North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

December 15, 2015

Kenneth L. Burgess
301 Fayetteville Street, Suite 1900
Raleigh, NC 27601

Exempt from Review

Record #:	**1808**
Facility Name:	Haywood Regional Medical Center
FID #:	933234
Business Name:	DLP Haywood Regional Medical Center, LLC
Business #:	2153
Project Description:	Convert 17 acute care beds to inpatient psychiatric beds
County:	Haywood

Dear Mr. Burgess:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of December 2, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(c). Therefore, you may proceed to offer, develop, or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Acute and Home Care Licensure and Certification Section to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie Halatek

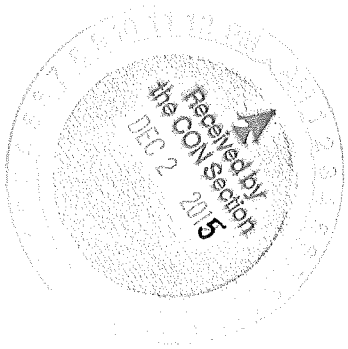
Julie Halatek
Project Analyst

Martha J. Frisone

Martha J. Frisone, Assistant Chief
Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHSR
Kelli Fisk, Program Assistant, Healthcare Planning

Poyner Spruill LLP



December 2, 2015

Kenneth L. Burgess
Partner
D: 919.783.2917
F: 919.783.1075
kburgess@poynerspruill.com

VIA HAND DELIVERY

Martha Frisone
Assistant Chief, Certificate of Need
Health Planning and Certificate of Need Section
Division of Health Service Regulation
N.C. Department of Health and Human Services
809 Ruggles Drive
Raleigh, N.C. 27603

RE: Notice of Exemption By DLP Haywood Regional Medical Center, LLC For Conversion of 17 Acute Care Beds to Inpatient Psychiatric Beds, FDID # 933234

Dear Martha:

I am writing pursuant to N.C. Gen. Stat. § 131E-184(c) to notify the N.C. Department of Health and Human Services, Division of Health Service Regulation, Health Planning and Certificate of Need Section ("the Agency") that our client, DLP Haywood Regional Medical Center, LLC, ("the Hospital") plans to convert seventeen (17) existing acute care beds to inpatient psychiatric beds, and to request confirmation from the Agency that this conversion is not subject to Certificate of Need ("CON") review and does not require a Certificate of Need.

DLP Haywood Regional Medical Center, LLC is located at 262 Leroy George Drive, Clyde, North Carolina and currently holds license number H0025. The Hospital is licensed for one hundred and fifty-three (153) general acute care beds; sixteen (16) psychiatric beds; seven (7) shared surgical operating rooms and three (3) endoscopy rooms. *See* Exhibit 1 (copy of Hospital's 2015 license). The Hospital plans to convert seventeen (17) existing acute care beds to inpatient psychiatric beds. After the conversion, the Hospital plans to have an inpatient psychiatric unit consisting of thirty-three (33) beds.

As you know, the North Carolina Certificate of Need Statute ("the CON Statute") requires issuance of a CON by the Agency before any person offers or develops a new institutional health service. N.C. Gen. Stat. § 131E-178. The CON Statute, at N.C. Gen. Stat. § 131E-176(16)(c), defines "new institutional health service" to include "[a]ny change in bed capacity as defined in G.S. 131E-176(5)." N.C. Gen. Stat. § 131E-176(5), taken together with N.C. Gen. Stat. § 131E-176(9c), defines a "change in bed capacity" to include a redistribution of existing health service facility beds among certain categories, including both acute care and psychiatric.

Notwithstanding those provisions, the CON Statute also provides for certain exemptions from CON review, including N.C. Gen. Stat. § 131E-184(c), which provides as follows:

> The Department shall exempt from certificate of need review any conversion of existing acute care beds to psychiatric beds provided:
>
> (1) The hospital proposing the conversion has executed a contract with the Department's Division of Mental Health, Developmental Disabilities, and

Substance Abuse Services and/or one or more of the Area Mental Health, Developmental Disabilities, and Substance Abuse Authorities to provide psychiatric beds to patients referred by the contracting agency or agencies; and

(2) The total number of beds to be converted shall not be more than twice the number of beds for which the contract pursuant to subdivision (1) of this subsection shall provide.

These are the only conditions precedent under the CON Statute for a conversion of acute care beds to psychiatric beds to be exempt from CON review. The exemption is not contingent upon total cost of the conversion and thus the two million dollar ($2,000,000.00) capital expenditure threshold set forth in N.C. Gen. Stat. § 131E-176(16).b does not apply.

The Hospital has executed a Provider Participation Agreement with Smoky Mountain Center Local Management Entity/Managed Care Organization ("Smoky LME") pursuant to which the Hospital will provide psychiatric services to clients of Smoky LME. *See* Exhibit 2 (redacted copy of the Hospital's contract with Smoky LME[1]). The agreement specifically states that its provisions "shall apply to a total of seventeen (17) adult inpatient psychiatric beds which are and/or will be developed at Contractor's hospital. Contractor agrees to accept all inpatient psychiatric referrals made by LME/MCO subject to bed availability." *See* Exhibit 2, page 3, § 1.2. As such, the total number of acute care beds being converted by the Hospital, which is seventeen (17), is not more than twice the number of beds covered by its contract with Smoky LME. Further, the total number of psychiatric beds in the Hospital's psychiatric unit, upon completion of this conversion, will be thirty-three (33), which also is not more than twice the number of beds covered by the Hospital's contract with Smoky LME.

As such, the Hospital's conversion of seventeen (17) acute care beds to psychiatric beds is exempt from CON review. We would appreciate written confirmation from your office that the proposed conversion is exempt from CON review and that the Hospital may proceed with the proposed conversion without a certificate of need.

Please let me know if you have any questions regarding this Notice of Exemption, or need further information.

Very truly yours,

Kenneth L. Burgess

Kenneth L. Burgess
Partner

cc: Phillip Wright
Brian Bair

Attachments

[1] We have omitted the attachments to the contract because they are not pertinent to this Exemption Notice and several of them contain confidential financial information.

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 01, 2015, this license is issued to

DLP Haywood Regional Medical Center, LLC

to operate a hospital known as

Haywood Regional Medical Center

located in Clyde, North Carolina, Haywood County.

This license is issued subject to the statutes of the State of North Carolina, is not transferable and shall remain in effect until amended by the issuing agency.

Facility ID: 933234

License Number: H0025

Bed Capacity: *169*
General Acute 153, Psych 16,

Dedicated Inpatient Surgical Operating Rooms: 0
Dedicated Ambulatory Surgical Operating Rooms: 0
Shared Surgical Operating Rooms: 7
Dedicated Endoscopy Rooms: 3

Authorized by:

Secretary, N.C. Department of Health and Human Services

Director, Division of Health Service Regulation

NETWORK PROVIDER PARTICIPATION AGREEMENT BY AND BETWEEN SMOKY MOUNTAIN CENTER LOCAL MANAGEMENT ENTITY/ MANAGED CARE ORGANIZATION (LME/MCO) AND DLP HAYWOOD REGIONAL MEDICAL CENTER, LLC d/b/a DLP Haywood Regional Medical Center
(hereinafter individually referred to as a "Party", and collectively as "the Parties")

ARTICLE I: GENERAL TERMS AND CONDITIONS

1.1 Definitions: In this Contract, the following words, terms and acronyms shall have the following special meanings:

1.1.1 "AlphaMCS" shall mean LME/MCO's secure, web-based, electronic authorization and billing system required to be used by CONTRACTOR in accordance with the terms and conditions of the "Alpha Access/ User Addendum" attached hereto and incorporated herein as Attachment A.

1.1.2 "Business day" means a day the LME/MCO is officially open for business, and does not include federal or state holidays. All references to timelines in this Contract shall refer to calendar days unless specified otherwise.

1.1.3 "Catchment Area" means the geographic part of the State served by LME/MCO pursuant to contracts with DMA and DMH/DD/SAS.

1.1.4 "Clean Claim" means a claim that can be processed without obtaining additional information from the provider or from a third party. It does not include a claim from a provider who is under investigation for fraud or abuse, or a claim under review for medical necessity, as defined in 42 CFR § 447.45(b).

1.1.5 "Closed Network" means the network of providers who have been selected, credentialed, enrolled and contracted with LME/MCO to furnish MH/IDD/SA services to Enrollees, in accordance with N.C.G.S. § 108D-1(2).

1.1.6 "CMS" means the Centers for Medicare and Medicaid Services.

1.1.7 "Contract" means this Network Provider Participation Agreement by and between LME/MCO and CONTRACTOR, including any and all appendices, attachments, exhibits, or schedules incorporated herein.

1.1.8 "CONTRACTOR" means DLP HAYWOOD REGIONAL MEDICAL CENTER, LLC d/b/a DLP Haywood Regional Medical Center, the provider of services pursuant to this Contract, including its affiliates, subsidiaries, heirs, successors, assigns, partners, directors, members, managers, agents, representatives, employees, and subcontractors of any tier.

1.1.9 "Department" or "DHHS" means the North Carolina Department of Health and Human Services.

1.1.10 "DMA" means the Division of Medical Assistance of the Department.

1.1.11 "DHSR" means the Division of Health Service Regulation of the Department.

1.1.12 "DMH/DD/SAS" means the Division of Mental Health, Developmental Disabilities and Substance Abuse Services of the Department.

1.1.13 "Emergency services" means as defined in 42 CFR § 422.113 and § 438.114.

1.1.14 "Enrollee" means a Medicaid beneficiary whose Medicaid eligibility arises from a county located within the Catchment Area and who is enrolled with LME/MCO.

1.1.15 "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191, as amended by Section 1104 of the Patient Protection and Affordable Care Act of 2010 and by the Health Information Technology for Economics and Clinical Health Act (HITECH Act) enacted as part of the American Recovery and Reinvestment Act of 2009, and as may be further amended from time to time.

1.1.16 "LME/MCO" means SMOKY MOUNTAIN CENTER LME/MCO, a "Local Management Entity/ Managed Care Organization" as that term is defined at N.C.G.S. § 122C-3(20c).

1.1.17 "LME/MCO Provider Manual" refers to the operational and administrative requirements, policies, procedures, guidelines, and instructions for Network Providers contained in the Provider Operations Manual and the Claims Manual and Billing Guide published on the LME/MCO website and as further described in Sections 2.16 and 3.2 of this Contract.

1.1.18 "Menu" or "Sites and Services Menu" means the billing codes, rates, credentialed sites and Medicaid-reimbursable MH/IDD/SA services identified in CONTRACTOR's AlphaMCS profile.

1.1.19 "MH/IDD/SA" means mental health, intellectual and/or developmental disabilities, and/or substance use/ addiction.

1.1.20 "NCTracks" means the Department's Medicaid Management Information System (MMIS).

1.1.21 "Network Provider" means an appropriately credentialed provider of MH/IDD/SA services that has entered into a contract for participation in the Closed Network, in accordance with N.C.G.S. § 108D-1(13).

1.1.22 "Notice" means a written communication between the Parties delivered as set forth in Section 1.15 of this Contract or as otherwise specified herein.

1.1.23 "PHI" means "protected health information," as that term is defined by HIPAA and the HIPAA Administrative Simplification Regulations codified at 45 CFR Parts 160, 162 and 164.

1.1.24 "PIHP" means the capitated Prepaid Inpatient Health Plan as defined in 42 CFR § 438.2 and operated by LME/MCO in accordance with the North Carolina Mental Health, Developmental Disabilities, and Substance Abuse Services (MH/DD/SA) health plan waiver authorized pursuant to section 1915(b) of the Social Security Act, the N.C. Home and Community Based Services Innovations waiver authorized pursuant to section 1915(c) of the Act, and Part 438 of Title 42 of the Code of Federal Regulations.

1.1.25 "Post stabilization services" or "Post stabilization care services" mean as defined in 42 CFR §422.113 and §438.114.

1.1.26 "Waiver Contract" means the contract between the LME/MCO and DMA to operate the combined 1915(b)/(c) Medicaid Waiver.

1.2 Purpose and Scope: CONTRACTOR enters into this Contract with LME/MCO for the purpose of participating in the LME/MCO Closed Network and providing medically necessary MH/IDD/SA services to LME/MCO Enrollee(s) in accordance with Section 2.4 of this Contract. This Contract sets forth the rights, responsibilities, terms and conditions governing CONTRACTOR's participation in the Closed Network and delivery of services to Enrollees. The Parties understand, acknowledge and agree that this Contract is required by 42 CFR §438.206 and §438.214. The provisions of this Contract shall apply to a total of seventeen (17) adult inpatient psychiatric beds which are and/or will be developed at CONTRACTOR's hospital. CONTRACTOR agrees to accept all inpatient psychiatric referrals made by LME/MCO subject to bed availability.

1.3 Relationship of the Parties: CONTRACTOR is an independent contractor of LME/MCO. This Contract is not intended and shall not be construed to create the relationship of principal-agent, master-servant, employer-employee, partnership, joint venture, or association between the Parties or their employees or agents. In performance of their respective duties hereunder, CONTRACTOR and LME/MCO, and their respective employees and agents, are at all times acting and performing as independent contractors and neither Party, nor their respective employees and agents, shall be considered the partner, agent, servant, associate, employee of, or joint venturer with, the other Party. Further, neither Party shall be considered an employee or agent of the other Party for any purpose, including but not limited to compensation for services, employee welfare and pension benefits, workers' compensation insurance, or any other fringe benefits of employment.

1.4 Entire Agreement and Integration: This Contract constitutes the entire agreement between the LME/MCO and the CONTRACTOR for the provision of services to Enrollee(s). Any appendices, attachments, exhibits, or schedules referred to herein or attached hereto are incorporated herein to the same extent as if fully set forth herein. This Contract supersedes all prior agreements and understandings, whether written or oral, between CONTRACTOR and the LME/MCO with respect to the subject matter hereof. Should the terms of the LME/MCO Provider Manual or any attachments hereto conflict with the terms of this Contract, the terms of this Contract shall govern, unless expressly provided otherwise.

1.5 Amendments: Any alterations, amendments, or modifications to this Contract shall be in writing, signed by all Parties, and attached hereto. CONTRACTOR understands, acknowledges and agrees that LME/MCO may periodically make changes to the LME/MCO Provider Manual or other written policies and procedures as described in Section 2.16 of this Contract. Any substantive or material changes to the LME/MCO Provider Manual will be posted on the LME/MCO website at least thirty (30) days prior to the effective date of any such changes and shall become binding upon CONTRACTOR thirty (30) days after notice of website publication via an electronic Provider Communication Bulletin.

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1.6 Controlling Authority: Both Parties agree to comply with the conditions set forth in this Contract and all Appendices or Attachments to this Contract, and all federal and state laws, rules, regulations and payer program requirements applicable to the subject matter of this Contract, including any subsequent revisions or amendments thereto (hereinafter referred to as the "Controlling Authority"), which may include but are limited to the following:

1.6.1 Title XIX of the Social Security Act (the "Act") and its implementing regulations;
1.6.2 The North Carolina State Plan for Medical Assistance; the North Carolina MH/DD/SA health plan waiver authorized by CMS pursuant to section 1915(b) of the Act, and the N.C. Home and Community Based Services Innovations waiver authorized by CMS pursuant to section 1915(c) of the Act;
1.6.3 All federal and state civil and criminal laws, rules and regulations governing the provision of publicly-funded health care services, including but not limited to the Anti-Kickback law codified at 42 U.S.C. § 1320a-7b(b) and its implementing regulations; the federal False Claims Act, 31 U.S.C. §§ 3729 – 3733 and its implementing regulations; and the North Carolina Medical Providers False Claims Act, N.C.G.S. § 108A-70-10 *et seq.*;
1.6.4 Applicable provisions of N.C.G.S. Chapters 108A, 108D, 122C, 131D and 131E;
1.6.5 All federal and state Enrollee's rights and confidentiality laws and regulations, including but not limited to: (i) N.C.G.S. §§ 122C-52 through 56; (ii) the DMH/DD/SAS Client Rights Rules in Community Mental Health, Developmental Disabilities & Substance Abuse Services, APSM 95-2; (iii) the DMH/DD/SAS Confidentiality Rules, APSM 45-1; (iv) HIPAA (v) the HIPAA Administrative Simplification Regulations found at 45 CFR Parts 160, 162, and 164; and (vi) alcohol and drug abuse patient records laws and regulations codified at 42 U.S.C. §290dd-2 and 42 CFR Part 2;
1.6.6 Medical and/or clinical coverage policies promulgated by the Department in accordance with N.C.G.S. § 108A-54.2;
1.6.7 The Americans With Disabilities Act; Titles VI and VII of the Civil Rights Act of 1964; Section 503 and 504 of the Vocational Rehabilitation Act of 1973; the Age Discrimination Act of 1975; and subsequent amendments and regulations developed pursuant thereto, to the effect that no person shall, on the grounds of any protected classification or characteristic, including but not limited to sex (including gender identity and pregnancy), age, race, color, creed, ancestry, religious affiliation, disability, national origin, genetic information, health status, marital status, sexual orientation, or parental status, be subjected to discrimination in the provision of any services or in employment practices;
1.6.8 The Drug Free Workplace Act of 1988;
1.6.9 Federal and state laws, rules and regulations concerning care coordination, access to care, utilization review, clinical studies, utilization management, care management, quality management, disclosure and credentialing activities, including but not limited to those set forth in 42 CFR Parts 438, 441, 455, and 456;
1.6.10 State licensure, accreditation, and certification laws, rules and regulations applicable to CONTRACTOR;
1.6.11 DMH/DD/SAS Rules for MH/DD/SA Facilities and Services, published as APSM 30-1 and codified at Title 10A of the North Carolina Administrative Code;
1.6.12 DMH/DD/SAS Records Management and Documentation Manual, APSM 45-2, the Record Retention and Disposition Schedule for DMH/DD/SAS Provider Agency, APSM 10-5, the Records Retention and Disposition Schedule for State and Area Facilities, APSM 10-3, and the DHHS Records Retention and Disposition Schedule for Grants;
1.6.13 The LME/MCO Provider Manual as defined herein; and
1.6.14 Any other applicable federal or state laws, rules or regulations in effect at the time MH/IDD/SA services are rendered to Enrollees.

1.7 Compliance: CONTRACTOR shall develop and implement a compliance program in accordance with 42 U.S.C. §1396a(kk)(5). CONTRACTOR understands that Controlling Authority may be amended or updated during the term of this Contract, and CONTRACTOR agrees to maintain knowledge of Controlling Authority and any changes thereto, to deliver services in accordance with Controlling Authority, and to provide education and training on Controlling Authority to its directors, managers, agents, representatives, employees, and subcontractors of any tier to ensure compliance with same.

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1.8 Term: This Contract shall be effective July 1, 2015 or the date of complete execution by all Parties, whichever is earlier. The term of this Contract shall begin on July 1, 2015, and shall remain in effect until June 30, 2016, unless terminated by either Party prior to the expiration of the specified term in accordance with Section 1.16 of this Contract, regardless of any other term identified in AlphaMCS for purposes of authorization continuity. The LME/MCO reserves the right to impose shorter time limits on the term of this Contract should CONTRACTOR fail to comply with the terms of this Contract. There is no right of renewal of this Contract. The LME/MCO shall determine eligibility for renewal in accordance with LME/MCO's written selection and retention criteria and Network Development Plan.

1.9 Choice of Law and Forum Selection: This Contract shall be interpreted in accordance with the laws of the State of North Carolina. CONTRACTOR understands, acknowledges and agrees that the sole venue for all administrative and legal actions upon this Contract shall be in the State Courts of Buncombe County, North Carolina, or the U.S. District Court for the Western District of North Carolina, Asheville Division.

1.10 Headings: The section, subsection and other headings used herein are for reference and convenience only, and shall not enter into the interpretation hereof.

1.11 Counterparts and Electronic Signature: The counterparts of this Contract and all attachments may be electronically executed and/or delivered by facsimile or other electronic means by any Party to any other Party. The receiving Party may rely on the receipt of such document so executed and/or delivered as if an original had been duly executed and received.

1.12 Nonwaiver: No covenant, condition, or undertaking contained in the Contract may be waived except by the written agreement of the Parties. Forbearance or indulgence in any other form by either Party in regard to any covenant, condition or undertaking to be kept or performed by the other Party shall not constitute a waiver thereof, and until complete satisfaction or performance of all such covenants, conditions, and undertakings, the other Party shall be entitled to invoke any remedy available under the Contract or at law or in equity, despite any such forbearance or indulgence.

1.13 Dispute Resolution: All disputes shall be resolved as outlined in the LME/MCO Provider Manual and in accordance with LME/MCO accreditation requirements. CONTRACTOR must avail itself of the LME/MCO internal dispute resolution process prior to commencing any administrative or legal action pursuant to Section 1.9 of this Contract.

1.14 Severability: Any provision of this Contract which is determined by a court of competent jurisdiction to be prohibited, unenforceable, or not authorized shall be ineffective to the extent of such prohibition, unenforceability, or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability, or legality of such provision. In such case, such determination shall not affect any other provision of this Contract, and the remaining provisions of this Contract shall remain in full force and effect. If any provision or term of this Contract is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the Parties agree that a construction or interpretation which renders the term or provision valid shall be favored.

1.15 Notice: Any notice to be given by either Party under this Contract shall be in writing, addressed to the address listed below, or to such other address as the Party may designate by notice to the other Party, or as otherwise specified herein. Notices will be considered effective upon receipt when delivery is by trackable mail, postage prepaid, by electronic means, or by hand delivery.

DLP Haywood Regional Medical Center, LLC **Phillip L. Wright** **Chief Executive Officer** **DLP Haywood Regional Medical Center** **262 Leroy George Drive** **Clyde, N.C. 28721** **Phillip.Wright@haymed.org**	**SMOKY MOUNTAIN LME/MCO** Office of General Counsel 200 Ridgefield Court, Suite 206 Asheville, NC 28806 Contracts@smokymountaincenter.com

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1.16 Termination: In the event that federal or state laws, rules or regulations should be amended or judicially interpreted so as to render the fulfillment of the Contract on the part of either Party impossible, both the CONTRACTOR and the LME/MCO shall be discharged from further obligation under the terms of this Contract, except for settlement of the respective debts and claims incurred before the date of termination. This Contract may be terminated under the following circumstances:

1.16.1 Either Party may terminate this Contract if Federal, State or local funds allocated to the LME/MCO are reduced, revoked or terminated in a manner beyond the control of the LME/MCO for any part of the Contract period. In such occurrence, the LME/MCO will notify CONTRACTOR and provide payment to CONTRACTOR for Clean Claims timely submitted for medically necessary services provided to Enrollees which were authorized by the LME/MCO prior to the notification and for which CONTRACTOR has been qualified and/or credentialed.

1.16.2 This Contract may be terminated at any time upon mutual consent of both Parties with mutually agreed upon notice to Enrollees, or for any reason or no reason at all (without cause) by giving at least thirty (30) days' prior written notice of termination to the other Party, or longer if required to ensure continuity of care for Enrollees and/or to comply with Controlling Authority regarding the closure of a facility.

1.16.3 CONTRACTOR may terminate this Contract with cause with at least sixty (60) days' prior written notice to the LME/MCO, or longer if required to ensure continuity of care for Enrollees and/or to comply with Controlling Authority regarding the closure of a facility. Cause shall be documented in writing detailing the grounds for the termination, which includes failure of the LME/MCO to reimburse CONTRACTOR for services as established in Article IV, Billing and Reimbursement.

1.16.4 LME/MCO may terminate or suspend this Contract with cause, or take such other action as specified in the LME/MCO Provider Manual, effective upon written notice to the CONTRACTOR or such other date as specified in the notice. Cause shall be documented in writing detailing the grounds for the termination. Cause for termination of the Contract includes, but is not limited to:

a. The Department issues a revocation or suspension of CONTRACTOR'S license to operate or issues a Type A1 penalty against CONTRACTOR; issues a payment suspension against CONTRACTOR in accordance with 42 CFR §455.23; or issues a revocation of state and/or federal funding against CONTRACTOR in accordance with 10A NCAC 26C .0504; or
b. CMS issues an Immediate Jeopardy finding against CONTRACTOR; or
c. CONTRACTOR's participation in the Medicare program, NC Medicaid program, or another state's Medicaid program, is suspended or terminated; or
d. CONTRACTOR is terminated for cause from participation in another LME/MCO's provider network or the provider network of any other managed care organization; or
e. Any other loss of, or sanction against, required facility or professional licensure, accreditation or certification of the CONTRACTOR; or
f. Determination by LME/MCO that CONTRACTOR fails to meet certification, accreditation or licensure standards prescribed by Controlling Authority;
g. Determination by LME/MCO that CONTRACTOR has failed to provide services as specified in the Contract, including a failure to comply with Controlling Authority; or
h. Determination by LME/MCO that the conduct of CONTRACTOR or the standard of services provided threatens to place the health or safety of any Enrollee in jeopardy; or
i. Determination by LME/MCO that CONTRACTOR is engaged in fraudulent or abusive billing, documentation or clinical practices; or
j. Determination by LME/MCO that CONTRACTOR has provided fraudulent, misleading or misrepresented information to LME/MCO or any Enrollee; or
k. CONTRACTOR fails to cooperate with any investigation, audit or post-payment review conducted by LME/MCO or fails to provide timely, complete and accurate documentation of services as required by this Contract; or

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l. CONTRACTOR fails to timely reimburse the LME/MCO for overpayment(s) identified by the LME/MCO or fails to comply with any payment plan authorized by the LME/MCO for the repayment of any overpayment(s); or

m. Any other material breach of this Contract not described above.

1.16.5 CONTRACTOR may terminate this Contract with cause effective upon written notice to LME/MCO or such other date as specified in the notice. Cause shall be documented in writing, detailing the grounds for the termination. Cause for termination of the Contract includes, but is not limited to:

a. LME/MCO fails to provide functions or services to CONTRACTOR as required by this Contract; or
b. LME/MCO fails to comply with authorization timelines as established in Article III of this Contract or Controlling Authority; or
c. LME/MCO fails to make payments as established in Article IV of this Contract; or
d. LME/MCO fails to meet certification, accreditation or licensure standards prescribed by Controlling Authority or Waiver Contract.

1.16.6 Opportunity to Cure. Upon a determination that CONTRACTOR meets a condition specified in Section 1.16.5, LME/MCO shall offer CONTRACTOR the opportunity to cure by providing CONTRACTOR with written notice of the material breach, specifying the breach and requiring it to be remedied within, in the absence of greater or lesser specification of time, fifteen (15) calendar days from the date of the notice; and if the breach is not timely cured, LME/MCO may terminate this Contract effective upon written Notice of Termination. If CONTRACTOR breaches any provision of this Contract, LME/MCO shall have the right to withhold all payments due to CONTRACTOR until such breach has been fully cured.

1.17 Effect of Termination: In the event of termination of this Contract as provided in Section 1.16, this Contract shall forthwith become void and have no effect, without any liability or obligation on the part of either Party, except as follows:

1.17.1 The obligations of the Parties under Sections 1.21, 1.22, 1.23, 1.24, 1.25, 1.26, 1.27, 2.5, 2.13, 2.15, 2.18, 3.1, and 5.1.5 and any subparts thereof, and Article IV of this Contract shall continue following termination of this Contract.

1.17.2 The CONTRACTOR shall submit all remaining claims and registrations of putative enrollees within ninety (90) days of the date of Contract termination.

1.17.3 Following notice of termination, LME/MCO may perform a post-payment review of billing, documentation and other fiscal records, and any adjustments for amounts due or owed to either Party shall be added or deducted from any final reimbursement. Until completion of a post-payment review, LME/MCO may hold payment of pending claims. Both Parties shall settle their debts and claims within sixty (60) days of the completion of any such post-payment review and/or receipt of all final billing and required documentation.

1.17.4 All payments provided hereunder shall be adjusted so as not to exceed the amount due for services actually rendered prior to the date of termination. If advance payments have been made for services not provided as of the date of Contract termination, the CONTRACTOR shall promptly refund all excess funds paid within the above-referenced sixty (60) days.

1.17.5 No such termination shall relieve CONTRACTOR or LME/MCO from any liability or damages resulting from a material breach prior to such termination of any of its representations, warranties, covenants or agreements set forth in this Contract.

1.18 Non-Exclusive Arrangement: The LME/MCO has the right to enter into a Contract with any other provider of MH/IDD/SA services. CONTRACTOR shall have the right to enter into other contracts with any other LME/MCO or third party payers to furnish MH/IDD/SA services. LME/MCO may refer Enrollees to CONTRACTOR for services **based on medical necessity and the Enrollee's individual choice. The** LME/MCO reserves the right to refer Enrollees to other Network Providers, and no referrals or authorizations are guaranteed to take place under this Contract. LME/MCO further reserves the right, in its discretion, to develop and market provider networks in which CONTRACTOR may not be selected to participate, or to lease the Closed Network to a third party, including an Accountable Care Organization.

1.19 Assignment, Delegation and Subcontracting: The assignment by CONTRACTOR of this Contract or any interest hereunder shall require notice to and the written consent of LME/MCO. Any attempt by CONTRACTOR to assign this

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Contract or its interest hereunder without complying with the terms of this Section shall be void and of no effect, and LME/MCO, at its option, may elect to terminate this Contract, in accordance with the terms of Section 1.16, without advance notice. LME/MCO may assign this Contract in whole or in part to any successor to the assets or operations of LME/MCO, or to any affiliate of LME/MCO, provided that the assignee agrees to assume LME/MCO's obligations under this Contract. CONTRACTOR must also obtain written permission from LME/MCO prior to subcontracting or delegating any of the services to be provided by CONTRACTOR under this Contract. In the event that LME/MCO approves the subcontract or delegation of any of the services described in this Contract, those functions shall be subject to the terms of this Contract. Both Parties shall ensure that any subcontractors performing any of the obligations of this Contract shall meet all requirements of the Contract.

1.20 Third Party Beneficiaries: Nothing in this Contract shall be construed as creating or justifying any liability, claim or cause of action, however alleged or arising, by any third party against LME/MCO, CONTRACTOR, or the Department. Furthermore, nothing in this Contract shall be construed as creating or justifying any liability, claim or cause of action, however alleged or arising, by CONTRACTOR against the Department.

1.21 Confidentiality of Protected Health Information: CONTRACTOR shall maintain the confidentiality of all PHI and other information protected by law from disclosure and will not discuss, transmit, or narrate in any form any Enrollee information of a personal nature, medical or otherwise, except as authorized in writing by the Enrollee or legally responsible person or as otherwise permitted under applicable state and federal law(s), including but not limited to HIPAA and 42 CFR Part 2. The Parties understand, acknowledge and agree that LME/MCO is a health plan and CONTRACTOR is a health care provider and as such, the Parties are considered "Covered Entities" pursuant to HIPAA and may share PHI related to Enrollee(s) for the purposes of treatment, payment, or health care operations without the Enrollee's consent. The Parties agree that such information shall be used solely to carry out the terms of this Contract and shall be kept confidential and securely protected in accordance with all applicable state and federal law(s), including but not limited to HIPAA and 42 CFR Part 2. CONTRACTOR shall maintain and retain for at least six (6) years following termination or expiration of this Agreement such records as may be needed for an accounting of disclosures of PHI as required under HIPAA and for LME/MCO's evaluation of CONTRACTOR's compliance with this Agreement. This Section 1.21 shall survive expiration or termination of this Contract.

1.22 Confidentiality of Non-Public Information; Nondisclosure: Each Party understands, acknowledges and agrees that it may have access to information belonging to the other Party which is a trade secret, or which is confidential, proprietary, or non-public (collectively, "Non-Public Information"), including, but not limited to, information relating to such matters as finances, methods of operation and competition, pricing, marketing plans and strategies, equipment and operations requirements and information concerning personnel, patients and suppliers and "competitive health care information" as that term is used at N.C.G.S. § 122C-126.1, unless such information (i) is or becomes generally available to the public other than as a result of a disclosure by that party, or (ii) is required to be disclosed by law or by a judicial, administrative or regulatory authority. The Parties understand, agree and acknowledge that the terms of this Contract between CONTRACTOR and LME/MCO are considered competitive health care information pursuant to N.C.G.S. § 131E-99 and § 122C-126.1, are confidential and are not a public record under Chapter 132 of the General Statutes. The Parties further understand, agree and acknowledge that this Contract and any documents or data concerning rates, administrative costs and all other expenses submitted by CONTRACTOR pursuant to this Contract are designated as confidential trade secrets pursuant to N.C.G.S. §132-1.2. Neither Party shall disclose, share or otherwise disseminate copies of this Contract or any of its terms and conditions to any person, firm, or entity not a party to this Contract, other than to legal counsel retained by CONTRACTOR or to the N.C. Department of Health and Human Services or any of its Divisions. The Parties agree to keep all Non-Public Information confidential, in whatever form it may exist, which either Party assimilates or to which it has access during the term of this Contract. During and after the term of this Contract, each Party agrees that, except to the extent necessary to permit CONTRACTOR to perform its obligations under this Contract, neither Party shall use such Non-Public Information, or disclose such Non-Public Information to any person, firm, or entity not a party to this Contract, without the prior written consent of the other Party. Both Parties shall take all reasonable precautions to ensure the confidentiality of all Non-Public Information, including, but not limited to, entering into appropriate agreements, and affixing notices that re-disclosure is prohibited, wherever applicable. Each Party agrees to promptly advise the other Party in writing of any unauthorized use or disclosure of Non-Public Information of which a

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Party becomes aware, and to provide reasonable assistance to the other Party to terminate such unauthorized use or disclosure. If disclosure of Non-Public Information is compelled by law or by a valid court or governmental order, the disclosing Party shall immediately notify the other Party in writing, prior to disclosure, in sufficient time to permit the other Party to contest the disclosure, to seek a protective order, or to waive its objection to disclosure. If disclosure is authorized in such instance, then the disclosing Party shall disclose only that portion of the Non-Public Information that its legal counsel advises is legally required, and shall notify the other Party in writing of the specific contents of the disclosure. This Section 1.22 shall survive expiration or termination of this Contract.

1.23 Intellectual Property: CONTRACTOR understands, acknowledges and agrees that all language in all documents, and the documents themselves, prepared by LME/MCO and which are used and provided in connection with bids or negotiations for, executions of and performance under this Contract are the property of LME/MCO, along with all ideas and concepts represented by and manifested in the business practices of LME/MCO. LME/MCO reserves all rights in said intellectual property. CONTRACTOR must obtain written permission of LME/MCO prior to using any of the LME/MCO intellectual property for purposes outside the performance of this Contract. This Section 1.23 shall survive expiration or termination of this Contract.

1.24 Publicity. The Parties shall not publish or disseminate any advertising or proprietary business material or information, whether in printed or electronic form (including photographs, films, and public announcements), or any business papers and documents which identify the other Party or its facilities without the prior written consent of the other Party, except that CONTRACTOR consents to the inclusion of the following information in any and all marketing and administrative materials published or distributed in any medium by LME/MCO: name, address, telephone number, office hours, type of practice or specialty, health system affiliation, website, languages spoken, available practitioners (including any board certification, education or training history) and services. This Section 1.24 shall survive expiration or termination of this Contract.

1.25 Indemnification and Hold Harmless: In accordance with 10A NCAC 27A .0106, each Party hereby indemnifies and holds the other Party harmless from any claim arising from its own acts or omissions and those of its employees, affiliates, subcontractors, or agents. Further, neither Party to this Contract shall be responsible for any obligation or liability incurred or assumed by the other Party or its employees, affiliates, subcontractors, or agents. Nothing contained in this paragraph shall prevent either Party from filing and pursuing an action for damages against the other Party based on a failure to satisfactorily render services or to perform obligations pursuant to this Contract. This Section 1.25 shall survive expiration or termination of this Contract.

1.26 LIMITATION OF LIABILITY: NOTWITHSTANDING ANYTHING ELSE IN THIS CONTRACT, LME/MCO WILL NOT BE LIABLE TO CONTRACTOR FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, OR BUSINESS INTERRUPTION, EVEN IF LME/MCO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL LME/MCO BE LIABLE TO CONTRACTOR FOR ANY MATTER BEYOND LME/MCO'S REASONABLE CONTROL. NOTHING IN THIS SECTION SHALL RELIEVE LME/MCO OF LIABILITY FOR COMPENSATORY DAMAGES WHERE SUCH DAMAGES HAVE BEEN ESTABLISHED BY A COURT OF COMPETENT JURISDICTION. THIS SECTION 1.26 SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS CONTRACT.

1.27 Governmental Immunity: Notwithstanding any provision in this Contract to the contrary, nothing contained in this Contract shall be deemed to constitute a waiver of the sovereign or governmental immunity of LME/MCO as a local political subdivision of the State of North Carolina, which immunity is hereby reserved to LME/MCO. This Section 1.27 shall survive expiration or termination of this Contract.

1.28 Right of Setoff. LME/MCO shall have the right to setoff from any compensation due to CONTRACTOR any amounts that may be due to LME/MCO from CONTRACTOR under this Contract or otherwise.

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1.29 Binding Effect. The rights and obligations of each Party under this Contract shall inure to the benefit of and shall be binding upon the heirs, successors, legal representatives, and assigns of such Party.

1.30 Incorporation of Recitals. The recitals set forth above are an integral part of this Contract and shall have the same contractual significance as any other language herein.

ARTICLE II: OBLIGATIONS OF THE CONTRACTOR

2.1 Credentialing: CONTRACTOR shall continuously comply with all credentialing and re-credentialing requirements mandated by Controlling Authority, the Waiver Contract and/or the LME/MCO accrediting body. CONTRACTOR shall undergo re-credentialing at minimum once every three years from the effective date of initial credentialing by LME/MCO. CONTRACTOR shall continuously maintain all licenses, certifications, accreditations and registrations required for its facilities and employees or subcontractors providing services under this Contract. CONTRACTOR understands, acknowledges and agrees that a failure to maintain required licenses, certifications, accreditations or registrations, as applicable, may result in immediate termination of this Contract. For purposes of the credentialing of CONTRACTOR'S Practitioners, CONTRACTOR and LME/MCO have entered into a Delegated Credentialing Agreement, pursuant to Section 2.1.6 of this Contract.

2.1.1 Practitioners: CONTRACTOR may submit claims for services provided to Enrollee(s) by CONTRACTOR's Licensed Practitioners (LPs) and Licensed Practitioner Associates (LPAs) upon approval by the LME/MCO of the practitioner's credentials retroactive to the date of receipt of a complete and accurate application.

2.1.2 NCTracks: CONTRACTOR shall ensure that all provider demographic information provided to LME/MCO matches the information in NCTracks. CONTRACTOR shall promptly update all required fields in NCTracks with accurate, current information and shall advise LME/MCO of any corresponding changes required in AlphaMCS.

2.1.3 Certificate of Need: CONTRACTOR shall meet all applicable Certificate of Need requirements.

2.1.4 Disclosures: CONTRACTOR shall make all disclosures required by this Section and as set forth in the LME/MCO Provider Manual and shall provide the LME/MCO with all documentation necessary to verify CONTRACTOR's credentials. CONTRACTOR shall make those disclosures concerning ownership and control to the LME/MCO as are required to be made to a State Medicaid agency pursuant to 42 CFR Part 455, including but not limited to the names, dates of birth, and social security numbers of all persons with a controlling interest, or an ownership interest of more than five percent (5%) in the CONTRACTOR, including members of the CONTRACTOR's Board of Directors, all managing employees, and all Electronic Funds Transfer-authorized individuals. CONTRACTOR must disclose a list of all parent, sister and subsidiary entities and any affiliation, by contract or otherwise, with any other provider agency, or independent contractor to perform any of the duties, responsibilities or obligations of this Contract. CONTRACTOR must disclose whether it is doing business using a fictitious name, also called a "DBA" (doing business as). CONTRACTOR must disclose any adverse actions by regulatory or licensure bodies, any sanctions under the Medicaid or Medicare programs, including overpayments, and any liability history, including lawsuits, insurance claims or payouts, if any of the foregoing occurred within the previous five (5) years.

2.1.5 Certification Regarding Exclusion. By executing this Contract, CONTRACTOR understands, acknowledges, agrees and certifies that all information provided as part of the credentialing or re-credentialing process is true and correct, that any false or misleading information may be cause for denial, revocation or termination of provider participation in the Closed Network, and that neither CONTRACTOR, nor any of its staff or employees, is excluded from participation in a federal health care program under section 1128 of the Social Security Act and/or 42 CFR Part 1001. CONTRACTOR further understands, acknowledges and agrees that a failure to notify LME/MCO of any change in circumstance following this certification as set forth in Section 2.2 of this Contract may result in immediate termination of this Contract.

2.1.6 Delegation: Contemporaneous with the execution of this Contract, the Parties have entered into a Delegated Credentialing Agreement (DCA) that is attached hereto and incorporated herein as Attachment D. In accordance with the DCA, LME/MCO shall accept CONTRACTOR's credentialing of service locations identified in AlphaMCS, as well as credentialing of CONTRACTOR's practitioners providing services at the service locations

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under this Contract. Any of CONTRACTOR's practitioners not credentialed under the DCA shall be subject to LME/MCO's credentialing process and CONTRACTOR shall not be entitled to reimbursement for services provided by such practitioners unless credentialing has been approved by LME/MCO, which may be retroactive to the date of receipt of a fully completed application. The roster of practitioners shall be automatically updated through the electronic update reports sent to LME/MCO outlining provider demographic changes, subject to the provisions of Section 2.2.1, below.

2.2. Change Notices. CONTRACTOR agrees to notify the LME/MCO of any changes to information provided in the credentialing or re-credentialing process as follows:

2.2.1 If there are any changes to demographic information for already contracted sites/practitioners, LME/MCO agrees, within thirty (30) days of receipt of such list, to update any demographic information for sites and practitioners already covered under the Contract, if such change is approved by LME/MCO. For sites and practitioners not previously identified in the submissions to LME/MCO, CONTRACTOR understands and agrees that individual service facilities/ practitioner groups will work collaboratively with LME/MCO to obtain any information needed to enroll such facility or site in LME/MCO's system. Requests shall be reviewed and considered in accordance with LME/MCO selection and retention criteria. LME/MCO specifically retains the right and has final decision-making authority about whether or not to enroll a new facility, site, practitioner, service or code to this Contract. LME/MCO specifically retains the right to limit the type of services that are provided at any specific site location. CONTRACTOR understands that reimbursement will not be made for services provided at sites or by practitioners prior to them being approved and enrolled by LME/MCO. LME/MCO shall confirm to CONTRACTOR that updated demographic information has been loaded on LME/MCO claims payment/administrative systems.

2.2.2 CONTRACTOR must submit a written request using the LME/MCO-approved change request form via email at CredentialingTeam@smokymountaincenter.com in advance of any proposed change to add or remove a practitioner to the CONTRACTOR's roster or to change ownership or control, including but not limited to an acquisition of any kind, an asset or stock purchase, merger, or consolidation, or adding or removing persons with an ownership or control interest. Requests shall be reviewed and considered in accordance with LME/MCO credentialing criteria.

2.2.3 CONTRACTOR must notify the LME/MCO using the LME/MCO-approved change request form via email at CredentialingTeam@smokymountaincenter.com within five (5) business days of the following:

a. Notification of exclusion of CONTRACTOR or any of its owners, officers, directors, employees, agents or contractors by the U.S. Office of Inspector General, CMS or any State Medicaid program;
b. The date the CONTRACTOR is notified of a pending investigation for Medicaid fraud or the filing or disposition of a lawsuit or claim based on malpractice, wrongful death, or other claim relating to the provision of MH/IDD/SA services.
c. Notification of any sanction from the Department or its Divisions, other LME/MCOs or any other healthcare payer, and CONTRACTOR shall forward a copy of the notice to the LME/MCO.
d. The date of any change affecting accreditation or facility or staff licensure, registration or credentials, including but not limited to any sanction imposed by any applicable licensing board, certification or registration agency, or by any accrediting body or other managed care organization.
e. Any change to tax identification number, National Provider Identifier (NPI), agency or company name, business entity type, managing employees, EFT-authorized individuals or members of the CONTRACTOR's Board of Directors.
f. Any change to the notification address identified herein, mailing or billing address, primary contact information including name, phone and email, required insurance coverage, change in office hours or after-hours coverage, or ability to accept referrals.

2.3 Acquisitions: In the event CONTRACTOR's ownership, separate existence or entity construction (e.g., corporation, partnership, limited liability company, etc.) is altered or affected in any way as a result of an acquisition of any kind, including but not limited to an asset or stock purchase, merger, consolidation or through any other means whatsoever (including, but not limited to, being, merged into an affiliated entity), then this Contract shall continue to

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control with respect to CONTRACTOR's provision of MH/IDD/SA services to Enrollees, notwithstanding any contrary outcome which may otherwise be allowed or required by law. In the event that CONTRACTOR acquires an ownership interest in another Network Provider, then the existing separate Contract between LME/MCO and such Network Provider shall control for its duration unless LME/MCO agrees otherwise in writing.

2.4 Delivery of Services, Capacity and Referrals: Subject at all times to the terms of this Contract, CONTRACTOR agrees to provide MH/IDD/SA services to Enrollees in accordance with the combined 1915(b)/(c) Waiver and applicable LME/MCO benefit plan(s) and **within the normal scope of and in accordance with CONTRACTOR's licenses,** certifications, credentialing privileges and prevailing practices and standards of the profession. Services shall be made available to Enrollees without discrimination on the basis of type of benefit plan, source of payment, sex (including gender identity and pregnancy), age, race, color, creed, ancestry, religious affiliation, disability, national origin, genetic information, health status, marital status, sexual orientation, or parental status. CONTRACTOR shall serve only those Enrollees for which it has capacity or staff appropriate to treat the Enrollee at the time the Enrollee presents for treatment. Acceptance of referrals for inpatient admission is contingent upon the approval and signed order of a physician authorized to admit Enrollees to the inpatient unit of CONTRACTOR.

2.5 Telepsychiatry: CONTRACTOR may use telepsychiatry in accordance with NC DMA Clinical Coverage Policy No. 1H to the extent necessary or required to meet the business operations needs of CONTRACTOR and if in the best interest of Enrollee(s). CONTRACTOR shall not use telepsychiatry to conduct any assessments or therapeutic interventions required to be performed face to face by Controlling Authority.

2.6 Human Rights: CONTRACTOR shall ensure compliance with applicable federal and state laws, rules and regulations governing human rights and/or client rights, including but not limited to N.C.G.S. Chapter 122C, Article 3, Part 1 and the DMH/DD/SAS Client Rights Rules in Community Mental Health, Developmental Disabilities & Substance Abuse Services, APSM 95-2, dated July 2003 or as thereafter amended.

2.6.1 Abuse, Neglect and Exploitation: CONTRACTOR shall ensure that Enrollees are not abused, neglected or exploited while in its care and shall maintain policies and procedures and conduct activities and monitoring in a manner that is designed to deter, prevent, and avoid abuse, neglect, and/or exploitation of Enrollees in its care. CONTRACTOR shall promptly report all allegations of abuse, neglect and/or exploitation to the applicable county Department of Social Services as required by Controlling Authority.

2.6.2 Event Reporting: CONTRACTOR shall promptly report to LME/MCO in writing all suspected sentinel events, and suspected instances involving abuse, neglect or exploitation of Enrollees. LME/MCO may conduct its own investigation of any events or incidents. CONTRACTOR shall cooperate fully with all such investigations. If an investigation is performed, LME/MCO will provide CONTRACTOR with a written summary of its findings no later than fifteen (15) business days following the completion of such investigation. LME/MCO may require a plan of correction or may impose an administrative action or sanction, up to and including termination of this Contract, if the investigation cites CONTRACTOR as being out of compliance with this Contract or with Controlling Authority.

2.6.3 Restrictive Intervention: CONTRACTOR shall not use restrictive interventions except as specifically permitted **by the individual Enrollee's treatment/habilitation plan or on an emergency basis.** When a restrictive intervention is used, CONTRACTOR shall follow all applicable Controlling Authority governing seclusion and restraint for behavior management, including but not limited to 42 CFR § 482.12, N.C.G.S. § 122C-60, 10A NCAC 13B.1924 and the LME/MCO Provider Manual.

2.7 Allegations or Charges Against Employees: CONTRACTOR will notify LME/MCO of any allegations of abuse, neglect or exploitation involving an Enrollee that is made towards an owner, officer, director, employee, agent, representative or subcontractor of CONTRACTOR within one (1) business day of such allegation, and shall immediately put into place protective measures to ensure that the accused person has no access to Enrollees until the allegation is determined to be unsubstantiated. CONTRACTOR will notify LME/MCO within three (3) business days after receiving notice of any conviction of an owner, officer, director, or employee of CONTRACTOR of any crime of moral turpitude,

including but not limited to any conviction under a federal or state criminal drug statute that would result in non-compliance with the Drug Free Workplace Act of 1988.

2.8 Utilization Management: CONTRACTOR understands, acknowledges and agrees that Medicaid only pays for medically necessary services, that authorization is not a guarantee of payment, that authorizations may be overturned as a result of program integrity or other monitoring activities, and that LME/MCO's performance of utilization management functions pursuant to the Waiver Contract does not constitute the practice of medicine. CONTRACTOR shall comply with all LME/MCO utilization management requirements, including any requirements for prior authorization, care management, concurrent review, retrospective authorization, or retrospective utilization review of services provided to Enrollees.

2.8.1 UM Documentation: CONTRACTOR shall promptly provide LME/MCO with all necessary documentation and clinical information requested as part of the utilization management process. It is the responsibility of CONTRACTOR to document the medical necessity of services provided or to be provided to Enrollees. CONTRACTOR must submit all requests for prior or retrospective authorization, including any supporting documentation through AlphaMCS. Requests and supporting documentation cannot be submitted in paper or other electronic (i.e. disc) format.

2.8.2 General Timeframe: CONTRACTOR must submit all requests for prior authorization no later than fourteen (14) days prior to the requested start date of the requested service, unless the request is for retrospective authorization, or inpatient hospitalization, crisis or other request that meets criteria for expedited review.

2.8.3 Retrospective Timeframe: CONTRACTOR must submit all requests for retrospective authorization, including requests based on retroactive Medicaid eligibility, as soon as practicable, but in no event later than ninety (90) days from date CONTRACTOR knew, or should have known, of such eligibility determination.

2.8.4 Communication with Enrollees: Nothing in this Contract shall prohibit or restrict CONTRACTOR from discussing matters relevant to an Enrollee's health care or from communicating freely with, providing information to, or advocating for, Enrollees regarding the Enrollees' MH/IDD/SA care needs, medical needs, and treatment options regardless of benefit coverage limitations.

2.8.5 Emergency Department Coordination: CONTRACTOR shall notify the applicable LME/MCO Hospital Liaison and/or notify the LME/MCO 24/7 Call Center within 24 hours from the time that an Enrollee presents at the Emergency Department with a psychiatric or other behavioral health issue.

2.8.6 Notification of Inpatient Admission: CONTRACTOR shall notify the LME/MCO 24/7 Call Center of any Enrollee admission to CONTRACTOR's inpatient psychiatric unit within 24 hours of admission. Failure to comply with the notification requirement may result in denial of the initial 3-day "pass-through" authorization for inpatient services.

2.9 Benefit Plans: Changes to LME/MCO benefit plan(s) shall be posted on the LME/MCO website at least thirty (30) days in advance of any such change, unless a shorter time period is required due to a change in funding or other change imposed by the Department. From time to time during the term of this Contract, LME/MCO may also develop new benefit plan(s). In such instance, CONTRACTOR shall be provided with thirty (30) days' written notice via the electronic provider bulletin prior to implementation of the new benefit plan(s). If CONTRACTOR does not object in writing to the implementation within such thirty (30) day notice period, CONTRACTOR shall be deemed to have accepted participation in the new benefit plan(s). In the event CONTRACTOR objects to any such new benefit plan, the Parties shall confer in good faith to reach agreement on terms of participation. If such agreement cannot be reached, such new benefit plan shall not apply to this Contract.

2.10 Care Coordination and Discharge Planning: CONTRACTOR shall cooperate fully with all care coordination and integrated care activities of LME/MCO, including but not limited to coordination with Enrollees' primary care provider(s), coordination with respect to the discharge of Enrollees, and participation in interdisciplinary team meetings facilitated by the LME/MCO that involve Enrollee(s) served under this Contract during the period of an enrollee's admission to CONTRACTOR'S facility. CONTRACTOR shall regularly schedule treatment and discharge planning meetings for Enrollee(s) in twenty-four (24) hour (inpatient) care, and shall use best efforts to provide at least 24 hours

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prior notice to LME/MCO of the date, time and place of any treatment team or discharge planning meeting regarding an Enrollee.

2.10.1 Access to Enrollee(s): CONTRACTOR shall allow appropriately qualified LME/MCO care coordination staff to attend any treatment team and discharge planning meetings regarding Enrollee(s) served under this Contract, with advance notice and consistent with the LME/MCO's responsibility to provide care coordination to Enrollee(s) with special healthcare needs. CONTRACTOR shall allow appropriately qualified LME/MCO staff direct access to any Enrollee for care coordination purposes, if requested by Enrollee and the Enrollee's treating physician or therapist determines it to be clinically appropriate.

2.10.2 Discharge from Inpatient Treatment: CONTRACTOR will use best efforts to notify the LME/MCO 24/7 Call Center at least 24 hours prior to the intended date and time of any discharge of an Enrollee from inpatient care. Prior to an Enrollee's inpatient discharge, the Parties shall coordinate any discharge planning meetings with Enrollee's designated community behavioral health provider and with any assigned LME/MCO care coordinator. Once the discharge date has been determined, CONTRACTOR will call the designated community behavioral health service provider or the LME/MCO Customer Services department to schedule a follow-up appointment to occur within five (5) business days of discharge, as follows:

a. In those instances where an Enrollee self-discloses an active treatment relationship with a behavioral health provider, CONTRACTOR shall contact such provider and facilitate the arrangement of Enrollee's appointment for post discharge treatment with Enrollee's behavioral health provider and LME/MCO. Enrollee's appointment for post discharge treatment shall occur within five (5) days of Enrollee's inpatient hospital discharge for the purposes of necessary continued treatment, including but not limited to medication management and any other continued treatment as deemed necessary by Enrollee's behavioral health provider.

b. In those instances where an Enrollee does not self-disclose an active treatment relationship with a behavioral health provider, CONTRACTOR shall notify LME/MCO's Customer Services/Call Center. LME/MCO shall provide a list of appropriate behavioral health providers for Enrollee's behavioral health service subsequent to inpatient discharge and will facilitate the arrangement of Enrollee's appointment with Enrollee's chosen behavioral health provider. Enrollee's appointment for post discharge treatment shall occur within five (5) days of Enrollee's inpatient hospital discharge for the purposes of necessary continued treatment, including but not limited to medication management and any other continued treatment as deemed necessary by Enrollee's behavioral health provider.

c. CONTRACTOR will complete the discharge module in AlphaMCS and will upload documentation of reconciliation and depart summary into the Patient Module in AlphaMCS. In those instances where formulary medication has been used previously and proven ineffective for an Enrollee, the CONTRACTOR shall request a pharmacology consultation by contacting the LME/MCO Medical Director prior to discharge. The consultation process will include review of available treatment alternatives that can facilitate ongoing medication adherence and effective treatment.

d. At the time of discharge, CONTRACTOR shall provide the Enrollee, the LME/MCO, and the assigned community behavioral health provider with critical patient discharge information consistent with Joint Commission requirements. This information shall include:

   i. Reason for hospitalization;
   ii. Significant Findings;
   iii. Procedures and treatment provided;
   iv. Admission and Discharge Diagnoses;
   v. Enrollee's demographic information;
   vi. Enrollee's discharge condition (including level of risk to self/others);
   vii. Discharge Medications/Medication Reconciliation Form (dosage and amounts, and total number of refills authorized);
   viii. Recommended follow up care (both medical and psychiatric);
   ix. Revisions to Enhanced Crisis Plan (if any); and
   x. Name of discharging physician with contact information.

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2.11 Continuity of Care and Transfer of Medical Record(s): Upon request from LME/MCO or an Enrollee, CONTRACTOR agrees to transfer the complete original or a complete acceptable copy of the medical records of any Enrollee transferred to another provider for any reason, including termination of this Contract, at no cost to LME/MCO or the Enrollee. The transfer of medical records must be made within a reasonable time following the request, but in no event more than five (5) days except in cases of emergency, in which case it shall be sooner. Further, in such circumstance the CONTRACTOR must **collaborate with Enrollee, Enrollee's family members if applicable, and the** LME/MCO to assure continuity of care with no disruption in services. If CONTRACTOR serves Enrollees with intellectual or developmental disabilities, then CONTRACTOR shall comply with the Continuity of Care requirements as set forth in N.C.G.S. § 122C-63. CONTRACTOR and LME/MCO will work collaboratively to resolve any problem(s) of continuity of care or in transferring the Enrollee to another provider.

2.12 Documentation and Access to Records: LME/MCO **shall have access to CONTRACTOR's books, documents,** and records regarding services provided under this Contract, including but not limited to clinical, medical, financial and personnel records, throughout the term of this Contract and for a period of at least six (6) years thereafter. CONTRACTOR shall prepare, retain and make available to LME/MCO upon request, complete and accurate documentation supporting the provision of services to individual Enrollees as required by professional standards of practice and Controlling Authority, including but not limited to APSM 45-2, APSM 10-5, APSM 10-3, and any applicable DMA Clinical Coverage Policy. Documentation must support medical necessity, the billing diagnosis, the number of units provided and billed, the location of the service, and the standards of the applicable billing code standards (CPT or HCPCS). CONTRACTOR shall also maintain and make available to LME/MCO upon request, necessary records and accounts related to the Contract, including personnel records, financial records and detailed records of administrative costs and all other expenses incurred pursuant to the Contract, in accordance with Generally Accepted Accounting Principles, to assure a proper accounting of all public funds. CONTRACTOR understands, acknowledges and agrees that failure to maintain or provide timely, complete and accurate documentation of services as required by this Section may result in payment suspension, withholding of funds, overpayment determination, or other administrative action or sanction, up to and including termination of the Contract. This Section 2.12 and all its subparts shall survive expiration or termination of this Contract.

2.12.1 Location of Records: If records are not kept on-site where services are provided, they must be immediately available in the event of unannounced program integrity or other monitoring activities. Upon request, CONTRACTOR shall provide LME/MCO with a list of locations where records required to be maintained under this Contract are stored.

2.12.2 Access by Federal Oversight Agencies: In accordance with Controlling Authority, specifically 42 CFR §420.300 through §420.304, for any contracts for services the cost or value of which is $10,000 or more over a 12-month period, including contracts for both goods and services in which the service component is worth $10,000 or more over a 12-month period, the Comptroller General of the United States, the U.S. Department of Health and Human Services ("HHS"), and their duly authorized representatives **shall have access to CONTRACTOR's books,** documents, and records, including but not limited to clinical, medical, financial and personnel records, until the expiration of four years after the services are furnished under this Contract.

2.12.3 Record Retention: CONTRACTOR shall retain such records and documentation according to the most stringent record retention schedule applicable under Controlling Authority for each Enrollee served as described in the LME/MCO Provider Manual, either in original paper form or in electronic/digital form. If an audit is in process or audit findings are not yet final, CONTRACTOR shall maintain such records and documentation until all issues are finally resolved, or until such later period as is required under Controlling Authority.

2.13 Grievances and Concerns: CONTRACTOR shall promptly and fairly address all concerns of Enrollees or family members, and shall have in place a written grievance and complaint process that is accessible to all Enrollees, that operates in a fair and impartial fashion, and which requires CONTRACTOR to receive and respond timely to grievances or complaints received regarding the CONTRACTOR. CONTRACTOR shall publish and make accessible to Enrollees the LME/MCO toll-free telephone number for Enrollees to report concerns, grievances or complaints to the LME/MCO and shall notify Enrollees that they may contact LME/MCO directly about any concerns, grievances or complaints

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2.13.1 Grievance Documentation: CONTRACTOR shall maintain documentation to include, at a minimum, the date the grievance or complaint was received, the concerns raised, the resolution/follow up provided, and the date the complaint was resolved. Nothing in this section or this Contract is intended to, nor shall operate as, a waiver of any of CONTRACTOR's rights, privileges or protections under federal or state laws governing quality assurance review; peer review or physician credentialing, specifically including, but not limited to, N.C.G.S. §§ 90-21.22, 90-21.22A or 131E-95.

2.13.2 Resolution or Referral by CONTRACTOR: CONTRACTOR shall promptly address all grievances and complaints reported by Enrollee(s) relating to the services provided pursuant to this Contract. CONTRACTOR shall promptly refer any unresolved grievances or complaints, or requests for change in provider, to the LME/MCO.

2.13.3 Resolution and Investigation by LME/MCO: LME/MCO may receive grievances and complaints about CONTRACTOR directly from Enrollee(s), family members, provider staff, or other stakeholders. LME/MCO shall resolve such grievances within ninety (90) days of receipt in accordance with Controlling Authority. Based on the nature of the grievance or complaint, the LME/MCO may choose to perform an investigation of the allegation(s). CONTRACTOR shall fully cooperate with all such investigations, and LME/MCO shall provide CONTRACTOR with a written report of findings after the conclusion of its investigation. LME/MCO may implement an expanded investigation, or administrative actions or sanctions against CONTRACTOR as the result of any such grievance or complaint investigation as stated in Section 2.15.

2.14 Program Integrity and Other Monitoring Activities: CONTRACTOR understands, acknowledges and agrees that LME/MCO may conduct investigations into any matters that fall within the scope of this Contract, including but not limited to investigations into fraud, waste, provider abuse, overutilization, questionable billing practice(s), grievances, complaints, quality of care concerns, health and safety issues, and violations of this Contract or Controlling Authority. CONTRACTOR further understands, acknowledges and agrees that CONTRACTOR is subject to, and shall cooperate fully with, program integrity and other monitoring activities conducted by the LME/MCO, the U.S. Department of Health and Human Services, including its Office of Inspector General, CMS, and the Department, or their agents. For purposes of this Contract, "program integrity and other monitoring activities" shall include but are not limited to audits, investigations, post-payment reviews, and routine or focused monitoring. This Section 2.14 and all its subparts shall survive expiration or termination of this Contract.

2.14.1 Medicaid Fraud: CONTRACTOR shall publicize and make accessible to Enrollees the LME/MCO's toll-free fraud and compliance hotline. LME/MCO will conduct initial investigations of suspected cases of fraud and shall refer such cases to DMA for potential additional investigation by DMA and/or the Medicaid Investigations Division of the North Carolina Attorney General's Office. CONTRACTOR understands, acknowledges and agrees that for each case of suspected fraud, LME/MCO is required to provide DMA with the provider name, provider type, source/origin of complaint, description of suspected misconduct, approximate dollars involved, and any evidence obtained. Fraudulent billing may include, but is not limited to, unbundling services, billing for services by non-credentialed or non-licensed staff, or billing for a service that CONTRACTOR never rendered or for which documentation is absent or inadequate.

2.14.2 LME/MCO Inspection of Records and Facilities: CONTRACTOR understands, acknowledges and agrees that the LME/MCO may inspect CONTRACTOR's facilities and premises where records are stored or Enrollees are served to ensure compliance with Controlling Authority. LME/MCO has the right to inspect, take photographs, and make or request electronic or paper copies of all clinical, medical, personnel, and financial records concerning claims paid on behalf of Enrollees and services provided to Enrollees, including but not limited to records of staff who delivered or supervised the delivery of services to Enrollees, and any other clinical or financial information which the LME/MCO determines is necessary to assure compliance with the Contract. Any and all program integrity or other monitoring activities, including inspections and site visits, do not have to be arranged in advance with CONTRACTOR. If an unannounced site visit is performed by LME/MCO, CONTRACTOR shall provide all documentation and records requested by the conclusion of the site visit, except that LME/MCO may grant additional time to respond for good cause shown, depending upon the size and scope of the request.

2.14.3 Desk Audits: LME/MCO may also make a written request for documentation and records for program integrity or other monitoring activities or to meet state, federal, or accrediting body monitoring requirements. In such

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event, CONTRACTOR shall provide the requested records to the LME/MCO within fifteen (15) days of the date of the request, except that LME/MCO may grant additional time to respond for good cause shown, depending upon the size and scope of the request. CONTRACTOR may satisfy any request for information by either paper or secure electronic means.

2.14.4 Billing Audits/ Post-Payment Reviews: In accordance with the Waiver Contract, at a minimum of once every two (2) years CONTRACTOR will participate in an audit of paid claims, also called a "post-payment review," conducted by LME/MCO. Such billing audits may be unannounced or arranged with the CONTRACTOR in advance. LME/MCO shall provide CONTRACTOR with written documentation of findings within thirty (30) days following the conclusion of any such billing audit or post-payment review. As a result of the audit or review, CONTRACTOR may be subject to additional audits, a plan of correction or the imposition of an administrative action or sanction in addition to any overpayment determination.

2.14.5 Self Audits: CONTRACTOR shall conduct self audits no less than annually, or more often in response to identification of questionable billing practices or staff ineligibility for billing, and shall report any overpayment(s) or erroneous and/or fraudulent activities discovered within five (5) business days of the conclusion of any such self-audit.

2.14.6 Overpayments: CONTRACTOR shall repay to LME/MCO any overpayment identified through self audit or identified by LME/MCO or DHHS as out of compliance with Controlling Authority. CONTRACTOR understands, acknowledges and agrees that any encounter claim(s) rejected, denied or disallowed by DHHS shall be deemed an overpayment and CONTRACTOR shall repay LME/MCO for any such denied claim(s), in accordance with the procedures and requirements set forth herein.

a. If CONTRACTOR has been reimbursed for a claim or portion of a claim that the LME/MCO determines should be disallowed based on fraud, waste, abuse, overutilization or non-compliance with Controlling Authority or this Contract, LME/MCO will provide written notice to the CONTRACTOR of the identified overpayment and thirty (30) days' prior notice of any intent to collect the outstanding balance owed, which may include recouping the overpayment from payment for future claims. Such notice shall identify the Enrollee name(s) and date(s) of service in question, the determination made by the LME/MCO as to each claim, and the requested amount of repayment due to the LME/MCO. CONTRACTOR shall have thirty (30) days from the date of such notification to request reconsideration, provide additional information in support of the claims' accuracy and validity, request approval for a payment plan, or remit the invoiced amount in full. If CONTRACTOR does not elect one of these options, the overpayment shall become final on the 31st day following the date of notification and LME/MCO may recoup the amount due from reimbursement owed to CONTRACTOR or may pursue any such other method of collection deemed appropriate by LME/MCO.

b. If CONTRACTOR has been reimbursed for a claim or portion of a claim that the LME/MCO determines should be disallowed as a result of an error or omission by either Party, or for a claim or portion of an encounter claim that is disallowed in NCTracks, the LME/MCO will readjudicate such claims and recoup the overpayment from payments for future claims related to errors or omissions. The electronic Remittance Advice provided to CONTRACTOR by LME/MCO shall identify any such adjudication or recoupment, including the Enrollee(s) name and date(s) of service in question. CONTRACTOR shall have thirty (30) days from the date of any such notification to request reconsideration, but expressly understands, acknowledges and agrees that LME/MCO is permitted to readjudicate and/or recoup such claims paid in error prior to the resolution of any such request for reconsideration.

c. Payment Plans: LME/MCO is not required to approve any request for a payment plan and may establish a payment plan at its sole discretion and on terms and conditions mutually agreed to by the Parties. All payment plans will require a signed agreement and may require a Promissory Note and security.

d. Dispute Resolution: CONTRACTOR may submit a request for reconsideration of overpayment determinations as outlined in the LME/MCO Provider Manual.

2.15 Administrative Actions and Sanctions: CONTRACTOR understands, acknowledges and agrees that LME/MCO may issue an educational or warning letter, require a plan of correction, or impose administrative actions or sanctions against CONTRACTOR as the result of program integrity and other monitoring activities. Such administrative actions and sanctions include but are not limited to increased monitoring/ probation, limitation or suspension of referrals, moratorium on site or service expansion of services covered by this Contract, payment suspension, site- or service-

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specific suspension or termination, full contract suspension, full contract termination and/or exclusion from participation in the Closed Network. CONTRACTOR further understands, acknowledges and agrees that LME/MCO is not required to issue an educational or warning letter or plan of correction prior to the imposition of administrative actions or sanctions.

2.15.1 Suspensions for Health and Safety: In accordance with LME/MCO accrediting body requirements, LME/MCO may suspend this Contract in response to any serious health or safety risk to Enrollees identified by the LME/MCO Chief Medical Officer or other Senior Clinical Staff Person, and such suspension shall remain in effect during the pendency of any investigation into such health or safety risk.

2.15.2 Dispute Resolution: CONTRACTOR may submit a request for reconsideration of administrative actions and sanctions as outlined in the LME/MCO Provider Manual.

2.15.3 Prepayment Review: LME/MCO may place CONTRACTOR on prepayment review at any point during the term of this Contract in accordance with N.C.G.S. § 108C-7. Prepayment review is not a sanction but is a mechanism by which the LME/MCO or its agent reviews all claims and supporting documentation prior to reimbursement to CONTRACTOR. There is no right to appeal a notice of prepayment review.

2.16 Policies and Procedures: CONTRACTOR agrees to comply with respect to LME/MCO's quality assurance, quality improvement, accreditation, risk management, utilization review, utilization management, discharge planning, dispute resolution and other clinical, business and administrative policies and procedures established and revised from time to time in the LME/MCO Provider Manual or which are set out in bulletins or other written materials, all of which which are posted by electronic means on the LME/MCO website. Any substantive or material changes to the LME/MCO Provider Manual will be posted on the LME/MCO website at least thirty (30) days prior to the effective date of any such changes and shall become binding upon CONTRACTOR thirty (30) days after notice of website publication via an electronic Provider Communication Bulletin.

2.17 Quality Improvement Activities: Facilities and/or programs of CONTRACTOR that are accredited by an accrediting body accepted by CMS shall be considered to be in compliance with the Quality Assurance/ Quality Improvement requirements of this Contract. CONTRACTOR shall provide a copy of its Quality Assurance/ Quality Improvement Plan upon written request by the LME/MCO. CONTRACTOR shall cooperate with the LME/MCO's written program for Quality Assessment and Performance Improvement established in accordance with 42 CFR § 438.240 and shall provide data and documentation to the LME/MCO necessary to satisfy requests from the Department related to quality assessment, quality assurance, quality improvement, quality management and/or performance improvement.

2.18 Duties Related to Closure or Termination: CONTRACTOR shall provide at least sixty (60) days' prior written notice to the LME/MCO of the anticipated cessation of a service or closure of a site or CONTRACTOR's entire business operations. If CONTRACTOR is ceasing its business operations within all of the Catchment Area, then CONTRACTOR shall submit to LME/MCO: (i) A plan for maintenance and storage of all records for consumers in LME/MCO's Catchment Area which is subject to LME/MCO's approval. The LME/MCO has the sole discretion to approve or disapprove such plan; and (ii) A master log of all consumers served within the LME/MCO Catchment Area, along with the storage location and the name and contact information of the records custodian. In the event that the plan for maintenance and storage is not approved by LME/MCO, CONTRACTOR shall provide all original medical records for Enrollees served under this Contract and records supporting the provision of services, or a duly certified copy of same, within thirty (30) days of closure of operations. This Section 2.18 shall survive expiration or termination of this Contract.

ARTICLE III: OBLIGATIONS OF THE LME/MCO

3.1 Reimbursement: LME/MCO shall reimburse CONTRACTOR for services provided to Enrollees according to the terms and conditions outlined in Article IV of this Contract, and as authorized by LME/MCO, except in those instances where authorization is not required. This Section 3.1 shall survive expiration or termination of this Contract.

3.2 Communication: LME/MCO shall electronically publish or disseminate the LME/MCO Provider Manual. Along with Controlling Authority, the LME/MCO Provider Manual shall provide the CONTRACTOR with pertinent information necessary for the CONTRACTOR to perform its obligations under this Contract, including a description of

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the LME/MCO dispute resolution mechanism, information about how to obtain benefit, eligibility, Enrollee complaint and appeals information, and citations to relevant rules, regulations, standards and other information distributed by the Department. LME/MCO shall also electronically publish or disseminate regular provider bulletins, which shall include updates of network activities, changes in fee schedules or contracting provisions, training opportunities, and other information deemed necessary or advisable in the sole discretion of LME/MCO.

3.3 Training and Technical Assistance: LME/MCO shall maintain information and forms useful to providers of MH/IDD/SA services on its website, offer training, facilitate a Provider Advisory Council, provide reasonable technical assistance to CONTRACTOR, establish a mechanism to receive suggestions and guidance from Network Providers on how the Closed Network can best serve Enrollees, and include Network Provider representation on committees that address clinical and provider payment policies, including but not limited to the Credentialing Committee and Quality Improvement Committee.

3.4 Authorization of Services: LME/MCO shall review requests for prior authorization and shall determine medical necessity for those services requiring prior authorization, as set forth in Controlling Authority, including DMA Clinical Coverage Policies. **LME/MCO shall not utilize a definition of "medical necessity" that emphasizes cost or resource issues** above clinical effectiveness. In conducting prior authorization, LME/MCO shall not require CONTRACTOR to resubmit **any data or documents previously provided to LME/MCO for an Enrollee's presently authorized services.**

3.4.1 Authorization Timeframe: For all services requiring prior authorization except inpatient hospitalization, the LME/MCO shall issue a decision to approve or deny the request within the timeframes set forth in 42 CFR Part 438, Subpart F, including the timeframes governing requests for expedited review in which a licensed practitioner acting within the scope of his or her practice indicates, or LME/MCO determines, that adherence to the standard **timeframe could seriously jeopardize an Enrollee's life or health or ability to attain, maintain, or regain** maximum function. LME/MCO shall issue a decision to approve or deny a request for prior authorization for inpatient hospitalization within twenty-four (24) hours after it receives the request, provided that the deadline may be extended for twenty-four (24) hours if the Enrollee or CONTRACTOR requests the extension or the LME/MCO **determines there is a need for additional information and the extension is in the Enrollee's interest.**

3.4.2 Retrospective Authorization: LME/MCO shall permit retroactive authorization of services in instances where the Enrollee has been retroactively determined to be eligible for the Medicaid program, including requests for deceased Enrollees, when all other criteria for authorization have otherwise been met.

3.4.3 Denial of Authorization Request: Upon the denial of a requested authorization, the LME/MCO shall inform the **Enrollee's attending physician or ordering provider of the availability of a peer**-to-peer conversation, to be conducted within one (1) business day following the denial, and the LME/MCO shall provide written notice of the decision to the Enrollee which includes notification of all appeal rights and an appeal form. Appeals shall be heard and determined by individuals not involved in the original LME/MCO decision and not subordinate to the individual who made the original LME/MCO decision. Appeal decisions shall be issued in writing to the Enrollee within the timeframes required by 42 CFR Part 438 and N.C.G.S. Chapter 108D.

3.5 Quality Management: The LME/MCO shall establish a written program for Quality Assessment and Performance **Improvement established in accordance with 42 CFR § 438.240 ("QM Plan").** The QM Plan shall, at a minimum: (i) measure provider performance and Enrollee-specific outcomes from service provision based on global performance indicators and clinical outcomes established by LME/MCO; (ii) measure provider performance through program integrity and other monitoring activities; (iii) monitor health and safety and the quality and appropriateness of care furnished to Enrollees; (iv) investigate concerns, grievances or complaints reported to LME/MCO; and (v) provide feedback to Network Providers on performance, including but not limited to, clinical standards, critical incident responses, and grievances or complaints reported to LME/MCO.

ARTICLE IV: BILLING AND REIMBURSEMENT

4.1 Eligibility and Enrollment: CONTRACTOR must verify each **Enrollee's Medicaid** eligibility and enrollment with LME/MCO prior to submitting claims to the LME/MCO. CONTRACTOR shall report any change in county of residence

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to LME/MCO within three (3) business days of obtaining this information. If an individual presents for services who is not eligible for Medicaid and the CONTRACTOR reasonably believes that the individual meets Medicaid financial eligibility requirements, CONTRACTOR shall offer to assist the Enrollee in applying for Medicaid.

4.2 Disenrollment: CONTRACTOR understands, acknowledges and agrees that there are circumstances that may cause an Enrollee to be disenrolled from or by the LME/MCO, including but not limited to change in county of residence, admission to a correctional facility for more than thirty (30) days, change in Medicaid category of aid, or loss of Medicaid eligibility. **If the disenrollment arises from a change in the Enrollee's Medicaid county of residence, LME/MCO shall be responsible for claims for Enrollee up to the effective date of the change in Medicaid county of residence. If the disenrollment arises from Enrollee's loss of Medicaid eligibility, the LME/MCO shall be responsible for claims for the Enrollee up to and including the Enrollee's last day of eligibility. In any instance of Enrollee's disenrollment, preexisting** authorizations will remain valid for any services actually rendered prior to the date of disenrollment.

4.3 Third Party Billing: CONTRACTOR shall comply with all terms of this Contract even though a third party agent or clearinghouse may be involved in billing the claims to the LME/MCO. It is a breach of this Contract for the CONTRACTOR to assign the right to payment under this Contract to a third party in violation of Controlling Authority, specifically 42 CFR §447.10.

4.4 Reimbursement Rates: CONTRACTOR understands, acknowledges and agrees that reimbursement rates paid under this Contract are established by LME/MCO and may or may not align with the rates for services established by DMA. Rates shall be those listed in the LME/MCO fee schedule posted on the LME/MCO website unless stated otherwise in the Sites and Services Menu. LME/MCO will pay the CONTRACTOR the lesser of: (i) the usual and customary charges for the service, or (ii) the rate established by the LME/MCO and agreed to herein. Changes to the LME/MCO fee schedule or to the availability of public funds that would affect reimbursement to the CONTRACTOR shall be posted on the LME/MCO website at least thirty (30) days in advance of any such change, unless a shorter time period is required due to a change in funding or other change imposed by the Department.

4.4.1 Medicaid Supplemental Payments: Within thirty (30) days following the end of each quarter, beginning with the second quarter of the state fiscal year following execution, notwithstanding any other provision in this Contract, to the extent that LME/MCO has received confirmation from DMA that the LME/MCO capitation rate includes Medicaid supplemental payments that would have been received by CONTRACTOR if services provided by CONTRACTOR under this Contract had been reimbursed under the Medicaid fee-for-service methodology, LME/MCO will pay the amount included in the capitation rate that was specifically designated for CONTRACTOR as a lump sum payment in addition to other reimbursement under this Contract.

4.5 Sites and Services Menu: CONTRACTOR shall bill LME/MCO for only those sites and services identified in the Menu. LME/MCO will maintain an ongoing record of the Menu and shall provide a copy of the Menu to CONTRACTOR upon request from CONTRACTOR. Such requests must be submitted to Contracts@smokymountaincenter.com. Contractor understands, acknowledges and agrees that it is the responsibility of CONTRACTOR to ensure that the sites, services, rates and billing codes approved for CONTRACTOR to bill LME/MCO are accurate and listed on the Menu. CONTRACTOR is responsible for notifying LME/MCO of an error in the Menu. CONTRACTOR shall refer to the Mixed Services Payment Protocol, attached hereto and incorporated herein as Attachment C, for guidance regarding where to direct claims for services, i.e. medical fee-for-service reimbursement versus 1915(b)/(c) Waiver reimbursement under this Contract.

4.6 Claims Submission: CONTRACTOR must submit all claims electronically, either through HIPAA Compliant Transaction Sets 837P – Professional claims, or 837I – Institutional claims, or via AlphaMCS. CONTRACTOR must complete training and execute a Trading Partner Addendum, attached hereto and incorporated herein as Attachment B, in order to submit HIPAA Compliance Transaction Sets. LME/MCO shall not accept paper claims under any circumstances. **CONTRACTOR's claims shall be compliant with the National Correct Coding Initiative ("NCCI")** and the National Uniform Billing Committee **("NUBC")** requirements which are in effect on the date of service, subject to state or local

modifiers promulgated by the LME/MCO which are applicable to the submission method. Billing diagnoses submitted on claims must be consistent with the service provided and must comply with NCCI and NUBC coding standards.

4.6.1 Timeframe(s): Except as provided in Section 4.6.2, below, initial claims for services must be received by the LME/MCO within ninety (90) days of the date of service or discharge (whichever is later). All initial claims submitted past this 90-day deadline will be denied and cannot be resubmitted. LME/MCO is not responsible for processing or reimbursement of initial claims that are not submitted within the 90-day deadline. The date of receipt is the date the LME/MCO receives the claim.

4.6.2 Exception(s): CONTRACTOR may submit claims subsequent to the 90-day limit in instances where: (i) the Enrollee has been determined to be retroactively eligible for Medicaid, (ii) the Enrollee has been determined to be retroactively eligible to enroll in the LME/MCO based on county of residence, or (iii) the claim has been submitted to a third-party payer (such as Medicare or private insurance) which has not yet paid or which has denied the claim. In such instances, CONTRACTOR may bill the LME/MCO within 90 days of notification of the Enrollee's Medicaid eligibility in NCTracks or within 90 days of final action (including payment or denial) by the third-party payer. CONTRACTOR may submit claims subsequent to the 90-day limit in other instances, for good cause shown, if agreed to in writing by the LME/MCO.

4.6.3 Resubmission of Denied Claims: CONTRACTOR must resubmit all denied claims within thirty (30) days from CONTRACTOR's receipt of the initial denial of the claim. If the CONTRACTOR needs more than 30 days to resubmit a denied claim, CONTRACTOR must request and receive an extension from the LME/MCO in writing before the expiration of the 30-day deadline, such extension not to be unreasonably withheld.

4.6.4 Certification Regarding Claims Submission: By executing this Contract, CONTRACTOR understands, acknowledges, agrees and certifies that all claims submitted by CONTRACTOR to LME/MCO for reimbursement from Medicaid funds shall be true, accurate and complete, that payment of claims shall be from federal, state and local tax funds and that any false claims, statements or documents or concealment of a material fact may be prosecuted as provided by law, or CONTRACTOR may be fined or imprisoned as provided by law. CONTRACTOR further understands, acknowledges and agrees that CONTRACTOR shall not submit claims for reimbursement for any services provided by CONTRACTOR during any period of revocation or suspension of required licensure or accreditation of the CONTRACTOR or any of its facilities, or for any services provided by a member of the CONTRACTOR's staff during any period of revocation or suspension of the staff member's required certification, licensure, or credentialing.

4.7 Claims Reimbursement: LME/MCO shall only reimburse CONTRACTOR for approved Clean Claims that are medically necessary and meet all other requirements of Controlling Authority. All claims shall be adjudicated as outlined in the LME/MCO Claims Manual and Billing Guide and set forth below. Reimbursement to CONTRACTOR shall be made by Electronic Funds Transfer (EFT) only.

4.7.1 DMA Prompt Pay Guidelines: Within eighteen (18) days after the LME/MCO receives a claim from CONTRACTOR, the LME/MCO shall either: (i) approve payment of the claim, (ii) deny payment of the claim, or (iii) request additional information necessary to approve or deny. The LME/MCO may approve a claim in part, deny a claim in part, and/or request additional information for only a part of the claim, as long as LME/MCO either approves, denies, or requests additional information for each part of the claim within the required 18-day period. If the LME/MCO approves payment of a claim in whole or in part, reimbursement shall occur within thirty (30) days of the LME/MCO's receipt of the Clean Claim.

4.7.2 Denial Reason and Claims Status: If the LME/MCO denies payment of a claim, the LME/MCO shall provide CONTRACTOR the ability to electronically access the specific denial reason. Status of a claim shall be electronically available within eighteen (18) days of the date the LME/MCO receives the claim.

4.7.3 Additional Information: If the LME/MCO determines that additional information is required to approve or deny a claim, then the claim is deemed not to be a Clean Claim and will be denied, and CONTRACTOR may resubmit the claim within the timeframe set forth in Section 4.6.3, above. Upon LME/MCO's receipt of the additional information and the resubmitted claim from the CONTRACTOR, the LME/MCO shall have eighteen (18) days from receipt of the resubmitted claim to process the claim.

4.7.4 Interest for Late Payment: If LME/MCO fails to pay CONTRACTOR within these timeframes, LME/MCO shall pay to CONTRACTOR interest in the amount of eight percent (8%) per annum of the claim payment, with interest accrual beginning on the date following the day on which the payment should have been made.

4.7.5 Prohibited Reimbursement: LME/MCO shall not reimburse CONTRACTOR for: (i) services provided by non-credentialed, unqualified or excluded employees or contractors, or (ii) for **"provider preventable conditions," which include "healthcare acquired conditions" and "never events"** as those terms are defined in the North Carolina State Plan for Medical Assistance.

4.7.6 Midnight Census: CONTRACTOR agrees and understands that reimbursement is based on a midnight census.

4.8 Coordination of Benefits: Medicaid is the payer of last resort. CONTRACTOR shall comply with N.C.G.S. §122C-146, which requires contracted providers to make every reasonable effort to collect payments from third party payers. Medicaid benefits payable through the LME/MCO are secondary to benefits payable by any other payer, including Medicare, even if the primary payer states that its benefits are secondary to Medicaid benefits or otherwise limits its payments to Medicaid beneficiaries.

4.8.1 First and Third Party Coverage: Each time an Enrollee receives services, CONTRACTOR shall determine whether the Enrollee has first- or third-party coverage that covers the service provided. CONTRACTOR shall bill all first- and third-party payers prior to billing LME/MCO, except for Medicare claims qualifying for direct submission. CONTRACTOR shall indicate third-party reimbursement or denial information on all claims submitted to the LME/MCO. Claims submitted without third-party payer information may be denied.

4.8.2 Medicare Billing Codes: Certain billing codes for which Medicare is the primary payer may be submitted directly to LME/MCO; **LME/MCO's website lists billing codes which qualify for direct submission to LME/MCO.**

4.8.3 Secondary Payment: The LME/MCO makes secondary payments to supplement the primary payment if the primary payment is less than the lesser of: (i) the usual and customary charges for the service, or (ii) the rate established by the LME/MCO. The LME/MCO does not make a secondary payment if the CONTRACTOR is either obligated to accept, or voluntarily accepts, as full payment, a primary payment that is less than its charges. If CONTRACTOR or Enrollee receives a reduced primary payment because of failure to file a proper claim with the primary payer, the LME/MCO secondary payment may not exceed the amount that would have been payable if the primary payer had paid on the basis of a proper claim. CONTRACTOR must inform the LME/MCO that a reduced payment was made and must specify the amount that would have been paid if a proper claim had been filed.

4.8.4 Co-payments: CONTRACTOR shall not bill the LME/MCO for third party co-pays and/or deductibles unless there is an explicit exception permitted by Controlling Authority. Under the combined 1915(b)/(c) Medicaid waiver, CONTRACTOR may not require co-payments, deductibles, or other forms of cost-sharing from Enrollees for Medicaid services covered under this Contract. Enrollees who have a spend-down requirement imposed by NC DHHS as a condition of their Medicaid eligibility are required to meet the spend-down requirements prior to being considered eligible under the combined 1915(b)/(c) Medicaid waivers.

4.9 Acceptance of Medicaid as Payment in Full: CONTRACTOR understands, acknowledges and agrees that it shall accept LME/MCO reimbursement as payment in full for all Medicaid covered services provided under this Contract, except for any co-payments or deductibles permitted by Controlling Authority, and that in no event, including but not limited to denial of reimbursement by LME/MCO, shall CONTRACTOR bill, charge, collect a deposit from, seek compensation, remuneration, reimbursement from, or have any recourse against Enrollees for Medicaid covered services provided under this Contract.

4.10 Underpayments: If the LME/MCO determines that CONTRACTOR has not been paid a claim or a portion of a claim that the LME/MCO determines should be allowed, the LME/MCO shall make such payment within thirty (30) days of the date of determination of the underpayment. Within thirty (30) days of the final determination, not subject to further appeal, of any grievance, appeal, or litigation that determines that LME/MCO improperly failed to pay a claim or a portion of a claim to CONTRACTOR, the LME/MCO shall remit the amount determined to be owed to CONTRACTOR.

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4.11 Cost Savings: CONTRACTOR agrees, understands and acknowledges that any savings achieved by LME/MCO through its management of the Closed Network under any of its benefit plans, including but not limited to the 1915(b)/(c) Waiver or any other Medicaid Waiver, are the sole and exclusive property of LME/MCO.

4.12 Effect of Termination: This Article IV and all its Sections and subparts shall survive expiration or termination of this Contract.

ARTICLE V: INSURANCE REQUIREMENTS

5.1 Minimum Coverage Requirements: CONTRACTOR shall purchase and maintain insurance as listed below from a company, or a self-insurance program, which is licensed and authorized to do business in the State of North Carolina by the North Carolina Department of Insurance. Insurance policies shall not be eliminated or reduced in coverage limits below the stated minimums without thirty (30) days' prior written notice to the LME/MCO. All premiums and deductibles shall be at the sole expense of the CONTRACTOR. Providing and maintaining adequate insurance coverage is a material obligation of CONTRACTOR. All such insurance shall meet all laws, rules, regulations and requirements of the State of North Carolina. The limits of coverage under each insurance policy maintained by CONTRACTOR shall not be interpreted as limiting the CONTRACTOR's liability or obligations to LME/MCO under this Contract.

5.1.1 Professional Liability: CONTRACTOR shall purchase and maintain Professional Liability Insurance protecting the CONTRACTOR and any employee performing work under the Contract for an amount not less than $1,000,000.00 per occurrence/$3,000,000.00 annual aggregate.

5.1.2 Comprehensive General Liability: CONTRACTOR shall purchase and maintain Bodily Injury and Property Damage Liability Insurance protecting CONTRACTOR and its employees performing work under the Contract from claims of Bodily Injury or Property Damage arising from operations under the Contract for an amount of not less than $1,000,000.00 per occurrence/$3,000,000.00 annual aggregate.

5.1.3 Automobile Liability: If CONTRACTOR transports Enrollees, CONTRACTOR shall purchase and maintain Automobile Bodily Injury and Property Damage Liability Insurance covering all owned, non-owned, and hired automobiles for an amount not less than $500,000.00 per person and $500,000.00 per occurrence. Policies written on a combined single limit basis shall have a minimum limit of $1,000,000.00. Any CONTRACTOR who does not transport recipients shall attest to the same in writing.

5.1.4 Workers' Compensation and Occupational Disease Insurance, Employer's Liability Insurance: CONTRACTOR shall purchase and maintain Workers' Compensation and Occupational Disease Insurance as required by Controlling Authority. If required, CONTRACTOR shall purchase and maintain Employer's Liability Insurance for an amount not less than $100,000 per accident for Bodily Injury by Accident, $100,000.00 per employee/disease for Bodily Injury by Disease, with a $500,000.00 Policy Limit. Any CONTRACTOR not required to obtain such coverage shall attest to the same in writing.

5.1.5 Tail Coverage: Liability insurance may be on either an occurrence basis or on a claims-made basis. If the policy is on a claims-made basis, CONTRACTOR shall purchase, at its sole cost, an extended reporting endorsement (tail coverage) for a period of not less than three (3) years after the end of the Contract term, or an agreement to continue liability coverage with a retroactive date on or before the beginning of the Contract term and shall also provide a copy of such policy to LME/MCO. This Section 5.1.5 shall survive expiration or termination of this Contract.

5.1.6 Approval for Changes. CONTRACTOR shall obtain written approval from LME/MCO for any deviation from the minimum requirements listed above prior to providing Services.

5.2 Self-Insurance: CONTRACTOR shall have the right to self-insure provided that the self-insurance program is licensed by the NC Department of Insurance and has been actuarially determined to be sufficient currently to pay the insurance limits required in this Contract.

5.3 Certificates of Insurance: Prior to the LME/MCO's execution of this Contract, LME/MCO may, at its sole discretion, require CONTRACTOR to have the insurance policies required herein endorsed to reflect the minimum standards stated above, as well as all other requirements in the insurance provisions of this Contract; and to provide the

LME/MCO with certificate(s) of insurance ("COIs") reflecting the aforementioned endorsements, the minimum standards stated above, as well as all other requirements in the insurance provisions of this Contract.

5.3.1 Form: The COIs shall be on certificate form(s) as furnished by CONTRACTOR's insurer(s) and/or underwriter(s). LME/MCO's acceptance of COIs which do not comply with the insurance requirements herein shall not be deemed a waiver of the insurance requirements. LME/MCO reserves the right to require certified copies of any or all policies.

5.3.2 Continuous Coverage and Notifications: Following execution of this Contract, CONTRACTOR shall:

a. Submit to LME/MCO new COIs no later than ten (10) days after the expiration of any required insurance coverage to ensure documentation of continual coverage;
b. Notify the LME/MCO in writing within forty-eight (48) hours of any cancellation or material change in coverage;
c. Provide evidence to the LME/MCO of continual coverage at the policy limits stated above within forty-eight (48) hours if CONTRACTOR changes insurance carriers during the performance period of the Contract, including tail coverage as required for continual coverage; and
d. Notify the LME/MCO in writing within ten (10) business days of knowledge or notice of a claim, suit, or criminal or administrative proceeding against CONTRACTOR or any licensed practitioner employed or subcontracted by CONTRACTOR relating to the quality of services provided under this Contract.

5.4 Waiver of Subrogation: CONTRACTOR shall have its insurers and underwriters waive their rights of subrogation (whether by loan receipts, equitable assignment, or otherwise) against LME/MCO and its directors, officers, representatives, agents, employees, contractors, subcontractors of any tier, and the insurers, excess insurers, and underwriters of the foregoing (collectively "LME/MCO Group"). CONTRACTOR agrees to waive its rights of subrogation against LME/MCO Group.

5.5 Additional Insured: Except for Workers' Compensation and Occupational Disease insurance, all policies shall name as additional insureds the members of the LME/MCO Group, as listed above, and all such insurance policies shall be specified as noncontributory and primary regardless of any other insurance carried by LME/MCO Group. All policies naming members of the LME/MCO Group as additional insureds shall provide coverage to the additional insureds on a broad form basis with such additional insured coverage being just as broad as the coverage provided to the named insured including, but not limited to, coverage for the sole or concurrent negligence of each additional insured and not be restricted to (a) "ongoing services," (b) coverage for vicarious liability, or (c) circumstances in which the named insured is partially negligent. Any policy that limits coverage afforded to LME/MCO Group as additional insureds to liabilities arising out of acts or omissions of CONTRACTOR, or any similar limitation, shall not be in compliance with the requirements of this Contract. CONTRACTOR understands, acknowledges and agrees that the insurance coverages required by this Contract shall not be invalidated as regards the interest of the LME/MCO Group by any act or neglect of the named insured or any member of the LME/MCO Group.

5.6 Liability: Failure of CONTRACTOR to secure the insurance coverages, or to comply fully with any of the insurance provisions of this Contract, or to secure such endorsements on the policies as may be necessary to carry out the terms and provisions of this Contract shall be the responsibility of the CONTRACTOR and shall in no way act to relieve CONTRACTOR from the obligations of this Contract, any provisions hereof to the contrary notwithstanding. If liability for loss or damage is denied by the CONTRACTOR's insurer(s) and/or underwriter(s), in all or in part, for any reason whatsoever, including, but not limited to, breach of said insurance by CONTRACTOR or failure of CONTRACTOR or its subcontractors of any tier to maintain any of the insurance herein required, CONTRACTOR shall release, defend, hold harmless, and indemnify all members of the LME/MCO Group against all claims, demands, costs, and expenses, including, but not limited to, attorneys' fees and punitive damages, which would otherwise be covered by said insurance.

5.7 Certification Regarding Insurance: By executing this Contract, CONTRACTOR understands, acknowledges, agrees and certifies that: (i) any loss of insurance shall justify the termination of this Contract in the LME/MCO's sole discretion; (ii) upon CONTRACTOR 's notification to LME/MCO of a claim, suit, or criminal or administrative proceeding against CONTRACTOR or any licensed practitioner employed or subcontracted by CONTRACTOR relating

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to the quality of services provided under this Contract, LME/MCO in its sole discretion shall determine within ten (10) days of receipt of notification whether termination of the Contract or other sanction is required; and (iii) all insurance requirements of this Contract must be fully met unless specifically waived in writing by the LME/MCO.

ATTACHMENTS

The following attachments, appendices, exhibits and/or schedules are an integral part of this Contract and are deemed incorporated herein by this reference:

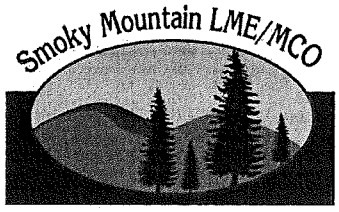
Attachment A: Alpha Access/ User Addendum

Attachment B: Trading Partner Addendum

Attachment C: Mixed Services Payment Protocol

Attachment D: Delegated Credentialing Agreement

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES TO FOLLOW



SIGNATURE PAGE

IN WITNESS WHEREOF, each Party intends this Contract to be under seal and has caused this Contract to be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, as the act of said Party. Each individual electronically signing below certifies that he or she has been granted the authority to bind said Party to the terms of this Contract and any Addendums or Attachments thereto.

Provider Legal Name: DLP Haywood Regional Medical Center, LLC d/b/a DLP Haywood Regional Medical Center

By: DocuSigned by: Phillip Wright (ADOPTED SEAL)
CONTRACTOR DULY AUTHORIZED OFFICIAL

Name: Phillip Wright

Title: CEO

Date: 11/30/2015

Smoky Mountain LME/MCO

By: DocuSigned by: Brian Ingraham (ADOPTED SEAL)
LME/MCO DULY AUTHORIZED OFFICIAL

Name and Title: Brian Ingraham, Chief Executive Officer

Date: 11/30/2015

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act, N.C.G.S. § 159-28.

DocuSigned by: Amanda Robinson

LME/MCO Chief Finance Officer or designee

11/30/2015
Date