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ASSIGNMENT AND AMENDMENT OF 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 Northwest Physician Network of Washington, LLC, a Washington limited liability company ("NPN"). Each of Assignor, Assignee and NPN are also collectively referred to herein as the "Parties."

WHEREAS, Assignor and NPN entered into that certain Administrative Services Agreement dated as of January 1, 2010, as amended by that certain Amendment to the Administrative Services Agreement dated as of February 1, 2012 (the "Agreement");

WHEREAS, NPN, Physicians of Southwest Washington, L.L.C., a Washington limited liability company, 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 NPN 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 NPN.

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 6.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

> "6.2 **Termination by Soundpath.** Soundpath may terminate this Agreement at anytime and for any reason upon providing thirty (30) days advance written notice to NPN."

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: _____

NPN:

NORTHWEST PHYSICIAN NETWORK OF WASHINGTON, LLC

By: _____
Name: _____
Title: _____

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Puget Sound Health Partners, Inc.

Administrative Services
AGREEMENT

With

Northwest Physicians Network for Care Management

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ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (the "Agreement") is made and entered into between Puget Sound Health Partners, Inc. ("PSHP"), a Washington corporation, and Northwest Physicians Network LLC, (NPN), a Washington limited liability corporation. The effective date of this Agreement is January 1, 2010

RECITALS

WHEREAS, PSHP 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, Northwest Physicians Network, LLC is a company domiciled and incorporated in the State of Washington

WHEREAS, PHSP holding 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 a service agreement with NPN

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

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

SECTION 1 - RELATIONSHIP OF THE PARTIES

1.1 PSHP and NPN 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 NPN to comply with its obligations hereunder, neither NPN nor PSHP shall be deemed to be the agent of the other party.

1.2 Both parties acknowledge that PSHP 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, PSHP 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.

SECTION 2 - RESPONSIBILITIES OF NPN

2.1 **Administrative Services.** NPN , during the term of this Agreement, shall perform all of the services, reporting requirements, and other requirements (collectively "Administrative Services") set forth in Attachment A of this agreement and by this reference made a part hereof. Neither party shall have the right to modify this Agreement and any exhibit without the prior written agreement of the other party.

2.2 **Subdelegation.** NPN shall not delegate the performance of any Administrative Service to any other organization or contracted individual without the prior written consent of PSHP.

2.3 **Staffing.** NPN shall employ or otherwise arrange for sufficient staff to provide the services in this Agreement and so as not to impair PSHP's administrative capacity to conduct its health insurance business.

2.4 **PSHP Policies.** NPN shall use commercially reasonable efforts to perform all Administrative Services pursuant to the relevant policies, procedures, performance standards and requirements (collectively the "PSHP Policies") of PSHP as provided to NPN by PSHP pursuant to Section 3.3 of this Agreement.

2.5 **Reporting.** NPN shall provide PSHP with periodic written reports regarding Administrative Services performed by it pursuant to Attachment A of this Agreement and in such formats and at such times as mutually agreed in writing by the parties from time to time.

2.6 **Record Keeping and Access.** NPN shall prepare and maintain appropriate administrative and financial records of Administrative Services pursuant to Section 2.1 of this Agreement. At PSHP's written request, NPN shall make available for inspection, examination and copying by PSHP and government agencies during normal business hours in a manner not to unreasonably interfere with the business of NPN all such administrative and financial records. NPN shall maintain such records for a period of at least ten (10) years, subject to the retention, inspection and audit requirements of Section 7.2 of this Agreement.

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

SECTION 3 - RESPONSIBILITIES OF PSHP

3.1 **Health Carrier Certificate of Registration.** PSHP shall maintain certification as a health care service contractor pursuant to Chapter 48.44 of the Revised Code of Washington, and shall be authorized to conduct business with all applicable federal and state regulatory agencies, including but not limited to CMS.

3.2 **Compensation.** PSHP shall pay NPN compensation for Administrative Services performed in accordance with Section 4.1 of this Agreement.

3.3 **PSHP Policies.** For all Administrative Services to be performed by NPN pursuant to this Agreement, PSHP shall provide NPN with all applicable PSHP Policies, and PSHP shall provide NPN with reasonable prior notice of all material changes to said policies.

3.4 **Monitoring/Audits.** PSHP shall monitor and oversee NPN performance of Administrative Services provided by it under this Agreement through review of periodic written reports provided by NPN pursuant to Section 2.6 of this Agreement, meetings with NPN representatives, and on-site audits and assessments of NPN's performance of Administrative Services under this Agreement. NPN shall cooperate, participate and comply with PSHP reasonable requests in such monitoring and oversight activities. Such audits and assessments shall be performed in accordance with requirements of applicable federal and state laws and regulations, PSHP's Policies, and the terms of this Agreement.

SECTION 4 – COMPENSATION

4.1 **Payment.** PSHP shall pay NPN compensation for services performed in accordance with the fee schedule set forth in Attachment A of this Agreement. Such compensation shall be payable monthly <u>by the 10th of each month, or the next business day if the 10th falls on a holiday or weekend.</u>

4.2 **Overpayment/Underpayment.** If it is determined that an overpayment has been made to NPN under this Agreement, NPN shall reimburse PSHP 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, PSHP shall remit such underpayment to NPN within thirty (30) days of receipt of a NPN invoice notifying PSHP of such underpayment.

Service may, under appropriate circumstances, be considered by PSHP to be a material default under Section 6.3.1 of this Agreement.

5.2.5. Resumption of Administrative Service(s). Following the revocation of a Administrative Service(s) by PSHP, any resumption by NPN of responsibility for such Administrative Service(s) shall be pursuant to the provisions of Section 5.2.1 above.

SECTION 6 - TERM AND TERMINATION

6.1 **Term.** This Agreement shall commence on January 1, 2010 and shall continue for twelve (12) months. This Agreement shall automatically be continued for twelve (12) months if agreed upon by both parties at the end of the initial term of twelve (12) months.

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

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

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

6.3.2. If a party materially defaults in the payment of any amounts due from it to the other party under this Agreement and such default shall continue for a period of thirty (30) days after written notice from the other party. Upon the expiration of such thirty (30) day period, this Agreement shall terminate without further action by the non-defaulting party;

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

6.3.4. If either party shall apply for or consent to the appointment of a receiver or trustee or to liquidate all or a substantial part of its assets; file a voluntary 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 an answer 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.

4.3 **Offsets.** PSHP and NPN have the right of offset as to any amounts owed to either party to this Agreement against any amount owed to it by the other party, upon reasonable notice of intent to take such offset.

SECTION 5 - REVOCATION AND RESUMPTION OF ADMINISTRATIVE SERVICES

5.1 **Revocation of Administrative Services.** PSHP may revoke any or all Administrative Services assigned to NPN under this Agreement if, after following the notice and opportunity to cure provisions described in Section 5.2 below, PSHP determines that such Administrative Services are not being performed in all material respects with the standards and requirements established by this Agreement or PSHP Policies, or if NPN's performance of the Administrative Services is inconsistent with, or in violation of, federal or state laws or regulations.

5.2 **Revocation Notices and Opportunity to Cure.**

5.2.1. Notice of Deficiencies and Opportunity to Cure. If PSHP determines that NPN's performance of an Administrative Service is deficient as described in Section 5.1 PSHP shall notify NPN with reasonable prior written notice of not less than thirty (30) days specifying the Administrative Service that PSHP intends to revoke (the "revocation notice"). PSHP shall specify in its revocation notice the corrective actions to be taken by NPN to continue performance of such Administrative Service and the time frame within which such corrective actions must be completed (the "cure period"). PSHP agrees that the length of the cure period will be determined by it in good faith taking into account the nature of the deficiency and any practical limitations on implementing corrective action. Promptly following the cure period, PSHP shall advise NPN, in writing, whether PSHP will proceed with revocation of the Administrative Service.

5.2.2. Contents of Notices. Written notices from PSHP to NPN under this Section shall, where applicable, specify (i) the specific Administrative Service(s) being revoked, (ii) the basis for the revocation, (iii) any and all changes to Attachment A resulting from such revocation, and (iv) any adjustments to Compensation Exhibit regarding payment for services performed.

5.2.3. Continued Cooperation Following Revocation. Upon revocation of any Administrative Service(s), PSHP will resume responsibility for performing or arranging for the performance of the Administrative Service(s), and NPN will continue to cooperate with PSHP with respect to the performance of those remaining Administrative Services pursuant to this Agreement.

5.2.4. Revocation Not Exclusive Remedy. Notwithstanding PSHP's right to revoke Administrative Services, NPN's failure to perform an Administrative

6.4 **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 PSHP or NPN in order to perform services required under this Agreement or upon PSHP's or NPN'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 PSHP's failure to be awarded a Medicare Advantage contract.

6.5 **Effect of Termination.** Termination or expiration of this Agreement shall not terminate the rights or liabilities of PSHP or NPN arising out of the period prior to the effective date of termination or expiration.

6.6 **Transfer of Records.** Upon termination of this Agreement for any reason, NPN shall follow PSHP's reasonable instructions regarding the disposition of all PSHP records, data and other information. Without limiting the generality of the foregoing, PSHP may request that NPN provide PSHP, all data maintained by NPN under this Agreement in such format as PSHP shall reasonably require and shall provide such assistance in interpreting the information provided hereunder as is reasonably requested by PSHP.

6.7 **Remedies Not Exclusive.** Except where otherwise specified as being exclusive remedies, a party's right to terminate this Agreement under this Section 6 shall not be exclusive of any other remedies available to the terminating party under this Agreement or otherwise at law or in equity.

6.8 **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 it responsibilities hereunder

SECTION 7 - MUTUAL RESPONSIBILITIES

7.1 **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); and other laws applicable to recipients of Federal funds.

7.2 **Record Retention, Inspections and Audits**. Each party 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 have the right to inspect and audit each party's books and records for ten (10) years beyond the termination of this Agreement, or until 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. The parties agree to cooperate in good faith to mutually determine how the costs or expenses in connection with this Section shall be borne by each party.

SECTION 8 - LIABILITY AND INDEMNIFICATION

8.1 **Limitation of Liability**. Except for the indemnification obligations set forth in Section 8.2 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

8.2 **Indemnification.**

8.2.1. NPN Indemnification of PSHP. NPN agrees to indemnify, defend and hold PSHP harmless from and against any and all third party claims, liabilities and damages related to acts or omissions of NPN 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 gross negligence or willful or criminal misconduct of NPN or its officers, directors, employees, or agents (except to the comparative extent that the claims result from the negligent or willful acts of omissions of PSHP).

8.2.2. PSHP Indemnification of NPN. PSHP agrees to indemnify, defend and hold NPN harmless from and against any and all third party claims, liabilities and damages related to acts or omissions of PSHP 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 gross negligence or willful or criminal misconduct of PSHP 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 NPN).

8.2.3. Notification. As a condition of indemnification under this Section 8.3, the party seeking indemnification shall notify the indemnifying party in writing promptly upon learning 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.

SECTION 9 - CONFIDENTIALITY OF INFORMATION

9.1 **Use and Disclosure of Protected Health Information.** NPN 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 Requirements as set forth in the attached Exhibit B, which by this reference is made a part hereof.

9.2 **Confidential and Proprietary Information of Each Party.** PSHP and NPN agree to take all appropriate steps during the term of this Agreement and at all times thereafter to protect and safeguard the confidential information and proprietary information of the other party to the same extent they would protect and safeguard their own such information of a similar nature. Neither party will utilize or disclose any of the other's confidential or proprietary information, without prior written approval.

For purposes of this Agreement, confidential information shall include, but is not limited to, all information, data, reports, or records containing or relating to procedures for claims payment, accounting, data processing, claims records and patient records, or designated in writing as confidential. Proprietary information shall include, but not be limited to, all information, data, reports, or records containing or relating to lists of clients, sales, marketing, advertising, or other documents designated in writing as proprietary. In addition, the following

information shall not be considered confidential or proprietary information for the purposes of this Agreement: information previously known when received from the other party; information lawfully obtainable by the general public; information which now is or hereafter becomes publicly known by other than a breach hereof; information which is developed by one party independently of any disclosures made by the other party of such information; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the public.

SECTION 10 - NOTICES

10.1 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.

SECTION 11 - MISCELLANEOUS

11.1 **Amendment**. No modification, amendment or alteration of this Agreement shall be effective unless made in writing and signed by both parties to this Agreement, with the exceptions of an Regulatory Amendments pursuant to Section 11.2

11.2 **Regulatory Amendment**. This Agreement may be amended to comply with the requirements of state and federal regulatory authorities, and shall give written notice to NPN of such amendment and its effective date. Unless such regulatory authorities direct otherwise, the signature of NPN will not be required.

11.3 **Assignment**. This Agreement shall not be assigned or transferred by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Any assignment without such consent shall be of no force and effect. Except as otherwise provided, this Agreement shall be binding upon and inure to the benefit of the parties' successors and lawful assigns.

11.4 **Counterparts**. This Agreement may be executed in any number of counterparts with the same effect as if NPN and PSHP had signed the same document. Such executions may be transmitted to NPN and PSHP by facsimile and such facsimile execution shall have the full force and effect of an original signature.

11.5 **Discrimination**. There shall be no discrimination against any person because of race, color, national origin, ancestry, religion, gender, marital status, age, sexual orientation, presence of physical or mental handicaps, and any other reason(s) prohibited by law, in the provision of services or in employment practices by either party.

11.6 **Dispute Resolution**. In the event there is a dispute under this Agreement that is

subject to dispute resolution, NPN and PSHP 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.

11.6.1. Disputes. NPN must submit to PSHP a written request for internal appeal within one hundred eighty (180) days of becoming aware of PSHP's action from which NPN wishes to appeal. The request must include a detailed description of the issues in dispute and a description of the relief sought. PSHP shall grant NPN's request to be heard about the issues raised within thirty (30) days after such request is made.

If NPN is not satisfied with PSHP's determination or PSHP does not respond timely, NPN may initiate non-binding mediation by notifying PSHP within sixty (60) days of receipt of the PSHP's decision. NPN may also institute legal action in any Superior Court of competent jurisdiction.

11.6.2. Mediation. If NPN 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. In the event the parties cannot resolve the matter through non-binding mediation, either party may institute an action in any Superior Court of competent jurisdiction. By mutual consent, the parties may forego non-binding mediation and proceed directly to a Superior Court action.

11.6.3. In the event the parties cannot resolve the matter through non-binding mediation, either party may institute an action in any Superior Court of competent jurisdiction. By mutual consent, the parties may forego non-binding mediation and proceed directly to a Superior Court action.

11.7 **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.

11.8 **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. Each party agrees to inform all related entities, contractors, and subcontractors that payments that they receive are, in whole or in part, from federal funds.

11.9 **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.

11.10 **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 NPN and PSHP in that jurisdiction, but not in any other jurisdiction unless NPN and PSHP agree otherwise.

11.11 **Survival.** The parties' rights and responsibilities under Section 4. Compensation, Section 6. Term and Termination, Section 7.2 Record Retention, Inspections and Audits, Section 8. Liability and Indemnification, and Section 9. Confidential Information shall survive termination of this Agreement regardless of the cause giving rise to termination.

11.12 **Waiver of Breach.** The waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any 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.

11.13 **The Agreement.** Both parties agree that their intent in entering into this Agreement is to comply with applicable Medicare requirements for the submitted application by PSHP to enter into a contract with the Centers for Medicare and Medicaid Services (CMS) for participation in the Medicare Advantage program as a coordinated care plan.

IN WITNESS WHEREOF, the parities 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.

Puget Sound Health Partners	**Northwest Physicians Network**
By: April Golenor	By:
Date: 8-31-10	Date: 9/28/10
Printed Name: April Golenor	Printed Name: Andrea C Briggs
Title: CEO	Title: CEO

ATTACHMENT A

SUMMARY OF RESPONSIBILITIES AND COMPENSATION

CARE MANAGEMENT

Puget Sound Health Partners (PSHP) agrees to enter a service agreement with Northwest Physicians Network (NPN) for Care Management activities for Covered Services provided to Enrollees in POD 5 and non delegated care management responsibilities for members of other assigned PODS. The purpose of this attachment is to outline the specific services represented in this agreement. PSHP and NPN agree that:

1. PSHP will provide program structure, policies and procedures and clinical criteria needed to implement this service agreement.

2. All clinical evaluations of clinical treatment shall be performed by an appropriately trained/ licensed/ registered or certified peer provider, including cases approved, partially approved or denied (non-approved) based on medical necessity.

3. NPN will evaluate the medical necessity of submitted clinical services in accordance with PSHP's Care Management program, which incorporates timeframes for decision making and Enrollee and provider notification in accordance with applicable NCQA standards and applicable State and Federal laws and regulatory requirements. Cares Management decisions shall be made to accommodate the clinical urgency of the situation.

4. NPN will provide access to staff for Enrollees and providers seeking information about the Care Management process and the authorization of care.

5. NPN will provide notification that states in writing how Enrollees and providers may obtain Care Management criteria, and make the criteria available to providers upon request.

6. NPN will provide an annual evaluation of the consistency and inter rater reliability of the health care professionals involved in Care Management in applying criteria in decision making and evidence of specific actions on opportunities for improvement, if applicable.

7. NPN will follow procedures for contacting PSHP, registering and responding to Enrollee standard or expedited appeals including: oral or written initiation of an expedited appeal by the Enrollee or by a provider acting on behalf of the Enrollee; decision and notification to the Enrollee and provider. (See PSHP Appeals and Grievances policies & procedures).

NPN will collect relevant clinical information from the treating provider when making a determination of coverage based on medical necessity. Providers have an opportunity to discuss medical necessity decisions with the NPN Clinical Services Director, PSHP Director of Medical Management and/or PSHP Chief Medical Officer.

9. NPN will follow established processes to assist with an Enrollee's transition to other care, if necessary, when benefits end.

10. NPN will provide notification to providers of PSHP's policy for making Care Management determinations and how to contact a clinical reviewer and/or Chief Medical Officer to discuss Care Management decisions.

11. NPN will follow PSHP's written policies and procedures for providing Enrollees the option to elect an independent, external review of final determinations.

12. PSHP will have processes in place to evaluate patient and provider satisfaction with the Care Management process.

13. NPN will have processes in place to evaluate patient satisfaction with the Complex Care Management process.

14. PSHP and NPN will agree and establish a monitoring process to identify high risk members for the purposes of care coordination and entry into case management. PSHP will provide NPN the monthly case management trigger report to facilitate identification.

15. NPN will provide case management to assure that Enrollees receive medically necessary services at the most appropriate and cost effective level. NPN's case management duties shall include, but are not limited to:

    a. Identify and reach out to Enrollees who can benefit from case management services;
    b. Coordinate care; and assure the appropriate level of medically necessary covered services

16. PSHP will have clear policies and procedures that are communicated broadly that describe the following:

    a. Clinical utilization decision making is based on the benefit interpretation and the medical necessity of clinical care and services,

    b. No individuals of PSHP or NPN are rewarded for issuing denials of benefit coverage or care.

    c. Utilization decision-makers do not receive financial incentives that result in under-utilization.

d. NPN fully documents and retains records of all clinical decisions, notifications of approvals, partial approvals and denials.

17. PSHP agrees to reimburse NPN $8.00 PMPM (based on POD 5 membership) to provide Care Management services per this agreement to POD 5 members and non delegated care management responsibilities for members of other assigned PODS.

18. NPN agrees to provide a dedicated telephone and fax line (the cost is inclusive in the PMPM), for all PSHP transactions. NPN acts as the agent of PSHP in all care management activities. All NPN staff will identify themselves as PSHP staff in all encounters with POD 5 members. All communications will be on PSHP branded stock and no communications will be made on NPN branded stock or that identify staff as NPN employees.

19. NPN will assure continuity and coordination with PSHP's claims administrator, currently Physician's of Southwest Washington (PSW), so that authorizations into the claims system and claims payment occur seamlessly and effectively.

APPROVAL OF PROGRAM:

1. ACCOUNTABILITY: PSHP has responsibility for the oversight and direction for all of PSHP's Utilization Management functions.
2. UM PROGRAM CONFIDENTIALITY: The health plan adopts and maintains confidentiality and HIPAA privacy and security policies and procedures. This agreement is covered by the HIPAA Business Associates Agreement that is in place between PSHP and NPN. No voluntary disclosure of peer review, UM, data or quality assurance information is made except to persons authorized to receive such information in the conduct of UM Program activities. Information is strictly confidential, is not to be released and is not considered discoverable.

   No voluntary disclosure of identifiable Enrollee information is made without obtaining prior consent from the Enrollee, except as required by law. Enrollee information is strictly confidential and utilized only on a need to know basis to meet the administrative and legal obligations of the health plan. Data utilized by PSHP and the UM Program are maintained in a confidential manner through the mechanism of codes and summary information. Only those persons who require information to perform corrective action are given access to identifiers.

CARE MANAGEMENT MATRIX for PSHP POD 5 membership and non delegated care management responsibilities for members of other assigned PODS

Function	Service Status	NPN Responsibility/Performance Measure	Reporting Frequency	PSHP Oversight
Non-	☒ Assigned	For each UM function there must be	• submission of UM	• Provide NPN

Behavioral Health UM Process	☐ Non-Assigned	documentation of: 1) Staff & physician responsibilities related to each UM function 2) Adequate staffing mix 3) After-hours UM process defined and implemented. Process shall meet or exceed CMS timeframes. 4) Interface with PSHP appropriately 5) Data elements as required 6) Reporting capability Implementation of corrective action plan for elements of non-compliance	staff turnover and replacement plan • Submission of corrective action plans as needed	with PSHP UM program documents • Identification of corrective action plans for elements of non-compliance • Oversight of corrective action plans as necessary
Behavioral Health UM Program Structure and Process	☐ Assigned ☒ Non-Assigned	For each UM function delegated there must be documentation of: 1) Staff & physician responsibilities related to each UM function 2) Adequate staffing mix 3) After-hours UM process defined and implemented. Process shall meet or exceed CMS timeframes. 4) Interface with PSHP appropriately 5) Data elements as required 6) Reporting capability Implementation of corrective action plan for elements of non-compliance	• submission of UM staff turnover and replacement plan • Submission of corrective action plans as needed	• Provide NPN with PSHP UM program documents • Identification of corrective action plans for elements of non-compliance • Oversight of corrective action plans as necessary Initial onsite assessment using approved oversight document
Prior Authorization: Professional Institutional	☒ Assigned ☐ Non-Assigned ☒ Assigned ☐ Non-Assigned	For prior authorization NPN must: 1) Comply with PSHP turnaround times and notification requirements 2) Follow nationally recognized medical necessity criteria 3) Comply with program to perform prior authorizations meeting all regulatory and PSHP standards	• Submission of denial letters	• assessment to determine ability to perform function • Periodic assessment to determine ability to perform function
Concurrent Review	☒ Assigned ☐ Non-Assigned	For concurrent review NPN must: 1) Comply with PSHP turnaround times and notification requirements	• Submission of denial letters	• assessment to determine ability to perform

		2) Follow nationally recognized medical necessity criteria 3) Comply with program to perform concurrent review of acute and Skilled Nursing Facility inpatients meeting all regulatory and PSHP standards		function • Periodic assessment to determine ability to perform function
Discharge Planning	☒ Assigned ☐ Non-Assigned	1) Comply with program to perform discharge planning functions for Acute and Skilled Nursing Facility meeting all regulatory and PSHP standards 2) Issue Skilled Nursing Facility Notice of Non-Coverage timely and appropriately	• Submission of denial letters	• assessment to determine ability to perform function
Out of Area (OOA) Urgent / Emergent: Within Plan Service Area Outside of Plan Service Area	☒ Assigned ☐ Non-Assigned ☒ Assigned ☐ Non-Assigned	Perform OOA prior authorization for pod 5 members and members outside the 5 service counties, urgent pre service, concurrent review, and post service authorizations meeting all regulatory and PSHP standards.	Coordinate OOA with appropriate POD for Continuity of care needs. Notify PSHP upon awareness of all OOA authorization requests outside the 5 service counties.	• assessment to determine ability to perform function • Periodic assessment to determine ability to perform function
Case Management (Including complex case management)	☒ Assigned ☐ Non-Assigned	perform case management functions meeting all regulatory and PSHP standards	• Monthly submission of Case Management Log o ESRD o Transplants o Catastrophic • Quarterly case review with PSHP	• assessment to determine ability to perform function • Periodic assessment to determine ability to perform function • Provide NPN with monthly case management trigger list
Transplants (solid organ): Candidacy, Maintenance	☒ Assigned	perform transplant management and concurrent review functions meeting all regulatory and PSHP standards Coordinate with PSHP reinsurer	• Monthly submission of potential and existing transplant cases.	• assessment to determine ability to perform function

& Post One-Year Follow-Up Evaluation, Procurement, Procedure & One-Year Follow-Up	☐ Non-Assigned ☒ Assigned ☐ Non-Assigned	Transplant Care Manager	• Notify PSHP upon awareness of all potential transplant cases.	• Periodic assessment to determine ability to perform function • Provide initial coordination with reinsurer and transplant network contact information
New Technology	☒ Assigned ☐ Non-Assigned	NPN presents new technology to PSHP, providing any supporting documentation for joint discussion. Determinations about coverage for new technologies shall be made by the plan.	• N/A	• N/A
Retrospective Review Professional Institutional	☒ Assigned ☐ Non-Assigned ☒ Assigned ☐ Non-Assigned	For retroactive review of services NPN must: 1) Comply with PSHP turnaround times and notification requirements 2) Follow PSHP's approved medical necessity criteria	• Submission of denial letters	• assessment to determine ability to perform function • Periodic assessment to determine ability to perform function
Denials Professional Institutional	☒ Assigned ☐ Non-Assigned ☒ Assigned ☐ Non-Assigned	For retroactive review of services Delegate must: 1) Comply with PSHP turnaround times and notification requirements 2) Follow PSHP's approved medical necessity criteria	• Submission of denial letters	• assessment to determine ability to perform function • Periodic assessment to determine ability to perform function
Benefit Interpretations	☒ Assigned ☐ Non-Assigned	For benefit interpretations NPN must: 1) Comply with PSHP turnaround times and notification requirements	N/A	• assessment to determine ability to perform function

		2) Request PSHP interpretation when unable to make clear determination based on resources provided by PSHP		• Periodic assessment to determine ability to perform function
Dedicated Telephone and fax identified as PSHP	☒ Assigned ☐ Non-Assigned	NPN will have dedicated telephone and fax lines for PSHP care management services and interface with claims and Member Services. These lines shall be identified as PSHP at all times (including fax headers).		• Periodic audit to determine availability of staff to address issues