



KAISER PERMANENTE®

Kaiser Foundation Hospitals
Network Development & Administration
393 East Walnut Street – 7th Fl.
Pasadena, California 91188

September 21, 2023

Ventura County Medical Center
5851 Thille Street, L#4625
Ventura, CA 93003
Attn: Paul Jaconette, Director, Strategy and Business Development

Re: Letter of Agreement for Acute Care Pediatric Services

Dear Paul:

This Letter of Agreement (“LOA”) is entered into between KAISER FOUNDATION HOSPITALS, a California nonprofit public benefit corporation (“KFH”), on behalf of its Southern California region, and County of Ventura, Owner and Operator of Ventura County Medical Center (“Contractor”), and is made effective as of October 01, 2023 (the “Effective Date”). This LOA is entered into pending completion of a more comprehensive services agreement between the parties, and sets forth the parties’ nonexclusive contractual arrangement for acute care pediatric services provided at Contractor’s facility to pediatric members of Kaiser Foundation Health Plan, Inc. (“Health Plan”) and pediatric members of fully insured plans of Kaiser Permanente Insurance Company (“KPIC”) and employer-sponsored plans administered by KPIC (individually a “Member” and collectively, “Members”). KFH, Southern California Medical Group (“Medical Group”) and Health Plan may be referred to herein as “Kaiser Permanente” or “KP.”

As of the Effective Date, Contractor agrees to provide to Members presenting at and/or referred to Contractor’s hospital facility located at 300 Hillmont Avenue, Ventura CA 93003-3099, health care services, supplies and equipment that are covered by the Member’s membership agreement or benefit plan, as applicable, and to the extent required by the applicable membership agreement or benefit plan, authorized and/or approved by KP (such services, supplies and equipment being referred to herein as the “LOA Covered Services”).

Term and Termination

This LOA shall become effective as of the Effective Date and shall remain in effect, unless earlier terminated as provided herein, until midnight on December 31, 2023. The parties have agreed that the rates covered under this LOA shall be effective October 01, 2023, as reflected on Exhibit A. Either party may terminate this LOA for any reason upon ten (10) business days written notice (which may be sent by email with verbal confirmation of email receipt) to the other party. Upon termination or expiration of this LOA, KFH shall continue to be financially liable to Contractor for any LOA Covered Services provided pursuant to this LOA prior to the effective date of termination or expiration, including services provided to Members who are hospitalized on the effective date of termination and continuing until discharge or until KP arranges for the transfer of the Members to another facility, at the rates contained herein.

Ventura County Medical Center
TIN: 95-6000944

Provision of LOA Covered Services

Contractor's obligation for each Member pursuant to this LOA shall arise at the time such Member arrives at Contractor's facility located at 300 Hillmont Avenue, Ventura, CA 93003-3099. Contractor is responsible to verify eligibility and obtain authorization for non-emergency services by calling the numbers on the Member's ID card. KP shall authorize post-stabilization services in accordance with Section 1300.71.4 of Title 28 of the California Code of Regulations (CCR), CMS regulations, to the extent applicable to the Member, and in accordance with the Member's membership agreement. KP will not revoke or modify an authorization to the extent that Contractor already has provided services in good faith reliance on an applicable authorization.

Contractor shall coordinate its efforts with the requirements of KP to assure the quality of all care and LOA Covered Services provided to Members and shall participate in KP's quality improvement program, which include (but are not limited to) the following: continuous quality improvement, safety and infection control and risk management. Contractor hereby acknowledges that KP's quality assurance, risk management and utilization management programs require that KP monitor the quality assurance, risk management and utilization management programs of Contractor and its medical staff. Contractor and its medical staff shall maintain written quality assurance and utilization management programs in compliance with standards established by The Joint Commission, the National Committee for Quality Assurance ("NCQA") and other applicable regulatory or accrediting agencies.

Contractor will cooperate diligently and in good faith with KP to resolve any Member complaint, and work with KP to evaluate and resolve any adverse event or incident related to provision of LOA Covered Services to Members, provided that nothing in this LOA shall require either party to disclose any documents, records or communications that are protected from disclosure under the peer review privilege, the attorney-client privilege, the attorney work-product doctrine or other rules governing such privileges. Physicians associated with Medical Group may make periodic visits to observe each Member receiving LOA Covered Services at Contractor's facility. Such visits shall be made as deemed appropriate by KFH and/or physicians associated with Medical Group, with the permission of the Chief Medical Officer/Designee at Contractor's facility and the attending physician. Contractor shall process all applications for staff privileges at Contractor's facility at which Members may receive LOA Covered Services on the same basis as all other applications for staff privileges. Such physicians associated with Medical Group may be granted courtesy privileges at Contractor's facility in accord with the applicable bylaws of Contractor's medical staff.

Compensation

Subject to the terms of this LOA, Contractor shall be paid for LOA Covered Services provided to any Member at the rate associated with the type of LOA Covered Service provided, as shown on Exhibit A attached hereto and incorporated herein by reference. Contractor agrees to accept such compensation as payment in full except for (i) copayments, coinsurance or deductibles related to LOA Covered Services that are payable by the Member under the applicable membership agreement or benefit plan ("Member Cost Share"), or (ii) services, supplies or equipment that are not LOA Covered Services described herein.

Claims

As a prerequisite for payment, Contractor shall submit a claim electronically, along with all reasonably relevant supporting information or via paper copy for LOA Covered Services provided under this LOA as listed below. Supporting documentation may be submitted electronically at

<https://healthy.kaiserpermanente.org/community-providers>.

Ventura County Medical Center

TIN: 95-6000944

For claims for services provided to Health Plan members

Kaiser Foundation Health Plan, Inc.
Claims Administration Department
P.O. Box 7004
Downey, California 90242-7004
Phone – 1-800-390-3510

For claims for services provided to KPIC members and members of employer-sponsored plans administered by KPIC

KPIC Self-Funded Plan Administrator
PO Box 30547
Salt Lake City, UT 84130-0547
Phone – 1-866-213-3062

Contractor shall bill for Covered Services consistent with applicable regulations, guidelines and industry standards. Any and all claims for LOA Covered Services provided under this LOA may be reviewed prior to payment and/or audited subsequent to payment in order to ensure that (i) coding and billing complies with State and federal laws, rules, and regulations, and the requirements of all applicable regulatory bodies, (ii) services rendered are medically necessary, and (iii) payment is in accordance with this LOA; and if claims are not in compliance with the foregoing (i) through (iii), payment to Contractor may be denied, reduced or otherwise adjusted in accordance with CMS guidelines (for Commercial and Medicare Advantage Members) or the California Department of Health Care Services' ("DHCS") Medi-Cal Provider Billing Manual (for Medi-Cal Managed Care Members), to the extent permitted by applicable law. Contractor shall not seek payment from any Member for amounts denied, as permitted by applicable law, because Contractor did not promptly submit clinical data or claims.

Payment

Payment to Contractor for LOA Covered Services will be made within the applicable forty-five (45) working days for Commercial and Medicare Advantage Members or thirty (30) calendar days for Medi-Cal Members, following receipt of a complete claim (as defined by State or federal law) for such LOA Covered Services, or if the claim is not subject to the Knox-Keene Act, within such other time period applicable to the claim under law. Interest shall be paid on any claims that are not paid timely, as required by applicable law and according to the type of Member receiving LOA Covered Services. KFHC is familiar with Contractor's charge description master and charges for which Contractor bills and, except as provided herein, payment for any charge by Contractor shall not be denied. The applicable Member Cost Share will be deducted from payments to Contractor hereunder.

Contractor shall look solely to the responsible payor for compensation for LOA Covered Services rendered to any Member under this LOA and, except as otherwise provided herein, Contractor agrees that in no event, including but not limited to non-payment by the responsible payor or breach of this LOA, shall Contractor bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, impose surcharges or have any recourse against a Member, a Member's property, a person acting on a Member's behalf, or DHCS or Medi-Cal Plans for LOA Covered Services provided pursuant to this LOA. Contractor shall be responsible for collecting from Member for any applicable Member Cost Share, and the charges related to any services, supplies or equipment that are not LOA Covered Services as described herein.

Notwithstanding anything to the contrary stated elsewhere in this LOA, Contractor shall coordinate with KP with respect to claims for any Member which are payable by any third-party payors, in accordance with the applicable coordination of benefits rules. In the event that Health Plan's financial liability is secondary to the liability of another payor, Contractor shall only be paid the difference resulting when the total amount of money which Contractor already has received, or is entitled to receive, from all other payors for LOA Covered Services provided to the Member, is deducted from the applicable allowed amount of the primary

payor plus the amount of any uncompensated Member Cost Share, up to a maximum amount shown on Exhibit A.

Records

Contractor shall maintain medical and business records in accordance with applicable law. As requested to administer any Member's health benefit plan, process claims for LOA Covered Services, ensure compliance with the terms of this LOA, or in order to comply with a request of the California Department of Managed Health Care ("DMHC") or any other state or federal government agency, Contractor shall provide access to electronic or paper copies of its medical and business records relating to any Member.

Confidentiality

Contractor agrees that all information, records and data maintained or collected about Member shall be confidential and Contractor's agents and employees shall not discuss or transmit such information, records and data, except as a necessary part of providing services to Member and except to the extent such disclosure is required by applicable law.

Contractor understands and agrees that this LOA and certain data which may be exchanged hereunder is subject to the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-91) and regulations issued thereunder (collectively, "HIPAA"). To the full extent applicable by the provisions of HIPAA, Contractor agrees to comply with HIPAA, including but not limited to the HIPAA standards for (i) privacy, (ii) code set, (iii) data transmission standards, and (iv) security regarding physical storage, maintenance, transmission of and access to individual health information.

Contractor further acknowledges that it is a "covered entity" as that term is defined under HIPAA, and the Privacy Rule issued by the Department of Health and Human Services (45 CFR Subparts 160 and 164, which regulations are incorporated herein by this reference as though set forth in full). As a covered entity, Contractor has specified responsibilities to limit the uses and disclosures of protected health information ("PHI"), as that term is defined by the Privacy Rule (45 CFR Section 164.501). Contractor represents that it will use and disclose PHI only as permitted by HIPAA and the Privacy Rule, subject to any additional limitations, if any, on the use and disclosure of that information as imposed by provisions of this LOA.

Compliance

With respect to LOA Covered Services provided under this LOA, Contractor shall conduct its operations in compliance with all applicable local, state and federal laws, regulations and rules, including, but not limited to, laws, rules and regulations relating to licensing and accreditation, including those of the DMHC and those necessary to participate in the Medicare and Medi-Cal programs under Title XVIII and Title XIX of the Social Security Act, and those required for accreditation by the Joint Commission, for accreditation of Health Plan by NCQA, and by any other applicable regulating or accrediting agencies. This LOA between Contractor and KFH necessarily includes provisions concerned with equal employment opportunity and affirmative action, the access for Medicare purposes of federal government representatives to Contractor's records dealing with this LOA, and required notices to employees. These latter provisions are mandated by KP's contractual relationship with the federal government.

Contractor acknowledges that the services provided to Members who are enrolled in the Kaiser Permanente Medicare Risk program or in any other Medicare Advantage products are subject to additional requirements contained in applicable rules and regulations of the United States Centers for Medicare and Medicaid

Services. Contractor agrees to comply with those requirements, including any changes made to them from time to time, in performing its duties under this LOA for beneficiaries of Medicare Advantage products.

Insurance

Contractor shall maintain in full force and effect, at its sole expense, insurance covering its obligations under this LOA for general liability insurance, including bodily injury and property damages with limits not less than Ten Million Dollars (\$10,000,000) per occurrence and with limits of not less than Ten Million Dollars (\$10,000,000) annual aggregate. Contractor shall cause such insurance to name KFHC as an additional insured under its general liability insurance policy. Contractor shall also maintain in full force and effect, at its sole expense, insurance covering its obligations under this LOA for professional liability insurance with limits of not less than Ten Million Dollars (\$10,000,000) per occurrence and with limits not less than Ten Million Dollars (\$10,000,000) annual aggregate.

Contractor shall require any individual provider with which it contracts or arranges to perform LOA Covered Services under this LOA to satisfy all insurance requirements, as applicable to the individual provider type. Upon request, Contractor shall provide KFHC with satisfactory evidence of its compliance with these insurance requirements. The insurance requirements stated in this LOA shall survive the expiration, termination or any other cancellation of this LOA. Contractor's failure to maintain any of the insurance policies required by these insurance requirements shall be grounds for immediate termination of this LOA upon written notice.

Indemnification

Each party (the "Indemnifying Party") agrees to indemnify and hold harmless (and at the other party's request, defend) the other party (the "Indemnified Party") and, in the case of KFHC as the Indemnified Party, KPIC and all other persons or organizations cooperating in the conduct of the "Kaiser Permanente Medical Care Program," and each of their officers, partners, employees and agents, to the extent allowed by law, from and against any and all claims, losses, damages, liabilities, costs, expenses, or judgments for or in connection with injury or damage (including, but not limited to, death) to any person or property to the extent that such injury or damage results from act, failure to act, or the performance of or failure to perform obligations under this LOA by the Indemnifying Party, its officers, partners, employees or agents. Neither termination or expiration of this LOA nor completion of the acts to be performed under this LOA shall release either party from its obligations to indemnify as to any claim or cause of action asserted so long as the event upon which a claim or cause of action is predicated shall have occurred prior to the effective date of any such termination, expiration or completion.

Dispute Resolution

If a dispute arises between the parties related to a billing or claims question, then either party may choose to use a fast, fair, and cost-effective dispute resolution mechanism designed specifically for the purpose of resolving billing and claims disputes (the "Billing and Claims Dispute Mechanism"). One such mechanism has been established pursuant to Section 1367(h) of the California Health and Safety Code. In order to avail itself of this Billing and Claims Dispute Mechanism, Contractor should contact the Kaiser Permanente Southern California Claims Administration Department at Post Office Box 7006, Downey, California 90242-7006, or telephone number 1-800-390-3510 for such notices, forms and other requirements and procedures, or via website at <https://healthy.kaiserpermanente.org/community-providers>.

Any other dispute relating to or in connection with this LOA that is not otherwise resolved by the parties shall be subject to judicial reference available under California Code of Civil Procedure section 638.

Miscellaneous

This LOA shall be governed by California law. This LOA is not intended to create and shall not be construed to create any relationship between the parties other than that of independent contractors contracting solely to carry out the provisions herein. This LOA constitutes the entire agreement of the parties with respect to the subject matter thereof and shall not be modified or amended except in writing executed by the parties hereto. Except as otherwise provided herein, nothing in this LOA will be construed to give any person other than the parties hereto any benefits, rights or remedies. Members shall be third party beneficiaries of certain provisions of this LOA, including but not limited to the paragraph titled "Payment" above. The parties shall maintain the terms of this LOA as confidential and proprietary information of the parties unless otherwise required by law. Neither party shall assign or delegate its duties hereunder without the prior written consent of the other party. This LOA may be executed in multiple counterparts, each of which shall be an original, and all such counterparts together shall constitute one and the same instrument. Facsimile and electronic signatures shall have the efficacy of an original.

Please have an authorized representative on behalf of Contractor sign and date a copy of this letter to signify the formal approval of these contract terms. Thereafter we will return to you a fully executed document, to the email provided, for your records. If you have any additional questions or comments, please do not hesitate to call me at (626) 460-9770 or by mail at 393 East Walnut Street, 7th floor, Pasadena, California, 91188.

Sincerely,

Pedro Ramirez

Pedro Ramirez (Sep 21, 2023 09:25 PDT)

Pedro A. Ramirez
Managing Director
Network Development & Administration
Southern California Region

[Signature Page Follows]

The undersigned individuals warrant that they are fully authorized to execute this LOA on behalf of their respective, identified parties and that their signatures will bind their respective parties.

THE ABOVE TERMS ARE HEREBY APPROVED AND UNDERSTOOD.

KAISER FOUNDATION HOSPITALS, a California nonprofit, public benefit corporation	COUNTY OF VENTURA, OWNER AND OPERATOR OF VENTURA COUNTY MEDICAL CENTER
By: _____ Name: Linton White Title: Senior Vice President & Chief Financial Officer, Southern California and Hawaii Markets Date: _____	By: _____ Name: Barry L. Zimmerman Title: HCA Director Date: _____
Reviewed by: _____ Richard L. Snader Vice President, Network Development & Administration, Southern California Region Date: _____	TIN: 95-6000944 NPI: 1629167457 Medicare#: 05-0159

EXHIBIT A**BILLING AND PAYMENT**
Effective October 1, 2023 through December 31, 2023

Payment rates for LOA Covered Services provided to Members by Contractor are set forth in the table below. Each payment made hereunder shall be in an amount net of any applicable Member Cost Share. Contractor shall accept such paid amounts and any applicable Member Cost Share as payment in full.

Fee Schedule Footnotes (1), (2), (3), (4), (5), (6), (7), (8), (9), (10) (11) (12) (13) (14)

LOA COVERED SERVICES	CODING CRITERIA	All-inclusive Rate
PEDIATRIC ONLY		
COMMERCIAL		
INPATIENT		
IP TRAUMA		
STOPLOSS (IP Trauma)		
IP PEDIATRIC		
STOPLOSS (IP Pediatric)		
OUTPATIENT		
OP TRAUMA		
ALL OTHER OP		
MEDICARE		
INPATIENT		
IP TRAUMA		
STOPLOSS (IP Trauma)		
IP PEDIATRIC		
STOPLOSS (IP Pediatric)		
OUTPATIENT		
OP TRAUMA		
ALL OTHER OP		
OBSERVATION ^(8,9)		

LOA COVERED SERVICES	CODING CRITERIA	All-inclusive Rate
ER ⁽¹⁰⁾		
MEDI-CAL		
INPATIENT		
IP TRAUMA		
STOPLOSS (IP Trauma)		
IP PEDIATRIC		
STOPLOSS (IP Pediatric)		
OUTPATIENT		
ALL OP SERVICES		
OBSERVATION ^(8,9)		
ER ⁽¹⁰⁾		

Footnotes:

1. **Commercial Members** – “Commercial Members” are members that are not Medicare Advantage Members or Medi-Cal Members. Contractor shall be paid for LOA Covered Services provided to Commercial Members the lesser of (i) Covered Billed Charges¹⁴ or (ii) the applicable rates set forth in this Exhibit A above.
2. Commercial Rates apply to all Commercial Members (including without limitation those Commercial Members who are enrollees of self-funded groups or other health care benefit programs administered by KP)
3. **Medicare Advantage Members** - “Medicare Advantage Members” are Medicare Members enrolled under a Medicare Advantage plan. Contractor shall be paid for LOA Covered Services provided to Medicare Advantage Members the lesser of (i) Covered Billed Charges¹⁴, or (ii) the applicable rate set forth in this Exhibit A above.
4. The **Medicare Allowable** rate means the prevailing fully loaded Medicare Severity Diagnosis-Related Group (MS-DRG) rates applicable to Contractor’s facility or the Medicare Outpatient Prospective Payment System (OPPS) rates in effect on the date of service. MS-DRG rates are inclusive of all Medicare Inpatient Prospective Payment System components, which include but are not limited to pass-through, disproportionate share and outlier payments. OPPS rates are inclusive of the appropriate geographical wage index adjustment and other OPPS factors applicable to Contractor’s facility.

5. **Medi-Cal Members** - “Medi-Cal Members” are Members enrolled under a Medi-Cal or Medicaid plan. Contractor shall be paid for LOA Covered Services provided to Medi-Cal Members the lesser of (i) Covered Billed Charges¹⁴, or (ii) the applicable rate set forth in this Exhibit A above.
6. **Medi-Cal Allowable** rate means the prevailing DHCS All Patient Refined Diagnosis Related Groups (“APR-DRG”) Fee Schedule for Medi-Cal, or the Medi-Cal Maximum Allowable Reimbursement Fee Schedule in effect at the time of service. In accordance with APR-DRG Guidelines, Administrative Day, Level 1 (Revenue Code 169) and Level 2 (Revenue Codes 190, 199) shall be authorized and paid separately to Contractor. Administrative Day, Level 2 services shall be paid to Contractor at rate published for “DRG-reimbursed hospitals” in the County of Ventura, as applicable on the date of service. Payment for outpatient hospital services shall be inclusive of the augmentation rate for eligible services, as defined by DHCS on its website (“Augmentation Rate”). Pursuant to DHCS’ Medi-Cal payment guidelines, the Augmentation Rate shall be paid for all outpatient locations covered under Contractor’s hospital license and billed under the hospital’s National Provider Identifier number.
7. All professional fees are excluded from the rates in Exhibit A.
8. Observation shall be paid as add-on to IP Pediatric only (non-Trauma).
9. If Observation and ER are billed on the same claim, only Observation rate shall apply.
10. When a Member receives Emergency Room services and is admitted to the Facility as an inpatient, Hospitals shall not be liable for separate payment for Emergency Room.
11. Contractor shall not be paid for those outpatient procedure codes that are subject to the site-of-service differential, as published in the most recent Federal Register, unless pre-authorized by KFH or a Medical Group physician or contracted physician.
12. MS-DRG, APR-DRG, Revenue Codes, HCPCS/CPT or ICD-10 listed in this Exhibit A are intended as representations of the coding in place at the commencement of this LOA for the types of services contracted under this LOA and have been mutually agreed upon by both KFH and Contractor. Such codes are subject to changes or additions as updates are made by the issuing entity.

In the event that any such codes (MS-DRG, Rev Codes, HCPCS/CPT or ICD-10) are later deleted, changed or modified in a manner which would affect the reimbursement herein, KFH and Contractor agree to amend this Exhibit A as is necessary to address the impact of such coding changes without altering the reimbursement provisions of this Exhibit A.

13. **Billing and Reimbursement Related to “Do Not Bill Events”.**

13.1. **Do Not Bill Events** (“DNBEs”) mean:

13.1.1 the one Hospital Acquired Condition (“HAC”) addressing foreign objects retained after surgery and identified by CMS in final regulations set forth in the Federal Register (see 73 Federal Register 48433, pages 48471-48491 from August 19, 2008) and summarized at <https://www.cms.gov/HospitalAcqCond/Downloads/HACFactsheet.pdf> when such HAC is not identified and documented as having been present upon admission; and

13.1.2 the three surgical errors (“SEs”) described in the CMS National Coverage Determination dated June 12, 2009 and documented at <https://www.cms.gov/transmittals/downloads/R101NCD.pdf>, which include surgery on the wrong patient, surgery on the wrong body part, and wrong surgery performed on a patient.

13.1.3 If CMS subsequently adds a new Hospital Acquired Condition applicable to Medicare fee-for-service claims and Kaiser’s policy on DNBEs is amended to include such new condition, Contractor agrees that the term HAC shall include such new condition within 90 days (ninety days) of written notice from KP.

13.2. In the event any Member experiences a DNBE while receiving LOA Covered Services under the LOA, Contractor agrees to the following:

13.2.1 Report the DNBE. Contractor shall report the DNBE to KP (referred to as “Kaiser Payor” in this section):the applicable Payor (as defined below):

For Kaiser Payors, to Kaiser Risk Management at closest Kaiser Foundation Hospital, as set forth below. “Kaiser Payors” include any Kaiser Permanente affiliate having responsibility for the provision or arrangement of health care services to Members under a plan regulated by a state insurance commissioner or state director of managed care. A Kaiser Payor includes (i) a corporation or other organization owned or controlled, either directly or through subsidiary corporations, by Health Plan (such as Kaiser Permanente Insurance Company (“KPIC”) or under common control with Health Plan (such as KFHH), and (ii) any regional Permanente Medical Group:

Location/Title	Names	Phone	Cell/Email
Woodland Hills 5601 DeSoto Blvd. Woodland Hills, CA 91365	Simi Singh, MA, LNHA, CPHRM, Director, Risk Mgmt./Patient Safety	818.719.4636	818.307.1394 simi.x.singh@kp.org

For Other Payors, to the Self-Funded Customer Service phone number at (866) 213-3062. However, Contractor shall not be required to waive any privilege or confidentiality rights under law in order to comply with this subsection. “Other Payors” include any public or private entity that (i) sponsors, administers, and/or funds a plan of health benefits coverage or is otherwise responsible for the arrangement of health care services rendered to Members under a membership agreement and (ii) enters into an administrative and/or management service agreement with a Kaiser Permanente affiliate (including, without limitation Health Plan and KPIC) that has contracted to perform certain administrative and/or management services on behalf of an Other Payor.

13.2.2 Waive or Reimburse Fees. Contractor shall waive fees otherwise owed by a Kaiser Payor and Members (or reimburse such fees that may have already been paid by Kaiser Payors or Members) that are directly related to the DNBE, whether the DNBE is reported by the Contractor or later discovered by Kaiser Permanente.

In addition, Contractor shall consider, on a case-by-case basis, waiving (or later reimbursing) fees otherwise owed by Kaiser Payors or Members for medically necessary

health care services required to treat the DNBE subsequent to the encounter at which the DNBE occurred.

12.2.3 Claims Submission. Where Contractor submits Claims on a UB-04 to Kaiser Payors, Contractor shall (a) include on all inpatient Claims to Kaiser Payors for Covered Services to Members, present on admission (“POA”) indicators in the manner required by CMS for Medicare fee-for-service claims and (b) for any DNBEs recognized prior to submitting a claim, include on all claims to Kaiser Payors for LOA Covered Services to Members, the applicable International Classification of Diseases (“ICD”) codes and all applicable standard modifiers (including CMS National Coverage Determination (“NCD”) modifiers for SEs) in the manner required by CMS for Medicare fee-for-service claims.

If Contractor submits claims on a CMS 1500 to Kaiser Payors and recognizes that a DNBE has occurred prior to submitting a claim, Contractor shall include on all claims to Kaiser Payors for LOA Covered Services to Members, the applicable ICD codes and all applicable standard modifiers (including CMS NCD modifiers for SEs) for any DNBE in the manner required by CMS for Medicare fee-for-service claims.

Where Contractor recognizes that a DNBE has occurred prior to submitting a claim to a Kaiser Payor, Contractor’s claim to the Kaiser Payor shall reflect all services provided (including those related to the DNBE) and all associated fees (including those related to the DNBE), with an adjustment in fees to reflect the waiver of fees directly related to the DNBE.

For example, Contractor must submit a no-pay claim (Type of Bill 110) to report all charges associated with the erroneous surgery. More specifically, if non-related services/procedures are provided during the same stay as the erroneous surgery, hospitals are required to submit two claims, one claim with services or procedures unrelated to the erroneous surgery and the other claim with the erroneous services/procedures as a no-pay claim. Non-covered Type of Bill 110 must have one of the diagnosis codes listed below in diagnosis position 2-9 on the UB-04 form to identify the type of erroneous surgery performed. Contractor will not transmit via the External Cause of Injury (Y-code) located on the UB-04 form.

Y65.51 - Performance of wrong operation (surgical procedure) on correct patient (existing code)

Y65.52 - Performance of operation (surgical procedure) on patient not scheduled for surgery

Y65.53 - Performance of correct operation (surgical procedure) on wrong side/body part

Present on Admission (POA) field is required on all primary and secondary diagnoses for inpatient discharges for all bill types.

Hospital Outpatient, ambulatory surgery centers or other health care professionals must utilize one of the following HCPCS modifier(s) with the associated charges on all lines related to the surgical error:

PA: Surgery Wrong Body Part

PB: Surgery Wrong Patient

PC: Wrong Surgery on Patient

13.2.4 Process for Resolving DNBE Reimbursement Issues

13.2.4.1 Kaiser Payors

Kaiser Payors and Contractor shall work collaboratively to resolve promptly DNBE determinations and corresponding reimbursement issues. Any disputes related to DNBE reimbursement shall be resolved according to the dispute resolution process in the LOA.

13.2.4.2 Other Payors

Other Payors and Contractor shall work collaboratively to resolve promptly DNBE determinations and corresponding reimbursement issues. Any disputes related to DNBE reimbursement shall be resolved according to the dispute resolution process in the LOA.

13.2.5 Reimbursement Reimbursement by Contractor to Kaiser Payors or Members for fees directly related to a DNBE that were already paid to Contractor, shall be deemed an overpayment and made within thirty days (30 days) of the parties' resolution of DNBE determinations and reimbursement issues, unless otherwise required by law.

13.3 The parties acknowledge that this Footnote 12 is solely for the purpose of determining compensation to Contractor and shall not constitute or imply any admission of liability.

14. **“Covered Billed Charges”** those charges for LOA Covered Services that are billed correctly by Contractor in accordance with applicable Medicare or Medi-Cal billing and reimbursement rules. Covered Billed Charges shall be based on Contractor's charge description master in effect at the time services are rendered, and shall include all charges for which Contractor customarily bills for Covered Services. Covered Billed Charges exclude charges that are not billed correctly or in accordance with this LOA (including, without limitation, erroneous charges, duplicate charges, or charges for non-covered services).

TIN: 95-6000944
NPI: 1629167457
Medicare#: 05-0159