

**CARDINAL INNOVATIONS HEALTHCARE
GENERAL CONDITIONS OF THE PROCUREMENT CONTRACT – AGENCY**

The following Definitions shall apply to and govern the contractual relationship between Cardinal Innovations and Contractor and shall be incorporated by reference into Cardinal Innovations Healthcare Procurement Contract for Provision of Services – Agency, General Conditions of the Procurement Contract – Agency, Cardinal Innovations Healthcare Provider Manual, the North Carolina Innovations Technical Guide, and all referenced Contract Attachments and Exhibits.

Definitions:

“C.F.R.” shall mean the Code of Federal Regulations.

“Client” shall mean any consumer or recipient of mental health, developmental disabilities, and/or substance abuse services provided by Contractor under the Contract, including a Clients’ guardian or legally responsible person, or family member, as applicable.

“Contract” shall mean Cardinal Innovations Healthcare Procurement Contract for Provision of Services – Agency, General Conditions of the Procurement Contract – Agency, Cardinal Innovations Healthcare Provider Manual, the North Carolina Innovations Technical Guide, and all Contract Attachments, Exhibits, Amendments, Modifications, or Extensions hereto.

“Contractor” shall mean the provider of mental health, developmental disabilities, and/or substance abuse services identified on the Procurement Contract for Provision of Services – Agency. However, all responsibilities and obligations imposed upon Contractor under this Contract are applicable to Contractor’s employees, agents, officers, directors, clinicians, or practitioners, as appropriate and as required by federal, state, or local law, regulatory board, agency standards or Cardinal Innovations.

“Cardinal Innovations” shall mean Cardinal Innovations Healthcare and any of its employees, agents, representatives, assignees, subsidiaries, or affiliates.

“DHSR” shall mean the North Carolina Division of Health Services Regulation and any of its employees, agents, representatives, and/or divisions.

“Director” shall mean a person appointed or elected according to law , authorized to manage and direct the affairs of a corporation or company. The whole of the “directors” collectively form the board of directors.

“DMA” shall mean the North Carolina Division of Medical Assistance and any of its employees, agents, representatives, and/or divisions.

“DMH” shall mean the North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse services and any of its employees, agents, representatives, and/or divisions.

“DSS” shall mean the North Carolina Department of Social Services and any of its employees, agents, representative, and/or local or county divisions.

“HIPAA” shall mean Health Insurance Portability and Accountability Act of 1996.

“MH/DD/SA” shall mean mental health, developmental disabilities, and substance abuse.

“NCAC” shall mean the North Carolina Administrative Code.

“NC DHHS” shall mean the North Carolina Department of Health and Human Services and any of its employees, agents, representatives, and/or divisions.

“N.C.G.S.” shall mean the North Carolina General Statutes.

“Non Unit-Cost Reimbursement” shall mean funds provided to Cardinal Innovations not based on a unit of service being provided, but given to Cardinal Innovations to service or begin service to a given population of Clients.

“North Carolina Attorney General’s Office” shall mean the North Carolina Attorney General’s Office and any of its employees, agents, representatives, and/or divisions.

ARTICLE I RELATIONSHIP OF CARDINAL INNOVATIONS AND CONTRACTOR

1. BASIC RELATIONSHIP:

Contractor is an independent contractor of Cardinal Innovations. The Contract is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association between Contractor and Cardinal Innovations. Contractor shall not be considered an employee or agent of Cardinal Innovations for any purpose, including but not limited to, compensation for services, employee welfare benefits, retirement benefits, pension benefits, workers’ compensation insurance, or any other fringe benefits of employment.

2. ASSIGNMENT:

Contractor may not subcontract or assign its rights, duties, and/or obligations under the Contract without the prior written consent of Cardinal Innovations. In the event that Cardinal Innovations approves of Contractor subcontracting or assigning its rights, duties, and/or obligations hereunder, Contractor shall remain bound by this Contract and shall be primarily liable to Cardinal Innovations for any failure by its subcontractor or assignee to comply with any right, duty, or obligation of this Contract. Cardinal Innovations may subcontract or assign its rights, duties, and/or obligations hereunder at any time, to any individual or entity, without prior notice to or consent from Contractor.

3. NON-EXCLUSIVE ARRANGEMENT:

Cardinal Innovations retains the right to enter into a similar contract with any other agency or entity providing the same or similar services as Contractor. Contractor shall have the right to enter into other contracts with any other MCO, LME or third-party payor to provide the same or similar services as provided under the Contract.

**ARTICLE II
RIGHTS AND OBLIGATIONS OF CONTRACTOR**

1. PROVISION OF SERVICES AT CONTRACTED SITE:

Contractor shall provide the services under the Contract at the site(s) identified in the Contract or at those locations that are appropriate in accordance with the governing service definition and at no other location without receiving prior written consent by Cardinal Innovations. Contractor shall comply with all federal, state, and local laws when providing services under the Contract and Cardinal Innovations' requirements regarding, but not limited to, access to care, utilization review, clinical studies, utilization management, care management, quality management, access and finance, and qualification and credentialing processes, including but not limited to 42 C.F.R. parts 441 and 456. Contractor shall comply with federal, state, and local laws that are required, or refer or relate to Contractor providing services under the Contract. Contractor shall comply with all Cardinal Innovations' requirements, including but not limited to, Substance Abuse and Community Mental Health Services Federal Block Grant Funds, as allocated or contracted for, inclusive of specific reporting requirements, as applicable, for NC TOPPS and other federal block grants.

The Contract shall govern and apply to all services provided under the Contract and all sites identified or authorized under the Contract regardless of whether the services and sites are in effect at the time of execution of the Contract or the sites and services are approved by Cardinal Innovations in the future.

2. COMPLIANCE WITH LAWS, RULES AND REGULATIONS:

Contractor shall:

- a. Maintain knowledge of all applicable federal, state, and local laws that refer or relate in any way to the provision of services under the Contract and comply with all applicable federal, state, and local laws;
- b. Implement services in accordance with all applicable federal, state, and local laws, including but not limited to all applicable NC DHHS clinical coverage policies, rules, regulations, standards, and/or assessments;
- c. Train all employees, agents, officers, directors, members, clinicians, practitioners or representatives in all applicable federal, state, and local laws and ensure that they have working knowledge of such in order to perform their duties.

3. EXCLUSION OF PROVIDERS:

Contractor represents and warrants that Contractor, other than this Contract, does not have an employment, consulting or other arrangement with Cardinal Innovations for the provision of items or services which are significant and material to Cardinal Innovations' obligations under Cardinal Innovations' contract with NC DHHS. Contractor further represents and warrants that if an employment, consulting, or other arrangement does exist that:

- a. Contractor has not been debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549, or
- b. No individual affiliated, as defined in the Federal Acquisition Regulation, with Contractor meets the conditions set forth under (a).

Contractor represents and warrants that Contractor is not excluded from participation in any Federal Health Care Programs under either Section 1128 or Section 1128A of the Social Security Act. Contractor shall report in writing to Cardinal Innovations, within five (5) business days of becoming aware, if Contractor becomes excluded from participation in the Federal Health Care Programs under either section 1128 or section 1128A of the Social Security Act. Contractor represents and warrants that it has not been excluded from participation in any North Carolina State health care program, such as Health Choice.

Contractor represents and warrants that it is not currently subject to any sanction, investigation, suspension, prepayment review, payback, recoupment, or action by any federal, state, or local agency, including, but not limited to NC DHHS, DMA, DMH, the North Carolina Attorney General's Office, DSS, or DHSR. Contractor shall report in writing to Cardinal Innovations within five (5) business days of learning of any sanction, investigation, suspension, prepayment review, payback, recoupment, or action by any federal, state, or local agency, including, but not limited to NC DHHS, DMA, DMH, the North Carolina Attorney General's Office, DSS, or DHSR.

Contractor represents and warrants that it is not currently subject to any civil or criminal proceeding in any federal, state, or administrative court in any jurisdiction. Contractor shall report in writing to Cardinal Innovations within five (5) business days of learning of the initiation of any civil or criminal proceeding in any federal, state, or administrative court in any jurisdiction.

Contractor represents and warrants that any license held by Contractor is not subject to probation, discipline, suspension, limitation, or other action by any federal, state, or local agency, including, but not limited to NC DHHS, DMA, DMH, the North Carolina Attorney General's Office, DSS, or DHSR. Contractor shall report in writing to Cardinal Innovations within five (5) business days of learning that any license held by Contractor is subject to any probation, discipline, suspension, limitation, or other action by any federal, state, or local agency, including,

but not limited to NC DHHS, DMA, DMH, the North Carolina Attorney General's Office, DSS, or DHSR.

Contractor represents and warrants that it has never been subject to any criminal charges, plea agreements, settlements, or convictions related to any Federal Health Care Programs under either Section 1128 or Section 1128A of the Social Security Act. Contractor shall report in writing to Cardinal Innovations within five (5) business days of learning of the initiation of any investigation or action against Contractor that refers or relates to any Federal Health Care Programs under either Section 1128 or Section 1128A of the Social Security Act.

4. REQUIRED DISCLOSURES:

Contractor shall disclose in writing to Cardinal Innovations if Contractor has any affiliation, relationship, association, including but not limited to, by contract, ownership interest, or immediate familial relationship, any other healthcare provider agency, group, association, clinician, or independent practitioner. Contractor shall disclose in writing to Cardinal Innovations whether it has done business under another name in the past five (5) years or is currently doing business under any other name.

Contractor shall notify Cardinal Innovations in writing of the name and address of any individual(s) or entity(ies) who own more than a five percent (5%) interest in Contractor. Contractor shall notify Cardinal Innovations in writing of all parent, sister, and subsidiary entities of Contractor.

Contractor shall comply with all federal, state, and local notification requirements, including but not limited to 42 C.F.R. 455.104, 42 C.F.R. 455.105, and 42 C.F.R. 455.106.

Information disclosures under this Section 4 must be disclosed to Cardinal Innovations at the time the Contract is executed by Contractor and such disclosure obligations shall be ongoing for the duration of the Contract. In the latter case, Contractor shall notify Cardinal Innovations within five (5) business days of the acquisition/transfer of the above-referenced ownership interest.

Contractor shall notify Cardinal Innovations in writing of a change in the legal name of any owner, director, and/or member, regardless of the reason or cause for the change, and the notification shall be received within thirty (30) calendar days of the change. The notification shall include the name and social security number of any new owner, director, and/or member or the name and social security number of any departing or withdrawing owner, director and/or member.

5. ASSURANCE OF THE RIGHTS OF CLIENTS:

Contractor shall comply with all federal, state, and local laws that refer or relate in any way to assuring or protecting Clients' rights, including but not limited to Article 3 of N.C.G.S. Chapter 122C, 10A NCAC Chapter 28, and 10A NCAC Chapter 27, Subchapter D, Subchapter E, and Subchapter F.

Clients' rights include, but are not limited to:

- a. The right to be treated with respect and due consideration of dignity and privacy;
- b. The right to receive information on available treatment options and alternatives, presented in a manner appropriate to the Client's condition and ability to understand;
- c. The right to participate in decisions regarding Client's health care, including but not limited to, the right to refuse treatment;
- d. The right to be free from any form of restraint or seclusion use as a means of coercion, discipline, convenience, or retaliation;
- e. The right to request and receive a copy of his or her medical record, subject to N.C.G.S. 122C-53(d), and to request that the record be amended or corrected in accordance with 45 C.F.R. Part 164 and the provisions of N.C.G.S. 122C-53(d) not inconsistent therewith.

6. ABUSE, NEGLECT AND EXPLOITATION:

Contractor shall ensure that Clients are not abused, neglected, and/or exploited while under the care or treatment of Contractor or while receiving services from Contractor under the Contract. Contractor shall ensure it complies with all federal, state, and local laws regarding abuse, neglect, and/or exploitation and Cardinal Innovations' reporting requirements regarding abuse, neglect, and/or exploitation.

Contractor shall notify Cardinal Innovations' Quality Management Department in writing, via the Incident Response Improvement System (IRIS) of all incidents of actual or alleged abuse, neglect, and/or exploitation of any Client. The notice shall include, but not be limited to, the date of the actual or alleged incident, the facts describing the incident, the parties or persons involved in the incident, any investigation of the incident, and any actions, steps, or remediated efforts taken by Contractor. Such notice shall take place within the established timeframes indicated in the NC DHHS Incident Response and Reporting Manual. Any discrepancy in any incident reporting requirement shall be resolved in favor of the incident being reported to Cardinal Innovations in the shortest period of time.

Contractor shall ensure that following any allegations of abuse, neglect and/or exploitation of a Client that involve Contractor, protective measures will be put into place immediately that ensure that Contractor's employee, agent, clinician, practitioner, or representative involved in the alleged abuse, neglect, and/or exploitation has no access to Client pending further examination of the allegations. Contractor may be reimbursed for alternative placements implemented as protective measures pursuant to this Section 6 if Client cannot be placed at a contracted site, and Cardinal Innovations has given its prior consent to the alternative placement.

Cardinal Innovations prohibits the use of restrictive interventions except as specifically permitted by each Client's Person Centered Plan ("PCP") or Individual Support Plan ("ISP"), as

applicable, or on an emergency basis. "Prone" restraints or any techniques whereby the restrained Client will end up in a face-down position are entirely prohibited. When a restrictive intervention is used three (3) or more times within a thirty (30) day period or is used as a therapeutic treatment designed to reduce dangerous, aggressive, self-injurious, or undesirable behaviors to a level which will allow the use of less restrictive treatment or habilitation procedures, it must be included in the Client's PCP or ISP, as applicable, as a planned restrictive intervention. If utilized, restrictive interventions will follow Article 3 of N.C.G.S Chapter 122C and Cardinal Innovations' requirements.

7. CONFIDENTIALITY:

Contractor shall comply with all applicable federal, state, local laws and regulations referring or relating to Client privacy, confidentiality, and/or Protected Health Information as defined in 45 C.F.R. 160.103, including but not limited to, HIPAA, the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, subparts A and E, the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, subpart C, 42 USC §290dd-2, 42 C.F.R. Subchapter A, Part 2, and Article 3 of N.C.G.S. Chapter 122C.

Contractor shall store records in a secure place with controlled access for the storage of records. Contractor shall ensure that only individuals who must access records to carry out duties assigned or approved by Contractor shall be authorized to access the storage area for records. Contractor shall establish procedures to prevent accidental disclosure of records from any automated data processing system, if applicable. Contractor shall disseminate a written policy and provide training for all individuals with access to records.

8. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND EXECUTIVE ORDERS TO PREVENT DISCRIMINATION IN EMPLOYMENT PRACTICES:

Contractor shall comply with Titles VI and VII of the Civil Rights Act of 1964, Sections 503 and 504 of the Vocational Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Executive Order 11246 (collectively "Discrimination Laws"), and all amendments, modifications, or revisions to Discrimination Laws. Contractor shall not discriminate on the grounds of sex, age, race, religious affiliation, handicap, or national origin related to the provision of services to Clients under the Contract.

9. AMERICANS WITH DISABILITIES ACT:

Contractor shall comply with the Americans with Disabilities Act of 1990 and any amendments, modifications, or revisions thereto (collectively "ADA").

10. LICENSES, ACCREDITATIONS, CREDENTIALING AND QUALIFICATIONS:

Contractor shall ensure that all licenses, professional licenses, qualifications, staff competencies, credentials, accreditations and/or certifications necessary and required to provide any service under the Contract are kept current and in compliance with all applicable federal, state, and local laws or regulatory board, or agency standards, as applicable. Contractor shall maintain

copies of all required professional licenses, accreditations, credentials and certifications. Contractor shall ensure that all of Contractor's clinicians or practitioners are properly credentialed by Cardinal Innovations prior to Contractor's clinicians or practitioners billing Cardinal Innovations for any services under the Contract. Cardinal Innovations will not pay Contractor for services provided by any clinicians or practitioners until such clinicians or practitioners are properly credentialed with Cardinal Innovations. Cardinal Innovations' Credentialing Committee makes the final determination regarding which clinicians or practitioners receive credentials. Clinicians or Practitioners who are not contracted with Cardinal Innovations or employed by a contracted provider will not be considered for credentialing by Cardinal Innovations' Credentialing Committee. Furthermore, this Contract does not confer any contractual rights upon credentialed clinicians or practitioners who are merely employed by Contractor.

Contractor shall notify Cardinal Innovations in writing within three (3) business days of any change in the status of any applicable license, accreditation, credential, and/or certification. Contractor shall not provide or bill for any services under the Contract during any period when any license, professional license, qualification, staff competency, credential, accreditation and/or certification is suspended, revoked, inactive, cancelled, rescinded, or not in good standing for any reason.

Contractor shall ensure that all clinicians, practitioners, or individuals providing services under the Contract who hold probationary, exclusionary, or less than full licensure status are in compliance with all federal, state, local, and/or regulatory agency.

11. HEALTH CARE REGISTRY AND INVESTIGATIONS:

If Contractor is considered a "health care facility" as set forth in N.C.G.S. §131E-256(b), then Contractor shall comply with all reporting requirements of the NC DHHS as provided in N.C.G.S. Chapter 131E, Article 15 and 10A N.C.A.C Subchapter 130.

12. DRUG FREE WORKPLACE:

Contractor shall comply with the Drug Free Workplace Act of 1988 and any amendments, modifications, or revisions thereto. Contractor shall notify Cardinal Innovations in writing within three (3) business days of learning that Contractor was charged, indicted, convicted, or plead to any misdemeanor or felony drug related crime. Contractor shall comply with N.C.G.S §122C-80, as applicable.

13. FEDERALLY REQUIRED CERTIFICATIONS:

Contractor shall execute the following federally required certifications at the time of execution of the Contract:

- a. Environmental Tobacco Smoke – Certification for Contracts, Grants, Loans and Cooperative Agreements;
- b. Lobbying – Certification for Contracts, Grants, Loans and Cooperative Agreements;

- c. Drug-Free Workplace Requirements;
- d. Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions.

14. INSURANCE REQUIREMENTS:

Contractor shall purchase and maintain insurance, in the types and amounts as set forth below, from an entity which is licensed and authorized to do business in the State of North Carolina by the North Carolina Department of Insurance. Contractor shall ensure that all insurance policies shall require that the coverage cannot be suspended, voided, canceled, or reduced in coverage or limits without thirty (30) days prior written notice to Cardinal Innovations by the insurance carrier. All insurance requirements under the Contract must be fully met unless specifically waived in writing by Cardinal Innovations.

- a. Professional Liability: Contractor shall purchase and maintain Professional Liability Insurance protecting Contractor performing services under the Contract for an amount of not less than \$1,000,000.00 per occurrence and proof of coverage at or exceeding \$3,000,000.00 in the annual aggregate. In the event that Contractor discovers that a claim, a suit of civil, criminal, or administrative proceeding has been brought relating to the services provided under the Contract, then Contractor shall notify Cardinal Innovations within five (5) days of receiving notice of the claim or suit.
- b. Comprehensive General Liability: Contractor shall purchase and maintain Bodily Injury and Property Damage Liability Insurance in such amounts not less than \$1,000,000.00 per occurrence, \$3,000,000.00 per aggregate, \$1,000,000.00 personal and advertising injury, \$50,000.00 fire damage. The insurance shall not include exclusion for contractual liability.
- c. Automobile Liability: Contractor shall purchase and maintain Automobile Bodily Injury and Property Damage Liability Insurance covering all owned, non-owned, and hired automobiles utilized for the provision of services under the Contract for limits of not less than \$1,000,000.00 each person and \$1,000,000.00 each occurrence of bodily injury liability and \$1,000,000.00 each occurrence of property damage liability. Policies written on a combined single limit basis should have a limit of not less than \$1,000,000.00.
- d. Workers' Compensation and Occupational Disease Insurance: Contractor shall purchase and maintain Workers' Compensation and Occupational Disease Insurance that meets the statutory requirements of the State of North Carolina and Employer's Liability Insurance for an amount of not less than bodily injury by accident \$100,000.00 each accident, bodily injury by disease \$100,000.00 each employee, and bodily injury by disease \$500,000.00 policy limit.
- e. Certificate of Coverage: Contractor shall provide Cardinal Innovations with all Certificates of Insurance Coverage required by this Section 14 with the policy requirements set forth in this Section 14 and its subsections. Contractor shall notify

Cardinal Innovations in writing of any change in insurance carrier within five (5) days of the change. If Contractor changes insurance providers during the term of this Contract, Contractor shall provide evidence to Cardinal Innovations that Cardinal Innovations will be indemnified to the limits specified above for the entire performance period of the Contract, either under the policy or a combination of prior and current policies.

- f. Tail Coverage: Contractor shall obtain Tail Liability Insurance for any insurance policy under this Section 14 occurring on a claims-made basis. Contractor shall secure tail coverage for a period of not less than three (3) years after the expiration or termination of the Contract, regardless of the reason for termination.
- g. Waivers of Subrogation: Contractor shall obtain and provide to Cardinal Innovations waivers from Contractor's workers compensation and occupational disease and commercial general liability carriers of any right of recovery that such liability carriers may have because of payments made by them for injury or damage arising out of services performed by Contractor under this Contract.

15. POST-PAYMENT REVIEW:

Contractor shall participate in a post-payment review audit conducted by Cardinal Innovations, which Cardinal Innovations may elect to conduct in its sole discretion. Contractor shall not be subject to more than one routine post-payment review audit annually under this Section 15. Any audit under this Section 15 may be conducted by Cardinal Innovations or any third-party selected by Cardinal Innovations in its sole discretion. Audits may include, but are not limited to, a review of documentation referring or relating to the following: requests for treatment, authorizations submitted for approval, Client treatment, claims submissions, billing, and any other documentation Cardinal Innovations, in its sole discretion, contends is necessary to conduct the post-payment review. Post-payment review audits may occur with or without prior notice by Cardinal Innovations to Contractor. Contractor shall make all documentation required under this Section 15 available to Cardinal Innovations at the time of the post-payment review. Contractor's failure to produce all documentation required under this Section 15 at the time of review, may, in Cardinal Innovations' sole discretion, result in a sanction. Cardinal Innovations shall provide written documentation to Contractor, within sixty (60) business days following the post-payment review audit, outlining Cardinal Innovations' findings. Based upon results of the post-payment review audit, Contractor may be subject to sanctions pursuant to Article VIII in Cardinal Innovations' sole discretion.

16. FISCAL REVIEW:

Contractor shall participate in Cardinal Innovations' Coordination of Benefits review, which Cardinal Innovations may elect to conduct, in its sole discretion, in order to determine the liability of third parties, and to ensure that the coordination of benefits has been properly assigned. The Coordination of Benefits review may include, but is not limited to, a review of documentation referring or relating to the following:

- a. Contractor's evaluation of Client's income levels;
- b. Client's ability to pay for services under the Contract;

- c. Third-party insurance verification;
- d. First-party billing for State funded services, if applicable;
- e. Third-party billing;
- f. Claims submissions and denials;
- g. Coordination of Benefits information, and
- h. Any other documentation Cardinal Innovations, in its sole discretion, contends is necessary to conduct the review.

Nothing contained in this Section 16 or the Contract shall limit or otherwise prohibit Cardinal Innovations from conducting any number of Coordination of Benefits reviews during the term of the Contract, and said reviews may occur with or without prior notice by Cardinal Innovations to Contractor. Cardinal Innovations shall provide to Contractor written documentation outlining its findings within sixty (60) business days following the review. Based upon results of the review, Contractor may be subject to sanctions in Cardinal Innovations' sole discretion.

17. FINANCIAL AUDITS:

Contractor agrees to have an annual audit performed by an independent Certified Public Accountant. The auditor will assure that all funds paid under this Contract are spent as required by this Contract and determine whether the sub recipient (if applicable) spent federal and State assistance funds in accordance with all applicable laws and regulations. Auditor will comply with the applicable accounting and auditing standards, including OMB Circular A-133 (if Contractor is a sub-recipient), and any regulations and statutes of the Federal Government and the State of North Carolina. The audit shall include an evaluation of internal controls. The audit must result in an unqualified opinion. In addition, the Certified Public Accountant shall examine any client fund accounts which are managed by Contractor and assure compliance with personal fund management rules as outlined in APSM 95-2 "Client Rights Rules in Community MH/DD/SA Services." If the audit should result in a qualified opinion, Contractor must submit a Plan of Correction to Cardinal Innovations for any irregularities identified in the Management Letter. This Plan of Correction must be time limited and is subject to approval and monitoring by Cardinal Innovations. Regardless of the Plan of Correction, in the event of a qualified opinion, Cardinal Innovations may, in its sole discretion, terminate the Contract. On an annual basis, Contractor will submit to Cardinal Innovations a copy of its latest tax return and audit report within 120 days of the end of Contractor's previous fiscal year. A copy of the Auditor's Management Letter must accompany the tax return and audit report.

18. FINANCIAL RECORDS:

Contractor shall maintain documents of all costs and expenses that refer or relate to the provision of services under the Contract, including but not limited to documentation referring or relating to the following: services provided under the Contract, all information relating to

Clients, claims submissions, claims denials, personnel records, financial records, balance sheets, income statements, payroll records, invoices, claims data, purchase orders, vouchers, tax returns, or any other documents that refer or relate in any way to the receipt or disbursement of any monies received from Cardinal Innovations (collectively "financial records"). Contractor shall maintain such documents in compliance with all applicable federal, state, and local laws, including but not limited to HIPAA.

Contractor shall maintain financial records for the purpose of audit and evaluation by Cardinal Innovations, NC DHHS, DMA, DMH or other federal or state agency. Financial records shall be maintained by Contractor during the entire term of the Contract and for a period of no less than five (5) years after the expiration or termination of the Contract. If an audit of any kind is in progress or audit findings are unresolved at the end of the five (5) year period, financial records shall be kept until the audit or all issues related thereto are resolved.

19. CONCERNS:

Contractor shall have in place an impartial and fair complaint and grievance process that is documented in policy or procedures. Contractor shall ensure that each Client receives information related to Contractor's complaint and grievance process upon initial receipt of services from Contractor. Contractor shall address all concerns of the Client as related to the services provided to the Client by Contractor. Contractor shall maintain a system to receive and respond timely to complaints received regarding Contractor related to services provided under the Contract. Contractor shall maintain records documenting all complaints, including but not limited to date received, reasons for the complaint, resolution/follow up provided, and date complaint resolved. Contractor will refer any unresolved grievance concerns or requests for service provider change to the Client's care coordinator, clinical home provider, or to the appropriate Cardinal Innovations' Department.

Contractor shall advise Clients that they may contact Cardinal Innovations directly about any concerns or grievances. Cardinal Innovations' anonymous concern and complaint line must be published and made available to Clients along with the telephone number for the Disability Rights of North Carolina.

If a complaint is received by Cardinal Innovations that involves Contractor, Cardinal Innovations shall investigate the complaint, in its sole discretion, in accordance with applicable federal, state, and local laws. Investigations by Cardinal Innovations of complaints involving Contractor may be conducted with or without prior notice by Cardinal Innovations to Contractor and Contractor shall cooperate fully with all investigations.

Cardinal Innovations shall maintain documentation of investigations it conducts related to any complaint. Contractor will be provided a written summary of any findings resulting from an investigation by Cardinal Innovations related to a complaint. Cardinal Innovations may, in its sole discretion, issue sanctions against Contractor resulting from any substantiated grievance of misconduct against Contractor.

20. UTILIZATION MANAGEMENT:

Contractor shall participate in and comply with all Cardinal Innovations' Utilization Management processes, including but not limited to, requirements for prior approval, utilization review, concurrent review and case management, credentialing review, and clinical outcome review of services provided to Clients. Contractor shall provide Cardinal Innovations with any and all information that Cardinal Innovations deems necessary for Cardinal Innovations' Utilization Management process and compliance with any federal, state, or local laws. Contractor shall provide Cardinal Innovations with all requested documentation within five (5) business days of the request. Contractor shall provide any requested documentation, regardless of whether that request relates to utilization management or any other aspect of Contractor's provision of services under the Contract, directly to NC DHHS, DMA, DHSR, DSS, or any other federal or state agency, upon notification by Cardinal Innovations.

Cardinal Innovations' Utilization Management department shall have sole discretion for determining medical necessity related to treatment requests submitted by Contractor and / or authorizations received by Contractor for the provision of services under the Contract.

21. MONITORING REVIEWS:

Cardinal Innovations shall, in its sole discretion, conduct an assessment of Contractor's qualifications, operations, and Contract compliance to determine, whether Contractor, in Cardinal Innovations' sole discretion, is qualified to continue to provide services under the Contract. Areas to be assessed during the monitoring review, may include, but are not limited to:

- a. Clients' satisfaction;
- b. Quality systems;
- c. Overall Contract compliance;
- d. Treatment plan implementation and documentation of services provided;
- e. Compliance with federal and state regulations;
- f. Fiscal integrity and management of Clients' funds for providers who are designated payee or directly manage Client funds;
- g. Medication management;
- h. Protection of Clients' rights and implementation of rights standards;
- i. Qualifications and credentials of staff providing services under this Contract; and
- j. Clients' health and safety.

Contractor shall be notified of all monitoring reviews and shall submit all documentation to Cardinal Innovations which Cardinal Innovations deems necessary, in its sole discretion, to complete the monitoring reviews. Contractor shall assist in coordinating and ensuring the appearance of any of Contractor's employees, agents, clinicians, practitioners, or representatives, who Cardinal Innovations, in its sole discretion, deems necessary for the monitoring review including, but not limited to, scheduling Client interviews, Client family member / legally responsible person interviews, and Contractor interviews.

Within sixty (60) business days of the monitoring review, Cardinal Innovations shall provide Contractor with a written summary of findings from the monitoring review.

22. ACCESS BY CARDINAL INNOVATIONS TO CLIENTS AND CLIENT CARE MONITORING:

Contractor shall allow Cardinal Innovations' staff to attend any treatment team meeting, including, but not limited to, intensive in home, PRTF, and IDT services and discharge planning meetings regarding Clients served under this Contract, and to review documentation related to the provision of Client services. Contractor will also allow Cardinal Innovations' staff immediate direct access to documentation related to any Client, referred or funded by Cardinal Innovations or related to any Client served by Contractor within a county in Cardinal Innovations' catchment area. If requested, Contractor shall provide at least seventy-two (72) hours prior notice to Cardinal Innovations of the date, time and place of any treatment team or discharge-planning meeting regarding a Client.

23. ACCESS TO PREMISES AND RECORDS:

Contractor shall give Cardinal Innovations access to and permit Cardinal Innovations to examine and inspect all premises, owned, rented, leased, or operated by Contractor where Clients are served. Contractor shall give Cardinal Innovations access to and permit inspection of all documents that refer or relate in any way to the provision of services under the Contract, including, but not limited to, Contractor's financial records, client clinical records, service billing records, any other documents that Contractor is required to maintain pursuant to any federal, state, or local law or any other documents which Cardinal Innovations, in its sole discretion, deems necessary to review to assure Contractor's compliance with the Contract, or any federal, state, or local law. Contractor shall give the United States Department of Health and Human Services, Centers for Medicare and Medicaid, NC DHHS, DMA, DMH, DHSR, DSS and any other authorized federal, state, or local agency or their authorized representatives or agents, access to all documents identified in this Section 22.

Upon execution of the Contract, Contractor shall provide Cardinal Innovations with a list of all locations where Client clinical documentation is located. If Client clinical documentation is not kept on site where services are provided, the Client clinical documentation must be immediately available in the event of an unannounced monitoring review, audit, or any other investigation conducted by Cardinal Innovations. Contractor shall provide Cardinal Innovations with written notice of any change to the location of Client clinical documentation.

Upon written request by Cardinal Innovations for records or documentation concerning a Client, Contractor shall produce such records or documentation within five (5) business days. Any request for the production of records or documents made by NC DHHS, DMA, DSS, DHSR, or any

other federal, state, or local agency shall be provided to the requesting authority within fourteen (14) business days of the date of the request.

Upon Contractor ceasing business operations in the State of North Carolina for any reason, whether due to retirement, bankruptcy, relocation to another state, or voluntary dissolution, Contractor shall provide Cardinal Innovations with all original Client clinical records served by Contractor under this Contract, or a duly certified copy of all Client clinical records within sixty (60) business days of such event. Any access to records or production of records or documents pursuant to this Section 22 or any other portion of this Contract shall be done at the sole cost of Contractor.

24. CLIENT PERSON CENTERED PLAN/TREATMENT PLAN:

For each Client served under the Contract receiving Innovations services, Contractor will work collaboratively with the Care Coordinator as necessary to ensure appropriate care and treatment of the Client. Contractor shall participate in needed assessments and provide information pertinent to the development of an ISP and/or directly participate in the planning process. For Clients with an ISP, Contractor will be responsible for the development of short range goals and task analyses/strategies, as required by the applicable clinical coverage policies and service definitions, or Cardinal Innovations' Utilization Management Department.

For Clients served under this Contract receiving enhanced MH/SA services, Contractor shall develop a PCP in partnership with the Client that represents the priorities of the Client served, the long- and short-term outcomes, goals and objectives, and includes detailed information to justify continuation, modification or termination of a goal. The PCP should conform to the requirements outlined in the NC DHHS PCP Instruction Manual. Contractor is responsible for development of PCP updates as required by the DMA clinical coverage policies or as defined by Cardinal Innovations. Contractor shall ensure that needed assessments occur prior to development of the PCP or on an ongoing basis to provide additional clinical information to inform changes to the strategies, interventions, or services listed in the PCP.

Contractor shall document all services according to federal, state, and local laws and shall maintain a system for the assessment and evaluation of progress against assigned goals in the ISP or PCP. Contractor shall ensure that all employees, agents, representatives, clinicians, and practitioners complete the NC DHHS required training on the development and implementation of the PCP or ISP, as applicable.

If there is not a PCP or ISP, Contractor shall develop, in partnership with the Client, a service or treatment plan that is person centered, represents the priorities of the person served, documents the medical necessity for services and that is consistent with federal, state, and local laws. The service or treatment plan will include goals consistent with stated needs and priorities, and strategies and/or intervention plans developed at a level consistent with the staff who will implement the service. Contractor shall maintain systems that allow for routine evaluation of progress made on goals from service or treatment plans with documentation in the Client's record that this has been completed.

If, upon evaluation of a PCP or ISP or at the request of a Client, Cardinal Innovations determines that any Client is in need of any service(s) different from those provided by Contractor, Cardinal

Innovations shall discuss with the Client their needs and desires in relation to appropriate services and may assist the Client in changing providers in order to obtain the necessary services. In such event, any authorization for services that have not been provided may be terminated. Cardinal Innovations may transfer funds for services that have not been provided or transfer authorizations for services that have not been provided by Contractor to another provider to support the Client in another program.

25. MEDICAL RECORDS DOCUMENTATION AND RETENTION:

In addition to Section 5 of the Procurement Contract for Provision of Services – Agency, Contractor shall be responsible for completing, filing, and maintaining all clinical and medical records for services provided under the Contract in accordance with, but not limited to, the following as applicable: APSM 30-1 (Rules for MH/DD/SA Facilities and Services); APSM 45-2 (Records Management And Documentation Manual); APSM 95-2 (Client Rights Rules in Community MH/DD/SA Services); APSM 45-1 (Confidentiality Rules); DHHS Record Retention Schedules, including but not limited to, APSM 10-3 (Record Retention Schedule for State and Area Facilities); APSM 10-4 (Record Retention Schedule for DMH/DD/SAS Central and Regional Offices); APSR 110-12 (Policy on Placement of Long Stay Patients); North Carolina Medicaid Billing Guide (also known as or referred to as NCTracks Provider Claims and Billing Assistance Guide); NC DHHS Communication Bulletins; NC DHHS Implementation Updates; and all federal, state, and local laws. Cardinal Innovations shall have the right to inspect, review, and examine all medical records maintained pursuant to this Section 24, with or without prior notice to Contractor.

26. RECORD RETENTION:

Upon termination of the Contract, Contractor shall arrange for continued retention of Client records in accordance with the requirements set forth in this Section 25, and as required by applicable federal, state and local law. Contractor shall comply with the retention of Client records requirements in Section 25 for a period of no less than five (5) years after termination of this Contract. During this five (5) year period, Contractor shall provide Cardinal Innovations with the address of any location(s) where Client records are stored and the name of Contractor's records custodian responsible for ensuring compliance with this Section 25. Contractor shall notify Cardinal Innovations in the event that the location(s) or identity of the records custodian changes. Such notification shall occur within ten (10) days of such change in location(s) or custodian.

No later than thirty (30) days after the effective date of termination of the Contract, regardless of the reason for termination, Contractor shall notify all Clients currently receiving services or having received services within the prior six (6) months that Client has the right to request copies of Client's medical records and the method to request such records.

27. MEDICAID ELIGIBILITY:

Contractor shall disclose in writing to Cardinal Innovations any third-party insurance coverage that may cover or provide payment for, in whole or in part, any services provided under the Contract within five (5) days of obtaining this information. Contractor shall disclose in writing,

within five (5) days of obtaining this information, to Cardinal Innovations when any Client changes their county of residence related to their Medicaid eligibility.

Contractor acknowledges that a Client shall be automatically disenrolled from Cardinal Innovations' Medicaid Waiver program if the Client:

- a. Changes county of residence for Medicaid eligibility purposes to a county outside of the Cardinal Innovations catchment area;
- b. Is deceased;
- c. Is admitted to a correctional facility for more than thirty (30) days;
- d. No longer qualifies for Medicaid; or
- e. Becomes ineligible for Medicaid due to any of the following:
 - i. Medicare Qualified Beneficiaries (MQB);
 - ii. Non-qualified Aliens or Qualified Aliens during the five (5) year ban;
 - iii. Medically Needy in deductible status;
 - iv. Children within the age of 0-36 months, except for Innovations recipients; or
 - v. Recipients with Presumptive Eligibility.

28. PROPRIETARY INFORMATION AND INTELLECTUAL PROPERTY:

Contractor acknowledges that business material, papers documents, discoveries, inventions, ideas, technology, formulas, designs, software, programs, algorithms, products, systems, applications, processes, procedures, methods, concepts, prototypes, content pages, revisions, compilations, improvements and enhancements conceived, developed, or otherwise made, created or produced by Cardinal Innovations, either independent of or created or developed in connection with the performance of the Contract, whether or not subject to patent, copyright or other protection and whether or not reduced to tangible form, shall be the sole and exclusive property of Cardinal Innovations (collectively "Proprietary Information"). Contractor shall not publish, disseminate, share, or in any manner make public any Proprietary Information without the prior written consent of Cardinal Innovations.

Contractor acknowledges that all language in all documents prepared by Cardinal Innovations and used and provided in connection with the Contract are the property of Cardinal Innovations (collectively "Intellectual Property"). Contractor shall not publish, disseminate, share, or in any manner make public any Intellectual Property without the prior written consent of Cardinal Innovations.

29. CONFLICT OF INTEREST:

In accordance with 1993 Session Laws, Chapter 321, Section 16, Contractor, if a private non-profit entity, shall provide Cardinal Innovations with a notarized copy of Contractor's policy

addressing conflicts of interest that may arise involving Contractor's management, employees, and the members of its Board of Directors or other governing body.

Contractors that are for-profit entities shall provide Cardinal Innovations with a notarized copy of Contractor's policy addressing conflicts of interest that may arise involving Contractor's management, employees, and the members of its Board of Directors or other governing body.

Contractor shall, within thirty-five (35) days of the date of a request by the NC DHHS, disclose full and complete information about: (1) the ownership of any subcontractor with whom Contractor has had business transactions totaling more than \$25,000.00 during the twelve (12) month period ending on the date of the request; and (2) any significant business transactions between Contractor and any wholly owned supplier, or between Contractor and any subcontractor, during the last five (5) year period ending on the date of the request.

30. STUDY PARTICIPATION:

Contractor shall comply with and participate in any research, research study, assessments, and or analysis that refers or relates to the operation and implementation of Cardinal Innovations' closed network of providers, including but not limited to, the following:

- a. The capacity of the network, the size of the network, the services of the network, and/or the geographic location of the network;
- b. Anticipated network membership numbers, including but not limited to, the types of clinicians and /or staff required to provide the services in the network, including but not limited to training, experience, and specialization;
- c. Service characteristics and needs of the network, including but not limited to, the cultural and language needs of Clients; and
- d. Client satisfaction assessment.

Contractor's failure to comply with or participate in any research, research study, and/or assessment may result in sanctions against Contractor, which Cardinal Innovations may implement at its sole discretion.

31. NO REJECTION OF REFERRALS:

Contractor shall not reject or otherwise refuse to render or fail to render services to any Client referred to Contractor, unless Contractor can reasonably establish:

- a. The referral does not meet the admission criteria as established and approved through Cardinal Innovations' qualifying process; or
- b. The referral does not fall within Contractor's contracted services or competencies; or

- c. It does not have the necessary capacity in Contractor's schedule to see the referral; however, nothing herein shall permit Contractor from failing to comply with any Access Standards set forth in Section 32 if Contractor provides services to any Client; or
- d. It does not have the necessary capacity in Contractor's facility to accept the referral, as documented in a written statement from Contractor detailing why Contractor is at capacity. Such written documentation should include the number of beds at its licensed facility and the number of Clients currently occupying those beds. Contractor must respond to a referral for residential services in writing or verbally within seventy-two (72) hours of receiving the referral.

Contractor shall not deny services to any Client on account of the Client's inability to pay a deductible, co-insurance, or co-payment as specified in 10A N.C.A.C. 22C .0102.

32. HOURS OF OPERATION AND ACCESS STANDARDS:

Contractor shall offer hours of operation that are the same as the hours of operation offered to commercial insurance enrollees or comparable to Medicaid fee-for-service, if Contractor serves only Medicaid Clients.

Contractor, if applicable, shall provide the following services as follows:

- a. Emergency Services / Emergent Needs – Contractor must provide face-to-face emergency care within two (2) hours after a request for care is received by Contractor initiated by Client. Contractor must provide face-to-face emergency care immediately for life threatening emergencies.
- b. Urgent Need Services – Contractor shall provide initial face-to-face assessments and/or treatment within forty-eight (48) hours after the day and time a request for care is received by Contractor provider staff.
- c. Routine Need Services – Contractor shall provide initial face-to-face assessments and/or treatment within ten (10) business days (fourteen (14) calendar days) of the date a request for care is received by Contractor.
- d. Telephone Calls – Contractor shall return telephone calls within one (1) hour, 24 hours a day, seven days a week, except when the telephone call is determined to be a crisis call. In such instance the call must be returned within fifteen (15) minutes of the request.
- e. Timely initiation and engagement – Contractor shall provide initial and engagement services to mental health and substance abuse Clients pursuant to the minimum state performance standards set forth in the NC DHHS MH/DD/SAS Community Systems Progress Report, Third Quarter SFY 2012-2013 and found at <http://www.ncdhhs.gov/mhddsas/statspublications/Reports/DivisionInitiativeR>

eports/communitysystems/2013/sfy13rpt-q3.pdf, and any modifications or amendments thereto.

- f. Timely Support for Persons with Intellectual or Developmental Disabilities – Contractor shall provide timely intellectual or developmental disability services pursuant to the minimum state performance standards set forth in the NC DHHS MH/DD/SAS Community Systems Progress Report, Third Quarter SFY 2012-2013 and found at <http://www.ncdhhs.gov/mhddsas/statspublications/Reports/DivisionInitiveReports/communitysystems/index.htm>, and any modifications or amendments thereto.
- g. Contractor shall provide 24 hour a day, seven days a week, 365 days a year, telephone crisis response for Clients served by Contractor within 15 minutes of a request. The response must be by a qualified professional or licensed professional who has access to the Client’s crisis plans. Telephonic crisis response includes, but is not limited to, ensuring the crisis plan is followed and ensuring Client’s access to crisis services, either provided by Contractor or by another healthcare provider. Contractor’s telephonic prompts will include a means to reach Contractor’s on-call healthcare provider and will not direct Clients to 911 or the emergency department as the primary means of responding to a Client’s behavioral health crisis.
- h. Contractor shall provide interpretation services by telephone and/in person to enable Client to effectively communicate with Contractor, as applicable. Contractor shall provide telecommunication devices for the deaf Client who has impaired hearing or a communication disorder, as applicable.
- i. Contractor shall provide services available 24 hours a day, seven days a week, when medically necessary.

Contractor, if applicable, shall provide the following services within the following wait times:

- a. Scheduled Appointments - Sixty minutes after the appointed meeting time.
- b. Walk-Ins - Within two (2) hours after the Client’s arrival. If that is not possible, Contractor must schedule an appointment for another day.

33. ADVOCACY FOR CLIENTS:

Contractor shall not be restricted from communicating freely with, providing information to, or advocating for Clients regarding services provided under the Contract, behavioral health care, medical needs, and treatment options regardless of benefit coverage limitations. Contractor acknowledges that Clients may need to decide among relevant treatment options, the risks, benefits, and consequences, including their right to refuse treatment and to express their preferences about future treatment decisions regardless of benefit coverage limitations.

34. SERVICES AT CONTRACTED SITE:

Contractor shall only provide services to Clients under the Contract at the Corporate/Site Address identified in the Contract. Contractor is prohibited from providing any services to Clients under the Contract at any Corporate/Site Address or any other location that is not identified in the Contract. Contractor shall not submit claims to Cardinal Innovations, and Cardinal Innovations will not pay claims, for any services to Clients under the Contract provided at any Corporate/Site Address or location not identified in the Contract.

35. NON UNIT-COST REIMBURSEMENT:

In the event Cardinal Innovations funds Contractor with Non Unit-Cost Reimbursement funds for any reason, Contractor shall maintain the title to personal or real property purchased by Contractor with Non Unit-Cost reimbursement funds, so long as Contractor continues to provide the services under the Contract, which are supported by the personal or real property. If such services cease or are discontinued, for any reason, disposition of the personal or real property shall occur as approved by DHHS, DMA, DMH, or any other federal or state agency, as applicable.

ARTICLE III
RIGHTS AND OBLIGATIONS OF CARDINAL INNOVATIONS

1. PAYMENT TO CONTRACTOR:

Cardinal Innovations shall reimburse Contractor for services provided by Contractor to Clients under the Contract, provided Contractor is in compliance with all terms, conditions, and obligations of the Contract, including but not limited to, obtaining prior authorization requirements and proper claims submissions.

2. REFERRALS TO CONTRACTOR:

Cardinal Innovations, in its sole discretion, may refer Clients to Contractor for services based on, but not limited to, medical necessity, the Client's individual choice, and Contractor's past contract compliance or performance. Cardinal Innovations reserves the right, in its sole discretion, to refer Clients to other providers. Cardinal Innovations reserves the right, in its sole discretion, to provide no Client referrals or authorizations for treatment to Contractor and Contractor acknowledges that this Contract does not guarantee such referrals or authorizations from Cardinal Innovations.

3. UTILIZATION MONITORING:

Cardinal Innovations shall monitor and review service utilization data related to Contractor and any services provided by Contractor under this Contract to ensure that services are being provided in a manner consistent with Cardinal Innovations existing contract with DMA or any modifications, amendments, or extensions thereof.

4. MAINTENANCE OF SITES AND SERVICES:

Cardinal Innovations reserves the right, in its sole discretion, at any time during the term of the Contract to remove one or more services provided by Contractor at one or more identified Corporate/Site Addresses from the Contract for no reason or any reason, including, but not limited to, closed-network provider capacity maintenance, Client health and safety, Contractor not meeting Client demand and/or needs, Contractor quality management, or any other reason Cardinal Innovations deems necessary to manage its closed network of providers. Cardinal Innovations shall provide Contractor with thirty (30) days written notice prior to the removal of a service.

Cardinal Innovations retains the right, in its sole discretion, at any time during the term of the Contract to remove one or more Corporate/Site Addresses from the Contract for no reason or any reason, including, but not limited to, closed-network provider capacity maintenance, Client health and safety, Contractor not meeting Client demand and/or needs, Contractor quality management, or any other reason Cardinal Innovations deems necessary to manage its closed network of providers. Cardinal Innovations shall provide Contractor with thirty (30) days written notice prior to the removal of a Corporate/Site Address.

ARTICLE IV **CONTINUOUS QUALITY IMPROVEMENT**

1. CARDINAL INNOVATIONS' RESPONSIBILITY FOR QUALITY ASSURANCE AND QUALITY IMPROVEMENT:

Cardinal Innovations shall establish a written policy for the continued quality improvement of Contractor's performance and compliance with the provision of services under the Contract. Cardinal Innovations shall establish a continuous quality improvement committee ("CQIC") for the continued quality improvement of Contractor's performance and compliance with the provision of services under the Contract. Cardinal Innovations may:

- a. Measure the performance of Contractor, including but not limited to, Client specific outcomes from services provided under the Contract based on the global CQI performance indicators and Contractor's performance profile;
- b. Measure the performance of Contractor, including but not limited to, quality outcomes from clinical service provisions;
- c. Measure Contractor's compliance with the terms, conditions, and obligations of the Contract;
- d. Measure Contractor performance through the North Carolina Provider Monitoring Process;
- e. Monitor Contractor performance through investigations, audits, and reviews;
- f. Monitor service provision, clinical care, and the health and safety of Clients;

- g. Provide performance feedback and recommendations to Contractor, including but not limited to, clinical timeliness and service requirements. Nothing herein shall be construed in any manner to reduce, limit, or eliminate Contractor's requirement to comply with all terms, conditions, and obligations set forth in the Contract;
- h. Investigate concerns, grievances, and complaints regarding Contractor when Cardinal Innovations, in its sole discretion, deems such an investigation is necessary to ensure Contractor's compliance with the terms, conditions, and obligations of the Contract and/or the health and safety of the Client.

2. CONTRACTOR'S RESPONSIBILITY FOR CONTINUOUS QUALITY IMPROVEMENT:

Contractor shall comply with the APSM 30-1 (Rules for MH/DD/SA Facilities and Services) and Cardinal Innovations' Global Quality Improvement Plan, and shall provide all documentation that Cardinal Innovations, in its sole discretion, requests or feels is necessary that refers or relates in any manner to quality improvement.

Contractor shall prepare a written Quality Assurance and Quality Improvement Plan addressing the credentialing and competencies of all clinicians, practitioners, and para-professional staff providing services or supervising staff providing services under this Contract. The Quality Assurance and Quality Improvement Plan will be reviewed by Cardinal Innovations for content as a condition precedent of the Contract. Implementation of Contractor's Quality Assurance and Quality Improvement Plan will be reviewed during Contractor's North Carolina Monitoring Provider Profile reviews.

Contractor shall develop a process to monitor Client outcomes, advancement, and progression. Cardinal Innovations may, in its sole discretion, implement, from time to time, Client performance outcomes or standards related to services provided under this Contract and Contractor shall comply with such performance outcomes and standards. Cardinal Innovations, in its sole discretion, may from time to time, request and Contractor shall produce performance outcomes and standards for any or all Clients receiving services under the Contract. Contractor will develop interventions to address needed areas of improvement and ensure that interventions are implemented and monitored to deliver targeted performance standards.

Contractor, if receiving at least five (5) million dollars annually in Medicaid, Medicare, or combination thereof, shall do all of the following:

- a. Establish written policies for all employees of Contractor (including management), and of any contractor or agent of Contractor, that provide detailed information about the False Claims Act established under Sections 3729 through 3733 of Title 31, United States Code 31 USCS §§ 3729-3733, administrative remedies for false claims and statements established under Chapter 38 of Title 31, United States Code 31 USCS §§ 3801 et seq., any state laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such laws, with respect to the role of such laws

in preventing and detecting fraud, waste, and abuse in federal health care programs (as defined in Section 1128B(f) 42 USCS § 1320a-7b(f));

- b. Include as part of such written policies, detailed provisions regarding Contractor's policies and procedures for detecting and preventing fraud, waste, and abuse; and
- c. Include in any employee handbook for Contractor, a specific discussion of the laws described in subparagraph (a), the rights of employees to be protected as whistleblowers, and the entity's policies and procedures for detecting and preventing fraud, waste, and abuse.

3. INCIDENT REPORTING:

Contractor shall comply with all federal, state, and local laws, including documentation and reporting requirements, 10A N.C.A.C. 27G .0600, and the DMH/DD/SAS – Incident Response Reporting Manual, regarding Level I, II, and III Incidents. Any supporting documentation, including, but not limited to, documentation, findings, correspondence, notes, reports, interviews, investigations, or medical follow up shall be submitted with the incident report via IRIS, and a copy of supporting documentation will be maintained by Contractor.

Notice of the incident, including all documentation that in any way refers or relates to the incident, including action taken related to the incident, shall be submitted via IRIS to Cardinal Innovations within the timeframe as indicated in the DHHS Incident Response and Reporting Manual. Upon completion of any review of the incident, Contractor shall submit this information to Cardinal Innovations' Quality Management Department as soon as completed, but no later than five (5) business days after completion.

Contractor shall submit Level I, II, and III Incident Reports consistent with APSM rules and regulations. Level II and III incident reports shall be submitted via IRIS. If Contractor has opted not to participate in the QM 11 waiver, Contractor shall continue to document and maintain Level I incidents and submit the QM 11 form via electronic mail to: qmemail@cardinalinnovations.org. A review of all incidents will occur during the North Carolina Provider Monitoring Process.

Contractor shall implement procedures that ensure that for each incident that occurs, the incident is documented, including all relevant information, investigated, reported to the proper entities, and followed-up on as appropriate to ensure the health and safety of the Client. Contractor shall ensure that all incidents are reviewed on an ongoing basis to monitor for trends and patterns. Contractor shall develop processes aimed at reducing and eliminating incidents and shall document the processes that are implemented to address identified problems through its quality assurance process. Contractor shall develop policies and procedures to detail Contractor's investigative process and will document the incident, including all relevant information, investigative efforts and findings, and recommendations for follow up.

Cardinal Innovations may, in its sole discretion, choose to conduct its own investigation of any reported incidents. Investigations may be announced or unannounced. Contractor shall cooperate fully with all investigative requests, including but not limited to making witnesses

available for interview and producing all applicable documentation and information. Cardinal Innovations shall provide Contractor with a written summary of its findings. During an investigation, if any issues are cited as out of compliance with this Contract, Contractor may be subject to sanctions.

4. CULTURAL COMPETENCE:

Contractor shall develop a Cultural Competence Plan, if required by Cardinal Innovations. Contractor's Cultural Competence Plan should be consistent with Cardinal Innovations' current Cultural Competence Provider Plan, if applicable. Contractor shall develop procedures for the implementation of systems to evaluate and measure adherence to its Cultural Competence Plan, if applicable.

ARTICLE V
FINANCIAL OVERSIGHT BY CARDINAL INNOVATIONS

1. FRAUD AND ABUSE:

Contractor shall comply with any and all procedures, audits, announced or unannounced, and other monitoring activities established by Cardinal Innovations that refer or relate in any manner to the potential, alleged, or occurrence of fraud, abuse, waste, or mismanagement of dollars paid by Cardinal Innovations to Contractor (collectively "fraud"). Contractor understands that for each case of fraud Cardinal Innovations may report such fraud to DMA's Program Integrity or other similar federal, state, or local fraud and abuse regulatory program (collectively "DMA's Program Integrity"). Contractor understands and acknowledges that it is permissible for Cardinal Innovations to report fraud to DMA's Program Integrity, and Contractor releases and waives any claim for damages against Cardinal Innovations caused by such reporting to DMA's Program Integrity. Contractor acknowledges that DMA's Program Integrity may, in its sole discretion, investigate any alleged fraud by Contractor. Contractor may report fraud through Cardinal Innovations' anonymous concern line at 1-888-213-9687.

ARTICLE VI
PAYMENT OF CLAIMS TO CONTRACTOR

1. SUBMISSION OF CLAIMS:

Contractor shall submit claims electronically either through HIPAA Compliant Transaction Sets 837 P or Cardinal Innovations' Provider Direct secure web-based billing system. Claims for services shall be submitted within ninety (90) days of the date of service.

All claims submitted past ninety (90) days of the date of service will be denied and cannot be resubmitted, unless Contractor can show proof of prior submission. The date of receipt of the claim is the date Cardinal Innovations receives the claim, as indicated on the electronic data records. The date of payment of the claim is the date of the check or other form of payment.

If a claim is denied for reasons other than timeliness, Contractor may resubmit the claim within one-hundred and eighty (180) days from the date of service, not from the date the claim was denied. Any denied claims resubmitted beyond one-hundred and eighty (180) days from service will be denied and no further rebilling will be processed by Cardinal Innovations. If Contractor cannot resubmit the denied claim within one-hundred and eighty (180) days from the date of service, Contractor may seek a waiver of the one-hundred and eighty (180) resubmission period from Cardinal Innovations, which Cardinal Innovations may approve or deny in its sole discretion.

2. PAYMENT OF CLAIMS:

Within eighteen days (18) days after Cardinal Innovations receives a claim from Contractor, Cardinal Innovations shall: (1) approve payment of the claim; (2) deny payment of the claim; (3) approve the claim in part and/or deny the claim in part; (4) request additional information that Cardinal Innovations, in its sole discretion, believes is necessary for approving or denying the claim in whole or part.

If Cardinal Innovations approves payment of the claim, Cardinal Innovations shall pay the claim within thirty (30) days of receipt of the claim. If Cardinal Innovations denies payment of the claim, Cardinal Innovations shall provide Contractor the denial reason through claims status of the Provider Direct system.

If Cardinal Innovations determines, in its sole discretion, that additional information, in either original or certified copy form, is necessary for making the approval or denial of the claim or part of the claim, Cardinal Innovations shall provide Contractor with notice of the need for additional information, within thirty (30) days after Cardinal Innovations received the claim. Upon Cardinal Innovations receipt of the additional information from Contractor, Cardinal Innovations shall process the claim within the time periods stated above.

Cardinal Innovations will not reimburse Contractor for services provided in violation of any term, condition, or obligation of this Contract.

3. PAYBACKS:

If Cardinal Innovations, through any manner, determines that Contractor has been paid for a service or a portion of a service that Cardinal Innovations determines, in its sole discretion, should not have been paid based on, but not limited to, audits, investigations, fraud, abuse, waste, acts or omissions, clinical models, medical necessity, policies or procedures, or waivers, Cardinal Innovations shall notify Contractor of the service or portion of service that should not have been paid along with the amount improperly paid by Cardinal Innovations, which Cardinal Innovations may recoup from Contractor (“the payback amount”).

Contractor shall contact their Claims Specialist within seven (7) calendar days from the date Contractor receives the payback notification to establish a mutually agreed upon payback payment agreement. The payback payment agreement will specify, if applicable, the time period within which the payback must be paid and the method of payment. Payment methods may include, but are not limited to, one or a combination of the following: Contractor’s check, recoupment of current claims, and/or recoupment of future claims, until the payback payment

amount is in paid-in-full. If Contractor fails to contact their Claims Specialist within this seven (7) calendar day period, Cardinal Innovations shall automatically withhold payment to Contractor from current pending and/or future submitted claims. If no current pending and/or future claims exist for Contractor, Cardinal Innovations shall automatically invoice Contractor for the full payback amount. Nothing shall prohibit Cardinal Innovations from immediately withholding payment to Contractor, especially if Contractor is cited for gross negligence, Contractor is suspected of committing fraud or abuse or at the sole discretion of Cardinal Innovations.

If Contractor fails to comply with the payback payment agreement, all current pending and/or future submitted Contractor claims shall be withheld for payment by Cardinal Innovations and be applied to the payback amount until the payback amount is paid in full. Notwithstanding this recovery method, Cardinal Innovations reserves the right to, at any time, invoice Contractor for any or the entire unpaid payback amount if Contractor fails to comply with the payback payment agreement. If the payback amount exceeds outstanding Contractor claims, Cardinal Innovations may invoice Contractor for the remaining payback amount owed to Cardinal Innovations. Contractor shall have thirty (30) calendar days from the invoice date to pay the remaining payback amount. If Contractor fails to repay funds within thirty (30) calendar days, Cardinal Innovations reserves the right to take any and all action to collect the outstanding balance from Contractor.

If during any period of time when Cardinal Innovations is recouping the payback amount from Contractor by withholding payment to Contractor from current pending and/or future submitted claims, Contractor does not submit a claim to Cardinal Innovations for more than thirty (30) days, Cardinal Innovations may, in its sole discretion, consider all of the payback amount due and payable immediately to Cardinal Innovations.

If advance payments have been made for services not provided as of the notification date of termination, Cardinal Innovations will invoice Contractor for the amount due to be repaid to Cardinal Innovations. Contractor shall submit payment within thirty (30) days of the invoice date.

If this Contract is terminated for any reason pursuant to Article IX during any applicable time period while a payback amount, or any portion thereof, is outstanding from Contractor to Cardinal Innovations, regardless of the existence of payback payment agreement, Cardinal Innovations reserves the right, in its sole discretion, to withhold any further payments, including, but not limited to the payment of any claims previously submitted or to be submitted by Contractor, due and payable to Contractor until such time as the payback amount is paid in full to Cardinal Innovations.

4. FEES FOR SERVICES:

Each time a Client receives services from Contractor, Contractor shall determine if the Client has any third-party insurance coverage, including but not limited to insurers, tort-feasors, and workers' compensation plans that cover, in whole or in part, the service provided by Contractor. Contractor shall bill all applicable third-party insurance payors for any services provided to a Client prior to billing Cardinal Innovations. The third-party insurer reimbursement or denial information must be indicated on the claim submitted to Cardinal Innovations. Claims submitted without this third-party information will be denied. Contractor shall report any third-

party insurer coverage for any Client to the appropriate county DSS office within five (5) days of obtaining the information from a source other than DSS.

If the Client has Medicare coverage for the services provided under the Contract, but Contractor does not have paneled staff to provide the services requested by the Client, Contractor shall refer the Client to an eligible provider or ask Cardinal Innovations' Access Center for assistance in locating an eligible provider. Cardinal Innovations will not reimburse Contractor for covered services provided by Contractor's non-paneled staff to a recipient with Medicare coverage. Medicare reimbursement or denial information must be indicated on the claim submitted to Cardinal Innovations. Claims submitted without Medicare information will be denied.

Contractor shall comply with N.C. Gen. Stat. §122C-146.

Each Client enrolled with Cardinal Innovations shall be evaluated by Contractor to determine the Client's ability to pay for services. The combination of a Client's adjusted gross monthly income and the number of dependents will indicate if the Client has first-party liability. The sliding fee schedule is established by Cardinal Innovations and is listed at <http://www.cardinalinnovations.org/finance/billing.asp>. Contractor shall use Cardinal Innovations' established rates when determining the amount of first-party liability that a Client must pay. If a Client does not qualify for the sliding fee schedule, the Client must pay one hundred percent (100%) of the cost of the services being provided by Contractor and the service shall not be billed to Cardinal Innovations.

Clients with Medicare only insurance are not subject to the sliding fee schedule for Medicare covered services. Clients with Medicaid are not subject to sliding fee schedules for Medicaid covered services, unless the services are state-funded services.

Contractor shall indicate on the claim all potential first-party payors, regardless of the first-party payors ability to pay. Payments to Contractor from Cardinal Innovations shall be reduced dollar for dollar by first-party liability. Clients receiving services covered by third-party insurance are subject to first-party payment requirements on unpaid amounts that are not reimbursed by the third-party insurance coverage.

Contractor shall evaluate, no less than every ninety (90) days, the Client's ability to pay according to Cardinal Innovations' established fee scale. Documentation shall be maintained by Contractor indicating first-party liability calculation.

5. REIMBURSEMENT RATES:

Cardinal Innovations may, in its sole discretion, change, modify or adjust Medicaid reimbursement rates paid to Contractor for services provided under the Contract regardless of whether the change, modification or adjustment in the Medicaid reimbursement rate was made by any federal or state regulatory agency or Cardinal Innovations, in its sole discretion. If Cardinal Innovations changes, modifies, or adjusts the reimbursement rates paid to Contractor for services provided under the Contract, Cardinal Innovations shall provide Contractor with thirty (30) days written notice prior to the effective date of any change, modification, or adjustment.

ARTICLE VII
DISCHARGE PLANNING OF CLIENTS

1. DISCHARGING CONSUMERS:

In the event Contractor needs to transition or discharge any Client from services provided by Contractor, Contractor shall collaborate with Client, Cardinal Innovations, and any other third-party, as applicable, to ensure Client receives continuity of care and the appropriate level of service during any transition or discharge of Client to ensure that there is no disruption of services to Client. This collaboration can include, but is not limited to, Contractor making appropriate referrals to other providers, providing updated clinical documentation, and participating in transition meetings if necessary. Cardinal Innovations shall work collaboratively with Contractor to resolve any issues related to the transition or discharge of the Client to another provider.

Contractor shall comply with North Carolina Continuity of Care Statute, N.C.G.S. §122C-63, as applicable. Contractor shall provide no less than sixty (60) days' notice to Cardinal Innovations, for Clients receiving developmental disability services, prior to the discharge of any Client for any reason, unless discharge is necessary for reasons of health or safety of the Client or objective threats to the physical safety of the service provider, in which case Contractor will secure an emergency placement for the Client and notify Cardinal Innovations within 24 hours of the placement. Contractor shall provide no less than thirty (30) days notice to Cardinal Innovations, for Clients receiving mental illness or substance abuse services, prior to the discharge of any Client for any reason, including but not limited to, closure of any contracted site, unless discharge is necessary for reasons of health or safety of the Client or objective threats to the physical safety of the service provider, in which case Contractor will secure an emergency placement for the Client and notify Cardinal Innovations within 24 hours of the placement. If Contractor is an inpatient facility, Contractor shall provide Cardinal Innovations a copy of the consumer's discharge notification within one (1) day of discharge.

ARTICLE VIII
CARDINAL INNOVATIONS' RIGHT TO IMPOSE SANCTIONS

1. SANCTIONS:

Contractor shall comply with all terms, conditions, and obligations in the Contract. Contractor's failure to comply with any term, condition, and/or obligation in the Contract may, in Cardinal Innovations' sole discretion, result in sanctions against Contractor. Possible sanctions include, but are not limited to, the following:

- a. Require that Contractor implement a corrective action plan to address Contractor's lack of compliance with any term, condition, or obligation in the Contract;
- b. Suspension or termination of referrals of Clients to Contractor;

- c. Transfer of Clients to another provider;
- d. Additional audits and/or investigations, including but not limited to, routine and justified cause audits;
- e. Reduction of Contractor's provider performance profile level rating;
- f. Payback, recoupment, and/or reimbursement of funds paid to Contractor by Cardinal Innovations;
- g. De-credentialing of Contractor's individual clinicians or practitioners, including but not limited to reporting such clinicians or practitioners to the appropriate licensing boards, data banks, or other applicable federal or state regulatory agencies;
- h. Prepayment review of claims submitted to Cardinal Innovations, including but not limited to, review of any and all documents Cardinal Innovations believes, in its sole discretion, are necessary to review prior to payment of claims to Contractor. Nothing herein shall prohibit Cardinal Innovations from implementing prepayment review of claims after any termination of the Contract by Cardinal Innovations;
- i. Withholding of payments to Contractor for any period of time determined by Cardinal Innovations in its sole discretion;
- j. If Cardinal Innovations determines, in its sole discretion, that Contractor is unable to provide the full number of service units authorized in Client's treatment authorization letter, Cardinal Innovations may reduce the payments to Contractor in proportion to such reduced service units necessary to ensure Cardinal Innovations only pays for service units actually provided by Contractor;
- k. Any additional penalty, punishment, prohibition, consequence, or injunction which Cardinal Innovations believes, in its sole discretion, is appropriate, including termination pursuant to Article IX.

Cardinal Innovations may impose, in its sole discretion, one or more of the above referenced sanctions at any time, including simultaneous implementation of one or more sanctions in order to address Contractor's failure to comply with any term, condition, or obligation of the Contract.

ARTICLE IX
TERMINATION OF THE CONTRACT

1. CONTRACT TERMINATION:

The Contract may be terminated under the following circumstances:

- a. Cardinal Innovations may terminate the Contract if any funding, including but not limited to federal, state or local funding, to Cardinal Innovations is revoked, canceled, terminated, or reduced in an amount such that Cardinal Innovations, in its sole discretion, can no longer operate. In the event of such occurrence, Cardinal Innovations shall provide notice to Contractor that the Contract shall immediately terminate.
- b. If Cardinal Innovations determines, in its sole discretion, that Contractor is unable to provide the full number of service units authorized in a Client's treatment authorization letter, Cardinal Innovations may, in its sole discretion, immediately terminate the Contract. This provision may be implemented when Contractor has, on multiple prior occasions, accepted referrals and requested authorizations for services that Contractor could not provide due to staffing limitations or for other reasons that impeded the provision of services to its Clients.
- c. Cardinal Innovations may terminate the Contract immediately for cause, upon written notice to Contractor identifying the causal grounds for the termination. Cause for termination of the Contract may include, but is not limited to:
 - i. determination by Cardinal Innovations, in its sole discretion, that Contractor has failed to maintain the requisite or necessary license, certification, credentialing, or accreditation to provide services under the Contract;
 - ii. if only one Client is receiving services under the Contract and that Client elects to discontinue services provided by Contractor or if all Clients receiving services under the Contract elect to discontinue services provided by Contractor;
 - iii. determination by Cardinal Innovations, in its sole discretion, that Contractor has failed to comply with any term, condition, or obligation of the Contract;
 - iv. determination by Cardinal Innovations, in its sole discretion, that the conduct of Contractor in the provision of services to Clients under the Contract threatens the health or safety of the Clients;
 - v. Contractor provides fraudulent, misleading, or misrepresented information to Cardinal Innovations in any form or manner on any subject;

- vi. determination by Cardinal Innovations, in its sole discretion, that Contractor engaged in any fraudulent, abusive, or wasteful billing, claims submission, or clinical practices;
 - vii. determination by Cardinal Innovations, in its sole discretion, that Contractor failed to cooperate with any investigation, review, inspection, or audit; or
 - viii. determination by Cardinal Innovations, in its sole discretion, that Contractor failed to comply with any sanction previously issued by Cardinal Innovations against Contractor.
- d. This Contract may be terminated without cause, for any reason, at any time, upon mutual consent of Contractor and Cardinal Innovations, or without cause, for any reason, at any time, after sixty (60) days upon written notice of termination by one party to the other.
- e. If NC DHHS or DMA instructs or otherwise demands that Cardinal Innovations terminate the Contract.

In the event of any termination pursuant to this Article IX that permits immediate termination, Cardinal Innovations may, in its sole discretion, impose a period of time for continuation of the Contract until termination is effective in order to account for continuity of care for Clients and/or transition of Clients from Contractor's care.

2. TERMINATION AUDIT RIGHTS:

Upon the notification date of termination of Contractor's contract, Cardinal Innovations reserves the right, in its sole discretion, to withhold any future payments to Contractor until Cardinal Innovations completes a contract termination audit to ensure that all contractual and other fiscal requirements have been fulfilled. Contractor shall return all original Client records, or a duly certified copy of all Client records, to Cardinal Innovations in accordance with Article II, Number 22 of the General Conditions. Cardinal Innovations' termination audit may include a review of, but not be limited to, billing records, fiscal records, and any other documentation Cardinal Innovations deems necessary, in its sole discretion, to complete the termination audit. Cardinal Innovations shall complete its contract termination audit, if it elects to conduct a termination audit, and will make every effort to provide Contractor with the results of the contract termination audit within fifteen (15) days, but in no event shall findings be provided more than sixty (60) days following receipt of all necessary Contractor records. If Cardinal Innovations elects, in its sole discretion, not to withhold future payments to Contractor upon the notification date of termination, Cardinal Innovations still reserves the right to make adjustments for amounts due to Cardinal Innovations from Contractor through recoupment, payback or any other method.

The rights of Cardinal Innovations pursuant to this Section 2 shall be read in conjunction with the rights of Cardinal Innovations under Article VI, Section 3 and be interpreted broadly to give Cardinal Innovations the right to recover or collect monies due from Contractor and / or to

withhold current or future payments to Contractor such that Cardinal Innovations can collect all monies due and payable to Cardinal Innovations from Contractor.

If advance payments have been made for services not provided as of the notification date of termination, Cardinal Innovations will invoice Contractor for the amount due to be repaid to Cardinal Innovations. Contractor shall submit payment within thirty (30) days of the invoice date.

ARTICLE X
MISCELLANEOUS PROVISIONS

1. CHOICE OF LAW/FORUM:

The Contract shall be interpreted in accordance with the laws of the State of North Carolina. Any dispute or claim arising out of or referring or relating in any way to the Contract shall be brought exclusively in a state court in any county where Cardinal Innovations operates, Wake County state courts, or the U.S. District Court for the Western District of North Carolina, Charlotte Division, if applicable. State court as used herein shall not mean any administrative court. The parties expressly agree that nothing herein shall permit or allow any dispute or claim arising out of or related to performance of this Contract to be brought in any administrative court, including, without limitation, the North Carolina Office of Administrative Hearings.

2. FORCE MAJEURE:

If the parties are delayed in performance of any obligations hereunder, or prevented entirely from performing any such obligation due to causes or events beyond their control, including but not limited to, any act of God, fire, strike or other labor problem, present or future law, government order, rule or regulation (federal, state and local, including any agency subdivision or instrumentality thereof), such delay or nonperformance shall be excused and the time for performance shall be extended to include the period of such delay or nonperformance.

3. ENTIRE AGREEMENT/REVISIONS:

The Contract constitutes the entire agreement between Cardinal Innovations and Contractor for the provision of services delineated herein. Any alterations, revisions, amendments, changes, or modifications (collectively "modifications" or "modify") to the Contract shall not be implemented unless agreed upon by Cardinal Innovations and Contractor in writing, unless otherwise set forth herein. Cardinal Innovations, in its sole discretion, shall have the right to modify the Contract without the prior consent, written or verbal, of Contractor. Cardinal Innovations shall notify Contractor of any modification to the Contract no less than thirty (30) days prior to the effective date of the modification through any or all of the following methods: regular U.S. Mail, certified mail – return receipt requested, overnight mail, or electronic notification, including but not limited to, electronic mail, communication bulletin, InfoSource, and/or posting the modification on Cardinal Innovations' web page. Contractor shall be responsible for providing Cardinal Innovations with a current and operational electronic mailing address, notifying Cardinal Innovations of any change to the electronic mailing address, and regularly monitoring the electronic mailing address.

In the event that Cardinal Innovations, in its sole discretion, modifies the Contract, Contractor shall agree to all modifications, unless such modifications will result in a material financial impact on Contractor. If Contractor contends the modification will result in a material financial impact, Contractor shall submit to Cardinal Innovations, within thirty (30) days of receiving notice of the modification from Cardinal Innovations, a written objection specifically detailing the material financial impact and detailing the modifications to which Contractor objects. The parties shall have thirty (30) days from the date that Cardinal Innovations receives Contractor's written objections to come to a mutual agreement regarding the modification. If a mutual agreement is not reached within this thirty (30) day period, either party will have the right to terminate the Contract effective immediately or at a mutually agreed upon termination date as necessary to allow for transition of Clients to ensure continuity of care.

In the event of a conflict in the Procurement Contract regarding Cardinal Innovations' right to alter, revise, amend, change, or modify the Contract, the terms within these General Conditions shall prevail and control.

4. HEADINGS:

The section headings used herein are for reference and convenience only, and shall not enter into the interpretation of the Contract.

5. COUNTERPARTS:

The Contract may be executed in two counterparts, each of which will be deemed an original.

6. NOTICE:

All notices, requests, demands, approvals, required submissions, and other communications hereunder to Cardinal Innovations by Contractor shall be in writing and, unless otherwise provided herein, shall be deemed to have been duly given upon: (1) hand delivery; (2) three (3) business days after deposit in the United States Mail, postage prepaid, including certified or registered mail, return receipt requested; or (4) electronic mail to the Network Operations Department at Cardinal Innovations' Corporate Office or the Network Specialist at the Community Operations Center within the service area within which the Contractor provides services.

All notices, requests, demands, approvals and other communications hereunder not sent by Contractor by electronic mail shall be sent to the attention of the Network Operations Department at Cardinal Innovations' Corporate Office or the Network Specialist at the Community Operations Center within the service area within which the Contractor provides services.

All notices, requests, demands, approvals, and other communications hereunder to Contractor by Cardinal Innovations shall be in writing and, unless otherwise provided herein, shall be deemed to have been duly given upon: (1) hand delivery; (2) three (3) business days after deposit in the United States Mail, postage prepaid, including certified or registered mail, return receipt requested; or (4) electronic mail to Contractor at the electronic mailing address on file with Cardinal Innovations as required of Contractor pursuant to Article X, Section 3.

Cardinal Innovations Healthcare

Contractor: _____

By (signature): _____

By (signature): _____

Print: Richard F. Topping

Print: _____

Title: CEO

Title: _____

Date: _____

Date: _____