Filed
1-29-14
AKC

STATE OF WASHINGTON
BEFORE THE WASHINGTON STATE
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of: **Seattle Children's Hospital Appeal of OIC's Approvals of HBE Plan Filings.**	**Docket No. 13-0293** **SUPPLEMENTAL DECLARATION OF EILEEN O'CONNOR IN OPPOSITION TO INTERVENORS' JOINT MOTION FOR SUMMARY JUDGMENT**

I, Eileen O'Connor, declare as follows:

1. I am the Senior Director of Contracting and Payor Relations for Seattle Children's Hospital (SCH). I make this declaration based on my personal knowledge and am competent to testify herein. This declaration supplements my previous declaration, dated January 16, 2014, submitted with SCH's Motion for Partial Summary Judgment.

Comparison of SCH and Other Regional Hospitals

2. Most payors use specific categories to identify the different treatment "products" that a hospital provides to inpatients. These categories are known as APRDRGs, or "all patient refined diagnosis-related groups." The State of Washington also collects data from hospitals based on APRDRGs. In 2012, SCH billed 239 distinct APRDRGs (excluding neonates). By comparison, during the same year, the following hospitals billed the following numbers of distinct APRDRGs (excluding neonates):

LAW OFFICES
BENNETT BIGELOW & LEEDOM, P.S.
601 Union Street, Suite 1500
Seattle, Washington 98101
T: (206) 622-5511 F: (206) 622-8986

Hospital	Number of distinct APRDRGs billed in 2012 (excluding neonates)	Additional comments
Swedish Medical Center	120	
Providence Everett	71	
Valley Medical Center	62	
Evergreen Hospital	60	
Virginia Mason	15	

3. For the year 2012, SCH treated 10,499 patients, all of whom were pediatric patients. By comparison, during the same year, the following hospitals treated the following numbers and types of patients ages 0-17:

Hospital	Number of inpatients ages 0-17 treated in 2012	Additional comments
Seattle Children's Hospital	10,499	
Multicare Mary Bridge Children's Hospital in Tacoma	4,122	
Sacred Heart Hospital in Spokane	4,031	
Swedish Medical Center	1,631	Of these patients, close to half, 747, were neonates, and 119 were ages 15-17. Swedish includes the Swedish Neuroscience Institute. The top APRDRG for Swedish's pediatric patients was seizure (ages 5-9, 10-14, and 15-17).
Providence Everett	906	Of these patients, more than half, 485, were neonates, and 92 were ages 15-17. The top APRDRG for these patients was appendectomy (ages 10-14 and 15-17).
Harborview	809	None of the patients were neonates; 229 were ages 15-17. The top APRDRG for Harborview's patients was burns (for ages 0-1, 1-4, and 5-9) and head trauma with coma (ages 10-14 and 15-17).
University of Washington Medical Center (UWMC)	532	Of these patients, 377 were neonates, 30 were ages 15-17.

LAW OFFICES
BENNETT BIGELOW & LEEDOM, P.S.
601 Union Street, Suite 1500
Seattle, Washington 98101
T: (206) 622-5511 F: (206) 622-8986

		None of these patients were in the ages 1-4 or 5-9 brackets.
Valley Medical Center	632	Of these patients, 259 were neonates. The top APRDRG for Valley's pediatric patients was appendectomy (ages 10-14 and 15-17).
Evergreen Hospital	600	Of these patients, 298 were neonates. The top APRDRG for Evergreen's pediatric patients was appendectomy (ages 5-9, 10-14 and 15-17).
Shriners Hospital for Children in Spokane	222	The overall top APRDRG for these patients was hip & femur procedure other than joint replacement.
Virginia Mason	19	All of these patients were ages 15-17. The primary APRDRG for these patients was kidney/UT.

4. Treatment of neonates at hospitals often occurs as an adjunct to the mother's delivery of the neonates at those hospitals. APRDRGs are assigned to all inpatient neonates, including normal newborns and those that do not undergo any major procedures.

5. In 2012 in Washington state, SCH performed 100% of inpatient treatments for pediatric HIV patients. SCH also performed 96% of the pediatric transplants in 2012 in Washington state; the two exceptions were one pediatric lung transplant at UWMC and one pediatric heart transplant at Sacred Heart. In 2012 in Washington state, SCH performed 100% of the liver transplants and kidney transplants, a total of 41 procedures. In 2012 in Washington state, SCH performed 100% of the treatments for malfunction, reaction or complication of a gastro-urinary device or procedure, a total of 34 procedures.

6. In 2012 in Washington state, the top three pediatric hospitals – SCH, Mary Bridge, and Sacred Heart – performed 100% of the cardiac surgeries. Of these, SCH performed 182 cardiac surgeries. In 2012 in Washington state, these top three pediatric hospitals performed 93% of all hematology/oncology treatments. SCH treated 1,096 pediatric hematology/oncology

LAW OFFICES
BENNETT BIGELOW & LEEDOM, P.S.
601 Union Street, Suite 1500
Seattle, Washington 98101
T: (206) 622-5511 F: (206) 622-8986

patients in 2012. Based on Washington state statistics for 2012, these top three pediatric hospitals combined provided services for 38 pediatric APR DRGs that no other hospitals in Washington state provided, including treatments for bone marrow transplants, chemotherapy, and lymphoma/myeloma/non-acute leukemia.

SCH Exchange Products

7. SCH has contracted with three carriers for their Exchange plans: Group Health, Community Health Plan of Washington, and Molina Healthcare of Washington.

8. SCH has taken the position that products offered on the Exchange are commercial products, and asks the carriers to provide reimbursement at commercial rates, based on rates agreed to in existing commercial product contracts.

9. SCH treats the sickest of sick children in this state, and it is more expensive to provide care to the sickest of sick children.

10. In FY 2012SCH completed 67 single case agreements. This occurred where SCH was considered "out-of-network" for the patient's insurance coverage. In FY 2012, there were 351,147 patient visits at SCH. The number of completed single case agreements compared to the number of patient visits in FY 2012 represents 0.02% of the total number of patient encounters. Furthermore, of these single case agreements, 28 were for patients who resided in Washington state. Of the agreements involving Washington state residents, 24 were for behavioral health services primarily involving two national behavioral health payors—Value Options and Optum Behavioral Health—which have limited knowledge of the state market and the lack of other facilities available to care for pediatric behavioral health cases. SCH is currently in negotiation with these national behavioral health payors for provider agreements.

SCH Communications with Coordinated Care Corporation (CCC).

11. Attached hereto as Exhibit C [SCH000025-000086] are copies of communications between SCH and CCC regarding CCC's Exchange plans.

LAW OFFICES
BENNETT BIGELOW & LEEDOM, P.S.
601 Union Street, Suite 1500
Seattle, Washington 98101
T: (206) 622-5511 F: (206) 622-8986

12. CCC has not provided SCH with any information regarding a process for completing single case agreements, what rates it will pay, or in what circumstances it will require prior approval for treatment before it will agree to payment.

SCH Communications with BridgeSpan

13. Attached hereto as Exhibit D [SCH000110-000138] are copies of communications between SCH and Regence and/or BridgeSpan regarding Regence's BridgeSpan Exchange plans.

14. In my experience, broad assertions such as that made by Beth Johnson in her declaration dated January 17, 2014, that SCH's rates may be higher than services provided at other institutions, fail to take into account the acuity of the patient. For example, an otherwise healthy pediatric patient undergoing an appendectomy at another hospital may not require the same level of care and services as a pediatric patient undergoing an appendectomy and also has a developmental disability, chronic asthma, juvenile diabetes, or other underlying condition.

15. Regence and BridgeSpan have not provided SCH with information regarding a process for completing single case agreements for services that SCH provides to patients insured by the BridgeSpan Exchange plans, what rates it will pay, or in what circumstances it will require prior approval for treatment before it will agree to payment.

SCH Communications with Premera.

16. Premera has never approached SCH regarding participation in Premera's "Tier 4 network." The only communication that SCH received from Premera was that SCH was not included in Premera's "Tier 4 network."

LAW OFFICES
BENNETT BIGELOW & LEEDOM, P.S.
601 Union Street, Suite 1500
Seattle, Washington 98101
T: (206) 622-5511 F: (206) 622-8986

I DECLARE, under penalty of perjury under the laws of the state of Washington, that the foregoing is true and correct.

Executed at Seattle, Washington this 29th day of January, 2014.

Carol Ann James for
EILEEN O'CONNOR
per e-mail authorization

LAW OFFICES
BENNETT BIGELOW & LEEDOM, P.S.
601 Union Street, Suite 1500
Seattle, Washington 98101
T: (206) 622-5511 F: (206) 622-8986

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of this document on all parties or their counsel of record on the date below by hand delivery on today's date addressed to the following:

Hearings Unit
Honorable Mike Kreidler
KellyC@oic.wa.gov
Office of the Insurance Commissioner
Hearings Unit
5000 Capitol Boulevard
Tumwater, WA 98501

Office of the Insurance Commisioner
Charles Brown
charlesb@oic.wa.gov
Office of the Insurance Commissioner
5000 Capitol Boulevard
Tumwater, WA 98501

Coordinated Care Corporation
Maren R. Norton
Gloria S. Hong
mrnorton@stoel.com
gshong@stoel.com
Stoel Rives LLP
600 University Street, Suite 3600
Seattle, WA 98101

Premera Blue Cross
Gwendolyn C. Payton
Lane Powell PC
Paytong@lanepowell.com
1420 Fifth Avenue, Suite 4200
Seattle, WA 98101-2375

BridgeSpan Health Company
Timothy J. Parker
Carney Badley Spellman, P.S.
parker@carneylaw.com
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Executed at Seattle, Washington, this 29th day of January, 2014.

Julia Crippen
Legal Assistant

LAW OFFICES
BENNETT BIGELOW & LEEDOM, P.S.
601 Union Street, Suite 1500
Seattle, Washington 98101
T: (206) 622-5511 F: (206) 622-8986

EXHIBIT C

From:	Paterson, Margrette [margrette.paterson@seattlechildrens.org]
Sent:	Wednesday, October 09, 2013 1:51 PM
Subject:	Coordinated Care - Exchange
Attachments:	FW: Seattle Children's Hospital/Coordinated Care; RE: Couple of Items; Exchange - Confirmation; RE: Seattle Children's - Exchange Counterproposal; Coordinated Care Exchange Information; RE: Coordinated Care Follow-up; RE: Seattle Children's Hospital/Coordinated Care; RE: Seattle Children's Hospital/Coordinated Care; RE: Seattle Children's Hospital/Coordinated Care; Re: ALJ's Findings; RE: ALJ's Findings; Fwd: Coordinated Care Corp., No. 13-0232; Final Order; RE: Welcome back!; Couple of Items; RE: Seattle Children's Hospital/Coordinated Care; RE: Seattle Children's - Exchange Counterproposal; Coordinated Care; RE: Seattle Children's - Exchange Counterproposal

11/25: Eileen and Chuck were able to touch base via phone. CC will not approve a [redacted] payment methodology and CC will not accept a [redacted] that equates to a commercial rate. Eileen asked that I reach out to the CHA hospitals in Centene markets to see if any exceptions have been made on payment methodology for the Exchange as a next step. Per my review, Centene is participating in the following State Exchanges: WA, CA, FL, KY, MA, AK, IL.

11/20: Called Carolyn asking for status. She stated that Chuck would be calling Eileen to discuss our counter proposals.

11/15: My response to Carolyn and Chuck (with cc to Eileen).
Hi Carolyn,

Thank you for your patience this week as we reviewed Coordinated Care's proposal for the Healthcare Exchange. Seattle Children's Senior Leadership maintains the position that a [redacted] reimbursement methodology is required for the Healthcare Exchange. Accepting any other methodology would jeopardize the parity we've obtained and received in proposals with the other Payors participating within the Exchange. We continue to be willing to negotiate the % amount with Coordinated Care yet any proposal with a methodology other than a [redacted] will continue to be rejected.

In regards to the Medicaid changes, we did agree to move away from the static Medicaid rates negotiated within our contract based upon the recent actions of the State yet we did not agree that our percentage rate would be impacted. As mentioned above, the direction placed upon our department from Seattle Children's Senior Leadership is to maintain parity within the market thus accepting a decrease in reimbursement would place Coordinated Care at an advantage among your peers.

In addition, we constantly struggle with administrative issues without timely resolution. For example, it took almost a year for Coordinated Care to update the payment system to accurately calculate outlier payments on accounts. Our Home Care claims paid incorrectly for over a year before Coordinated Care sent over an Amendment to address the issue (which then took over 4 months to finalize). Due to a take-back payment error made by Coordinated Care, we did not receive payments for over 3 months causing credit balances on hundreds of claims during the end of our fiscal year. Currently we are experiencing Coordinated Care switching E&M CPT codes on the claims we are submitting then paying according to the new codes Coordinated Care assigns which is against billing standards and is causing an auditing nightmare. ...and these are only a few of the billing issues we have experienced and continue to experience with Coordinated Care.

The point of the matter is, we are not in a position at this point to accept a lower reimbursement rate from Coordinated Care while administrative issues keep surfacing without timely resolution. Our request remains that we move forward with removing the static reimbursement methodology at the end of this year while maintaining our current reimbursement rate of [redacted]

I look forward to receiving a response at your earliest convenience.

11/14: Received an email from Eileen asking that I respond to CC's exchange proposal. Responded that I would in the morning.
11/8: Received the below email from Carolyn. (Spoke with Eileen. She meets with Kelly on Tuesday and will relay the message/get next steps.) (I did respond to everyone on 11/8 with a thank you, we'd review internally, and get back with them asap.
Hi Margrette: Chuck Levine and I very much appreciated the willingness of Seattle Children's Hospital to allow for Coordinated Care to make a counterproposal to your offer of [redacted] for the Exchange product.

While we certainly understand your desire for a [redacted] payment structure, that methodology is not acceptable to Centene leadership and is inconsistent with current hospital payment norms. Having worked with your hospital since the early nineties, I do know that Seattle Children's has always contracted under a [redacted] methodology. However, I respectfully suggest that along with the current shift/paradigm occurring in healthcare overall with the groundbreaking Affordable Care Act, perhaps it is also time for Seattle Children's to allow for changes to the policy that has been in place. A [redacted] methodology does not allow for the Payor to predict costs, which is of utmost importance when setting premiums. We hope that Seattle Children's will re-evaluate its position, and therefore propose the following:

<u>For Exchange participation</u>

- [redacted] for all services, IP and OP, excluding transplant services.

- Commitment to engage in discussion and good faith negotiations regarding development of pediatric transplant agreement effective as soon as possible. Structure: (traditional bundled zone transplant case structure)

  pre-surg. rate, IP transplant episode case rate including professional services and stoploss/outlier provision
  Post-op care rates

<u>For Medicaid Contract Amendment</u>

- Deletion of the date-specific reference in the current Agreement so that the rate can move with changes made by HCA

- Renewal for 2014 with rate adjustment to [redacted]

We hope that Seattle Children's will accept our offer, as we hope to partner with you and your facility as we both move forward with other programs on the horizon.

Thank you,

Carolyn Leptich

11/7: Reached out to Carolyn and Chuck asking for status on CC's counterproposal. Attached is the email trail. Long story short, we should have a response by tomorrow, Friday, 11/8.

11/5: Had a call with Chuck and Carolyn (along with Eileen) today. Per Chuck, [redacted] is a no go. Per Eileen, [redacted] is the only way. Chuck will review internally and get a proposal to us by the end of the week. We also discussed the changes to the Medicaid rates. Carolyn indicated she would review internally and get back with me.

10/28: Working on scheduling a conference call with Chuck and Carolyn to talk about the Exchange and the changes to our Medicaid contract. Shooting for the week of the 4th.

10/25: Received an email from Carolyn including the topics they would like to discuss in a meeting.
Hi Margrette: thanks so much for responding, as you must be so busy having been out of the office this week!

For the first meeting, we'd like to re-visit several issues that have already been discussed and determine what our next steps should be:

-Exchange Update

-Exchange Agreement

-Medicaid Renewal

-SSI Pilot

-The Assist Group

For a second meeting, it might be appropriate to invite others on our Leadership team, for example Nate Moore and Dr. Jay Fathi, to discuss the more strategic issues relative to the Seattle Children's/Coordinated Care long-term relationship.

How does that sound? Have a great weekend.

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

10/21-10/24: Many attempts from Carolyn and Chuck to get a hold of me and/or Eileen to talk. (We were in Chicago at the CHA Conference.) I did respond to Chuck stating that we were traveling and that I would get in touch with him when I returned to Seattle.

10/10: Received an email from Carolyn yesterday asking that we update the meeting minutes to remove the reference to CC using Multiplan's network. She asked that we say that Carolyn was going to inquire about the use of Multiplan. (I responded and updated the meeting minutes on Friday, 10/11.)

10/9: Eileen mentioned that the OIC would be calling us tomorrow regarding the non-contracted Payors. She asked that I confirm again with Carolyn that nothing has changed in the last 24 hours. I did so then forwarded a copy to Eileen.
Hi Carolyn,

I was just informed that the OIC will be calling us at some point tomorrow to discuss the suit we filed as well as the current position from those Payors we do not hold contracts with for the Exchange. I realize that you sent me the below update just yesterday but in order to ensure we are providing the most up-to-date information to the OIC, I would like to

confirm that Coordinated Care's position remains as 1) Seattle Children's is not a participating, in-network Provider in Coordinated Care's Exchange network and 2) Coordinated Care will not be utilizing the Multiplan network options in King County (thus excluding Seattle Children's as we do hold a contract with Multiplan).

Thank you for reconfirming.

-Margrette

10/9: Emailed Carolyn asking for a counterproposal as well as their position if we are an out of network provider on 1/1/14.

I have been reviewing my emails regarding Coordinated Care's Exchange products and noted that we did not receive a response to the counter proposal we emailed over on the 23rd of August. We would like to continue the discussion therefore, please provide a counter proposal as soon as you are able.

Also, at the end of the day if we are unable to agree on reimbursement terms, how will we be accessed for those children that need services only provided at Seattle Children's? I know we've spoken of utilizing a single case agreement process but would like to know in detail what this process looks like from CC. One other question, how will claims originating from the ER be reimbursed if we are out-of-network?

Our goal is to be contracted with Coordinated Care for the Exchange and hope that we will be able to move forward swiftly on putting an agreement in place.

10/8: Received an email from Carolyn that CC would not be using the Multiplan network for King county so we are still non-par. (Forwarded information to Eileen.)
"Regarding Multiplan/Exchange: at present we are finalizing our strategy, but for now we don't intend to use the Multiplan network options in King county. We are also finalizing our provider HIX materials, and I will forward when ready for publication."

10/4: No word from Carolyn so sent her a follow-up email today.
Hi Carolyn,

Happy Friday!

Healthy Options: Checking in regarding the amendment... What's the latest?

Exchange: We have begun to receive questions regarding CC's Exchange products. Can you send over plan specific information? Also, were you able to confirm with Chuck that we are in-network for CC's Exchange products due to our control with Multiplan?

Lunch: We had chatted about getting lunch soon. Seattle's Restaurant week is next week and the following. Take a look at the attached link. http://seattletimes.com/seattlerestaurantweek/ Any place sound good and what days are you free?

Thanks!
Margrette

9/26: Spoke with Carolyn during the Operations Meeting about receiving additional information regarding the Exchange and if we are in network since CC is using the Multiplan network.

9/18: Emailed Carolyn asking if she could send a copy of CC's SCA. She responded via email and included CC's SCA.

9/18: Rec'd the ALJ's ruling from Chuck.
9/12: Follow-up email to Chuck requesting ALJ's findings and the SCA.
9/10: Received an email from Chuck stating he would get us the materials tomorrow that we requested on the 9th.
9/9: Eileen and I met with Chuck Levine and Nate Moore to discuss multiple contracting efforts including the Exchange. During this conversation, we learned that CC would be in 14 counties (excluding Pierce) with King, Snohomish, and Skagit included in the 14. CC stated that CUMG would not be pursued at this time either. We asked several follow-up questions including what the process would be for ED cases and could we pursue single case agreements (SCA) for services provided at SCH if we were not contracted? We requested a copy of CC's single case agreement template and a copy of the Administrative Law Judge's ruling regarding CC's participation within the Exchange.

[Late August to early September: the OIC rejected CC as a Payor within the Exchange; CC appealed the OIC's decision; the ALJ overturned the OIC; and CC was in the Exchange.]

8/23: Eileen and Chuck had a phone conversation regarding the Exchange. I was asked to send Carolyn with our lowest counter i.e. [redacted] I emailed Carolyn after receiving her email. She acknowledged my email and stated she would relay the information to Chuck.
Thanks so much, Margrette. I'll let Chuck know. Happy Friday!

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Friday, August 23, 2013 9:42 AM
To: Carolyn Leptich
Subject: RE: Seattle Children's Hospital/Coordinated Care

Good morning,

Eileen is in a meeting all day but we were able to touch base briefly regarding her discussion with Chuck. We have agreed to lower our rate proposal to [redacted] This is our final rate proposal.

Thanks,
Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Friday, August 23, 2013 8:36 AM
To: Paterson, Margrette
Subject: FW: Seattle Children's Hospital/Coordinated Care
Importance: High

Hi Margrette: I know that Chuck Levine has had conversations with Eileen regarding the Exchange network. Can you please confirm what Seattle Children's final rate proposal will be and let me know as soon as possible?

I'm sure you've seen in the press what is going on in our state regarding the Exchange. As such, we are still moving forward to finalize our network, so a quick response would be so appreciated.
http://seattletimes.com/html/localnews/2021661375_acaplanvotexml.html

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

8/7: Our proposal to CC for the Exchange based upon OIC's determination that the Exchange products were commercial based.
Hi Carolyn,

Thank you for your voicemail and for sharing the information regarding CC's ability to address the OIC's objections.

I actually had a meeting with Leadership earlier today in which I discussed your email and would like to share the following:

We learned last week that the OIC considers the Exchange a Commercial-based product. Based on this information, we would be unable to accept any rate or methodology other than our standard Commercial reimbursement rate [redacted].

In order for Seattle Children's to accept a contract with Coordinated Care for the Exchange, the reimbursement rate would have to be [redacted].

Please note, we are in-network with each of the Payors who were awarded the individual business within the Exchange at our Commercial rates [redacted] Accepting any rate or methodology less than what is currently in place with those awarded the business is unacceptable at this time.

Sincerely,
Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

8/5: Received an email from Carolyn regarding a number of items including the Exchange.
Hi Margrette: thanks, I did have a nice, but too very short, weekend! I hope that your allergies have improved!

Coordinated Care is continuing to move forward with our options to provide an Exchange network/products for 2014, and all is considered "business as usual" right now. As such, I would like to update Nate with a proposed [redacted] reimbursement for the Exchange. Regarding your proposal to move to the [redacted], we will accept that, but would still like to engage in a conversation with Children's about rates in general. I will be ordering a contract amendment that will be retroactive to 7/1/13.

I understand that your Home Care amendment will be signed today, and will email you the scanned version just as soon as I can.

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

[From May to August, we focused on our issues surrounding the Assist Group. By the time we circled back on the Exchange, Channon had resigned and Carolyn Leptich, Senior Provider Contracting Executive, assumed the relationship.]

5/10/13: Rec'd the below email from Channon. I emailed Channon back on 5/10 acknowledging her email and letting her know that I would review/respond shortly.
Hi Margrette, happy Friday!

This is a follow-up to the items we discussed yesterday. I did find out Dr. West reviewed the file we discussed. Nate and I will meet with him early next week to discuss this review. I would like to work on scheduling an in-person meeting later in the week next week, if possible, to discuss this case and the Assist Group. Please let me know if I should work with you to schedule this meeting.

Also, if possible, we would like to take time during this meeting to discuss other items (most likely will not need clinical folks).

- Exchange
- Daily rates

Regarding the other items we discussed yesterday, I did find out your NPI for home care services was not loaded to our systems under your contract, which resulted in incorrect reimbursement. We are in the process of correcting/reprocessing all impacted claims. Once you forward the outlier calculation methodology you are applying, we will review on this end.

Let me know if I missed anything.

Talk soon,

Channon Crowe
Manager, Contracting

5/9/13: Received the below email from Channon which included contractual documents.
Hi Margrette,

It was nice to meet you via phone. As discussed, please find attached the information related to the Exchange. Feel free to contact me any time with any questions – I am happy to answer!

In the meantime, I will follow-up on the other two items we discussed (Assist Group/home care services).

Thank you,

Channon Crowe
Manager, Contracting

5/9/13: Discussion with Channon Crowe (she called me).

1. Dual Eligibles – Not in 2014 but will file in 2015
2. Health Exchanges – We are not included in the filing that CC sent to the OIC

a. We are not included in the filing that CC sent to the OIC
b. Lower income niche – CC's focus
c. BHP gone in 2014
d. Pediatric population moving to the exchange in King County? CC used McKenzie information – roughly 25k lives. (FPL 250% + below 18)
e. Patricia Kelly (former VP of Contracting) told CC that all avenues were exhausted with SCH. I told her that was not the case and we want to participate.
f. According to Channon, we cannot do LOAs in the state because of the OIC told them LOAs could not be used as a gap filler.

3. Home Care

g. Examples to Channon. She will work internally to find out the issue.

4. The Assist Group

h. Jennifer Freeman is who to speak with.
i. Lori M and I will send over examples of underpayments.

From: Paterson, Margrette [margrette.paterson@seattlechildrens.org]
Sent: Wednesday, October 09, 2013 1:33 PM
To: 'Carolyn Leptich'
Cc: O'Connor-King, Eileen; 'Charles Levine'
Subject: FW: Seattle Children's Hospital/Coordinated Care

Hi Carolyn,

I have been reviewing my emails regarding Coordinated Care's Exchange products and noted that we did not receive a response to the counter proposal we emailed over on the 23rd of August. We would like to continue the discussion therefore, please provide a counter proposal as soon as you are able.

Also, at the end of the day if we are unable to agree on reimbursement terms, how will we be accessed for those children that need services only provided at Seattle Children's? I know we've spoken of utilizing a single case agreement process but would like to know in detail what this process looks like from CC. One other question, how will claims originating from the ER be reimbursed if we are out-of-network?

Our goal is to be contracted with Coordinated Care for the Exchange and hope that we will be able to move forward swiftly on putting an agreement in place.

Thanks,
Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX

margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL · RESEARCH · FOUNDATION

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Friday, August 23, 2013 9:56 AM
To: Paterson, Margrette
Subject: RE: Seattle Children's Hospital/Coordinated Care

Thanks so much, Margrette. I'll let Chuck know. Happy Friday!

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Friday, August 23, 2013 9:42 AM
To: Carolyn Leptich
Subject: RE: Seattle Children's Hospital/Coordinated Care

Good morning,

Eileen is in a meeting all day but we were able to touch base briefly regarding her discussion with Chuck. We have agreed to lower our rate proposal to [redacted] This is our final rate proposal.

Thanks,

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL • RESEARCH • FOUNDATION

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Friday, August 23, 2013 8:36 AM
To: Paterson, Margrette
Subject: FW: Seattle Children's Hospital/Coordinated Care
Importance: High

Hi Margrette: I know that Chuck Levine has had conversations with Eileen regarding the Exchange network. Can you please confirm what Seattle Children's final rate proposal will be and let me know as soon as possible?

I'm sure you've seen in the press what is going on in our state regarding the Exchange. As such, we are still moving forward to finalize our network, so a quick response would be so appreciated.
http://seattletimes.com/html/localnews/2021661375_acaplanvotexml.html

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Phone: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Wednesday, August 07, 2013 5:04 PM
To: Carolyn Leptich
Cc: Shannon Johnson
Subject: RE: Seattle Children's Hospital/Coordinated Care

Hi Carolyn,

Thank you for your voicemail and for sharing the information regarding CC's ability to address the OIC's objections.

I actually had a meeting with Leadership earlier today in which I discussed your email and would like to share the following:

We learned last week that the OIC considers the Exchange a Commercial-based product. Based on this information, we would be unable to accept any rate or methodology other than our standard Commercial reimbursement rate at [redacted].

In order for Seattle Children's to accept a contract with Coordinated Care for the Exchange, the reimbursement rate would have to be [redacted].

Please note, we are in-network with each of the Payors who were awarded the individual business within the Exchange at our Commercial rates (% of BC). Accepting any rate or methodology less than what is currently in place with those awarded the business is unacceptable at this time.

Sincerely,

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL + RESEARCH + FOUNDATION

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Monday, August 05, 2013 1:54 PM
To: Paterson, Margrette
Cc: Shannon Johnson
Subject: RE: Seattle Children's Hospital/Coordinated Care

Hi Margrette: thanks, I did have a nice, but too very short, weekend! I hope that your allergies have improved!

Coordinated Care is continuing to move forward with our options to provide an Exchange network/products for 2014, and all is considered "business as usual" right now. As such, I would like to update Nate with a proposed percentage of Medicare reimbursement for the Exchange. Regarding your proposal to move to the 7/1/13 published Medicaid rates at your current percentages, we will accept that, but would still like to engage in a conversation with Children's about rates in general. I will be ordering a contract amendment that will be retroactive to 7/1/13.

I understand that your Home Care amendment will be signed today, and will email you the scanned version just as soon as I can.

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Office: 253.442.1507
Mobile: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Monday, August 05, 2013 1:22 PM
To: Carolyn Leptich
Subject: RE: Seattle Children's Hospital/Coordinated Care

Hi Carolyn,

I hope you had a pleasant weekend.

As to proposing a date/time for the clinical discussion regarding the Assist Group cuts [redacted]

In regards to the CC's proposal to reduce our reimbursement rates, have you discussed our counterproposal with Nate? We are firm on our counterproposal and would like to review contractual documents as soon as possible to put in place the reduced conversion factor and per diem rates. (SCH's Counterproposal: Freeze reimbursement at [redacted] and remain at [redacted] for Healthy Options, Basic Health Plan Plus, SSI and [redacted] for Basic Health Plan. No retro-effective date.)

For the Health Exchange, we received word that CC was not approved by the Commissioner to participate in the Exchange therefore we do not see the need to further explore this endeavor.

And one for you...I haven't received the signed Home Care Amendment yet. Could you see where it is? We cannot load any rates into our system until the executed Amendment is received.

Thanks,
Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL · RESEARCH · FOUNDATION

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Monday, August 05, 2013 12:57 PM
To: Paterson, Margrette
Subject: RE: Seattle Children's Hospital/Coordinated Care

Hi Margrette: how are we doing on proposing dates/times for the two (2) meetings/conference calls we need to have?

Question – when we talked about whether it was "too late" for Children's to be in our Exchange network, you mentioned that you might be able to offer us [redacted] rates. Do you know what [redacted] those rates would fall at?

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Office: 253.442.1507
Mobile: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Tuesday, July 30, 2013 10:52 AM
To: Carolyn Leptich
Subject: RE: Seattle Children's Hospital/Coordinated Care

Hi Carolyn,

Just wanted to let you know that I haven't forgotten about your ask below. We are working on a summary to provide Dr. West for a clinical conversation regarding the cuts the Assist Group consistently takes on pediatric claims. Once I have this information, I will forward it to you along with our availability for a call.

In regards to the change in State Medicaid rates and the proposed rate reduction, I emailed over our counter-proposal yesterday. Once we have the contractual documents from CC for review, we can move forward on moving off of the [redacted]

Thanks,
Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations

Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL | RESEARCH | FOUNDATION

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Wednesday, July 24, 2013 2:11 PM
To: Paterson, Margrette
Subject: RE: Seattle Children's Hospital/Coordinated Care

Hi Margrette: my apologies for not responding yet on this item. I did speak with Nate Moore regarding this, as I was not at the meeting you had with him and Channon.

Nate confirmed that we need to set a follow-up meeting regarding:

- TAG results
- Change in the state Medicaid rates
- Proposal for rate reduction with Children's

We would like to meet in person. Can you please propose some dates/times, and I'll coordinate on our end as well.

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Phone: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Tuesday, July 09, 2013 4:49 PM
To: Carolyn Leptich
Subject: RE: Seattle Children's Hospital Amendment approved

Yes, I am. As an update on our end, we've met with Finance and are gathering additional pieces of information from the State. Once completed, we will be escalating the matter to Executive Leadership for their direction in the matter. I know this is a top priority for CC and I'm handling it internally as such.

On another note, one of our follow-ups from the last meeting regarding The Assist Group (TAG) was setting up a call to discuss the particular service lines that TAG consistently cuts inappropriately (e.g. point of care testing) in greater details once CC had a chance to review further. I'd like to work with you on finding a date/time in the next week or so for that call to happen.

Margrette Paterson
Contract Administrator, Seattle Children's
Tel: 206-987-7092
Fax: 206-985-3177

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Tuesday, July 09, 2013 2:37 PM
To: Paterson, Margrette
Subject: RE: Seattle Children's Hospital Amendment approved

Awesome, thanks Margrette! On a separate note, you're going to let me know about what Children's is going to do about the static 2012 Medicaid rate schedule, right? I have a message from Channon to keep an eye out for it so that we can set up a meeting to discuss.

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Office: 253.442.1507
Mobile: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Tuesday, July 09, 2013 2:23 PM
To: Carolyn Leptich
Subject: RE: Seattle Children's Hospital Amendment approved

Perfect! Thank you for getting this to me so quickly. I will be able to send an electronic copy to you tomorrow, late afternoon, then the originals should follow by snail mail.

Margrette Paterson
Contract Administrator, Seattle Children's
Tel: 206-987-7092
Fax: 206-985-3177

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Tuesday, July 09, 2013 1:28 PM
To: Paterson, Margrette
Subject: FW: Seattle Children's Hospital Amendment approved
Importance: High

Hi Margrette: here's the revised Amendment. Please use my instructions from earlier email if all is okay. Thanks!!!

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Office: 253.442.1507
Mobile: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Friday, June 28, 2013 9:38 AM
To: Channon Crowe
Cc: Carolyn Leptich
Subject: RE: Coordinated Care Amendment - Secure

Hi Channon,

Thank you for your call.

As requested, please see our request to the modified default language to Amendment (Number 2).

4. Payment for Professional Services. Payment for those professional Covered Services, including but not limited to services provided by Hospital-based physicians, Certified Registered Nurse Anesthetists (" RNAs") or other professionals, that are billed UB Claim Form or its successor under Hospital's TIN and provider identification number in connection with inpatient Covered Services is included in any payment for such inpatient Covered Services pursuant to this Exhibit. Payment for those professional Covered Services that are billed on a CMS 1500 or its successor form under Hospital's TIN and provider identification number in connection with outpatient Covered Services shall be determined pursuant to the Medicaid physician services fee schedule as published on July 1, 2012 at [redacted] for Healthy Options, SSI Programs, and Washington Basic Health Plan Plus and at [redacted] for Washington Basic Health Plan enrollees.

These modifications will remove any confusion regarding what the reimbursement rate is for each program offered by CC that we are contracted for.

Thank you for all of your help.

Have a wonderful day!

-Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's
206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL · RESEARCH · FOUNDATION

From: Paterson, Margrette
Sent: Wednesday, June 26, 2013 3:29 PM
To: 'Channon Crowe'
Cc: Carolyn Leptich
Subject: RE: Coordinated Care Amendment - Secure

Yes, we did discuss SSI however the language within the Section that is changing does not reference SSI or BHPP. Regardless if CC considers SSI and BHPP falling under the "Healthy Options" umbrella, our payment exhibit clearly references SSI and BHPP. The argument could be made that only services for members tied to CC's Healthy Options plan only would be reimbursed at [redacted] since Healthy Options is the only plan mentioned in this modified section. Any patient tied to CC's SSI and/or BHPP plans would still be reimbursed at [redacted]

The language needs to be as I've indicated below to be consistent with the terms throughout payment exhibit. If it is not, the Amendment will not be approved by our CFO for signature.

Margrette Paterson
Contract Administrator, Seattle Children's
Tel: 206-987-7092
Fax: 206-985-3177

From: Channon Crowe [mailto:CCROWE@coordinatedcarehealth.com]
Sent: Wednesday, June 26, 2013 2:36 PM
To: Paterson, Margrette
Cc: Carolyn Leptich
Subject: RE: Coordinated Care Amendment - Secure

Hi Margrette, we discussed SSI – this falls under the HO reimbursement level not the BH. Call me if you would like to further discuss.

Thanks,
Channon

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Wednesday, June 26, 2013 1:59 PM
To: Channon Crowe
Cc: Carolyn Leptich
Subject: RE: Coordinated Care Amendment - Secure

Thanks Channon!

The Healthy Options rate is still incorrect though and BHHP/SSI is not addressed. The language should read, "[redacted] for Washington Basic Health Plan Plus, Healthy Options, and SSI Programs and [redacted] for Basic Health Plan enrollees."

I am able to coordinate signature from Seattle Children's CFO tomorrow, late morning. If the language and rate can be changed by then, I will be able to have the documents signed and copies returned to Coordinated Care tomorrow afternoon.

Please keep me posted.

Thanks,
Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL • RESEARCH • FOUNDATION

From: Channon Crowe [mailto:CCROWE@coordinatedcarehealth.com]
Sent: Wednesday, June 26, 2013 1:46 PM
To: Paterson, Margrette
Cc: Carolyn Leptich
Subject: Coordinated Care Amendment - Secure

Hi Margrette,

Please find attached your updated Amendment with Coordinated Care to include the Basic Health reimbursement. Please print off two copies for signature and return both copies to:

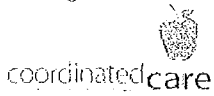
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402

We will then fully execute the Amendments and return an original to you for your records.

In addition, please scan and email a copy of the signed Amendment to me and Carolyn Leptich. This will allow us to get started on the claim project.

Thank you,

Channon Crowe
Manager, Contracting



coordinatedcare

1145 Broadway, Suite 300
Tacoma, WA 98402
Office: (253)-442-1495
www.CoordinatedCareHealth.com

Established to deliver quality health care in the state of Washington through local, regional and community-based resources, Coordinated Care is a Managed Care Organization and subsidiary of Centene Corporation (Centene). Coordinated Care exists to improve the health of its beneficiaries through focused, compassionate and coordinated care. Our approach is based on the core belief that quality health care is best delivered locally. For more information, visit www.CoordinatedCareHealth.com

contact the sender by reply e-mail and destroy all copies of the original message.

CONFIDENTIALITY NOTICE: This communication contains information intended for the use of the individuals to whom it is addressed and may contain information that is privileged, confidential or exempt from other disclosure under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution or use of the contents is prohibited. If you have received this in error, please notify the sender immediately by telephone or by returning it by return mail and then permanently delete the communication from your system. Thank you.

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

CONFIDENTIALITY NOTICE: This communication contains information intended for the use of the individuals to whom it is addressed and may contain information that is privileged, confidential or exempt from other disclosure under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution or use of the contents is prohibited. If you have received this in error, please notify the sender immediately by telephone or by returning it by return mail and then permanently delete the communication from your system. Thank you.

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

CONFIDENTIALITY NOTICE: This communication contains information intended for the use of the individuals to whom it is addressed and may contain information that is privileged, confidential or exempt from other disclosure under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution or use of the contents is prohibited. If you have received this in error, please notify the sender immediately by telephone or by returning it by return mail and then permanently delete the communication from your system. Thank you.

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please

contact the sender by reply e-mail and destroy all copies of the original message.

CONFIDENTIALITY NOTICE: This communication contains information intended for the use of the individuals to whom it is addressed and may contain information that is privileged, confidential or exempt from other disclosure under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution or use of the contents is prohibited. If you have received this in error, please notify the sender immediately by telephone or by returning it by return mail and then permanently delete the communication from your system. Thank you.

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

CONFIDENTIALITY NOTICE: This communication contains information intended for the use of the individuals to whom it is addressed and may contain information that is privileged, confidential or exempt from other disclosure under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution or use of the contents is prohibited. If you have received this in error, please notify the sender immediately by telephone or by returning it by return mail and then permanently delete the communication from your system. Thank you.

From: Paterson, Margrette [margrette.paterson@seattlechildrens.org]
Sent: Wednesday, October 09, 2013 4:26 PM
To: 'Carolyn Leptich'
Subject: Exchange - Confirmation

Importance: High

Hi Carolyn,

I was just informed that the OIC will be calling us at some point tomorrow to discuss the suit we filed as well as the current position from those Payors we do not hold contracts with for the Exchange. I realize that you sent me the below update just yesterday but in order to ensure we are providing the most up-to-date information to the OIC, I would like to confirm that Coordinated Care's position remains as 1) Seattle Children's is not a participating, in-network Provider in Coordinated Care's Exchange network and 2) Coordinated Care will not be utilizing the Multiplan network options in King County (thus excluding Seattle Children's as we do hold a contract with Multiplan).

Thank you for reconfirming.

-Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX

margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL • RESEARCH • FOUNDATION

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Tuesday, October 08, 2013 1:33 PM
To: Paterson, Margrette
Subject: RE: Couple of Items

Hi Margrette: so sorry for the delay in responding! The amendment has been created and is in internal review/approval before it will be submitted to the OIC for review/approval. I'll let you know when it's ready for signature.

Regarding Multiplan/Exchange: at present we are finalizing our strategy, but for now we don't intend to use the Multiplan network options in King county. We are also finalizing our provider HIX materials, and I will forward when ready for publication.

Lunch: yes, I would love to meet you for lunch! I am available Thursday and Friday this week. Next week I'll be at the HFMA conference in Cle Elum Monday-Wednesday, but available Thurs and Fri. What neighborhoods would work best for you?

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Phone: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Friday, October 04, 2013 10:51 AM
To: Carolyn Leptich
Subject: Couple of Items

Hi Carolyn,

Happy Friday!

Healthy Options: Checking in regarding the amendment... What's the latest?

Exchange: We have begun to receive questions regarding CC's Exchange products. Can you send over plan specific information? Also, were you able to confirm with Chuck that we are in-network for CC's Exchange products due to our control with Multiplan?

Lunch: We had chatted about getting lunch soon. Seattle's Restaurant week is next week and the following. Take a look at the attached link. http://seattletimes.com/seattlerestaurantweek/ Any place sound good and what days are you free?

Thanks!
Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL · RESEARCH · FOUNDATION

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Wednesday, September 18, 2013 8:32 AM

To: Paterson, Margrette
Subject: RE: Welcome back!

Hi Margrette: while I was gone Chuck Levine asked another contractor, Brad Morrow, to work on that amendment with you. Yesterday I forwarded to Brad the amendment I had already ordered through our Contract Mgmt. system, but that needed to be formatted in a different way. I had not had an opportunity before I left to get it completed, so that is why it was assigned to Brad. I'll touch base with him later this morning to ask if he has started on it, or would like me to continue. I'll get back to you in a bit.

Yes, it was a wonderful vacation....but back to reality!

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Phone: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Wednesday, September 18, 2013 8:22 AM
To: Carolyn Leptich
Subject: Welcome back!

Hi Carolyn,

I hope your trip was absolutely wonderful and I'm excited to hear how it went.

I know you are just now getting back into the office but I'd like to schedule some time with you to discuss the Healthy Options amendment addressing the 7/1/13 changes to the Safety Net Assessment Payment.

When you have a chance, please let me know when you have some time available. (If we couldn't touch base today or tomorrow, I would be looking at the 25th thru the 27th on time as I'll be out of the office this Friday and the following Monday and Tuesday.)

Thanks!

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL • RESEARCH • FOUNDATION

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

CONFIDENTIALITY NOTICE: This communication contains information intended for the use of the individuals to whom it is addressed and may contain information that is privileged, confidential or exempt from other disclosure under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution or use of the contents is prohibited. If you have received this in error, please notify the sender immediately by telephone or by returning it by return mail and then permanently delete the communication from your system. Thank you.

From: Channon Crowe [CCROWE@coordinatedcarehealth.com]
Sent: Thursday, May 09, 2013 1:58 PM
To: Paterson, Margrette
Subject: Coordinated Care Exchange Information
Attachments: Washington Exchange and Medicaid (2).pptx; CE Product Attachment Hosp w Comp Schedule.doc; CE Product Attachment Group w comp sched.doc; ATT00001.txt

Hi Margrette,

It was nice to meet you via phone. As discussed, please find attached the information related to the Exchange. Feel free to contact me any time with any questions – I am happy to answer!

In the meantime, I will follow-up on the other two items we discussed (Assist Group/home care services).

Thank you,

Channon Crowe
Manager, Contracting
coordinatedcare
1145 Broadway, Suite 300
Tacoma, WA 98402
Office: (253)-442-1495
www.CoordinatedCareHealth.com

Established to deliver quality health care in the state of Washington through local, regional and community-based resources, Coordinated Care is a Managed Care Organization and subsidiary of Centene Corporation (Centene). Coordinated Care exists to improve the health of its beneficiaries through focused, compassionate and coordinated care. Our approach is based on the core belief that quality health care is best delivered locally. For more information, visit www.CoordinatedCareHealth.com

Coordinated Care

Finally a health care company that cares as much as you do

coordinatedcare

ACA Basics
Post 2014 Health Insurance Market Snapshot

- Pay or Play
  - Individual Mandate
  - Employer penalties
- Health insurance Access & Affordability
  - Guaranteed issue
  - Sliding scale Federal Advanced Premium Tax Credits (APTCs) & Cost Sharing Reductions (CSRs)
- Benefit adequacy and standardization
  - Essential Health Benefits
  - Preventive care at 100%
  - No lifetime maximum dollar limits
  - Metal tiers
- Insurer protections
  - 3Rs – reinsurance; risk corridors; risk adjustment
- Role of the "Exchange"
  - Online market place
  - State run or federally facilitated (FFE) or private run (Web based entities)
  - Facilitates
    - Eligibility determination for ALL health care/insurance options (incl. Medicaid)
    - Consumer assistance
    - Plan management
    - Consumer enrollment in qualified health plans (QHPs)
    - Connectivity into federal agencies (Treasury, DOL etc)
- Additional role of States
  - Exchange authority: QHP certification; EHB definition
  - DOIs:
    - Product filing (form) and rate approvals

ACA Basics
Washington State Specifics

- State is a leader in pursuing state-based control of exchange mechanics.
- The State is attempting to align the growth in Medicaid and Exchange opportunities concurrently.
- Process and Certifications
  - Network Adequacy. OIC
  - Qualified Health Plan Approvals: OIC
  - Provider Contract Approvals: OIC
  - All exchange funding, member billing, and eligibility processes: Exchange Board
  - Consumer facing: Exchange Board
- Insurance Organizations interested
  - All 5 existing Medicaid Managed care organizations
  - Most large commercial payors (Premera, Regence, Group Health, Aetna, Kaiser)

Strategic Objectives – Exchange & Medicaid Expansion

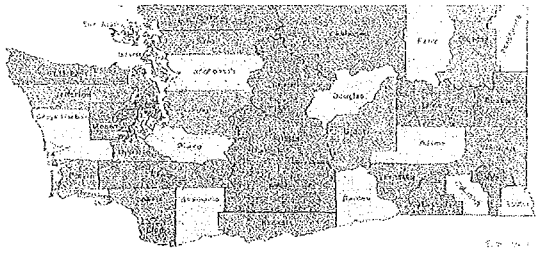
- *Meet State Customer Needs*
- States' churn concern = opportunity
  - Internal Centene Data on Churn (2011 Data)
    - 347,000 Members Annually - $1.62B Revenue
- Federal & State Concerns – Access, Cost and Quality
  - Gaps in Coverage
  - Disruption to Patient / Provider Relationships
  - Disruption to Continuity of Care
  - Split family

FOCUS

- **Strategic focus**: Focus on markets with strong local presence (like WA)
- **Target customers**: Highly subsidized individuals (< 400% FPL)
- **Low Cost** of Member Acquisition (low marketing cost)

Network Configuration

- *Strategic contracting approach*: Focus on markets with strong local presence.
- *16 County MSA*
  - Skagit
  - Snohomish
  - King
  - Pierce
  - Thurston
  - Kitsap
  - Grays Harbor
  - Chelan
  - Douglas
  - Grant
  - Yakima
  - Benton
  - Franklin
  - Walla Walla
  - Adams
  - Spokane



Network Configuration (cont.)

- PCP Component
  - FQHC's
  - Independent / Hospital based RHC's
- SPC / Facility Component
  - Narrow network of specialists and facilities focused on lower income bands with high quality/low utilization focus.

Metal Tiers – Sample Portfolio

Plalinum (90% AV)	[illegible]			
Gold (80% AV)	Option 1 $30/50 office copays, IP copay	Option 2 $1,200 ded., $600 contribution to HSA		
Silver*	70% AV [250%+ FPL] $1,500 ded., $30/50 OV copays	73% AV [200-250% FPL] $1,000 ded., $30/50 OV copays	87% AV [150-200% FPL] $500 ded., $15 OV copay	94% AV [133-150% FPL] $5 OV copay, $50 ER copay
Bronze (60% AV)	[illegible]	[illegible]		
Catastrophic (50% AV)	[illegible]			

* Notes:
1. Silver tier determines premium subsidies at 2nd lowest cost plan.
2. Examples illustrate impact of cost sharing reductions under Silver tier.

Sample Plan Designs

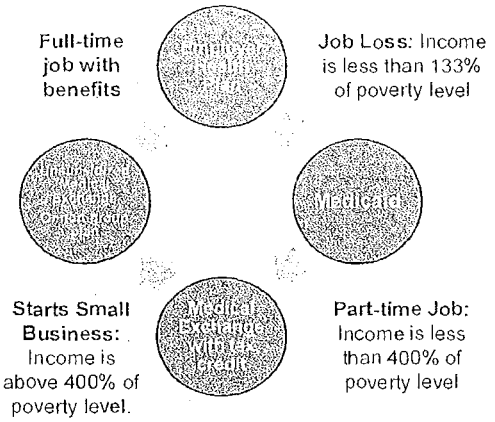
	<250%FPL 70% Silver	150-200%FPL 87% Silver	100-150%FPL 94% Silver	>250%FPL 70% Silver	150-200%FPL 87% Silver	100-150%FPL 94% Silver
Type of Benefit						
Medical						
Med Deductible ($)	$2,500	$250	$50	$3,000	$500	$100
RX Deductible	$1,000	$250	$50	$1,000	$250	$50
Coinsurance (%, insurer's Cost Share)	75%	80%	90%	75%	80%	90%
Rx Coinsurance	100%	100%	100%	100%	100%	100%
OOP Maximum ($)	$6,250	$2,250	$1,500	$6,250	$2,250	$1,500
Primary Care Visit to Treat an Injury or Illness (exc. Well-baby, Preventive, and X-rays)	$30	$10	$5	$30	$10	$5
Specialist Visit	$50	$30	$10	$50	$10	$10
ER	ded & coins	ded & coins	$100	ded & coins	$100	$100
Inpatient	ded & coins	ded & coins	ded & coins	ded & coins	ded & coins	ded & coins
Drugs						
Generics	$10	$5	$1	$10	$5	$1
Preferred Brand Drugs	$25	$25	$25	$25	$25	$25
Non-Preferred Brand Drugs	$75	$75	$75	$75	$75	$75
Specialty High-Cost Drugs	50%	50%	50%	50%	50%	50%
AV Value	69.3%	87.4%	94.5%	68.6%	86.6%	93.3%

Provider Value Proposition
Mitigate Impact of Churn

Family of 5

Medicaid Churn Impact Significant*:

- *40% of adults experience disruption of Medicaid eligibility within 6 months*
- *After 1 year, 38% no longer eligible & 16% lost eligibility & regained coverage*
- *By end of 4 years, 38% of adults experienced 4 or more changes in eligibility*

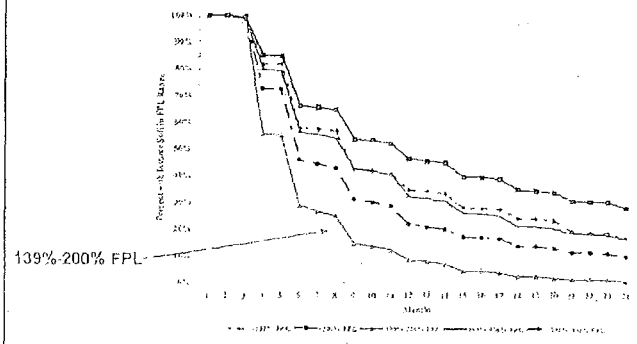


*Health Affairs study results

State of WA Churn Results

- Over several years, very few stay in the 139-200% FPL income range – a very unstable group

Retention In Initial (Current) Income Level (WA Adults 19-64)

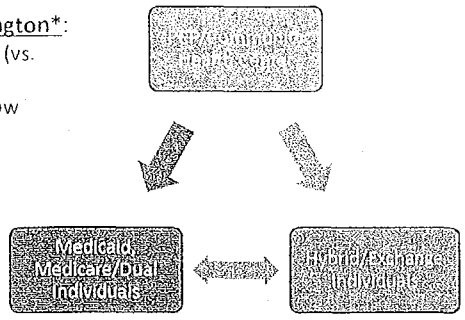


Providers & the Uninsured

FQHCs & the Uninsured-Washington*:

- 35% of FQHC patients uninsured (vs. 36% nationally)
- 74.2% of total patients at or below 150% of FPL or about 590,000 statewide

*HRSA 2011 data



Continuity of Care/Benefits Under Exchange Programs

- Providers participate in Medicaid and hybrid/exchange networks & products to coordinate care as membership "churns"
- Mitigate financial impact of member losing coverage/benefits

Target Customers: Summary

- Primary Market: Individual market only (no SHOP); below 400% FPL
- Year 1 estimates: 10,000 – 20,000 members
- Projected membership mix by metal tier:
  - –Platinum (0%) - not offered.
  - –Gold (10%),
  - –Silver (80%),
  - –Bronze (10%)
  - –Catastrophic (0%) – not offered.
- Projected cost sharing by metal tier:
  - –Gold: $500-1500 deductible; $30-$50 office co-pay.
  - –Silver: $1500-2500 deductible; $5-$50 office co-pay.
  - –Bronze: $3000-5000 deductible; contribution to HSA.
- Essential Health Benefits (EHB):
  - –As defined by ACA
  - –Single EHB for all metal tiers with multiple cost sharing options.

Key Success Factors

- We participate in programs that improve coordination of care for low income individuals – critical goal for State customers
  - Churn rates can vary from 20-50%
  - Integration with Medicaid/Exchange programs enables continuity of coverage without gaps
- Insurance coverage for previously uninsured at low income levels (under 250% FPL) mitigates provider bad debt
  - vs. uncompensated or charity care at reduced collections
  - Cost sharing reductions under ACA reduce OOP costs/enhance benefits
- DSH funds to be significantly reduced under ACA (mostly hospitals)
  - Future fund allocations by CMS based on hospital's care to uninsured
- Product & network design strongly encourages members to in-network providers ("lock-in" plan design, smaller/focused/narrow network)
- We have established successful, long term relationships with Community Health Centers/FQHCs
- Organization has extensive experience with exchange programs

Centene's Extensive Experience in Hybrid/Exchange Programs

CELTICARE Health Plan of Massachusetts

SUPERIOR HealthPlan

MHS Molina Healthcare

Current Hybrid/Exchange Programs

- Commonwealth Care, Commonwealth Care Choice, CommCare Bridge (Massachusetts)
- Healthy Texas
- Healthy Indiana

Frequently Asked Questions (FAQ's)

• What is Coordinated Care's enrollment expectations? More specifically, by target metal product?

Coordinated Care forecasts approximately 10,000 to 20,000 members throughout the State. We are expecting a vast majority of our membership to participate under the Silver tier due to the cost sharing reductions, with young, healthier, membership choosing to buy down to the Bronze tier. General estimates of member mix is: Platinum (0% - not offered), Gold (10%), Silver (80%), Bronze (10%), and Catastrophic (0% - not offered).

FAQ's (cont.)

• Will Coordinated Care participate in the small group / SHOP exchange market?

No. Coordinated Care's Commercial Exchange program is limited to the individual market.

• Will Coordinated Care utilize the broker community for product marketing?

No. Coordinated Care will not utilize the broker community for marketing purposes. Marketing needs will be met through community based organizations, local media, outbound phone calls, etc.

FAQ's (cont.)

• Define the price structure for each Commercial Exchange product Coordinated Care intends to offer?

As we work towards formal provider reimbursement arrangements, we expect to finalize plan design and product pricing by May 2013. Coordinated Care will fully comply with the ACA pricing requirements pertaining to Actuarial Values (AV) for each metallic tier.

• What will be the benefit design for Coordinated Care's membership?

Coordinated Care's benefit design will be consistent with the Essential Health Benefits (EHB) within each metallic tier and defined by the Affordable Care Act (ACA). Benefits will not vary across metal tiers in WA — one product with multiple cost sharing variations.

FAQ's (cont.)

• Will patient responsibilities be increased through high deductible plan offerings?

A vast majority of Coordinated Care's membership will be eligible for cost sharing reductions with deductibles ranging from $100 to $500. We are also using co-pays, not subject to deductibles, for Primary Care and Specialty office visits.

• How will "out of network" claims be paid by Coordinated Care?

There are no out of network benefits offered to membership who opt to utilized providers not contracted with Coordinated Care.

FAQ's (cont.)

• Define Coordinated Care's Medical Service Area (MSA)?

The MSA will be limited to a 16 county service area in which Coordinated Care maintains a strong local presence. A majority of the membership forecast is located in King, Spokane, and Yakima counties.

•How will Coordinated Care contract with providers?

Coordinated Care's initial contracting efforts will be focused on providers with an existing Medicaid relationship. Providers will be contracted via an Amendment to their current Medicaid Agreement.

FAQ's (cont.)

• Define the provider network configuration required to support Coordinated Care's Exchange program?

Coordinated Care has partnered with local FQHC's and RHC's to support PCP coverage requirements. Hospital and Specialist participation will be limited to a narrow network offering focused on high quality / low utilization providers.

•How will physicians be reimbursed?

Physicians will be paid under a FFS methodology. The physician fee schedule is a blended version of CMS 2012 "Rest of Washington" and Optum's "gap fill" code set.

FAQ's (cont.)

• Will Coordinated Care's physician fee schedule change from year to year?

With exception to new or change codes, the physician fee schedule will remain under the 2012 methodology. New or change codes will be add as they become effective.

•How will tertiary care hospitals be paid under the Commercial Exchange program?

Coordinated Care's inpatient reimbursement is a CMS equivalent based off a combination of DRG (MS DRG V29) and per diem methodologies. Outpatient reimbursement is a fixed, CMS equivalent, fee schedule derived from CMS' APC methodology.

FAQ's (cont.)

•How will Critical Access Hospitals (CAH's) be paid under the Commercial Exchange program?

CAH's will be paid under the CMS per diem methodology for inpatient services. Outpatient reimbursement will be based off the Hospital's cost-to-charge ratio.

•What are the critical activities from this point to the Program's "go live" date?

- *Product filing is due 4/1/13*
- *Rate filing is due 5/1/13 **
- *Open enrollment is 10/1/13*

**Participation in our Exchange network must be confirmed no later than 4/5/13 in order to meet the OIC filing due date of 4/10.*

GROUP AGREEMENT AMENDMENT
AND
COMMERCIAL-EXCHANGE PRODUCT ATTACHMENT

This Group Agreement Amendment and Commercial-Exchange Product Attachment (referred to herein as this "*Amendment and Attachment*") is made and entered into between _____ ("*Group*"), an entity described more fully in the signature block, and Coordinated Care Corporation ("*Managed Care Organization*" or "*MCO*"").

WHEREAS, MCO and Group entered into that certain provider agreement, including all Attachments, as may have been amended and supplemented from time to time (the "*Agreement*"), pursuant to which Group agrees to provide to covered persons those covered services described in the Agreement;

WHEREAS, MCO desires to amend the Agreement (i) to include Group and Group Providers as "Participating Providers" (as hereafter defined) in the "*Commercial-Exchange Product*," as defined and described in this Amendment and Attachment, and (ii) to add the Commercial-Exchange Product Attachment (as defined below) as a binding attachment to the Agreement;

WHEREAS, pursuant to the provisions of the Agreement, the Agreement may be amended by MCO providing at least sixty (60) days written notice thereof to Group, provided that Group does not object to such amendment by notifying MCO in accordance with the Agreement; and

WHEREAS, the Agreement is amended as hereafter provided in accordance with the notice provisions in the Agreement.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the Agreement is amended as set forth below.

1. Amendment.

1.1. Effective Date. This Amendment and Attachment is effective as of _____, 20___ ("*Effective Date*").

1.2 Defined Terms. All capitalized terms not specifically defined in this Amendment and Attachment will have the meanings given to such terms in the Agreement.

1.3 Modification to Defined Terms. For purposes of this Commercial-Exchange Product only, Article I of the Agreement is hereby deleted in its entirety and replaced with the following:

ARTICLE I
DEFINITIONS

1.1 *Affiliate(s)* means a person or entity controlling, controlled by, or under common control with MCO.

1.2 *Attachments* means the attachments to this Agreement, including addenda and exhibits, all of which are hereby incorporated herein by reference, as set forth in Section 11.15 to this Agreement.

1.3 *Clean Claim* means a claim that has no defect or impropriety, including any lack of any required substantiating documentation, or particular circumstances requiring special treatment that prevents timely payments from being made on the claim.

1.4 *Compensation Schedule* means at any given time the then effective schedule(s) of maximum rates applicable to the Commercial-Exchange Product under which Group and Group Providers will be compensated for the provision of Covered Services to Covered Persons. Such Compensation Schedule(s) will be set forth or described in an exhibit to the Commercial-Exchange Product Attachment.

1.5 *Commercial-Exchange Product* means those programs and health benefit arrangements offered by or available from or through MCO or a Payor that provide incentives to Covered Persons to utilize the services of certain contracted providers. The Commercial-Exchange Product includes those Coverage Agreements entered into, issued or agreed to by a Payor under which MCO, an Affiliate, or its delegate furnishes administrative services or other services in support of a health care program for an individual or group of individuals, which may include access to one or more of the MCO's or Payor's provider networks or vendor arrangements, and which may be provided in connection with a state or governmental-sponsored, employer-sponsored, or other private health insurance exchange. The Commercial-Exchange Product does not apply to any Coverage Agreements that are specifically covered by another Product Attachment to the Agreement.

1.6 *Coverage Agreement* means any agreement, program or certificate entered into, issued or agreed to by a Payor, under which the Payor arranges for the delivery of health care services to Covered Persons through one or more network(s) of providers or other vendor arrangements.

1.7 *Covered Person* means any individual entitled to receive Covered Services pursuant to the terms of a Coverage Agreement.

1.8 *Covered Services* means those services and items for which benefits are available and payable under the applicable Coverage Agreement and which are determined, if applicable, to be medically necessary under the applicable Coverage Agreement.

1.9 *Emergency Care* or *Emergency Services* has the meaning set forth in the Covered Person's Coverage Agreement.

1.10 *Emergency Medical Condition* has the meaning set forth in the Covered Person's Coverage Agreement.

1.11 *Group Provider* means any physician, individual practitioner or other health care professional who: (i) is employed, under written contract with or otherwise represented by Group; (ii) both Group and MCO have agreed may provide Covered Services pursuant to this Agreement; (iii) satisfies MCO credentialing criteria; and (iv) has indicated agreement to comply with all provisions of this Agreement that are applicable to Group Provider by executing a Participating Provider Attestation attached hereto as Exhibit 3.

1.12 *HIPAA* means the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160 and 164), any applicable state privacy laws, any applicable state information security laws, and implementing regulations and the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, and its implementing regulations adopted or to be adopted .

1.13 *Medical Director* means a physician or his/her physician designee duly licensed under RCW Chapter 18.57 or 18.71 designated by MCO to monitor and evaluate the appropriate utilization of Covered Services by Covered Persons.

1.14 *Medically Necessary* has the meaning set forth in the Covered Person's Coverage Agreement.

1.15 *Participating Health Care Provider* or *Participating Provider* means, with respect to a particular Product, any physician, hospital, ancillary, or other health care provider that has contracted, directly or indirectly, with MCO or Payor to provide Covered Services to Covered Persons, and that is designated by MCO or Payor as a "participating provider" in such Product. Group and Group Physician are Participating Providers pursuant to this Amendment and Attachment.

1.16 *Payor* means the entity that bears direct financial responsibility for paying from its own funds, without reimbursement from another entity, the cost of Covered Services rendered to Covered Persons under a Coverage Agreement.

1.17 *Payor Contract* means the contract with a Payor, pursuant to which MCO or an Affiliate furnishes administrative services or other services in support of the Coverage Agreements entered into, issued or agreed to by a Payor, which services may include access to one or more of provider networks or vendor arrangements of MCO or an Affiliate. The term "Payor Contract" includes a contract with a governmental authority (also referred to herein as a "Governmental Contract") under which MCO, an Affiliate or Payor arranges for the provision of Covered Services to eligible individuals.

1.18 *Product* means any program or health benefit arrangement designated as a "product" by MCO or a Payor (e.g., MCO Product, Medicaid Product, Commercial-Exchange Product, Payor-specific Product, etc.) that is now or hereafter offered by or available from or through MCO, an Affiliate or a Payor that provides Covered Persons in such product with incentives or access to Participating Providers in such product. For purposes of the Commercial-Exchange Product Attachment, "Product" means the Commercial-Exchange Product.

1.19 *State* means the State of Washington.

2. Commercial-Exchange Product Attachment.

2.1 Product Attachment. This Section 2 constitutes the "Commercial-Exchange Product Attachment" (this "Product Attachment") and is incorporated into the Agreement between Group and MCO. It supplements the Agreement by setting forth specific terms and conditions that apply to the Commercial-Exchange Product with respect to which Group has agreed that Group and Group Providers will participate, and with which Group and Group Providers must comply in order to maintain such participation. The provisions of this Section 2 constitute a new Product Attachment to the Agreement and do not delete or replace any language in the Agreement.

2.2 Participation. Unless otherwise specified in this Product Attachment Group and all Group Providers under the Agreement will participate in the Commercial-Exchange Product as "Participating Providers," and will provide to Covered Persons enrolled in or covered by a Commercial-Exchange Product, upon the same terms and conditions contained in the Agreement, as supplemented or modified by this Product Attachment, those Covered Services that are provided by Group and Group Providers pursuant to the Agreement. In providing such services, Group shall, and shall cause Group Providers, to comply with and abide by the provisions of the Agreement, including this Product Attachment and the policies and procedures of MCO and a Payor.

2.3 Attachment. This Product Attachment includes a Compensation Schedule at Exhibit 1.

2.4 Term. The term of Group and Group Providers' participation in the Commercial-Exchange Product will commence as of the Effective Date and, thereafter, will be coterminous with the term of the Agreement unless terminated pursuant to this Product Attachment. The participation of Group or any Group Provider as a "Participating Provider" in the Commercial-Exchange Product may be terminated by either Group or MCO by giving the other party at least one hundred eighty (180) days' prior written notice of such termination; in such event, Group shall immediately notify Group Providers of such termination.

2.5 Conflict and Construction. This Amendment and Attachment modifies, supplements and forms a part of the Agreement. Except as otherwise provided in this Amendment and Attachment, the terms and conditions of the Agreement will remain unchanged and in full force and effect. In the event of any conflict or inconsistency between the provisions of the Agreement (or any other Attachment) and the provisions of this Product Attachment, the terms and conditions of this Product Attachment will govern with respect to health care services, supplies or accommodations (including Covered Services) rendered to Covered Persons enrolled in or covered by the Commercial-Exchange Product. To the extent Group or any Group Provider is unclear about its, his or her respective duties and obligations, Group or the applicable Group Provider shall request clarification from MCO.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date set forth below.

MCO: COORDINATED CARE CORPORATION	Group:
Authorized Signature	Authorized Signature
Printed Name:	Printed Name:
Title:	Title:
Signature Date:	Signature Date:
Effective Date of Agreement: (To be completed by MCO only)	Tax Identification Number:
	National Provider Identifier:
	State Medicaid Number:

EXHIBIT X
PROVIDER COMPENSATION SCHEDULE – Commercial – Exchange Products
PROFESSIONAL SERVICES

For Covered Services provided to Covered Persons, Payor shall pay Provider the lesser of: (i) [redacted] (ii) [redacted], less any applicable coinsurance or deductible. This fee schedule is based on the [redacted].

Additional Provisions:

Code Change Updates. Updates to existing billing-related codes shall become effective on the date ("Code Change Effective Date") that is the later of: (i) the first day of the month following thirty (60) days after publication by the fee sources used by Health Plan or (ii) the effective date of such code updates, as determined by Payor. Claim processed prior to the Code Change Effective Date shall not be reprocessed to reflect any code updates.

Modifier. Unless specifically indicated otherwise, Fee Amounts listed in the fee schedule represent global fees and may be subject to reductions based on appropriate Modifier (for example, professional and technical modifiers). As used in the previous sentence, "global fees" refers to services billed without a Modifier, for which the Fee Amount includes both the professional component and the technical component. Any co-payment, deductible or coinsurance that the customer is responsible to pay under the customer's benefit contract will be subtracted from the listed Fee Amount in determining the amount to be paid by the payer. The actual payment amount is also subject to matters described in this agreement, such as the Payment Policies.

Fee Sources. In the event CMS contains no published fee amount, alternate (or "gap fill") Fee Sources may be used to supply the Fee Basis amount for deriving the Fee Amount. For example, if a new CPT/HCPCS code has been created within the Type of Service category of codes described above, and CMS has not yet established an RBRVS value for that code, we use one of the Fee Sources that exist within the industry to fill that gap, such as but not limited to Optum RBRVS. For that CPT/HCPCS code, we adopt the RBRVS value established by the gap-fill Fee Source, and determine the Fee Amount for that CPT/HCPCS code by applying to the gap-fill RBRVS the same Conversion Factor and Pricing Level that we apply to the CMS RBRVS for those CPT/HCPCS codes that have CMS RBRVS values. At such time in the future as CMS publishes its own RBRVS value for that CPT/HCPCS code, we would begin using the CMS fee amount for that code and no longer use the alternate Fee Source.

Anesthesia Modifier Pricing Rules. The dollar amount that will be used in the calculation of time-based and non-time based Anesthesia Management fees in accordance with the Anesthesia Payment Policy. Unless specifically stated otherwise, the Anesthesia Conversion Factor indicated is fixed and will not change. The Anesthesia Conversion Factor is based on an anesthesia time unit value of 15 minutes.

Multiple Procedure Pricing Rules. Multiple procedures performed will be reimbursed at 100% for the primary procedure, 50% for the second procedure, and 50% for the third procedure.

Default Pricing for Codes with No Values, Carrier Codes. In the event that CMS does not publish a complete set of fee amounts for a specific code, Coordinated Care will use reasonable commercial efforts to establish fee amounts for all services and modifiers associated with the code based on fee information available.

Place of Service Pricing Rules. This fee schedule follows CMS guidelines for determining when services are priced at the facility or non-facility fee schedule (with the exception of services performed at Ambulatory Surgery Centers, POS 24, which will be priced at the facility fee schedule).

Payment under this Exhibit. All payments under this Exhibit are subject to the terms and conditions set forth in the Agreement.

Definitions:

1. **Allowable Charges** mean those Provider billed charges for services that qualify as Covered Services.

HOSPITAL AGREEMENT AMENDMENT
AND
COMMERCIAL-EXCHANGE PRODUCT ATTACHMENT

This Hospital Agreement Amendment and Commercial-Exchange Product Attachment (referred to herein as this "*Amendment and Attachment*") is made and entered into between _____ ("*Hospital*"), an entity described more fully in the signature block, and Coordinated Care Corporation ("*Managed Care Organization*" or "*MCO*").

WHEREAS, MCO and Hospital entered into that certain provider agreement, including all Attachments, as may have been amended and supplemented from time to time (the "Agreement"), pursuant to which Hospital agrees to provide to covered persons those covered services described in the Agreement;

WHEREAS, MCO desires to amend the Agreement (i) to include Hospitals as "Participating Providers" (as hereafter defined) in the "*Commercial-Exchange Product*," as defined and described in this Amendment and Attachment, and (ii) to add the Commercial-Exchange Product Attachment (as defined below) as a binding attachment to the Agreement;

WHEREAS, pursuant to the provisions of the Agreement, the Agreement may be amended by MCO providing at least sixty (60) days written notice thereof to Hospital, provided that Hospital does not object to such amendment by notifying MCO in accordance with the Agreement; and

WHEREAS, the Agreement is amended as hereafter provided in accordance with the notice provisions in the Agreement.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the Agreement is amended as set forth below.

I. Amendment.

1.1. Effective Date. This Amendment and Attachment is effective as of _____, 20___ ("*Effective Date*").

1.2 Defined Terms. All capitalized terms not specifically defined in this Amendment and Attachment will have the meanings given to such terms in the Agreement.

1.3 Modification to Defined Terms. For purposes of this Commercial-Exchange Product only, Article I of the Agreement is hereby deleted in its entirety and replaced with the following:

ARTICLE I
DEFINITIONS

1.1 *Affiliate(s)* means a person or entity controlling, controlled by, or under common control with MCO.

1.2 *Attachments* means the attachments to this Agreement, including addenda and exhibits, all of which are hereby incorporated herein by reference, as set forth in Section 11.15 to this Agreement.

1.3 *Clean Claim* means a claim that has no defect or impropriety, including any lack of any required substantiating documentation, or particular circumstances requiring special treatment that prevents timely payments from being made on the claim.

1.4 *Compensation Schedule* means at any given time the then effective schedule(s) of maximum rates applicable to the Commercial-Exchange Product under which Hospital and Participating Providers will be compensated for the provision of Covered Services to Covered Persons. Such Compensation Schedule(s) will be set forth or described in an exhibit to the Commercial-Exchange Product Attachment.

1.5 *Commercial-Exchange Product* means those programs and health benefit arrangements offered by or available from or through MCO or a Payor that provide incentives to Covered Persons to utilize the services of certain contracted providers. The Commercial-Exchange Product includes those Coverage Agreements entered into, issued or agreed to by a Payor under which MCO, an Affiliate, or its delegate furnishes administrative services or other services in support of a health care program for an individual or group of individuals, which may include access to one or more of the MCO's or Payor's provider networks or vendor arrangements, and which may be provided in connection with a state or governmental-sponsored, employer-sponsored, or other private health insurance exchange. The Commercial-Exchange Product does not apply to any Coverage Agreements that are specifically covered by another Product Attachment to the Agreement.

1.6 *Coverage Agreement* means any agreement, program or certificate entered into, issued or agreed to by a Payor, under which the Payor arranges for the delivery of health care services to Covered Persons through one or more network(s) of providers or other vendor arrangements.

1.7 *Covered Person* means any individual entitled to receive Covered Services pursuant to the terms of a Coverage Agreement.

1.8 *Covered Services* means those services and items for which benefits are available and payable under the applicable Coverage Agreement and which are determined, if applicable, to be medically necessary under the applicable Coverage Agreement.

1.9 *Emergency Care* or *Emergency Services* has the meaning set forth in the Covered Person's Coverage Agreement.

1.10 *Emergency Medical Condition* has the meaning set forth in the Covered Person's Coverage Agreement.

1.11 *HIPAA* means the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160 and 164), any applicable state privacy laws, any applicable state information security laws, and implementing regulations and the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, and its implementing regulations adopted or to be adopted .

1.12 *Medical Director* means a physician or his/her physician designee duly licensed under RCW Chapter 18.57 or 18.71 designated by MCO to monitor and evaluate the appropriate utilization of Covered Services by Covered Persons.

1.13 *Medically Necessary* has the meaning set forth in the Covered Person's Coverage Agreement.

1.14 *Participating Health Care Provider* or *Participating Provider* means, with respect to a particular Product, any physician, hospital, ancillary, or other health care provider that has contracted, directly or indirectly, with MCO or Payor to provide Covered Services to Covered

Persons, and that is designated by MCO or Payor as a "participating provider" in such Product. Hospital is a Participating Provider pursuant to this Amendment and Attachment.

1.15 ***Payor*** means the entity that bears direct financial responsibility for paying from its own funds, without reimbursement from another entity, the cost of Covered Services rendered to Covered Persons under a Coverage Agreement.

1.16 ***Payor Contract*** means the contract with a Payor, pursuant to which MCO or an Affiliate furnishes administrative services or other services in support of the Coverage Agreements entered into, issued or agreed to by a Payor, which services may include access to one or more of provider networks or vendor arrangements of MCO or an Affiliate. The term "Payor Contract" includes a contract with a governmental authority (also referred to herein as a "Governmental Contract") under which MCO, an Affiliate or Payor arranges for the provision of Covered Services to eligible individuals.

1.17 ***Product*** means any program or health benefit arrangement designated as a "product" by MCO or a Payor (e.g., MCO Product, Medicaid Product, Commercial-Exchange Product, Payor-specific Product, etc.) that is now or hereafter offered by or available from or through MCO, an Affiliate or a Payor that provides Covered Persons in such product with incentives or access to Participating Providers in such product. For purposes of the Commercial-Exchange Product Attachment, "Product" means the Commercial-Exchange Product.

1.18 ***State*** means the State of Washington.

2. Commercial-Exchange Product Attachment.

2.1 Product Attachment. This Section 2 constitutes the "Commercial-Exchange Product Attachment" (this "Product Attachment") and is incorporated into the Agreement between Hospital and MCO. It supplements the Agreement by setting forth specific terms and conditions that apply to the Commercial-Exchange Product with respect to which a Participating Provider has agreed to participate, and with which a Participating Provider must comply in order to maintain such participation. The provisions of this Section 2 constitute a new Product Attachment to the Agreement and do not delete or replace any language in the Agreement.

2.2 Participation. Unless otherwise specified in this Product Attachment Hospital will participate in the Commercial-Exchange Product as a "Participating Provider," and will provide to Covered Persons enrolled in or covered by a Commercial-Exchange Product, upon the same terms and conditions contained in the Agreement, as supplemented or modified by this Product Attachment, those Covered Services that are provided by Hospital pursuant to the Agreement. In providing such services, Hospital shall comply with and abide by the provisions of the Agreement, including this Product Attachment and the policies and procedures of MCO and a Payor.

2.3 Attachment. This Product Attachment also includes a Compensation Schedule at Exhibit 1.

2.4 Term. The term of Hospital's participation in the Commercial-Exchange Product will commence as of the Effective Date and, thereafter, will be coterminous with the term of the Agreement unless terminated pursuant to this Product Attachment. The participation of Hospital as a "Participating Provider" in the Commercial-Exchange Product may be terminated by either Hospital or MCO by giving the other party at least one hundred eighty (180) days' prior written notice of such termination.

2.5 Conflict and Construction. This Amendment and Attachment modifies, supplements and forms a part of the Agreement. Except as otherwise provided in this Amendment and Attachment, the terms and conditions of the Agreement will remain unchanged and in full force and effect. In the event of any conflict or inconsistency between the provisions of the Agreement (or any other Attachment) and the provisions of this Product Attachment, the terms and conditions of this Product Attachment will govern with respect to health care services, supplies or accommodations (including Covered Services) rendered to Covered Persons enrolled in or covered by the

Commercial-Exchange Product. To the extent Hospital is unclear about its duties and obligations, Hospital shall request clarification from MCO.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date set forth below.

MCO: COORDINATED CARE CORPORATION	Hospital:
_____	_____
Authorized Signature	Authorized Signature
_____	_____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Signature Date: _____	Signature Date: _____
Effective Date of Agreement: _____ (To be completed by MCO only)	Tax Identification Number: _____
	National Provider Identifier: _____
	State Medicaid Number: _____

EXHIBIT X
PROVIDER COMPENSATION SCHEDULE – Commercial – Exchange Products
HOSPITAL SERVICES

For Covered Services rendered to a Covered Person and billed under Hospital's tax identification number ("TIN"), Payor shall pay Hospital according to the terms set forth within this Exhibit. Payment under this Exhibit is subject to the requirements set forth in the Agreement.

Inpatient Services. For Covered Services rendered to a Covered Person during a continuous admission, Hospital shall be paid by Payor the lesser of: (i) [redacted]; or (ii) [redacted].

Table 1

Type of Service	Revenue Codes	ICD-9 & DRG Codes	Negotiated Payment
Medical/Surgical	All room and board codes not otherwise listed	All DRG codes not otherwise listed	*{Proprietary}*

Outpatient Hospital Services. For outpatient Hospital Covered Services rendered to a Covered Person during a continuous admission and billed under the Hospital's tax identification number ("TIN"), Payor shall pay Hospital the lesser of: (i) Hospital's Allowable Charges; or (ii) the Negotiated Payment set forth below in Table 2.

Table 2

Outpatient Services	Revenue Codes	HCPCS & ICD-9 Codes	Negotiated Payment
Outpatient Surgery		Applicable surgical HCPCS codes	*{Proprietary}*
Outpatient Surgery - Ungrouped		Ungrouped surgical HCPCS codes	*{Proprietary}*
Radiology Services		Applicable HCPCS codes	*{Proprietary}*
Laboratory Services		Applicable HCPCS codes	*{Proprietary}*
All Other Outpatient Services		HCPCS codes not otherwise noted above	*{Proprietary}*
All Other Outpatient Services		HCPCS codes listed as manually priced	*{Proprietary}*

Additional Provisions:

1. Coordination of Transplant Services. Hospital agrees to coordinate Medically Necessary transplant Covered Services with Payor's designated transplant vendor.

2. Application of 72-Hour Rule. Payments made to Hospital for inpatient Covered Services shall constitute payment for all charges relating to a Covered Person's pre-admission testing and procedures occurring within twenty-four (24) hours prior to an admission, including, but not limited to, charges for laboratory services, pathology services, radiology services, and medical/surgical supplies.

3. Admissions for Same or Related Diagnoses. Inpatient admissions for the same, similar or causally related diagnoses occurring within seventy-two (72) hours of a discharge in connection with a previous admission shall be considered part of the previous admission and are not separately reimbursable.

4. Never Events. Provider agrees to use its best efforts to comply with never events as defined by the National Quality Forum ("Never Events"). Provider acknowledges and agrees that no payments are due from MCO or the Covered Person for Provider's charges associated with Never Events.

5. Level of Care. All reimbursement under this Exhibit shall correspond to the level of care authorized by Payor.

6. Payment for Professional Services. Payment for those professional Covered Services, including but not limited to services provided by Hospital-based physicians, Certified Registered Nurse Anesthetists ("CRNAs") or other professionals, that are billed on a Claim Form under Hospital's TIN and provider identification number in connection with inpatient Covered Services is included in any payment for such inpatient Covered Services pursuant to this Exhibit.

7. Payment for Multiple Procedures. Payment for multiple outpatient surgical or scopic procedures performed on a Covered Person by Hospital during one occasion of surgery shall be made in an amount equal to the highest payment grouper specified above for which an outpatient surgical or scopic procedure has been performed. Payor shall reimburse the second and third procedures each at 50%. No payments shall be made for additional outpatient surgery or scopic procedures performed during the same occasion of surgery.

8. Multiple Dates of Service on a Single Claim Form. Hospital is required to identify each date of service when submitting claims spanning multiple dates of service.

9. Chargemaster Updates. Hospital shall provide Payor with sixty (60) days written notice prior to the effective date of any increase to Hospital's chargemaster ("Chargemaster Increase"). Such written notice shall include the effective date of the Chargemaster Increase and the percentage increase (the "Chargemaster Increase Percentage") for each of the following categories: (i) inpatient charges, (ii) outpatient charges, and (iii) all charges (i.e., the aggregate percentage increase for both inpatient and outpatient charges).

   Payor and Hospital agree to limit the effect of Chargemaster Increases on the percentage discounts set forth in this Exhibit. If, during any consecutive twelve (12) month period during the term of this Agreement, there are Chargemaster Increases for any of the above-listed categories, any payment for Covered Services hereunder that is based on a percentage of Hospital's Allowable Charges for such category of services will be adjusted to ensure that such amount does not increase by a percentage greater than the "Chargemaster Increase Percentage. Specifically, payment for Covered Services as provided hereunder will be adjusted to the percentage represented by the following formula, rounded to the second decimal point:

$$\frac{\text{Current Percentage of Allowable Charges}}{(1 + \text{Chargemaster Increase Percentage})}$$

   Payor will give written notice to Hospital of any adjustments to payments hereunder as a result of the foregoing limitation on Chargemaster Increases, along with the calculations in connection therewith, and such adjustments shall be effective as of the effective date of Hospital's Chargemaster Increases

   Hospital shall provide Payor with a copy of Hospital's Chargemaster in a mutually agreed upon format (i) as of the Effective Date of this Agreement, (ii) within sixty (60) days of Hospital's notice to Payor of any Chargemaster Increase, and (iii) at any time upon Payor's written request. If Payor determines, based on review of the chargemaster and/or claims or other data, that (a) Hospital has failed to provide written notice of a Chargemaster Increase as required above, or (b) the Chargemaster Increase Percentage for which Payor received notice from Hospital was not the Chargemaster Increase Percentage implemented by the Hospital, Payor may retroactively adjust payments to Hospital using the methodology set forth above and may recoup as

overpayments the difference between the amounts paid to Hospital for Covered Services and the amounts that would have been to Hospital for Covered Services paid had the payment adjustments as set forth herein been made. Recovery of such overpayments by Payor shall be recouped in accordance with the terms and conditions of the Agreement.

10. Therapy Services. Hospital shall bill therapy services with the appropriate modifier designating the type of therapy provided, when applicable. The modifier must be billed in the first modifier field to be eligible for reimbursement.

11. Claims Payment Exceptions. Payor shall not pay any claim submitted by Hospital based on an order or referral that excludes the National Provider Identifier (NPI) for the ordering or referring physician. Payor shall not pay any claim submitted by a provider excluded or suspended from the Medicare, Medicaid, or CHIP programs for fraud, abuse, or waste. Payor shall not pay any claim submitted by Hospital if Hospital is on payment hold under the authority of HHSC or its authorized agent(s), or who has pending accounts receivable with HHSC.

12. Code Change Updates. Updates to billing-related codes (e.g., CPT, HCPCS, ICD-9, DRG, and revenue codes) shall become effective on the date ("Code Change Effective Date") that is the later of: (i) the first day of the month following thirty (60) days after publication by the governmental agency having authority over the applicable product of such governmental agency's acceptance of such code updates; or (ii) the effective date of such code updates as determined by such governmental agency. Claims processed prior to the Code Change Effective Date shall not be reprocessed to reflect any such code updates.

13. Payment under this Exhibit. All payments under this Exhibit are subject to the terms and conditions set forth in the Agreement..

From: Carolyn Leptich [CLEPTICH@coordinatedcarehealth.com]
Sent: Tuesday, October 08, 2013 1:33 PM
To: Paterson, Margrette
Subject: RE: Couple of Items

Hi Margrette: so sorry for the delay in responding! The amendment has been created and is in internal review/approval before it will be submitted to the OIC for review/approval. I'll let you know when it's ready for signature.

Regarding Multiplan/Exchange: at present we are finalizing our strategy, but for now we don't intend to use the Multiplan network options in King county. We are also finalizing our provider HIX materials, and I will forward when ready for publication.

Lunch: yes, I would love to meet you for lunch! I am available Thursday and Friday this week. Next week I'll be at the HFMA conference in Cle Elum Monday-Wednesday, but available Thurs and Fri. What neighborhoods would work best for you?

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare

Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Phone: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Friday, October 04, 2013 10:51 AM
To: Carolyn Leptich
Subject: Couple of Items

Hi Carolyn,

Happy Friday!

Healthy Options: Checking in regarding the amendment... What's the latest?

Exchange: We have begun to receive questions regarding CC's Exchange products. Can you send over plan specific information? Also, were you able to confirm with Chuck that we are in-network for CC's Exchange products due to our control with Multiplan?

Lunch: We had chatted about getting lunch soon. Seattle's Restaurant week is next week and the following. Take a look at the attached link. http://seattletimes.com/seattlerestaurantweek/ Any place sound good and what days are you free?

Thanks!
Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL • RESEARCH • FOUNDATION

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Wednesday, September 18, 2013 8:32 AM
To: Paterson, Margrette
Subject: RE: Welcome back!

Hi Margrette: while I was gone Chuck Levine asked another contractor, Brad Morrow, to work on that amendment with you. Yesterday I forwarded to Brad the amendment I had already ordered through our Contract Mgmt. system, but that needed to be formatted in a different way. I had not had an opportunity before I left to get it completed, so that is why it was assigned to Brad. I'll touch base with him later this morning to ask if he has started on it, or would like me to continue. I'll get back to you in a bit.

Yes, it was a wonderful vacation....but back to reality!

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Phone: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Wednesday, September 18, 2013 8:22 AM
To: Carolyn Leptich
Subject: Welcome back!

Hi Carolyn,

I hope your trip was absolutely wonderful and I'm excited to hear how it went.

I know you are just now getting back into the office but I'd like to schedule some time with you to discuss the Healthy Options amendment addressing the 7/1/13 changes to the Safety Net Assessment Payment.

When you have a chance, please let me know when you have some time available. (If we couldn't touch base today or tomorrow, I would be looking at the 25th thru the 27th on time as I'll be out of the office this Friday and the following Monday and Tuesday.)

Thanks!

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL · RESEARCH · FOUNDATION

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

CONFIDENTIALITY NOTICE: This communication contains information intended for the use of the individuals to whom it is addressed and may contain information that is privileged, confidential or exempt from other disclosure under applicable law. If you are

From:	Carolyn Leptich [CLEPTICH@coordinatedcarehealth.com]
Sent:	Thursday, November 07, 2013 5:50 PM
To:	Paterson, Margrette; Charles Levine
Cc:	O'Connor-King, Eileen
Subject:	RE: Seattle Children's - Exchange Counterproposal

Hi Margrette: I certainly hope so, as Chuck did say that he wanted us to respond by Friday. It is a high priority for us, so rest assured that I will forward a response as soon as I am given the go-ahead.

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Phone: 253.320.9203
www.CoordinatedCareHealth.com

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Thursday, November 07, 2013 5:41 PM
To: Carolyn Leptich; Charles Levine
Cc: O'Connor-King, Eileen
Subject: RE: Seattle Children's - Exchange Counterproposal

Greatly appreciate the swift response, Carolyn.

Do you believe Jay will have a chance to review the draft proposal tomorrow?

Margrette Paterson
Contract Administrator, Seattle Children's
Tel: 206-987-7092
Fax: 206-985-3177

From: Carolyn Leptich [mailto:CLEPTICH@coordinatedcarehealth.com]
Sent: Thursday, November 07, 2013 5:39 PM
To: Paterson, Margrette; Charles Levine
Cc: O'Connor-King, Eileen
Subject: RE: Seattle Children's - Exchange Counterproposal

Hi Margrette: we have a draft proposal, but are awaiting approval from our CEO, Dr. Jay Fathi, before forwarding for your review. I will send just as soon as I receive word from our Executive Leadership. We appreciate your patience.

Thanks,

Carolyn Leptich
Senior Provider Contracting Executive

coordinatedcare
Coordinated Care
1145 Broadway, Suite 300
Tacoma, WA 98402
Phone: 253.320.9203
www.CoordinatedCareHealth.com

Please consider the environment before printing this email

From: Paterson, Margrette [mailto:margrette.paterson@seattlechildrens.org]
Sent: Thursday, November 07, 2013 5:30 PM
To: Charles Levine
Cc: Carolyn Leptich; O'Connor-King, Eileen
Subject: Seattle Children's - Exchange Counterproposal

Hello Chuck,

I'm following up with you regarding Coordinated Care's counterproposal for the Exchange. Please provide an update as soon as possible as we need to relay Coordinated Care's position to Executive Leadership in the morning.

Thank you!

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX
margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL · RESEARCH · FOUNDATION

exempt from other disclosure under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution or use of the contents is prohibited. If you have received this in error, please notify the sender immediately by telephone or by returning it by return mail and then permanently delete the communication from your system. Thank you.

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

CONFIDENTIALITY NOTICE: This communication contains information intended for the use of the individuals to whom it is addressed and may contain information that is privileged, confidential or exempt from other disclosure under applicable law. If you are not the intended recipient, you are notified that any disclosure, printing, copying, distribution or use of the contents is prohibited. If you have received this in error, please notify the sender immediately by telephone or by returning it by return mail and then permanently delete the communication from your system. Thank you.

From: Paterson, Margrette [margrette.paterson@seattlechildrens.org]
Sent: Friday, May 10, 2013 12:59 PM
To: 'Channon Crowe'
Subject: RE: Coordinated Care Follow-up

Happy Friday to you!

Thank you for your email yesterday and today. I have not had a chance to review your emails due to my schedule so I will do so first thing next week.

Until then, I hope you have a pleasant weekend.

Take care,
Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX

margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL · RESEARCH · FOUNDATION

From: Channon Crowe [mailto:CCROWE@coordinatedcarehealth.com]
Sent: Friday, May 10, 2013 9:28 AM
To: Paterson, Margrette
Subject: Coordinated Care Follow-up

Hi Margrette, happy Friday!

This is a follow-up to the items we discussed yesterday. I did find out Dr. West reviewed the file we discussed. Nate and I will meet with him early next week to discuss this review. I would like to work on scheduling an in-person meeting later in the week next week, if possible, to discuss this case and the Assist Group. Please let me know if I should work with you to schedule this meeting.

Also, if possible, we would like to take time during this meeting to discuss other items (most likely will not need clinical folks).

- Exchange
- Daily rates

Regarding the other items we discussed yesterday, I did find out your NPI for home care services was not loaded to our systems under your contract, which resulted in incorrect reimbursement. We are in the process of

correcting/reprocessing all impacted claims. Once you forward the outlier calculation methodology you are applying, we will review on this end.

Let me know if I missed anything.

Talk soon,

Channon Crowe
Manager, Contracting

coordinatedcare
1145 Broadway, Suite 300
Tacoma, WA 98402
Office: (253)-442-1495
www.CoordinatedCareHealth.com

Established to deliver quality health care in the state of Washington through local, regional and community-based resources, Coordinated Care is a Managed Care Organization and subsidiary of Centene Corporation (Centene). Coordinated Care exists to improve the health of its beneficiaries through focused, compassionate and coordinated care. Our approach is based on the core belief that quality health care is best delivered locally. For more information, visit www.CoordinatedCareHealth.com

EXHIBIT D

From:	Paterson, Margrette [margrette.paterson@seattlechildrens.org]
Sent:	Thursday, November 14, 2013 4:26 PM
Subject:	Regence - Exchange
Attachments:	RE: Regence & the Exchange - Due by 11/29; FW: Seattle Children's 08/29 Meeting - Exchange Topic; Real Value Addendum, SCH/Regence - Real Value/BridgeSpan; Regence Notification - Exchange

11/29: Received information from Scott. Rearranged events (most current at top) and added emails that I was copied on.

Below is the timeline of communication. The attached word document contains my exchange topic emails.

- 11/05/13 - Email – SCH initiated discussion on LOA plan, Regence declined until Eileen and Beth's conversation concluded.
- 10/14/13 (on or around) – Phone Call – Discussed status of proposal or any change in position, SCH advised no, Regence advised no. Regence suggested implementing a deadline but did not commit.
- 10/08/13 – Phone Call – Regence called inquiring about the OIC lawsuit.
- 10/1/13 – Mail – Letter advising that SCH is considered out of network. (Information forwarded to Eileen.)

- 09/30/13 (on or around) – Phone Call – Regence inquired about proposal response, SCH advised no change in position from leadership regarding movement from current commercial rates.
- 09/19/13 – Email – Regence requesting proposal status.
- 09/11/13 – Email – Regence advised unless proposal accepted we will not participate and provided some details of member redirection and nonpar reimbursement.

- 09/10/13 – Joint Operations Meeting - Initiated discussion of non participating operations details
- 09/06/13 – Email – Received exchange plan info from Regence and reminder that we are not participating
- 09/03/13 - Email - Received written proposal from Regence as email attachment

- 08/29/13 – Rates Meeting –Discussed clarification of network inclusion and OIC filing, Regence advised will send proposal, SCH advised exchange rates need to mirror commercial rate.
- 08/28/13 – Email – SCH sent clarifying questions regarding Regence network filing, Regence replied advised current Real Value LOA process will be used.

- 08/27/13 - Call – Initial discussion requesting clarification of SCH network inclusion in network filing
- 07/09/13 – Joint Operations Meeting – Regence did not want to discuss exchange and reiterated SCH is non-participating
- 06/11/13 – Commercial Language Meeting - Dennis advised they have an exclusive contract with Mary Bridge, SCH would not be added to the product as we had priced ourselves out of it.
- 05/23/13 – Audit Meeting – Commercial rate proposal requested.
- 05/14/13 – Joint Operations Meeting – Regence advised exchange will be developed using Real Value network.
- 03/27/13 – UMP Rate Extension Meeting – Regence advised if we aren't part of the network they want a standing LOA in place.

Original email from Scott (includes the Word document he referenced within his email):

11/27: As Scott is responsible for the Regence relationship, I emailed the below request to him with a deadline of Friday, 11/29.

From:	Parker, Scott [Scott.Parker@seattlechildrens.org]
Sent:	Friday, November 29, 2013 12:11 PM
To:	Paterson, Margrette
Subject:	RE: Regence & the Exchange - Due by 11/29
Attachments:	Communication.docx

Below is the timeline of communication. The attached word document contains my exchange topic emails.

- 03/27/13 – UMP Rate Extension Meeting – Regence advised if we aren't part of the network they want a standing LOA in place.
- 05/14/13 – Joint Operations Meeting – Regence advised exchange will be developed using Real Value network.
- 05/23/13 – Audit Meeting – Commercial rate proposal requested.
- 06/11/13 – Commercial Language Meeting - Dennis advised they have an exclusive contract with Mary Bridge, SCH would not be added to the product as we had priced ourselves out of it.
- 07/09/13 – Joint Operations Meeting – Regence did not want to discuss exchange and reiterated SCH is non-participating
- 08/27/13 - Call – Initial discussion requesting clarification of SCH network inclusion in network filing
- 08/28/13 – Email – SCH sent clarifying questions regarding Regence network filing, Regence replied advised current Real Value LOA process will be used.
- 08/29/13 – Rates Meeting –Discussed clarification of network inclusion and OIC filing, Regence advised will send proposal, SCH advised exchange rates need to mirror commercial rate.
- 09/03/13 - Email - Received written proposal from Regence as email attachment
- 09/06/13 – Email – Received exchange plan info from Regence and reminder that we are not participating
- 09/10/13 – Joint Operations Meeting - Initiated discussion of non participating operations details
- 09/11/13 – Email – Regence advised unless proposal accepted we will not participate and provided some details of member redirection and nonpar reimbursement.
- 09/19/13 – Email – Regence requesting proposal status.
- 09/30/13 (on or around) – Phone Call – Regence inquired about proposal response, SCH advised no change in position from leadership regarding movement from current commercial rates.
- 10/08/13 – Phone Call – Regence called inquiring about the OIC lawsuit.
- 10/14/13 (on or around) – Phone Call – Discussed status of proposal or any change in position, SCH advised no, Regence advised no. Regence suggested implementing a deadline but did not commit.
- 11/05/13 - Email – SCH initiated discussion on LOA plan, Regence declined until Eileen and Beth's conversation concluded.

Scott Parker
Contract Administrator | Contracting & Payor Relations
Seattle Children's Hospital

206-987-0673 OFFICE
206-985-3177 FAX
scott.parker@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle, WA 98105
MAIL M/S RC-502, PO Box 5371, Seattle, WA 98145-5005
WWW seattlechildrens.org

From:	Hagemann, Dennis [Dennis.Hagemann@regence.com]
Sent:	Tuesday, September 03, 2013 11:33 AM
To:	O'Connor-King, Eileen; Paterson, Margrette; Parker, Scott
Cc:	Baron, Paul
Subject:	Real Value Addendum
Attachments:	RBS.SCH.RV.Eff Jan 2014.docx
Follow Up Flag:	Follow up
Flag Status:	Flagged

Good morning.

As discussed last Thursday, please find attached a proposed Real Value Addendum through which Seattle Children's would participate in the Real Value product for purposes of the Exchange. If acceptable, kindly print, sign, and return two copies for countersigning and return.

Please contact me with any questions. Thank you.

Regards – Dennis

=====

Dennis Hagemann
Regence BlueShield – Provider Contracting
253.382.7242

REGENCE BLUESHIELD

PARTICIPATING ORGANIZATIONAL PROVIDER (HOSPITAL) AGREEMENT

REGENCE REALVALUE[SM] PROVIDER NETWORK ADDENDUM

EFFECTIVE DATE: JANUARY 1, 2014

This Addendum to the Participating Organizational Provider (Hospital) Agreement herein referred to as the "Hospital Agreement" amends the Hospital Agreement between Regence BlueShield ("Regence") and Seattle Children's ("Hospital"), to recognize additional provisions which apply to the Regence RealValue[SM] Provider Network, and to provide for the recognition of health care services, and for payment of benefits for health care services, provided to Regence RealValue Patients. Except as specifically amended herein, all terms and conditions of the Hospital Agreement remain in effect.

I. DEFINITIONS

A. "Regence RealValue Patient" is any subscriber or enrolled dependent entitled to benefits under a Regence RealValue Plan offered or administered by Regence or Payor.

B. "Regence RealValue Plan" is any Subscriber Agreement that provides a benefit incentive for subscribers or enrolled dependents to seek health care services from Regence RealValue Providers.

C. "Regence RealValue Provider" is a Participating Provider within the Regence RealValue Provider Network.

D. "Regence RealValue Provider Network" is the collective group of hospitals, facilities, clinics, physicians and other health care professionals under contract with Regence through a Regence RealValue Provider Network Addendum or such other contract or addendum allowing participation in the Regence RealValue Provider Network.

II. PROVISIONS

A. Hospital agrees to be a Regence RealValue Provider, participate in the Regence RealValue Provider Network, and provide health care services to Regence RealValue Patients.

B. Regence shall actively market Regence RealValue Plans that provide incentives for Regence RealValue Patients to seek services from Regence RealValue Providers with the Regence RealValue Provider Network.

C. Hospital shall admit or arrange for hospital admissions and referral services of Regence RealValue Patients only to Regence RealValue Providers within the Regence RealValue Provider Network, unless the Regence RealValue Patient's condition makes it impossible, the service is not available through the Regence RealValue Provider Network, or the Regence RealValue Patient chooses care outside the Regence RealValue Provider Network. Hospital should advise the Regence RealValue Patient whenever health care services are to be obtained outside of the Regence RealValue Provider Network that the Regence RealValue Patient may be subject to additional out-of-pocket expense. Any questions regarding network participation and benefit levels should be directed to Regence.

D. Hospital agrees to comply with any terms and conditions for Regence RealValue Providers set forth in the Administrative Manual, which can be found on Regence's website at http://www.wa.regence.com/provider/library/manual/index.html.

E. Hospital agrees to maintain Participating Provider status in Regence's Participating Provider Network.

F. The Maximum Allowable amounts for Covered Services rendered to Regence RealValue Patients will be based upon the terms set forth below.

Reimbursement Terms: [redacted] for Inpatient and Outpatient services as outlined in Exhibit C of the Hospital Agreement.

G. This Addendum shall continue in effect, unless terminated according to the process set forth in the Hospital Agreement. Either party may terminate this Addendum without terminating the remainder of the Hospital Agreement. However, in the event either party terminates the Hospital Agreement, this Addendum terminates as well.

The terms of this Addendum shall become a part of, and shall be specifically incorporated into, the terms of the Hospital Agreement. In the event of any conflict or inconsistency between the terms of this Addendum and the terms of the Hospital Agreement, the terms of this Addendum shall prevail.

Regence BlueShield	**Seattle Children's Hospital**
_____	_____
Signature	Signature
Beth Johnson	_____
Name	Print Name
Vice President, Provider Services	_____
Title	Title
_____	_____
Date	Date

From:	Paterson, Margrette [margrette.paterson@seattlechildrens.org]
Sent:	Thursday, October 03, 2013 12:10 PM
To:	O'Connor-King, Eileen
Cc:	Parker, Scott
Subject:	Regence Notification - Exchange
Attachments:	10-1-13 Network Exchange Notification - Regence.pdf

Eileen,

Kim just gave me a copy of the attached letter from Regence regarding the Exchange. Per the letter, it states that we are considered out-of-network. Another point to support network inadequacy with the OIC/State.

Margrette

Margrette Paterson
Contract Administrator, Contracting & Payor Relations
Seattle Children's

206-987-7092 OFFICE
206-985-3177 FAX

margrette.paterson@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle WA 98105
MAIL PO Box 5371, M/S RC-502, Seattle, WA 98145
WWW seattlechildrens.org

Seattle Children's
HOSPITAL • RESEARCH • FOUNDATION

Regence

PO BOX 21267
Seattle, WA 98111

October 1, 2013

CHILDREN'S ORTHOTICS
PO BOX 3867
SEATTLE WA 98124-3867

Network Exchange

Dear Provider,

We notified you in March 2013 of Regence's affiliate, BridgeSpan Health.

This letter serves to notify you that BridgeSpan Health is accessing the Regence RealValue Network ("Network") to serve members who purchased their Individual and family products on the Washington State Exchange.

Exchange members will have access to the Network at the highest benefit level and since you do not participate in the Network, you will be considered out-of-network for these members. As an out-of-network provider for these members, you have the right to balance bill these members.

We appreciate the care you provide to our members. If you have questions, please contact your provider consultant. The phone number for your provider consultant is available in the Contact Us section of our *Provider Public Web Site* at www.wa.regence.com/provider/contact/.

Sincerely,

Beth Johnson
Vice President
Network Management and Regional Contracting Strategy

Ref #132399800458

From: Parker, Scott [Scott.Parker@seattlechildrens.org]
Sent: Wednesday, August 28, 2013 1:02 PM
To: O'Connor-King, Eileen; Paterson, Margrette
Subject: FW: Seattle Children's 08/29 Meeting - Exchange Topic

FYI

Scott Parker
Contract Administrator | Contracting & Payor Relations
Seattle Children's Hospital

206-987-0673 OFFICE
206-985-3177 FAX
scott.parker@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle, WA 98105
MAIL M/S RC-502, PO Box 5371, Seattle, WA 98145-5005
WWW seattlechildrens.org

From: Hagemann, Dennis [mailto:Dennis.Hagemann@regence.com]
Sent: Wednesday, August 28, 2013 12:36 PM
To: Parker, Scott
Subject: RE: Seattle Children's 08/29 Meeting - Exchange Topic

Scott,

Two things. First, yes, this is on Paul's radar. It actually appeared so yesterday after the phone call that you and I had. You don't need to trouble yourself about how and if we communicate internally; we do. I also wonder if you've thought about how your request for a "reply back" registers with me personally?

Second, the filing for the Exchange was a carryover of the existing Real Value network. As you know, SCH does not hold a Real Value contract but instead, SCH is considered as a referral option when specialty pediatric care needs to be accessed by members. This was a process accepted by the OIC as an alternative mechanism to a direct Real Value contract when the Real Value network was originally filed. In fact, heretofore, we have been successful to coordinate such care for Real Value members through single case agreements. So, as a practical matter, it would appear that SCH and Regence have found a way to work things out for Real Value members. We would expect that that existing and established process for Real Value and the Exchange continue, unless of course terms for a Real Value contract can be agreed to. As you will recall, that's why I indicated yesterday that we need to have a conversation.

We can certainly use part of Thursday to discuss this, and Paul and I will welcome that conversation. But what I hope that SCH chooses not to do is shift the focus away from terms for a successful renewal of our commercial relationship and toward an Exchange-only conversation.

Regards - Dennis

From: Parker, Scott [mailto:Scott.Parker@seattlechildrens.org]
Sent: Wednesday, August 28, 2013 11:10 AM
To: Hagemann, Dennis
Subject: Seattle Children's 08/29 Meeting - Exchange Topic

Dennis,

Thank you for the call yesterday, I appreciated the frank discussion. There are still some points regarding your filed Exchange network that I need to pursue. Our Thursday meeting will be a convenient and timely venue to discuss this further.

As I advised during our call, it is our understanding that Seattle Children's was included as part of a contracted network filed with the OIC for your Exchange product(s). Additionally, Seattle Children's interpretation of this inclusion is that the network in which we were filed and included with must fall under the domain and terms of our current commercial contract and rates. This interpretation doesn't seem to precisely align with Regence's interpretation or intent of your network filing.

I have a few questions which may help us to fully understand Regence's position and our status.

1. The network filed with the OIC did or did not include Seattle Children's Hospital as a contracted provider?
2. If SCH was included in your filing, was the specific network filed the Real Value network or something else?
3. If SCH was filed under a network with which we are currently contracted, would not the rates associated with that contract apply?

As the go live date for enrollment quickly approaches, the ramifications of either contracted or non-contracted status with your Exchange product will require considerable preparation and communication within Seattle Children's in a short time frame. As such, we need to expediently reach a clear understanding of where we stand. If necessary, following our meeting, Seattle Children's may request our legislative affairs team to follow up with the OIC for additional clarification of the intent of the network filing.

I apologize for sending this to you at the last minute. I also want to make sure this is on Paul's radar for Thursday. If you could reply back that you received this and passed this along to Paul I would appreciate it.

Scott Parker
Contract Administrator | Contracting & Payor Relations
Seattle Children's Hospital

206-987-0673 OFFICE
206-985-3177 FAX
scott.parker@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle, WA 98105
MAIL M/S RC-502, PO Box 5371, Seattle, WA 98145-5005
WWW seattlechildrens.org

From:	Hagemann, Dennis [Dennis.Hagemann@regence.com]
Sent:	Wednesday, September 11, 2013 4:04 PM
To:	Parker, Scott; Paterson, Margrette
Cc:	Baron, Paul
Subject:	SCH/Regence - Real Value/BridgeSpan
Attachments:	RegenceMedicalSingleCaseRateAgreement.Template.xml; 07073_BridgeSpanKit_WA.PDF; 06758_BridgeSpan_flyr_WA_r3.pdf; 06759_BridgeSpan_WA_2pg_r4.pdf
Follow Up Flag:	Follow up
Flag Status:	Flagged

In addition to the materials provided via the previous email (below), I wanted to follow up on your questions from the JOC meeting yesterday, Margrette, to provide the following:

- You asked about the form/template of the single case agreement. To my knowledge, that form has not changed since its filing with the OIC in 2008. A template is attached. While the SCA may be an option for member care, we will most likely redirect members to other in-network providers for inpatient, diagnostic, or other scheduled pediatric services.
- Some member marketing materials have been prepared in anticipation of open enrollment. Those are attached.
- Specific to the question about emergency services: as described in the benefit package summaries, the benefit level is the same for in-network and out-of-network providers. The allowed amount for ER services at an out of network hospital will be based on an allowed rate, established by Regence, based on average costs across the network. This will be similar to an usual and customary standard, divorced from our commercial rates. Members will be responsible for balance billing. The ER information reads:

  After $200 Copayment per visit and In Network Deductible, We pay 80% and You pay 20%. This Copayment applies to the facility charge, whether or not You have met the Deductible. However, this Copayment is waived when You are admitted directly from the emergency room to the Hospital or any other facility on an inpatient basis.

  Out-of-Network Provider Reimbursement
  In most cases, We will pay You directly for Covered Services provided by an Out-of-Network Provider. Out-of-Network Providers may not agree to accept the Allowed Amount as full compensation for Covered Services. So, You are responsible for paying any difference between the amount billed by the Out-of-Network Provider and the Allowed Amount in addition to any amount You must pay due to Deductible, Copayment and/or Coinsurance. For Out-of-Network Providers, the Allowed Amount may be based upon the billed charges for some services, as determined by Us or as otherwise required by law.
- Unless SCH accepts the proffered Real Value Addendum, it will remain out of network and will be suppressed from the BridgeSpan directory.

Please call me if you have questions.

Regards - Dennis

From: Hagemann, Dennis
Sent: Friday, September 06, 2013 3:52 PM
To: 'Parker, Scott'
Cc: Espanol, Sarah; Baron, Paul
Subject: RE: Agenda for Regence & SCH Meeting 9/10/13

Scott – as far as the BridgeSpan information goes: please find attached a template member card. The benefit and coverage summaries are a matter of public record, and they are as well attached. The website will be operational on October 1 for purposes of enrollment, though the product will obviously not be effective until January 1. Other operational details should be complete within 4Q13.

All of this however begs the question about SCH's inclusion in the Exchange. Consistent with our previous discussions, SCH was not and is not included in the network filing as a fully and directly contracted provider. You do however have a Real Value Addendum in front of you to consider, which is the mechanism to participate in our Exchange product. Should SCH decide to execute that Addendum, it seems that the necessary operational details can be discussed and planned for.

Finally, it's not on the agenda, but as a matter of courtesy, I thought I'd bring this to your attention. A records review was requested regarding the below referenced claim on July 8 with a deadline of September 6. Our internal claims review team told me that no records have been received to date, and that a technical denial may be issued. Maybe a reply is in the works on your end, though maybe there has been a disconnect somewhere. I thought at least I'd ask. In fact, I was told that itemized billings were as well needed. Would you please coordinate this internally to avoid a technical denial.

Claim number: E30004925600
Claim amount: $413,671.45
Records Requested: Admit Form, Discharge Summary, Patient Discharge Form/Instructions, Progress Notes, Orders, History and Physical, Nursing Notes, Consults, Lab reports, Radiology Reports, Medication Administration Record, Transfusion Records, Operative Reports, Itemized Billing.

Regards - Dennis

From: Parker, Scott [mailto:Scott.Parker@seattlechildrens.org]
Sent: Thursday, September 05, 2013 5:00 PM
To: Espanol, Sarah; White, Amy; Hagemann, Dennis; Elliott, Jeanette; Acker, Maggie; Allen, Sharon; Buchanan, Kyna; Eberle, Kandi; Ignacio, Aimee; Kalahiki, Lyndia; Kapp, Lori; Landis, Michele; Lewis, Kimberly; Meldrum, Lori; Merlino, Erin; O'Connor-King, Eileen; Stout, William; Vanderwerff, Suzanne
Subject: RE: Agenda for Regence & SCH Meeting 9/10/13

Sarah,

I spoke with the topic owners and will reply for everyone.

I apologize for not giving this a better scrub myself before it went out. I see another duplicate topic (phys med) that we should have combined. We have some people out and there were some bobbles with some of the issues handed off. I added comments below in red.

Thanks.

Scott Parker
Contract Administrator | Contracting & Payor Relations
Seattle Children's Hospital

206-987-0673 OFFICE
206-985-3177 FAX
scott.parker@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle, WA 98105
MAIL M/S RC-502, PO Box 5371, Seattle, WA 98145-5005
WWW seattlechildrens.org

From: Espanol, Sarah [mailto:Sarah.Espanol@regence.com]
Sent: Wednesday, September 04, 2013 10:54 AM
To: White, Amy; Hagemann, Dennis; Elliott, Jeanette; Abbasi, Robin; Acker, Maggie; Allen, Sharon; Bolton, Sarah; Buchanan, Kyna; Crosasso, Lorena; Eberle, Kandi; Howard, Norma; Ignacio, Aimee; Kalahiki, Lyndia; Kapp, Lori; Landis, Michele; Lewis, Kimberly; Meldrum, Lori; Merlino, Erin; O'Connor-King, Eileen; Parker, Scott; Paterson, Margrette; Peterson, Matt (Home Care); Stout, William; Teung, Debbie; Vanderwerff, Suzanne; Whitney, Beth
Subject: RE: Agenda for Regence & SCH Meeting 9/10/13

Hello –

A few comments on some of the agenda items:

-Can you please advise what 3 accts are remaining for HO? I thought this issue was resolved with Sharon unless there are additional accounts I am not aware of. The 3 HO accounts will be taken off the agenda but Bill still needs to confirm the final refund due on the account that these are being offset against.

-UMP Echo Denials – Update was provided via email on 8/15/13 that this is a known system issue that is being worked on and won't have any update until end of Sept. I'm not sure why this is on the agenda, are you wanting to talk about this? This is on the agenda for visibility. We continue to see more of these. We would like this on the agenda until we have resolution.

-Rev code 811 issue is listed twice on the agenda. Information regarding peer to peer review directly with Home Plan was provided on 7/19/13. I have not heard back from anyone at Children's on this. Are you indicating that contact was made with Home Plan and there has been no response? I apologize for the duplicate. This is also a visibility issue as it is still outstanding and may require additional assistance from the local team. We left a message for a peer to peer request on 08/14 and have not received a response.

-VNS battery – Detailed information was provided in email on 8/28/13. The document Maggie sent was only a implant/warranty card. We were only supplied with the first op report for the battery change on the initial review and received the same op report a second time. Our clinician stated one was for a battery change and one for interrogation, testing and programming with generator replacement. Please provide documentation of medical necessity as to why a new generator was place s/p battery change. Thank you for following up and facilitating next steps on this issue.

-Outstanding Healthy Options claim – This is being handled by Eileen O'Connor and Joann Donhoff as part of a HO settlement. I'm not sure why this is on the agenda. This is not something I am handling. I'll be speaking with Eileen about this and will be able to respond on the need (or lack thereof) to keep this on future agendas.

Regence HO – 2012 accts (3 accts remaining)	April 2013	Bill	Sarah
Regence UMP Echo Denials (CO45)	August 2013	Bill	
Rev code 811 charges not paid on inpatient account Acct: 1810986 • Clm#E28609298902 • Requested peer to peer 1 month ago/no response	August 2013	Bill/Maggie	Sarah
Regence UMP denial of VNS battery despite approval/payment of surgery HAR 1801775/ID#UDWW790308229	Sept 2013	Maggie	Sarah

Outstanding Healthy Options claims (C.P. HAR 1587474) Medical • Payment short by $41K, Clm#932001306440004100	Dec 2012	Lori/Sharon	Sarah
Blue Card claim denied for Op Report on 811 charges (1810986)	June 2013	Lori	Sarah

Thanks,
Sarah

From: White, Amy [mailto:amy.white@seattlechildrens.org]
Sent: Tuesday, September 03, 2013 12:05 PM
To: [Ext] Neigum, Becki; Hagemann, Dennis; Elliott, Jeanette; Espanol, Sarah; Abbasi, Robin; Acker, Maggie; Allen, Sharon; Bolton, Sarah; Buchanan, Kyna; Crosasso, Lorena; Eberle, Kandi; Howard, Norma; Ignacio, Aimee; Kalahiki, Lyndia; Kapp, Lori; Landis, Michele; Lewis, Kimberly; Meldrum, Lori; Merlino, Erin; O'Connor-King, Eileen; Parker, Scott; Paterson, Margrette; Peterson, Matt (Home Care); Stout, William; Teung, Debbie; Vanderwerff, Suzanne; White, Amy; Whitney, Beth
Subject: Agenda for Regence & SCH Meeting 9/10/13

Attached, please find the agenda for next week's meeting between Regence and Seattle Children's Hospital. Please let me know if you have any questions or need anything else.

Becki, please dial-in using 206-884-5767, password 123456.

Thank you,

Amy White
Operations Coordinator | Business Services
Seattle Children's

206-987-5261 OFFICE
206-987-5779 FAX
amy.white@seattlechildrens.org

OFFICE 4300 Roosevelt Way NE, Seattle, WA 98105
MAIL M/S RC-504, PO Box 5371, Seattle, WA 98145-5005
WWW seattlechildrens.org

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

@@CUSTOM FIELD{BUSINESS ENTITY}@@

SINGLE CASE AGREEMENT

DATE: @@Current Date@@
SUBSCRIBER: @@Custom Field{Subscriber Name}@@
SUBSCRIBER ID: @@Custom Field{Subscriber ID}@@
GROUP #: @@Custom Field{Group Number}@@
MEMBER: @@Custom Field{Member Name}@@

@@Provider Name@@, @@Custom Field{Provider Type}@@, licensed and operating in the State of @@Custom Field{State}@@, (herein referred to as @@Custom Field{Provider Type}@@ and @@Custom Field{Business Entity}@@ ("Regence") agree and enter into this Single Case Agreement ("Agreement") on behalf of the Member referenced above. Pursuant to which Regence will reimburse the @@Custom Field{Provider Type}@@ for the provision of Medically Necessary, Covered Services to the Member in accordance with terms set forth herein.

I. DEFINITIONS

A. "Covered Services" are Medically Necessary health care services and supplies rendered or furnished by a health care professional or a facility to Member that are eligible for benefit consideration under the Subscriber Agreement.

B. "Medically Necessary" or "Medical Necessity" shall mean health care services that a physician or other health care provider, exercising prudent clinical judgment, would provide to a patient for the purpose of preventing, evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are (a) in accordance with generally accepted standards of medical practice; (b) clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient's illness, injury or disease; and (c) not primarily for the convenience of the patient, physician, or other health care provider, and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury or disease. For these purposes, "generally accepted standards of medical practice" means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, Physician Specialty Society recommendations and the views of physicians and other health care providers practicing in relevant clinical areas and any other relevant factors.

C. Subscriber Agreement is a contract or plan underwritten or administered by Regence entitling Subscriber and Subscriber's dependents, including Member, to receive benefits for Covered Services.

II. TERMS

A. @@Custom Field{Provider Type}@@ agrees to provide Medically Necessary Covered Services to Member for dates of service beginning on @@Effective Date@@ until services are completed. Services requiring prior authorization must be authorized by Regence. For purposes of this Single Case Agreement, @@Custom Field{Provider Type}@@ shall provide the following services for Member: @@Custom Field{Member Name}@@. @@Custom Field{Provider Type}@@ agrees to notify Regence within two (2) business days if there are any changes in Member's condition necessitating a different level of care or other change in circumstances that may affect Member's treatment that were not considered when this Agreement was executed.

B. In accordance with this Agreement, services will be considered in network, and will be reimbursed in accordance with the terms of the Subscriber Agreement, at rate of @@Custom Field{Rate per time period text for position 1}@@ per @@Custom Field{Rate per time period text for position 2}@@. Reimbursement is subject to payment by any primary third-party payors.

C. If Member is eligible for coverage from a third-party payor, including, but not limited to, other individual or group health plans, liability insurers, entities providing workers' compensation or occupational disease coverage, Medicare or other government programs, @@Custom Field{Provider Type}@@ will collect payment from the third-party payor, using @@Custom Field{Provider

Type}@@'s customary collection procedures, whenever such payors have primary responsibility to provide or pay for Covered Services in accordance with the coordination of benefits or maintenance of benefits and third-party liability requirements of the Subscriber Agreement.

The compensation arrangements are inclusive of all Covered Services provided to Member less copayments, coinsurance, and deductible, which the Member is responsible to pay and the @@Custom Field{Provider Type}@@ is responsible to collect in addition to any other amounts owed by any third-party payors. It is further understood that if Regence does not have primary responsibility under the coordination of benefit rules, Regence shall pay such amount as prescribed by state law. However, in no event will Regence pay more than it would have paid had it been the primary payor. Furthermore, @@Custom Field{Provider Type}@@ will not bill, charge, seek compensation, remuneration or reimbursement from, or have any recourse against Members, for amounts in excess of the agreed upon allowances set forth herein.

D. @@Custom Field{Provider Type}@@ agrees to submit claims for Covered Services on the most current CMS1500 form, UB92 or other mutually acceptable billing forms. Claims should be submitted within thirty (30) days of the date of service and, in any event, shall be submitted no later than twelve (12) months from the date that Member receives services. Except for claims for which Regence is the secondary insurer, claims not submitted within twelve (12) months of date of service shall be disallowed and the @@Custom Field{Provider Type}@@ shall not bill the Member, Subscriber or Regence for services or supplies associated with such claims. Claims, for which Regence is the secondary insurer, must be submitted within thirty (30) days of the primary carrier's payment or denial. Should Member fail to provide @@Custom Field{Provider Type}@@ with information regarding Member's coverage through Regence prior to expiration of the twelve (12) month claim limitation period, Member shall be responsible for payment.

E. @@Custom Field{Provider Type}@@ agrees to refund to Regence any overpayments Regence has paid to @@Custom Field{Provider Type}@@, if @@Custom Field{Provider Type}@@ receives notification from Regence that a refund is due within eighteen (18) months after the date @@Custom Field{Provider Type}@@ originally receives payment for the claim or notice that the claim was denied, except where fraud is at issue. If @@Custom Field{Provider Type}@@ does not refund the overpayment request within sixty (60) days of notification that a refund is due, Regence may deduct from future payments due to @@Custom Field{Provider Type}@@ under any other agreement between the Regence and the @@Custom Field{Provider Type}@@ an amount equal to the amount of the overpayment. This section shall survive the termination of this Agreement regardless of the cause giving rise to the termination.

F. Except as otherwise set forth herein, @@Custom Field{Provider Type)@@ hereby agrees that in no event, including, but not limited to, non-payment by Regence for any reason such as a determination that the services furnished were not Medically Necessary, Regence's insolvency, @@Custom Field{Provider Type}@@'s failure to submit claims within the time period specified herein, or breach of this Agreement, will @@Custom Field{Provider Type}@@ bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against Subscriber, Member or a person other than Regence or a third-party payor for Covered Services furnished pursuant to this Agreement. Nothing in this provision shall prohibit collection of applicable copayments, coinsurance or deductibles, or late charges thereon, billed in accordance with the terms of the Subscriber Agreement. Nor will it prohibit @@Custom Field{Provider Type}@@ from collecting payments from Member for services not covered by this Single Case Agreement. This section shall survive the termination of this Agreement regardless of the cause giving rise to the termination.

G. Either party may terminate this Agreement with thirty (30) days written notice. Regence may also terminate this Agreement immediately with written notice, if any of the following occurs:

1. the Member's condition changes such that the current level of medical care is no longer exists;
2. Regence determines, in good faith and in its sole discretion, that @@Custom Field{Provider Type}@@ poses a threat or risk of harm to Member;
3. the Member loses eligibility or coverage under the Subscriber Agreement;
4. Regence believes in good faith that the @@Custom Field{Provider Type}@@ is engaging in fraudulent or inappropriate billing practices; and
5. the @@Custom Field{Provider Type}@@ fails to comply with the terms of this Agreement.

Notice shall be sent via overnight delivery with confirmation of delivery or certified mail with return receipt requested to the person and address on the signature page hereof. Notwithstanding any other provision of this Agreement, Regence shall not be liable for charges that not covered by this Single Case Agreement, are deemed not Medically Necessary, that are incurred when Member is not eligible for coverage under the Subscriber Agreement, or that result from fraudulent or inappropriate billing practices.

H. The terms of this Agreement are confidential and @@Custom Field{Provider Type}@@ shall not disclose them, except as explicitly provided in this Agreement or required by law. Nothing in this Agreement shall be construed to prohibit @@Custom Field{Provider Type}@@ from disclosing to Member or Subscriber the general methodology by which the @@Custom Field{Provider Type}@@ is compensated, provided no specific dollar amounts or other specific terms are mentioned.

I. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

J. This Agreement is intended to comply with the laws of the State of @@Custom Field{State}@@. If any provision of this Agreement conflicts with a requirement of @@Custom Field{State}@@ law, @@Custom Field{State}@@ law shall prevail and the parties agree to comply with @@Custom Field{State}@@ law as it relates to such provision. Other sections of this Agreement that conform with @@Custom Field{State}@@ law shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement to be signed by their duly authorized representatives on the date and year written below.

@@Provider Name@@	@@CUSTOM FIELD{BUSINESS ENTITY}@@
By:_____	By: _____
Title:_____	Title:_____
Date:_____	Date:_____

bridgespan™

We don't just insure you. We empower you.

We believe you deserve a stronger voice in your health care. So we developed online tools to help you find a plan that works best for you. With BridgeSpan Health™, you can better monitor your expenses. And you can get the treatment you need when you need it. BridgeSpan connects you to caregivers who value relationships and are rewarded for positive outcomes. Because we know that's how you want it.

YOUR VOICE. YOUR CHOICE.

4
AFFORDABLE PLANS ON THE Washington Healthplanfinder*

100
% COVERAGE ON PREVENTIVE CARE

24
HOUR NURSE HOTLINE

COORDINATED CARE FROM PROVIDERS IN YOUR COMMUNITY

MEMBERS-ONLY DISCOUNT PROGRAM

HEALTH COACHES

[illegible] is a Qualified Health Plan [illegible]

06/58-wa / 07-13

BridgeSpanHealth.com 855 857-9944

bridgespan PO Box 21267 | Seattle, WA 98111-3267

Congratulations! By choosing BridgeSpan Health through Washington Healthplanfinder, you're on your way to having a stronger voice in your health care. BridgeSpan gives you the ability to better coordinate your treatments, monitor your expenses, and access programs and services that meet your unique health needs.

YOUR NEW MEMBERSHIP CARDS ARE ENCLOSED.
USE THEM TO ACTIVATE YOUR ACCOUNT AT BRIDGESPANHEALTH.COM.

BridgeSpanHealth.com

SCH000128

Go to BridgeSpanHealth.com to activate your account today.

BEFORE YOU CAN START RECEIVING COVERAGE YOU MUST:

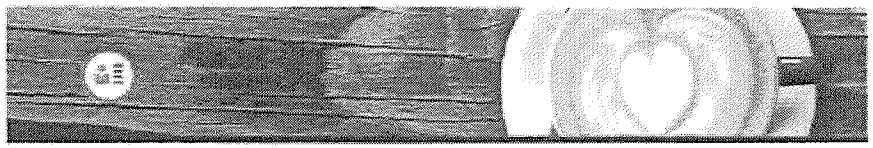
1 REGISTER TO CREATE AN ACCOUNT

2 MAKE YOUR FIRST PAYMENT AT WAHEALTHPLANFINDER.ORG

YOUR INSURANCE IS EFFECTIVE ON JANUARY 1, 2014, BUT YOUR COVERAGE CANNOT BEGIN UNTIL ALL STEPS ARE COMPLETED.

So we encourage you to create an account and make your first payment as soon as you can. On the following pages, you will find simple instructions on how to do this. If you have any questions, please call **855-857-9944** or go to BridgeSpanHealth.com.

Again, thank you for choosing BridgeSpan.



1 *How to create your account.*

We make it easy for you to activate your account. There's no complicated paperwork—just a simple online registration that you can complete in a matter of minutes. Remember when registering that each family member over the age of 13 must register for their own account.

To activate your account, have your membership card handy and go to BridgeSpanHealth.com.

1. Click *Register*
2. Type your member information in the appropriate fields
3. Include member information for you and each family member 13 years of age and over
4. Create a user name and password

Once your registration is complete, you will have access to a wealth of information, including your benefits booklet, pharmacy coverage, and details on health and wellness programs.

As a BridgeSpan member, you will also be able to search for doctors and hospitals, review costs, check your claims and pay your insurance premium. All with a click of a mouse.

We told you this was a different kind of insurance, didn't we?

(2) *How to make a payment.*

Your BridgeSpan Health coverage doesn't begin until you make your first payment.
So be sure that you complete this step promptly through the Washington Exchange.

It's easy. In fact, in just a few short minutes, you can pay your initial premium and set up your account for future payments, too.

TO MAKE A PAYMENT:

1. Go to wahealthplanfinder.org and click *Member*
2. Click *Pay your premium online*
3. Wait for the pop-up screen to appear, and follow the instructions
4. Choose a payment option:
   - **Make a one-time payment**
   - **Set up your account for automatic monthly payments**
   - **Make a payment through your bank's online bill paying service**

How to access your Health Savings Account.

Simply put, a Health Savings Account (HSA) is a savings account set up to pay for your medical expenses. Funds deposited into this account are not subject to federal income taxes and can be used to pay for a wide variety of qualified medical services and prescription medications. The money in your HSA is your money. So you control how it is spent. And money that you don't use can be rolled over to pay for medical expenses in future years.

As part of your BridgeSpan membership we have opened an HSA on your behalf and you will receive a welcome kit from HealthEquity®. If you do not wish to use the account, simply destroy these materials.

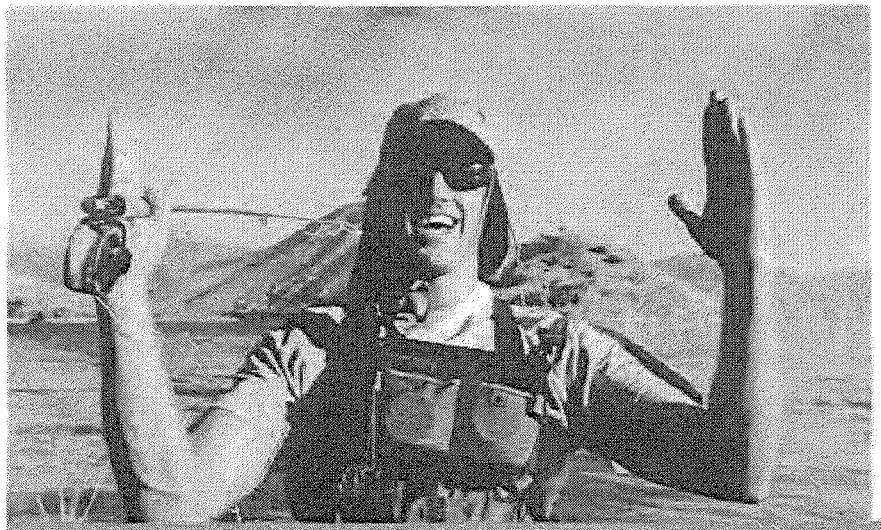
As a BridgeSpan member, you have three options regarding the HSA we have opened for you:

1. Accept the HealthEquity account and activate it using the instructions that will be provided in their Welcome kit.

2. Open an account with another banking provider. If you need assistance, call 855-857-9944.

3. Do nothing. Your HealthEquity account will not be activated and you will not be billed.

We highly encourage you to explore the benefits of an HSA through BridgeSpan Health and HealthEquity. With our integrated services and resources, you can be sure that you will receive tax advantaged savings, as well as the highest level of support. To learn more, go to bridgespan.healthequity.com.



How to get the most out of your BridgeSpan coverage.

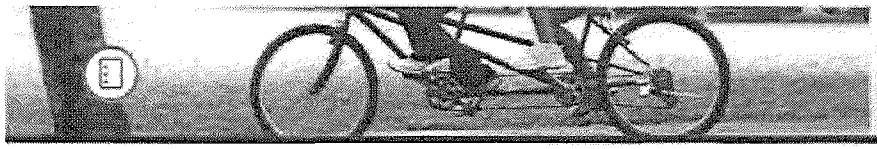
BridgeSpan is more than insurance. It's care that is coordinated and customized for you. Whether you need a simple check-up or advice and guidance on a specific medical issue, we're here for you.

In-network providers = reduced costs

With BridgeSpan, it makes sense to stay with your in-network providers. Not only because you'll save money, but also because your doctors will work together to provide the absolute best care. And they involve you, too. Together, you can make the best medical decisions for you.

To confirm that your provider is in-network, you can:

1. **Visit BridgeSpanHealth.com. Our provider search function can help you locate your doctor.**
2. **Call Customer Service at 855-657-9944, and we can verify your doctor.**



Insurance that provides more.

For BridgeSpan members, a great network of providers is only the beginning. You also receive a comprehensive prescription plan, expert advisors, premium services and valuable discounts. Take a look at everything your membership offers.

Discount programs. Ensuring your dollar goes further.

Through your BridgeSpan Advantages program, you are eligible for discounts on a variety of products and services. These discounts are offered to you at no additional cost from BridgeSpan, although some programs do require a separate vendor fee.

THEY INCLUDE:

LASIK SURGERY

DENTAL CARE PRODUCTS

HEALTH CLUBS

EYEWEAR

Prescription coverage. Ensuring your well-being at 16,000 locations.

As a BridgeSpan member, filling a prescription is amazingly easy. In fact, we offer two convenient ways to get the medications you need:

1. **Visit a participating pharmacy. There are more than 16,000 of them, so you can be sure there's one near you. To locate a nearby pharmacy, go to BridgeSpanHealth.com/Providers.**
2. **Order by mail. This is a great option for BridgeSpan members who are on maintenance medications, as it offers both cost savings and convenience. To learn more about receiving your medications by mail, check out our RX formulary page.**

If you are on a specialty medication, your first prescription can be filled at any participating pharmacy. However, subsequent refills must be handled by a specialty pharmacy. To learn more, check out our RX formulary page.

Are your medications covered? At BridgeSpan, we cover most common medications. For a complete list, go to BridgeSpanHealth.com. You'll find our Formulary, which tells you what drugs are covered, in the ***What we offer*** section.

Health services.
Ensuring your peace of mind.

At BridgeSpan, we're more than your insurance provider. We're also your advocates. And we're looking out for your best interests every step of the way.

As a member you have a number of healthcare support tools available to you, such as:

- **Support for your diabetes**
- **Coaching to quit smoking**
- **A phone number for a 24-hour nurse line**

This allows you to concentrate on what's important to your health and lets the experts guide you to make the best decisions about your care.

Starting January 1st, you will be able to access our health services line, 24 hours a day, 7 days a week at 1-855-357-9104.

How to get answers.

We're here to help. If you have a question, there are two easy ways to get the answers you're looking for:

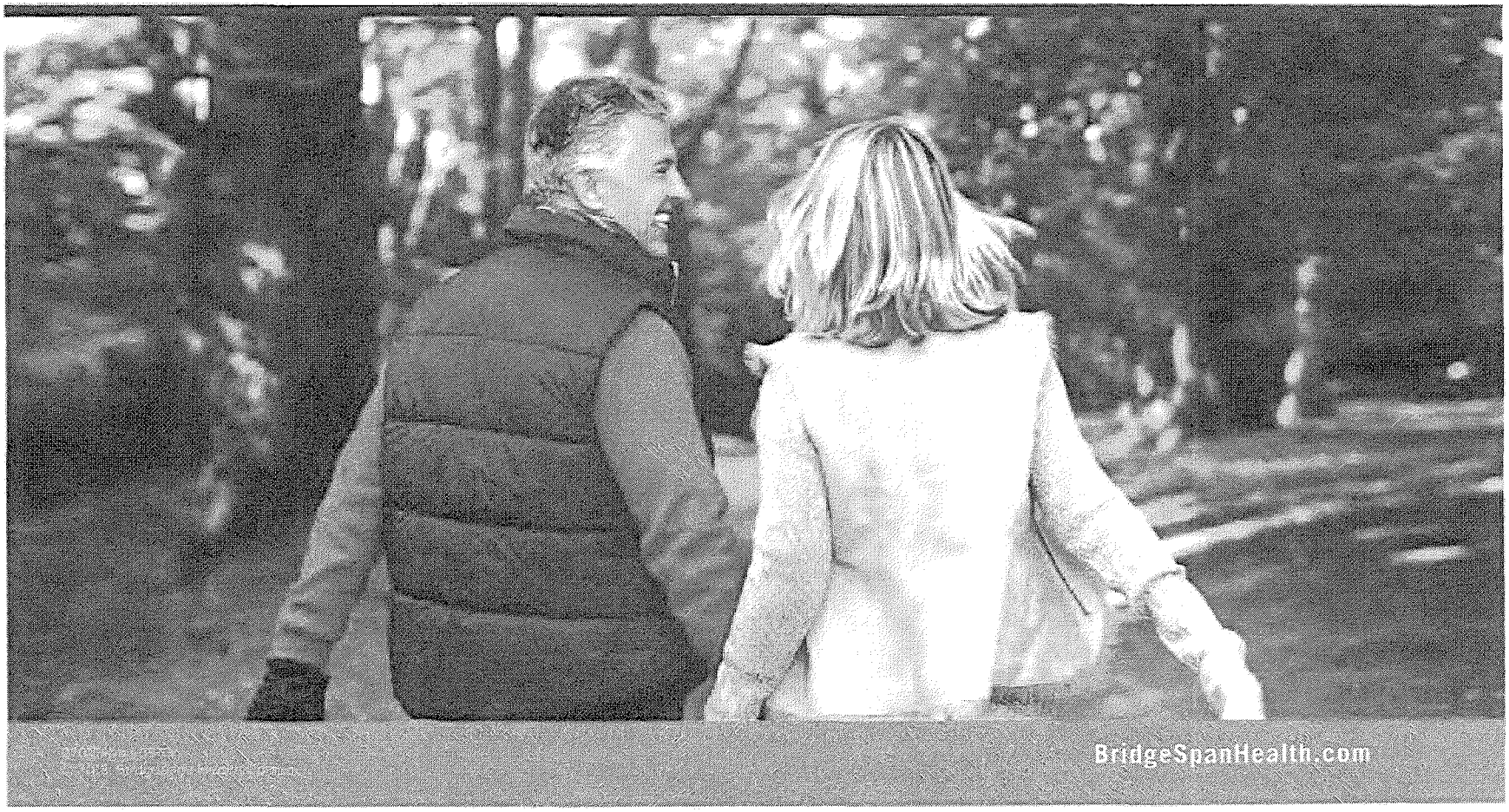
1. **Go to BridgeSpanHealth.com. Our website is packed with valuable information, all in an easy-to-navigate format.**
2. **If you can't find what you're looking for there, by all means, pick up the phone and give us a call. The number is right on the back of your membership card. We're available Monday through Friday from 6 a.m. PT to 6 p.m. PT.**

If you have questions about your coverage or claims, contact BridgeSpan Customer Service at 855-857-9944.

For questions about your government subsidy or re-enrollment, contact Washington State Exchange (wahealthplanfinder.org).

We look forward to being your partner in good health.

bridgespan™ PO Box 21267 ▮ Seattle, WA 98111-3267



SCH000134

bridgespan™

We don't just insure you. We empower you.

We believe you deserve a stronger voice in your health care. So we developed online tools to help you find a plan that works best for you. With BridgeSpan Health™, you can better monitor your expenses. And you can get the treatment you need when you need it. BridgeSpan connects you to caregivers who value relationships and are rewarded for positive outcomes. Because we know that's how you want it.

YOUR VOICE. YOUR CHOICE.

Because you're in control, you get to choose the plan that is best for you. Do you want to pay a slightly higher premium and have more of your expected medical expenses covered? Or would you rather pay a little less each month? You decide. Whatever your choice, know that your preventive health care costs – from mammograms to annual check-ups – are covered 100%.

NETWORKS THAT WORK FOR YOU.

BridgeSpan features a streamlined network of doctors, specialists and caregivers in your area. It's important that you visit in-network providers. You receive the highest level of benefit, and the providers work together to coordinate your care. You can use our provider search tool on BridgeSpanHealth.com to find out which providers are in-network.

MORE THAN YOU EXPECT.

BridgeSpan gives you more than just basic medical coverage. We give you what you want, including a members-only discount program, health coaches, pregnancy support, a 24-hour nurse hotline, and more. Want to know more? Go to BridgeSpanHealth.com.

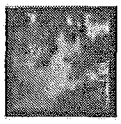
bridgespan

BridgeSpan Exchange Gold

MEET PAULA

age 52

BREMERTON
WASHINGTON



Paula has Type 2 diabetes, which means she has to see her doctor for regular checkups. With the Gold plan, her office visits are covered before she meets her deductible. And that makes her feel great!

In-Network Deductible:	Out-of-Pocket Max*:	What Paula will pay for a primary care visit:	In-Network Coinsurance:
$1,000	$3,300	20% DEDUCTIBLE WAIVED	20%

BridgeSpan Exchange Silver

MEET PETE

age 47

SPOKANE
WASHINGTON

Pete is the father of six great children. And six kids means six times the sore throats, six times the fevers, and six times the bumps and bruises. Fortunately for Pete, he'll never pay more than his out-of-pocket maximum on medical bills.

In-Network Deductible:	Out-of-Pocket Max*:	What Pete will pay for a primary care visit:	In-Network Coinsurance:
$3,000	$4,900	20% DEDUCTIBLE WAIVED	20%

BridgeSpan Exchange Bronze HSA

MEET PAVEL

age 32

SEATTLE
WASHINGTON

Pavel is young. He's healthy. And his income level makes him eligible for a subsidy on the Washington Healthplanfinder that's equal to the cost of a Bronze HSA plan. So, for Pavel, peace of mind comes at a great low price.

In-Network Deductible:	Out-of-Pocket Max*:	What Pavel will pay for a primary care visit:	In-Network Coinsurance:
$5,000	$6,250	30% DEDUCTIBLE WAIVED	30%

BridgeSpan Exchange Catastrophic

MEET PATRICIA

age 28

OLYMPIA
WASHINGTON

Even though Patricia is under 30, she doesn't qualify for a subsidy on the Washington Healthplanfinder Exchange. So, she chose this low-cost plan that entitles her to three office visits a year at a $20 copay each. A great deal, considering her preventive costs are completely covered.

In-Network Deductible:	Out-of-Pocket Max*:	What Patricia will pay for a primary care visit:	In-Network Coinsurance:
$6,250	$6,250	$20 FIRST 3	100%

*The most you will spend, in-network, before the plan pays 100%.

Exhibit C-1
Regence BlueShield
Hospital Fee Schedule
for
Children's Hospital and Regional Medical Center

THIS EXHIBIT TO THE PARTICIPATING ORGANIZATIONAL PROVIDER (HOSPITAL) AGREEMENT (the "Provider Agreement") applies to inpatient admissions and outpatient services incurred or provided on or after September 1, 2009. This exhibit replaces and supersedes any prior payment exhibits. Any term not defined herein shall have the meaning set forth in the Provider Agreement

I. DEFINITIONS

1.1 **Billed Charges** – charges submitted by Provider for Covered Services.

1.2 **Maximum Allowable** – the amount that Company agrees to pay, subject to standard Company administrative guidelines, reimbursement policies and payment methodologies including but not limited to reimbursement for CPT® code modifiers. Provider agrees to accept as payment in full for covered services provided to Company's subscribers.

II. **INPATIENT FEE SCHEDULE/PAYMENT METHODOLOGY: Applies to Participating, Preferred Plan and Selections Provider Networks when applicable by appropriate network participation.**

2.1 Maximum Allowable. Except as otherwise provided in sections 2.2 (Benefit Limits) and 2.3 (Carve Outs), the Maximum Allowable for covered inpatient services shall be the percentage set forth below:

[redacted]

2.2 Benefit Limits. If the Maximum Allowable calculated under section 2.1 exceeds the limit of inpatient hospital benefits available under the Patient's plan, Company will pay an amount equal to the remaining inpatient hospital benefits.

2.3 Carve Outs:

2.3.1 AP-DRGs 103, 302 480 and ICD-9 46.97 shall be reimbursed at [redacted].

2.3.2 AP-DRG 641 (neonate with ECMO) shall be reimbursed at [redacted].

2.3.3 No Bone Marrow Transplant Services will be provided for or billed to Company by Provider under the terms of this agreement. Company shall reimburse Provider for these services under a separate agreement with the Seattle Cancer Care Alliance.

III. **OUTPATIENT SERVICES FEE SCHEDULE/PAYMENT METHODOLOGY: Applies to Participating, Preferred Plan and Selections Provider Networks when applicable by appropriate network participation.**

3.1 Maximum Allowable. Except as otherwise provided in section 3.2 (All Other Outpatient Hospital Services), the Maximum Allowable for covered outpatient services shall be the percentage set forth below:

[redacted]

3.2 All Other Outpatient Hospital Services.

3.2.1 The Maximum Allowable for laboratory services listed in Medicare's Clinical Diagnostic fee schedule shall be the lesser of [redacted] Any revisions made by Medicare to its Clinical Diagnostic Laboratory fee schedule shall be implemented by Company the first day of the month following the month in which Medicare announces the revision.

3.2.2 Other laboratory services and radiology services shall be reimbursed at the lesser of [redacted]. Outpatient hospital services for which neither Medicare nor Company has established a fee schedule amount shall be paid at [redacted]

3.2.3 The Maximum Allowable for the technical component of Magnetic Resonance Imaging (MRI) and Computer Tomography (CT) services shall be [redacted] amount for these services.

IV. **HEALTHY OPTIONS/SCHIP when applicable by appropriate network participation.**

The Maximum Allowable for covered Inpatient services provided to Patients covered under Healthy Options and SCHIP plans shall be reimbursed at the most current rates published by the state Department of Social and Health Services (DSHS) – Health and Recovery Services Administration (HRSA).

Covered outpatient hospital services that are reimbursed at the HRSA outpatient fee schedule shall be reimbursed at the lesser of Billed Charges or the most current HRSA fee schedule published by the state Department of Social and Health Services (DSHS) – Health and Recovery Services Administration (HRSA).

Covered outpatient hospital services that are reimbursed at the HRSA RCC amounts shall be reimbursed at the most current HRSA rates published by the state Department of Social and Health Services (DSHS) – Health and Recovery Services Administration (HRSA).

Changes to the HRSA fees and rates will be implemented by Company effective the first day of the month in which they are published on the HRSA web site.

V. **INCREASE IN CHARGES**

Within 30 days of a written request from the Company, Provider shall provide notice of any chargemaster changes. The written notice shall include the anticipated date of the chargemaster adjustments and estimated aggregate increase in charges expected as a result of the adjustment.

VI. **COPAYMENT, COINSURANCE, DEDUCTIBLE**

Where the Subscriber Agreement provides for payment of copayment, coinsurance or deductibles by the Patient, payment by Company for Covered Services shall be the Maximum Allowable less the applicable copayment, coinsurance and/or deductible.

VII. **NON-DISCLOSURE**

Neither party shall disclose the reimbursement rate or payment methodology as set forth in this Exhibit to any third party, unless required by law, without prior written consent of the other party.

VIII. **TERMS**

To the extent the terms of this Exhibit are inconsistent with the terms of the Provider Agreement or provider manual, these terms apply.

Regence BlueShield

Signature

John J. Wagner
Name

VP, Network Strategy & Performance
Title

10-3-08
Date

Children's Hospital and Regional Medical Center

Signature

Kelly Wallace
Print Name

SVP & CFO
Title

9/18/2008
Date