

LETTER OF AGREEMENT

Molina Healthcare of Texas, Inc.
5605 N MacArthur Blvd, Suite 400
Irving, TX

The purpose of this Letter of Agreement ("LOA") by and between Molina Healthcare of Texas, Inc. ("Molina") and _____ ("Facility") (individually a "Party" and collectively the "Parties") is to evidence the agreement of the Parties regarding participation in the Quality Incentive Payment Program (QIPP) as directed by Texas Health and Human Services Commission ("HHSC") budget Rider 97 contained in the General Appropriations Act for the 2016-2017 Biennium (the "Program"). A complete program description is attached hereto as Exhibit A and is incorporated herein. This LOA shall become effective on _____ (the "Effective Date").

1. Program Participation: Molina and Facility each desire to participate in the Program and to provide the Program services as specified on Exhibit A, attached hereto and incorporated herein.
2. Nursing Facility Qualifications: Facility represents that it meets all the qualifications to participate in the Program as outlined by HHSC.
3. Compliance with Law: This LOA shall be implemented and performed in accordance with state and federal laws and regulations, the Texas Uniform Managed Care Contract ("UMCC") between Molina and the Texas Health and Human Services Commission ("HHSC"), and in compliance with the Program as approved by HHSC and CMS. Should any change to the law, UMCC, or Program conflict with or affect the performance of this Letter of Agreement, the Parties agree that the applicable law, UMCC, or Program change shall govern the relationship of the Parties and their performance under this LOA.
4. Coordination with Nursing Facility Provider Participation Agreement: To the extent any of the provisions included in the Nursing Facility Provider Participation Agreement are required pursuant to applicable law and regulatory requirements, such provisions are hereby incorporated by reference in this LOA.
5. Confidentiality: The Parties acknowledge and agree that all information related to the Program created and/or furnished by one Party to the other Party as a result of this LOA is proprietary and confidential. _____ and Molina agree not to use such proprietary and confidential Information except for the purpose of carrying out their obligations under this LOA. 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 laws, 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. The Parties further acknowledge and agree that HHSC may be required to produce documents related to the Program and this LOA upon request from CMS, the State of Texas, or other regulatory entities.
6. HIPAA: The Parties acknowledge that in connection with the Program, 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, and the Parties shall execute any appropriate Business Associate Agreement(s) prior to the exchange or transfer of any PHI .

7. Term: This LOA will remain in effect as long as CMS and HHSC continue the Program.
8. Termination: Either Party may terminate this LOA with cause upon thirty (30) days prior written notice to the other Party or without cause upon ninety (90) days' prior written notice to the other Party. All Program funds owed and applicable to all periods prior to termination must be distributed in accordance with the terms of this LOA.
9. Authority to Execute: 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.
10. Governing Law: This Agreement shall be construed and Interpreted in accordance with the laws of the State of Texas.
11. Relationship of the Parties: This Agreement is solely for the benefit of Facility and Molina 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 person or entity other than Facility and Molina.
12. Indemnification: 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 reasonable defense costs and legal fees, incurred in connection with a breach of any representation and/or warranty made by a Party in this LOA, and for claims for damages of any nature whatsoever, arising from a Party's performance or failure to perform its obligations hereunder.
13. Payment: MCO agrees to remit to Facility net payment no later than 30 days after receipt of a verified attestation from Facility confirming attainment of project metrics described in Attachment B and approved by HHSC. Molina reserves the right to audit Facility records to confirm the results contained in the Facility's verified attestation. No payment will be made if the Program metrics outlined in Attachment B are not met. Performance metrics shall be reported no more frequently than monthly. Net payment is defined as Gross Program Value less MCO Administration and Taxes, as detailed In the Valuation Financial Summary. Payment to Facility is contingent upon Molina receiving funding from HHSC.
14. Recoupment and Offsetting: The Parties agree that Program funding is at risk if the Program metrics outlined in attachment B and agreed upon by the Parties are not met. If HHSC determines that it is necessary to recover funding from Molina related to QIPP for any reason, the Parties acknowledge Molina may recoup funding from Facility in the amount HHSC is recovering from Molina, less any amounts retained by Molina for administrative services. Furthermore, Molina may also recoup funds from Facility if it determines that: a) a payment was made in error; b) there is a disallowance by CMS; c) payments were used by the Facility to pay a contingent, consulting or legal fee; or d) payment were made based on fraudulent reporting of metric performance or

fraudulent or misleading statements on Facility's change of ownership application or during the change of ownership process.

Upon determination by HHSC or Molina that recoupment is due from Facility, Molina shall provide notice of such recovery and will request reimbursement via check for such overpayment. If reimbursement is not received within thirty (30) days following the date of such notice, Molina shall be entitled to offset such overpayment against any other amounts due and payable by Molina to Facility. The Parties agree and understand that if at any time Molina does not receive funding from HHSC or CMS for the Program, no payment will be made or due Facility.

15. Dispute Resolution: Any dispute or claim arising from or related to this LOA shall be the subject of good faith discussion and negotiation between the Parties. If a claim or dispute cannot be resolved in this manner, after 30 days' written notice to the other Party it shall be submitted to the Judicial Arbitration and Mediation Services (JAMS) for resolution by a single arbitrator selected under and governed by the JAMS rules. The Parties shall share equally in JAMS fees and costs, including the arbitrator's fee. Each Party shall be responsible for its own attorneys' fees. The arbitrator shall have no authority to award attorneys' fees or punitive or exemplary damages. The Parties expressly waive any right to trial by jury or otherwise.

Please acknowledge your acceptance of the terms set forth herein by signing both enclosed originals of this Letter of Agreement.

Molina:

Name: _____

Signature: _____

Title: _____

Date: _____

Provider Facility:

Name: _____

Signature: _____

Title: _____

Date: _____

Exhibit A

Description of Program Services to be provided by
and Molina Healthcare of Texas, Inc. for QIPP Program Participation

Exhibit B

Description of Program Metrics for the Program to be provided by
and Molina Healthcare of Texas, Inc.
for QIPP Program Participation