundpath shall pay PSW compensation for Administrative Services performed in accordance with Exhibit I of this Agreement.

3. CLAIMS PROCESSING SYSTEM: Soundpath shall make available to PSW an information management system that is adequate to perform the duties listed in this agreement. Such system(s) shall provide the following functionality, at a minimum:

- 3.1. Health Insurance Portability and Accountability Act (HIPAA) compliant;
- 3.2. ability to in-load and store Assigned Enrollees current and historical eligibility;
- 3.3. capability to configure coverage of Health Services under the Benefit Contracts offered to Assigned Enrollees, including cost sharing, applicable accumulators, and authorization requirements;
- 3.4. ability to price claims according to the various Medicare payment methodologies, e.g., DRGs, RUGS, per diem;
- 3.5. support of ICD-10 and any future coding standard implementation;
- 3.6. ability to accept and produce data in industry standard formats; and
- 3.7. support of EDI Health Care Transaction sets.

4. SYSTEM MAINTENANCE:

- 4.1. Soundpath will perform any upgrades, updates, patches, and repairs, required to maintain the information management systems necessary for PSW to perform the responsibilities defined by this Agreement. PSW will conduct any related testing and provide sign-off prior to Soundpath implementing the change in the production environment.
- 4.2. PSW will identify and prepare all files reflecting coding updates (e.g. ICD-9, ICD-10, CPT, HCPC, RVU) as defined by the American Medical Association (AMA), including adding and deleting codes, as necessary to ensure appropriate coding and reimbursement. Soundpath shall inload the files to a testing environment. PSW will conduct the appropriate testing and provide Soundpath the approval to put into production.
- 4.3. PSW shall add and maintain fee schedules within the claims processing system to allow for the accurate pricing and adjudication of claims.
- 4.4. PSW shall configure Soundpath's schedule of benefits within the claims processing system, including applicable quantity and frequency limits, member cost sharing, limitations and coverage exclusions. This shall be completed annually, or as needed more frequently per CMS coverage guidelines, or implementation of new products or provider partnerships.
- 4.5. Both parties shall create a viable disaster recovery plan that includes backing up all data both on-site and off-site such that historical data can be retrieved, if necessary.
- 4.6. Within ten business days of receipt, Soundpath shall forward to PSW any and all claims refund documentation.
- 4.7. Soundpath shall receive from PSW and maintain physical claims for long term retention as required by CMS regulations, as well as all claims related documentation. Maintain secure electronic accessibility of EDI transaction files.

5. POLICIES AND PROCEDURES: PSW shall adopt the following Soundpath Claims Processing policies and procedures for the purpose of performing Administrative Services under this agreement. Soundpath reserves the right to add, amend or delete policies and procedures, as needed and will notify PSW accordingly, allowing PSW sufficient time to implement any revisions.

- 5.1. Receipt and processing of Clean and Unclean Claims, paper and EDI;
- 5.2. Coordination of benefits and third party liability;
- 5.3. Payment of interest for untimely Claims payment as required by state or federal regulation or as required by Provider Agreement;
- 5.4. Claim adjustments;
- 5.5. Notification to providers of Claims determinations through use of a remittance advice;
- 5.6. Notification to Assigned Enrollees of Claims determinations through use of an explanation of benefits;
- 5.7. Responding to Claims inquiries from Soundpath and providers;
- 5.8. Monitoring of compliance with contractual, federal and state requirements for timeliness of Claims payment;

- 5.9. PSW shall maintain all information and records reviewed or created in connection with performing the Administrative Duties in accordance with this Agreement, the Participant Agreement and PSW's policies and procedures that are accepted by Soundpath and in compliance with applicable state and federal laws and standards, including CMS standards, and the CMS Contract. PSW shall maintain such records for a period of at least ten (10) years, subject to the retention, inspection and audit requirements of this Agreement. PSW shall permit Soundpath and government agencies to review and copy and/or electronically transmit such information and records.
- 5.10. In addition to the above policies and procedures, PSW is expected to establish its own Claims policies and procedures. PSW's policies and procedures shall be submitted to Soundpath for review and approval to assure compliance with all applicable federal and state laws, accreditation standards, CMS instructions and the CMS Contract. Soundpath can request and PSW shall create additional policies and procedures as directed by Soundpath related to specific claims adjudication and payment duties and to comply with the terms and conditions of this Agreement.
6. **CLAIMS RECEIPT, ADJUDICATION AND PAYMENT:** PSW shall receive, adjudicate, and pay or deny all Claims for Health Services, supplies and items provided to Assigned Enrollees, other than Claims for Carve-out Services.
- 6.1. With respect to any paper or EDI Claim submitted to Soundpath directly, Soundpath shall forward the Claim to PSW within three business days of receipt. With respect to any Claim submitted in error to a Soundpath delegate, Soundpath shall require in all such delegation agreements that such delegate forwards the claim to PSW within five days of receipt. PSW will monitor and report to Soundpath the volume and source of any non-compliance with this requirement should a pattern of non-compliance be identified by PSW.
- 6.2. With respect to any Claim submitted to PSW for a Carve-out Service, or for an enrollee who is not an Assigned Enrollee, PSW shall forward the Claim to Soundpath, or as otherwise directed by Soundpath, within five business days of receipt of the Claim.
- 6.3. PSW shall date stamp all incoming claims as of the date of receipt. For purposes of calculating turn-around-time, the official date of receipt is the date the claim was initially received and date stamped by Soundpath or any of its delegated entities.
- 6.4. PSW shall have responsibility for inloading of electronic Claims received by Soundpath from clearinghouses or other electronic trading partners for Assigned Enrollees.
- 6.5. PSW shall take all reasonable steps to adjudicate such Claims and disburse Claim payments or denials accurately and expeditiously. Such Claims Processing shall be done in strict accordance with the Claims Processing policies, consistent with Section 12, Performance Standards, and in such a manner that will not subject Soundpath to interest payments, late fees, fines or penalties.
- 6.6. PSW shall follow Soundpath's benefit interpretation and prior authorization guidelines and claims shall be adjudicated accordingly. PSW has no authority to resolve coverage issues and shall promptly refer questions that do not have a CMS benefit interpretation or a Soundpath benefit interpretation to Soundpath.
- 6.7. PSW shall pay claims from Participating Providers consistent with their payment agreement. Soundpath will provide PSW with the information reasonably necessary to comply with this requirement, and PSW shall keep all such information confidential.
- 6.8. Claims must be paid in strict accordance with the applicable Benefit Contract, including calculation of the Assigned Enrollees responsibility (e.g., coinsurance amounts),

- 6.9. PSW shall pursue coordination of benefits and subrogation in strict accordance with the applicable Benefit Contract and state and federal laws applicable to such Benefit Contract. PSW shall follow Soundpath's policies regarding other health insurance, including Medicare Secondary Payor (MSP), coordination of benefits, and subrogation and shall notify Soundpath accordingly PSW shall issue an explanation of benefits (EOB) to an Assigned Enrollees any time payment of the claim includes member responsibility, e.g., copayment or coinsurance, and pursuant to CMS requirements. EOBs must include the Soundpath logo and follow the prescribed marketing and brand guidelines.
- 6.10. In the event of a denial that results in a member responsibility for payment, a notice must be generated to the member, including notice of appeal rights. Such notices must follow CMS model language and include the Soundpath logo.
- 6.11. PSW shall issue a remittance advice (RA) to the provider for each claim processed. In the event of a rejection or denial, the RA must include the reason for the rejection or denial.
- 6.12. PSW shall send all above communications within one business day of the determination. All such communications and documents used by PSW must be in a form approved by Soundpath.
- 6.13. PSW will have responsibility for ordering, maintaining, and purchasing the necessary check stock in order to pay claims according to the Agreement. These checks would draw from the designated Soundpath bank account and PSW will work with Soundpath finance staff regarding appropriate account number(s) and logo.
- 6.14. PSW must adhere to Soundpath's procedures and timeliness for managing provider requests for denied Claims reviews, Claims reconsiderations, and Claims adjustments as described in the Soundpath policies and provider manual. PSW shall prepare and distribute the information reports required in connection with Claim payments made to providers, pursuant to Section 6041 of the Internal Revenue Code (Form 1099).
- 6.15. On request, PSW will provide administrative support to Soundpath in Soundpath's reinsurance claims submissions regarding members or services for whom/which Soundpath is at financial risk.

7. SCOPE OF ADMINISTRATIVE DUTIES: PSW is responsible for the Claims Processing duties for all health care services, supplies and other items provided to Assigned Enrollees. In addition to the Claims Processing duties described elsewhere in this Agreement, PSW shall also:

- 7.1. Cooperate with Soundpath customer support services to Assigned Enrollees, providers and other claimants. Such support services will include, among others, the following:
 - 7.1.1. Sending appropriate and applicable information, as requested
 - 7.1.2. Responding to Claim status inquiries
 - 7.1.3. Making timely (within 60 days) determinations regarding initial Provider reconsideration requests filed within 12 months of original organizational payment determination
 - 7.1.4. Notifying Soundpath of all provider reconsideration determinations where the original determination is upheld
 - 7.1.5. Maintaining current information to ensure that responses are accurate and complete
- 7.2. Be available to receive and respond to provider inquiries in a timely manner

7.3. Support Soundpath by providing a Claims Manager to regularly participate in meetings and workgroups that affect claims, the use of practitioner or facility data, coordination with utilization management functions, or other related topics. PSW shall also make available to Soundpath other PSW staff as needed to assure mutual compliance with responsibilities associated with this Agreement.

7.4. Regularly assess that staffing levels are sufficient to support claims volume, processing, and timeliness requirements, and modify as appropriate.

8. EXCLUDED DUTIES: The scope of Claims Processing administrative duties does not include the following:

8.1. Management of oral and written enrollee complaints, grievances, or appeals;

8.2. Processing of second level provider disputes;

8.3. Provision of Assigned Enrollee customer service; and

8.4. Processing of claims for Carve-out Services.

9. GRIEVANCES AND APPEALS:

9.1. With respect to each inquiry, complaint, or statement of dissatisfaction made by or with respect to an Assigned Enrollee relating to any duties provided by PSW in connection with this Agreement, the Assigned Enrollee will be directed to contact Soundpath Customer Service to register a Complaint. All written Complaints received by PSW (and information relating thereto, or obtained in connection therewith) will be sent to the Soundpath Grievance and Appeals Coordinator (GAC) within twenty-four hours after receipt by PSW. PSW and contracted providers shall cooperate with Soundpath's Complaint process as provided in the Assigned Enrollees Benefit Contract, and shall provide Soundpath with all documentation reasonably necessary to review and resolve the matter.

9.2. Each party shall promptly inform the other party of any Complaint with an Assigned Enrollee that may result in actual or threatened arbitration or litigation against Soundpath, and shall fully cooperate in resolving the Complaint.

10. AUDITS AND REGULATORY OVERSIGHT: PSW shall routinely conduct oversight and internal audits to ensure that they are meeting contractual performance expectations. These shall include:

10.1. Investigation of Claims for fraudulent, abusive and inappropriate billing and coding practices and initiation of audits and recoveries, as needed. PSW shall provide Soundpath with reports, in a form and format defined by Soundpath, on the fraudulent, abusive and inappropriate billing and coding practices that occur and results of all audits and recoveries.

10.2. PSW shall, on an ongoing basis, audit the accuracy and timeliness of its Claim payments. PSW shall provide Soundpath with reports, in a format acceptable to Soundpath, on the results of such audits. PSW shall implement and apply Claims control procedures as are necessary to ensure the effective implementation and application of the provisions of the Assigned Enrollees' Benefit Contracts and the Claims processing policies.

10.3. PSW will actively participate and cooperate in all Soundpath compliance and oversight activities, including regulatory, accreditation, and delegation audits. These include but are not limited to:

10.3.1. Claims delegation audits and follow-up, as necessary

10.3.2. HEDIS

- 10.3.3. Annual corporate financial audits
- 10.3.4. Office of the Insurance Commissioner (OIC) audits
- 10.3.5. CMS audits
 - 10.3.5.1. Data Validation
 - 10.3.5.2. Financial
 - 10.3.5.3. Full program on-site audit

11. GENERAL ADMINISTRATIVE RESPONSIBILITIES:

- 11.1. **Staffing.** PSW shall employ or otherwise arrange for sufficient staff to provide the services in this Agreement so as not to impair Soundpath's administrative capacity to conduct its health insurance business.
- 11.2. **Subcontracting.** PSW shall not delegate the performance of any Administrative Service to any other organization or contracted individual without the prior written consent of Soundpath. Should Soundpath consent to PSW entering into downstream agreements to perform any services that are covered by this Agreement, such contracts shall contain all provisions required by Soundpath, CMS, or any other regulatory agency with jurisdiction over Soundpath.
- 11.3. **Confidentiality.** PSW shall maintain the strict confidence of information shared as a result of this Agreement. Information received as a result of this Agreement shall be considered confidential and proprietary and will not be used to the benefit of PSW or any of its related parties. Work completed under this Agreement will only be shared among employees of PSW as is directly required to complete the duties of this Agreement. Employees handling Soundpath information will be required to sign confidentiality agreements and in the event these agreements are breached, employee(s) will be subject to disciplinary action up to and including termination.
- 11.4. **Use and Disclosure of Protected Health Information.** PSW agrees to take reasonable and necessary actions to safeguard the privacy and security of protected health information in accordance with applicable state and federal privacy and security requirements, including but not limited to 45 C.F.R. Parts 160 and 164 promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Pub. L. No. 104-191, 42 U.S.C. §§ 1320d-1329d-8. Both parties agree that as it relates to the use and/or disclosure of protected health information, electronic transaction standards and security of electronic protected health information under HIPAA, each shall be subject to the terms of the Business Associate Agreement currently in effect.
- 11.5. **Record Retention.**
 - 11.5.1. PSW must retain all books and records resulting from the services provided under this Agreement for at least ten (10) years. Retention of such records may be either in paper or electronic format; however electronic records must be included in the disaster recovery plan.
 - 11.5.2. Upon request, PSW will provide Soundpath a copy of such books and records in a mutually agreed upon format.
 - 11.5.3. Soundpath shall retain electronic files of all EDI claims received from their clearinghouse for at least ten (10) years.

11.6. **Inspections and Audits.** PSW shall provide access upon reasonable notice, during regular business hours, to government agencies to periodically inspect or audit its books and records relating to the performance of this Agreement. Such access shall be limited to that necessary to perform the inspection or audit. Each party shall retain all such books and records for at least ten (10) years, and acknowledge that certain government agencies including, but not limited to HHS, the Comptroller General or their designees have the right to audit, evaluate and inspect each party's books, records, including medical records and documentation related to CMS' contract with the MA organization for a period of ten (10) years from the final date of the contract period or the completion of any governmental audit that pertains to such books and records, whichever is later, unless: (i) CMS determines there is special need to retain a particular record or group of records for a longer period and notifies the party at least thirty (30) days before the normal disposition date; (ii) there has been a termination, dispute, or allegation of fraud or similar fault by either party, in which case the retention may be extended to six (6) years from the date of any resulting final resolution of the termination, dispute, fraud, or similar fault; or (iii) CMS determines that there is a reasonable possibility of fraud or similar fault, in which CMS may inspect, evaluate, and audit either party at any time. Without limiting the foregoing, following the commencement of any audit by a government agency, the party subject to the audit shall retain its relevant books and records until completion of said audit. The provisions of this section shall survive termination of this Agreement for the period of time required by state and federal law.

12. PERFORMANCE STANDARDS:

- 12.1. **Timely Processing Standards.** Each calendar month during the term of this Agreement, PSW shall ensure that ninety-five percent (95%) of the monthly volume of Clean Claims shall be paid within thirty (30) days of receipt, and all Claims shall be paid or denied within sixty (60) days of receipt.
- 12.2. **Interest Penalty.** If payment on a Claim is not made within the CMS time frames of thirty (30) days for non-contracted providers and sixty (60) days for contracted providers, PSW shall pay provider interest on such Claim at the rate delineated in the providers contract, or as required by law in absence of an executed agreement. To the extent that interest is payable because of events under the reasonable control of PSW, PSW shall reimburse Soundpath for any interest paid. In the event that interest is based on events beyond the reasonable control of PSW, such interest remains the financial responsibility of Soundpath.
- 12.3. **Accuracy Standard.** PSW shall accurately process and pay at least 95% of Claims submitted to PSW in connection with this Agreement. PSW shall perform routine audits to ensure such accuracy, as well as the effective implementation and application of the provisions of the Benefit Contracts and the Claims Processing Policies.
- 12.4. **Customer Service Standards.** PSW is expected to:
- 12.4.1. Respond to Soundpath customer service inquiries via phone, facsimile, or e-mail within one business day, providing either resolution or status.
 - 12.4.2. Promptly answer provider calls
 - 12.4.3. Be available to conduct business during the hours of 9:00 am to 5:00 pm, Monday through Friday.
 - 12.4.4. Inform Soundpath in advance of any PSW scheduled holidays, and as soon as possible, of unplanned closures due to inclement weather, or other unforeseen circumstances.

12.5. **Provider Group-Specific Administrative Performance Expectations.** If specific performance expectations are negotiated with a provider group that require a higher level of performance than those stated above, PSW is expected to meet those higher standards. Soundpath will seek input of PSW before agreeing to such unique performance standards and/or financial penalties for non-performance. Soundpath and PSW shall consider and mutually agree as to whether a differential reimbursement rate is warranted for any higher performance standards or financial penalties that Soundpath negotiated with a Participating Provider.

13. REPORTING REQUIREMENTS: PSW is responsible for timely and accurate submission of all reports and files listed below in a format acceptable to Soundpath. Additional reports may be requested, as needed, for purposes of compliance, financial oversight, and successful administration of benefits for assigned enrollees. Such reports will be requested with as much advanced notice as feasible.

Claims Adjudication and Payment - Report Description	Frequency
Claims Inventory 1. Days on hand 2. Number of claims on hand	Monthly
Compliance Report	Monthly (due by the seventh of the month)
Quality and Accuracy 1. Data entry 2. Payment (dollar accuracy) 3. Procedural accuracy 4. Trends on above	Monthly
Random sampling of 30 Claims (ten contracted provider claims, ten non-contracted provider claims, and ten denied claims) for Soundpath review for Claims processed in the prior quarter. Files to include copies of the following: 1. Claim 2. Billing provider contract/rate agreement (contracted provider claims only) 3. Remittance advice 4. Explanation of Benefits (to member) 5. Denial letter, if applicable 6. Check (front and back)	Quarterly (as needed and requested)
837i and 837p-claim files (as applicable)	Weekly
Provider companion (837) file (as applicable)	Weekly
Audited Financial Statement	Annually
Participate in annual plan Claims Administration audit and provide all requested information	Annually

Claims Adjudication and Payment - Report Description	Frequency
Ad hoc reports	As needed

14. REMEDIES IN THE EVENT PERFORMANCE IS BELOW EXPECTATIONS: In the event Soundpath, a federal or state authority, or accreditation organization determines that corrective action is needed with regard to PSW's performance under this agreement, Soundpath has the right and responsibility to require PSW to take corrective action. Soundpath has the right and responsibility to take additional actions which may include revoking responsibilities in accordance with the terms of this Agreement.

- 14.1. If PSW fails to meet the performance standards and/or reporting requirements for two consecutive months, PSW must provide Soundpath with a corrective action plan that will return PSW's performance to the standard in accordance with this Agreement.
- 14.2. Serious breach of any PSW contractual obligation under this Agreement may require an immediate corrective action plan, as deemed necessary by Soundpath.
- 14.3. If PSW's corrective actions fail to remedy any noted deficiencies by the designated date, Soundpath may issue a written notice to PSW terminating this Agreement.
- 14.4. Upon revocation of any of the Administrative Duty or Duties, or any portion thereof, Soundpath or its designee will resume responsibility for performing the Duty or Duties, and PSW shall continue to cooperate with Soundpath regarding performance of Administrative Duty or Duties.
- 14.5. In the event that a provider group agreement, for which PSW is processing claims, includes a financial penalty for failure to meet certain performance requirements for which Soundpath and PSW have negotiated a written understanding of PSW performance and financial responsibility, such penalty will be subtracted from the fees paid to PSW, provided that the failure to meet said standards were reasonably within PSW's control.

15. TERM AND TERMINATION:

- 15.1. **Term.** This Agreement shall commence on January 1, 2011 and shall continue for thirty six (36) months. During this initial term, PSW shall retain claims processing responsibilities for a minimum of 5,000 Assigned Enrollees; contingent on Soundpath maintaining this number of Assigned Enrollees. This threshold is based on the number of Assigned Enrollees as of April 2011. This Agreement shall automatically renew for twelve (12) months at the end of the initial term and any subsequent term of twelve (12) months unless (i) either party provides the other party at least one hundred twenty (120) days prior written notice of its intention not to renew the Agreement at the end of the current term, or (ii) otherwise terminated as set forth within.
- 15.2. **Processing of Claims Incurred During the Term of the Agreement but Received After Termination.** During the term of the agreement, it is mutually acknowledged that claims for individual enrollees who have terminated coverage with Soundpath will be received and routinely processed after such termination, and reimbursement to PSW is based on active enrollees in any month adjusted for retroactive additions and terminations. However, upon termination of the Agreement, PSW agrees that upon the request of Soundpath, PSW will continue to process claims incurred during the term of this Agreement for an additional twelve months through the end of the next calendar year. All Soundpath and PSW provisions related to responsibilities of each party, including accuracy, timeliness, reporting and adherence to policies and standards, will continue to

apply to such finalization of claims incurred but not received during the initial or extended term of the Agreement. Reimbursement to PSW for processing claims during this runout period is incorporated into Exhibit I.

15.3. **Termination by Mutual Agreement.** This Agreement may be terminated as of any other date mutually agreed to in writing by the parties hereto.

15.4. **Termination for Cause.** This Agreement may be terminated for cause:

15.4.1. If either party materially defaults in the performance of a provision of this Agreement and such default continues for a period of thirty (30) days after written notice from the other party stating the specific default, this Agreement shall terminate without further action by the non-defaulting party;

15.4.2. Upon receipt of an enforceable order to terminate this Agreement by any federal, state or municipal court, agency or regulatory authority;

15.4.3. If either party shall apply for, or consent to, the appointment of a receiver or trustee to liquidate all or a substantial part of its assets; file a voluntary petition or have a third party file an involuntary petition in bankruptcy or admit in writing its inability to pay its debts as they become due; make a general assignment for the benefit of creditors, file a response seeking reorganization, or an arrangement with creditors or to take advantage of any insolvency law; or if an order, judgment or decree shall be entered by a court of competent jurisdiction, or the application of a creditor, adjudicating that party bankrupt or insolvent or approving a petition seeking reorganization of that party or appointment of a receiver, trustee, conservator or liquidator of that party or of all or a substantial part of its assets or operations.

15.5. **Termination upon Revocation of License or Certificate.** This Agreement may be terminated by either party by written notice to the other party upon the revocation, suspension or restriction of any license, certificate or other authority required to be maintained by Soundpath or PSW in order to perform services required under this Agreement or upon Soundpath's or PSW's failure to obtain or maintain such license, certificate or authority. In addition, either party may terminate this Agreement by written notice to the other party in the event of Soundpath's failure to be awarded a Medicare Advantage contract.

15.6. **Effect of Termination.** Termination or expiration of this Agreement shall not terminate the rights or liabilities of Soundpath or PSW arising out of the period prior to the effective date of termination or expiration.

15.7. **Transfer of Records.** Upon termination of this Agreement for any reason, PSW shall follow Soundpath's instructions regarding the disposition of all Soundpath records, data and other information. All records and data are the exclusive property of Soundpath even though they may be housed and maintained by PSW. PSW shall, at the request of Soundpath, transfer any and all records, data, and information to Soundpath at no cost. Without limiting the generality of the foregoing, Soundpath may request that PSW provide Soundpath all data maintained by PSW under this Agreement in such format as Soundpath shall reasonably require and shall provide such assistance in interpreting the information provided hereunder as is reasonably requested by Soundpath. Transfer of records shall be conducted in a timely manner, allowing Soundpath or its designee to perform all administrative services in compliance with federal, state, or CMS requirements.

- 15.8. **Remedies Not Exclusive.** Except where otherwise specified as being exclusive remedies, a party's right to terminate this Agreement under this Section 15 shall not be exclusive of any other remedies available to the terminating party under this Agreement or otherwise at law or in equity.
- 15.9. **Force Majeure.** Neither party shall be liable in any manner for any delay to perform its responsibilities hereunder which are beyond a party's reasonable control, including, without limitation, any delay or failure due to strikes, labor disputes, riots, earthquakes, storms, floods or other extreme weather conditions, fires, explosions, embargoes, war or other outbreak of hostilities, acts of terrorism, government acts or regulations, or the failure or inability of carriers, suppliers, delivery services, or telecommunications providers to provide services necessary to enable a party to perform its responsibilities hereunder.

16. LIABILITY AND INDEMNIFICATION:

- 16.1. **Limitation of Liability.** Except for the indemnification obligations set forth in Section 16 each party's liability to the other hereunder shall in no event exceed the actual, proximate losses or damages caused by its material default under this Agreement. In no event shall either party, their officers, directors, employees or agents, be liable for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence.
- 16.2. **PSW Indemnification of Soundpath.** PSW agrees to indemnify, defend and hold Soundpath harmless from and against any and all third party claims, liabilities and damages related to acts or omissions of PSW and its officers, directors, employees or agents in their performance of their duties under this Agreement to the extent the allegations are related to the negligence or willful or criminal misconduct of PSW or its officers, directors, employees, or agents (except to the comparative extent that the claims result from the negligent or willful acts or omissions of Soundpath).
- 16.3. **Soundpath Indemnification of PSW.** Soundpath agrees to indemnify, defend and hold PSW harmless from and against any and all third party claims, liabilities and damages related to acts or omissions of Soundpath and its officers, directors, employees or agents in their performance of their duties under this Agreement to the extent the allegations are related to the negligence or willful or criminal misconduct of Soundpath or its officers, directors, employees, or agents (except to the comparative extent that the claims result from the negligent or willful acts or omissions of PSW).
- 16.4. **Notification.** As a condition of indemnification under this Section 16, the party seeking indemnification shall notify the indemnifying party in writing within 10 days of knowing or within 10 days of when they should have known of any claim for which indemnification may be sought hereunder, and shall tender the defense of such claim to the indemnifying party. No party shall indemnify the other with respect to any claim settled without the prior written consent of the other.

17. DISPUTE RESOLUTION: In the event there is a dispute under this Agreement that is subject to dispute resolution, PSW and Soundpath shall first attempt to resolve the matter through informal good faith discussions. In the event the parties determine that the matter cannot be resolved informally, the following procedures shall apply.

- 17.1. **Mediation.** If PSW chooses mediation, then upon initiation of mediation, the parties shall agree upon a mediator within 45 days. The mediator's fees shall be borne in equal shares by the parties. Unless agreed otherwise, all other related costs incurred by the parties shall be the sole

responsibility of the party incurring the cost. The mediator shall, in consultation with the parties, determine a process and schedule for the mediation.

- 17.2. **Arbitration.** Any and all disputes not settled through mediation, shall then be subject to non-binding arbitration under the American Health Lawyers Association Arbitration Rules before a single arbitrator agreed upon by the parties. The parties shall make a good faith effort to appoint the arbitrator within 45 days of the failed mediation. The arbitration shall commence pursuant to an arbitration schedule set by the arbitrator. The arbitrator may award any remedy at law. The substantially prevailing party shall be entitled to expenses, reasonable attorney fees, and costs from the other party. The award of the arbitrator will not prohibit either party from exercising any right it may have pursuant to the Agreement or Law.
- 17.3. In the event the parties cannot resolve the matter through non-binding mediation or arbitration, either party may institute an action in any Superior Court of competent jurisdiction. By mutual consent, the parties may forego non-binding mediation and arbitration and proceed directly to a Superior Court action. The substantially prevailing party shall be entitled to expenses, reasonable attorney fees, and costs from the other party.

18. MISCELLANEOUS:

- 18.1. **Notices.** Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when delivered personally or on the date received as indicated on the return receipt, when sent postage prepaid by certified mail, return receipt requested, or by facsimile with telephone confirmation, to the respective address of the parties set forth on the signature page, or such other address as may hereafter be specified for either party to the other by written notice.
- 18.2. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent pre-empted by federal law.
- 18.3. **Entire Agreement.** This Agreement (including all Exhibits, policies and procedures incorporated by reference herein) constitutes the entire Agreement among the parties and supersedes any and all agreements, either oral or written, among the parties with respect to the subject matter hereof.
- 18.4. **Severability.** Any invalidity, illegality, or unenforceability of any provision of this Agreement in any jurisdiction shall not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and shall not invalidate or render illegal or unenforceable such provision in any other jurisdiction. Should any provision contained in this Agreement ever be reformed or rewritten by any judicial body of competent jurisdiction, such provision as so reformed or rewritten shall be binding upon PSW and Soundpath in that jurisdiction, but not in any other jurisdiction unless PSW and Soundpath agree otherwise.
- 18.5. **Waiver of Breach.** The waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any subsequent breach or of any other provision of this Agreement. Any such waiver shall also not be construed to be a modification of the terms of this Agreement.
- 18.6. **Survival.** The parties' rights and responsibilities under Exhibit I, Compensation; Section 15, Term and Termination; Section 11, Confidentiality, Record Retention, Inspections and Audits; and Section 16 Liability and Indemnification, shall survive termination of this Agreement regardless of the cause giving rise to termination.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers duly authorized to do so and bind each organization to the terms and conditions of this Agreement effective as of the day described above.

Soundpath Health

By: Christine M. Tomcala
Printed Name: Christine M. Tomcala
Date: 1.30.12

Physicians of Southwest Washington

By: Maricela Cummins
Printed Name: MARIELLA CUMMINES
Date: 1/25/12

EXHIBIT I

COMPENSATION

Payment. Soundpath shall pay PSW for services performed in accordance with the 2011 fee schedule set forth below:

Monthly Enrollment	Per Member Per Month (PMPM) Fee for all Enrollment within each Tier
0 - 1150	\$18.50
1151 - 1650	\$17.75
1651 - 2150	\$17.00
2151 - 2650	\$16.25
2651 - 3150	\$15.50
3151 - 3650	\$14.75
3651 - 4150	\$14.00
4151 - 4650	\$13.25
4651 - 5150	\$12.50
5151 - 5650	\$11.75
5651 - 6150	\$11.00
6151 - 6650	\$10.25
6651 +	\$ 9.50

Claims processing fees may be negotiated annually, with the understanding that they may only be reduced, not increased, for services provided in 2012 and 2013, with revised fees to be confirmed in writing not less than 90 days prior to the effective date of the change.

Such compensation shall be payable monthly by the 10th day of each month, or the next business day if the 10th falls on a holiday or weekend, for Administrative Services performed in that month.

Reimbursement for Claims Payment Following Termination of the Agreement. At the option of Soundpath, PSW will continue to process claims for twelve months following termination of the agreement. Reimbursement for processing of these claims incurred but not received during the term of the agreement will be per claim. The per claim reimbursement rate will be based on the PSW cost per claim in the last year of the Agreement. PSW will provide a report and documentation from its financial reporting system of the calculation from which the per claim reimbursement has been calculated, subject to review and approval by Soundpath. Upon approval by Soundpath, PSW will monthly invoice Soundpath for claims processed in the prior month, payment for which will be due within 15 days following invoice.

Overpayment/Underpayment. If it is determined that an overpayment has been made to PSW under this Agreement, PSW shall reimburse Soundpath for any such overpayment within thirty (30) days of written notification of such overpayment. If it has been determined that an underpayment has been made under this Agreement, Soundpath shall remit such underpayment to PSW within thirty (30) days of receipt of a PSW invoice notifying Soundpath of such underpayment.

Offsets. Soundpath has the right to offset any amounts owed to PSW for Administrative Services performed under this Agreement against any amount owed by PSW, upon 30 days notice of intent to take such offset.

Other Services or Costs. PSW shall not provide any material service nor invoice Soundpath for any additional costs under this Agreement without prior written authorization from Soundpath.