



HMO/POS ADDENDUM

WHEREAS, QualCare, Inc. (hereinafter “QualCare”) and _____ (hereinafter “Party”) have entered into an agreement (the “Agreement”) whereby Party has agreed to provide, or where applicable has arranged for other Participating Providers to agree to provide, Covered Services to Members under the applicable Health Benefits Plan; and

WHEREAS, QualCare and Party desire to incorporate this HMO/POS Network Addendum (the “Addendum”) into the Agreement only with respect to Covered Services under the applicable Health Benefits Plan that is a Health Maintenance Organization/Point-Of-Service Network plan (the “HMO/POS Network”); and

WHEREAS, QualCare and Party agree to be bound by, comply with, and perform under the Agreement, the Provider Manual, and this Addendum with respect to the applicable HMO/POS Network; and

WHEREAS all terms capitalized in this Addendum for reasons other than punctuation shall have the respective meanings assigned to them as set forth in the Agreement, except as may be otherwise amended under this Addendum.

NOW THEREFORE, the undersigned hereby agrees as follows:

1. This Addendum is effective as of the Effective Date set forth below on the signature page.
2. This Addendum and the terms and conditions contained herein shall only apply and be limited to Covered Services provided to Members under the applicable HMO/POS Network as may be identified from time to time in accordance with the Agreement.
3. Article 1 of the Agreement is hereby amended to include the following amended or additional definitions:

“Health Benefits Plan” or “Plan” means a contract or policy that pays or provides coverage for hospital or medical services, or payment for expenses therefor, and which is delivered or issued for delivery in New Jersey by or through an applicable **Payor**, and includes without limitation an HMO/POS Network.

“Primary Care Provider” or “PCP” means an individual **Participating Provider** who supervises, coordinates and provides initial and basic care to **Members** and maintains continuity of care for **Members**.

“Primary Care Services” means those **Covered Services** determined to be primary care services by QualCare or the applicable **Payor**.

“Referral” or “Refer” means the process by which a **Primary Care Provider** directs a Member to seek and obtain **Covered Services** from a physician, health professional, a hospital or any other **Provider of Covered Services**.

“Specialist Physician” or “Specialist” means a **Participating Provider** who is professional qualified to practice his/her designated specialty and whose agreement with QualCare includes responsibility for providing **Covered Services** in his/her designated specialty.

4. Article 5 of the Agreement is hereby amended to include the following additional Articles 5.14, 5.15, 5.16, and 5.17:

5.14 Authorizations. The following shall apply with respect to any Participating Hospital:

5.14.1 Pre-Admission Authorization. Participating Hospital shall admit Members or render outpatient care or same day surgery only upon receipt by Participating Hospital of an Authorization for the admission/service from a Participating Physician, a QualCare authorized non-Participating Provider, QualCare, or applicable Payor in accordance with the terms and conditions of the applicable Health Benefits Plan. Participating Hospital shall also accept any pre-admission testing performed by applicable Participating Providers.

5.14.2 Effect of Medical Necessity. Participating Hospital acknowledges and agrees that Payor shall only be liable with respect to those Members who are eligible for benefits under the applicable Plan on the date that Hospital Services are rendered. Any determination that Hospital Services are Medically Necessary shall not be considered a determination of an individual's eligibility under the applicable Plan. In the event Medically Necessary services which are Authorized are rendered to an ineligible person, such ineligible person shall assume responsibility for payment for such services.

5.15 Referrals:

5.15.1 The following shall apply with respect to any Participating Physician:

a. If Participating Physician is a PCP, he/she shall not refer Members out for those Primary Care Services that he/she is medically qualified to provide to Member.

b. If Participating Physician is a PCP, he/she shall Refer Members only to Participating Providers unless: (i) the service is not available from Participating Providers, in which case PCP shall obtain Authorization from QualCare or Payor, if required in accordance with the terms and conditions of the applicable Health Benefits Plan; (ii) the service is required in the case of an Emergency; or (iii) the Member's Plan includes out-of-network benefits and such Member desires to exercise his/her out-of-network benefits in accordance with his/her Plan.

c. If Participating Physician is a Specialist, he/she shall provide Covered Services to Members only after receiving a Referral from a PCP, if required in accordance with the terms and conditions of the applicable Health Benefits Plan, except in the case of an Emergency.

d. If Participating Physician is a PCP and also a Specialist he/she agrees not to self-refer without obtaining prior Authorization from QualCare or the applicable Payor.

5.15.2 The following shall apply with respect to any Ancillary Provider. When required in accordance with the terms and conditions of the applicable Health Benefits Plan, and except in the case of an Emergency, such Ancillary Provider shall provide Covered Services to Members only after receiving a Referral from a PCP or an Authorization from a Specialist. Depending on the terms and conditions of the applicable Plan, failure of Ancillary Provider to obtain such Referral or Authorization may result, at the applicable Payor's option, in nonpayment for those Covered Services provided to Member.

5.16 Additional Duties and Responsibilities of Primary Care Providers:

5.16.1 Provision of Services. If a Physician is a PCP, Physician shall provide or arrange for Covered Services for Members according to the policies and procedures of QualCare and/or the applicable Payor, applicable to PCPs and subject to the terms and conditions of this Agreement.

5.16.2 Coordination of Care. Upon assignment of or selection by Member, and in accordance with the terms and conditions of the applicable Health Benefits Plan, Primary Care Provider shall be responsible for managing the overall health care of such Member by providing Primary Care Services and coordinating the delivery of other Medically Necessary Covered Services by other Participating Providers.

5.16.3 Patient Transfer. In the event that Primary Care Provider determines he or she is unable to provide Covered Services to any Member, PCP may make a written request to QualCare stating the specific problem and requesting that the Member be transferred. Valid reasons for such a request include Member's failure to comply with material policies and/or procedures and/or medical instructions of the Physician, specifically identifiable issues of

personal incompatibility and similar concerns. In no event shall the volume of Covered Services requested or utilized by Member be considered a valid reason for transfer of a Member. QualCare shall establish procedures, consistent with the requirements of each Plan, for the consideration of all such requests, which shall include first attempting to mediate all disputes between Members and Physician.

5.16.4 Physician Panel. Primary Care Provider agrees to provide QualCare with a minimum of forty-five (45) days notice in writing of PCP's intent not to accept additional Members. PCP shall not close PCP's panel to Members hereunder unless PCP simultaneously closes PCP's panel to the enrollees all third party payors with which PCP participates. Thereafter, PCP also agrees to notify QualCare as soon as he or she is able to accept additional Members.

5.17 Additional Duties and Responsibilities of Specialists:

5.17.1 Provision of Services. If Physician is a Specialist Physician, Physician shall provide Covered Services in his or her designated specialty to Members in accordance with the policies and procedures of QualCare and/or the applicable Payor, applicable to Specialist Physicians and subject to the terms and conditions of this Agreement.

5.17.2 Authorization Required. When required in accordance with the terms and conditions of the applicable Health Benefits Plan, and except in case of an Emergency, Specialist Physician shall provide Covered Services only upon receiving prior authorization to treat the Member from the Member's Primary Care Provider or QualCare, all in accordance with the applicable Health Benefits Plan's Referral procedures. Depending on the terms and conditions of the applicable Health Benefits Plan, failure of Specialist Physician to receive said prior authorization may result, at the applicable Payor's option, in nonpayment for those Covered Services provided to the Member. Exceptions to the requirement for prior authorization for specialty services may be made for anesthesiologists, radiologists and pathologists whose services are provided in conjunction with prior authorized services.

5. Article 7.1 of the Agreement is hereby amended to include the following additional Article 7.7.4:

7.7.4 Participating Provider shall not balance bill any Member who has obtained Covered Services through the applicable Health Benefits Plan.

6. Article 10.2.2 of the Agreement is hereby amended to include the following additional Article 10.2.2(c):

c. Participation in any hearing with respect to such termination shall not be deemed to be an abrogation of the appealing party's legal rights.

7. All references to **Exhibit A** in the Agreement shall include the **Exhibit A** attached to this Addendum.

8. In the event of an inconsistency between or among this Addendum and the Agreement or the Provider Manual insofar as such inconsistency relates to an HMO/POS Network, the following order of precedence will govern: (1) this Addendum, (2) the Agreement, and then (3) the Provider Manual.

9. In all other respects, all other terms, conditions, provisions, duties, obligations, representations, warranties, and covenants set forth in the Agreement are hereby unmodified, incorporated herein, and shall remain in full force and effect.

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Addendum is hereby entered into by and between the undersigned and made effective as of the ____ day of _____, 20__ (the “**Effective Date**”).

QUALCARE, INC.
30 Knightsbridge Road
Piscataway, NJ 08854

By: _____
Donna Dojan
Title: National Director,
Contracting Policy, Standards, & Compliance

Dated: _____, 20__

PARTY: _____
Address: _____

Telephone: _____
Facsimile: _____

Signature: _____
Print Name: _____
Title: _____

Dated: _____, 20__

EXHIBIT A
TO THE
HMO/POS NETWORK ADDENDUM

QualCare Standard Fee Schedule shall be applied.