QIPP AGREEMENT

BETWEEN AMERIGROUP TEXAS, INC. AND

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

THIS QIPP AGREEMENT (the “Agreement”) by and between AMERIGROUP TEXAS, INC. (“Amerigroup”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Provider”) is effective upon the date of complete execution.

RECITALS:

1. The Texas Health and Human Services Commission (“HHSC”) has implemented a Quality Incentive Payment Program (“QIPP”), which is designed to incentivize nursing facilities to improve quality and innovation in the provision of nursing facility services, including payment incentives to establish culture change, small house models, staffing enhancements and outcome measures to improve the quality of care for nursing facility residents. Under QIPP, nursing facilities will enter into contracts with managed care organizations (“MCO”) that will describe the details of the specific projects, metrics, valuations, and payment schedules.
2. Amerigroup and Provider wish to enter into this Agreement to formalize Amerigroup’s and Provider’s responsibilities under QIPP.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

1. Amerigroup and Provider each desire to participate in QIPP and to provide the QIPP goals, metrics, and objectives as specified on Exhibit A, attached hereto and incorporated herein.

2.To the extent any provision contained in this Agreement conflicts with the terms and conditions of Provider’s QIPP participation agreement with HHSC, then Provider’s QIPP participation agreement with HHSC shall control. Provider affirms that it is eligible to participate under QIPP and is in full compliance with the QIPP requirements as set forth by HHSC.

3. The parties acknowledge and agree that all information related to QIPP created and/or furnished by one party to the other party as a result of this Agreement is proprietary and confidential. Provider and Amerigroup agree not to use such proprietary and confidential information except for the purpose of carrying out their obligations under this Agreement. Neither party shall disclose any proprietary and confidential information to any person or entity without the other party’s express written consent, except as required pursuant to applicable law, regulatory requirements or legal order, in which case such party shall immediately notify the other party of the receipt of any such request for disclosure prior to the disclosure.

4. The parties acknowledge that in connection with QIPP, each may be acquiring and making use of “protected health information” (“PHI”) as defined at 45 CFR §160.103 (as such provision is currently drafted and subsequently updated amended or revised) which is subject to the requirements of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the federal Standards for Privacy and Security of Individually Identifiable Health Information (“Privacy and Security Rule”) promulgated thereunder. Each party shall comply with the applicable provisions of HIPAA, the Privacy and Security Rule, as well as the Health Information Technology for Economic and Clinical Health Act (“HITECH”), any other regulations promulgated under HIPAA or HITECH, and any other applicable law, and each party shall require its personnel and other persons engaged in the provision of services hereunder to comply with same.

5. Provider shall provide to Amerigroup a monthly report that details Provider’s performance on each QIPP program measure that is specified in Exhibit A.

6. Amerigroup will remit to Provider monthly payments based off of the net annual QIPP payment as approved by HHSC by the last business day of each month. Net payment is defined as Gross Program Value less Amerigroup’s administration expenses and taxes, as detailed in the Valuation Financial Summary.

7. Either party may terminate this Agreement with or without cause on one hundred eighty (180) days’ prior written notice to the other party. This Agreement will automatically terminate upon termination of Provider’s eligibility to participate under QIPP. All QIPP funds owed and applicable to all periods prior to termination shall be distributed in accordance with the terms of this Agreement.

8. The parties hereto represent to each other that to their knowledge this Agreement (i) has been validly executed and delivered, and (ii) has been duly authorized by all corporate action necessary for the authorization.

9. This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas.

10. This Agreement is solely for the benefit of Provider and Amerigroup and will not be construed to give rise to or create any liability or obligation to, or to afford any claim or cause of action to, any other person or entity.

11. Each party agrees to indemnify, defend, and hold harmless the other party from and against any and all liability, loss, claim, damage or expense, including defense costs and legal fees, incurred in connection with a breach of any representation and warranty made by a party in this Agreement, and for claims for damages of any nature whatsoever, arising from a party’s performance or failure to perform its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed.

AMERIGROUP TEXAS, INC.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(Authorized Signature)*

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(Authorized Signature)*

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EXHIBIT A