

**EXTERNAL RESOURCE SHARING AGREEMENT
BETWEEN
GENERIC MILITARY BASE, NETWORK HOSPITAL & HUMANA MILITARY
HEALTHCARE SERVICES
FOR (SERVICES)**

This document is to serve as an External Resource Sharing Agreement ("Agreement") by and between Humana Military Healthcare Services, Inc. (hereinafter referred to as "HMHS"), Military Treatment Facility located in the State of _____ (hereinafter referred to as "MTF"), _____ and a hospital certified and/or licensed under the laws of the State of _____ (hereinafter referred to as "Hospital") for (Services).

The purpose of this agreement is to regulate the relationship between HMHS, the MTF and the Hospital to use their various resources to provide patient care services for TRICARE beneficiaries as listed in Attachment A. The resources include, but are not limited to Armed Forces professional providers. The term "MTF healthcare personnel" includes armed forces, civil service employees, and personal services contract healthcare providers.

1. RECITALS

1.1. Humana Military Healthcare Services has contracted with the United States Department of Defense ("DoD") Contract No. HT9402-11-C-0003 (the "HMHS/DoD Contract") to provide defined health care services to TRICARE beneficiaries in designated areas, pursuant to the congressionally mandated TRICARE program. The purpose of the Managed Care Support ("MCS") contract is to improve coordination between the military and civilian components of the military health services system; to enhance health care services for the beneficiaries; and to contain TRICARE costs, for both the federal government and the beneficiaries. All Attachments to this Agreement are hereby incorporated by reference.

1.2. HMHS and DoD desire to further the purposes of the MCS Contract and to enhance the capabilities of the MTF to provide needed patient care to TRICARE eligible beneficiaries outside the MTF in an efficient manner, thereby reducing total costs through the arrangement with the network Hospital under the terms and conditions of this agreement. Medical care provided through External Resource Sharing Agreements using MTF healthcare personnel within a HMHS network facility shall be in lieu of care that would otherwise be provided outside of the MTF, at a higher cost, by TRICARE providers and/or facilities.

1.3. In accordance with 32 CFR 199.17 (h)(3), Medicare dual Eligible's may not be authorized to be seen by MTF healthcare personnel under this ERSA unless the services are not reimbursable (not a covered benefit) under Medicare.

1.4. HMHS and the Hospital have previously entered into a PROVIDER Agreement ("PROVIDER AGREEMENT"). The terms and conditions of the PROVIDER AGREEMENT apply to this External Resource Sharing Agreement with respect to the services provided by the Hospital, except where specified in the terms and conditions listed below.

1.5. The MTF will assure that any MTF healthcare provider listed in 10 USC 1094(e)(2) whom it puts forth to provide service under this agreement is licensed to practice medicine in a United States jurisdiction and will qualify for clinical privileges at the Hospital for the purpose of practicing medicine in their specialty. The MTF healthcare provider remains under the authority, control and employment of the MTF and the United States Government (USG). Under the provisions of Title 10, United States Code, section 1094(d), to qualify for clinical privileges at the Hospital for the purpose of practicing medicine in their specialty, specified MTF healthcare providers with a current license, as defined by the statute are not required to be licensed in the state where the Hospital is located. Any providers who are offered by the MTF under this Agreement and who are not listed in 10 USC 1094(e)(2) must be licensed in the state where the Hospital is located unless DoD has provided implementing regulations.

1.6. The Hospital under this agreement is separate from the USG and is solely responsible for its operations.

1.7. The MTF will remain the sole authority and responsibility for reporting any adverse privilege action or allegations, or findings of misconduct against a privileged MTF healthcare provider under applicable DoD directives and regulations. All Hospital reports required by law will be copied to the MTF for submission to the appropriate authorities and the National Practitioners Data Bank (NPDB) if required.

1.8. HMHS will comply with the liability provisions of the MCS Contract although HMHS does not supply any contract providers, instead only military/government personnel participate under this agreement. This is a non-personal services agreement and as such each party is solely responsible for their own personnel. For the purposes of directing the terms and conditions of employment, MTF healthcare personnel shall not supervise non-MTF support personnel. However, this does not preclude Hospital personnel from complying with directions received from MTF healthcare personnel in the course of patient care activities.

1.9. Each party acknowledges that it will comply with the applicable portions of the regulations promulgated in 45 CFR Parts 180, 162, and 164 under the Health Insurance Portability and Accountability Act of 1996, as subsequently amended (collectively "HIPAA") and that it will comply with such applicable regulations on or before the date that compliance is required by the regulations. All capitalized terms in this Section not defined herein shall have the meanings set forth in 45 CFR Parts 160 and 164 (the "Privacy Standards"). Nothing in this Agreement will be construed to require a party to use or disclose Protected Health Information ("PHI") other than in accordance with the Privacy Standards and applicable law. Each party agrees that only Minimum Necessary PHI will be requested to accomplish the intended purpose of the request. Each party represents that any Business Associate that requests or receives PHI on behalf of such party shall have entered into an agreement with such party that contains the written assurances required by the Privacy Standards, subject to any modifications required by state law.

1.10. Nothing in this agreement changes, modifies, adds or deletes any requirements of the MCS contract. In the event of any inconsistencies between this document and the MCS contract, the MCS contract terms shall take precedence. The terms in Attachment A must be consistent with the MCSC reimbursement rules and the PROVIDER AGREEMENT.

1.11. Except as permitted in this Agreement, no Party may assign or transfer any right, benefit, obligation, or duty under the terms of this Agreement to any third party without the prior written consent of the other parties.

2. RESOURCES PROVIDED

2.1. The MTF Commander agrees to supply MTF healthcare personnel, as stated in Attachment A, to provide the services of this Agreement. The MTF Commander is responsible for the supervision of the MTF healthcare personnel who provide the services of this agreement, including Utilization Review and Quality Management oversight. From time to time, the MTF may be unable to supply the MTF healthcare personnel required to provide the services under this agreement. The Commander is permitted to notify HMHS when security reasons dictate or when the provider's loss is due to a short notice deployment, training, or reassignment.

2.2. The provision of Shared Resources under this Agreement must be cost effective as determined by HMHS and approved by the government.

2.3. Hospital will ensure compliance of all Hospital personnel with the terms and conditions specifically including the External Resource Sharing Agreement and the PROVIDER AGREEMENT. The Hospital will provide written licensing, credentials, and privileging requirements for all categories of MTF healthcare personnel that will actually provide care within the Hospital under this Agreement, to HMHS or to the MTF upon request. In addition, per the PROVIDER AGREEMENT, Hospital shall procure and maintain for the term of the Agreement: (I) appropriate licensure and/or certification for Hospital and all employees of Hospital required to be so licensed and/or certified, under applicable state and federal laws, and (II) accreditation under the hospital program of the Joint Commission on Accreditation's of Healthcare Organizations (JCAHO) and (III) full participation status under Medicare in accordance with Title XVIII. Hospital shall notify HMHS immediately of any changes in licensure, certification or accreditation status, and/or of any material action to suspend, revoke or restrict its certification, license and/or accreditation, or authority to conduct its business which may adversely affect Hospital's performance or ability to fulfill its obligations under this Agreement.

3. COSTS OF RESOURCES

HMHS shall pay the Hospital for the services provided to TRICARE beneficiaries in accordance with the terms of the PROVIDER AGREEMENT. There will be no charges made to the government beyond those specified in the MCS Contract or cost to TRICARE eligible beneficiaries for use of Shared Resources beyond that cost, if any, which would be borne by beneficiary if the same services were provided directly by the MTF.

4. CREDENTIALS REVIEW AND CLINICAL PRIVILEGES

4.1. The MTF Commander will ensure that all MTF healthcare personnel put forth by the MTF to provide the services of this Agreement shall meet the licensing, credentialing, and privileging requirements of the Hospital prior to performing care within the Hospital and Hospital will process the application for privileges as for any other member of its Medical Staff. However,

such requirements may not exceed the licensing, credentials and privileging requirements for other medical personnel of comparable professional preparation providing services at the Hospital.

4.2. The MTF healthcare personnel shall abide by all other Hospital medical staff bylaws to the extent that such bylaws do not conflict with Department of Defense and separate service regulations and MCS contract requirements with regard to Utilization Review and Quality Improvement directives, including but not limited to in-service training, maintenance of records, performance evaluation, release of medical information for all categories of medical personnel put forth to perform under the terms of this agreement. Should a conflict develop, the parties of this agreement shall work to resolve the conflict to mutual satisfaction or take action in accordance with paragraph 10.

5. PROFESSIONAL LIABILITY

5.1. While performing health care functions authorized by the MTF, designated MTF healthcare personnel will be acting within the scope of their duties as determined by the Department of Justice. The United States Government will be responsible for their actions within the scope of their duties. As such, any remedy for damages for personal injury, including death, caused by their negligence or wrongful acts or omissions shall be exclusively against the United States under provisions of the Federal Torts Claims Act (title 28, U.S.C., sections 1346(b), 2671-2680) and not against the individual MTF healthcare provider. In the event any MTF healthcare provider is asked to respond to an emergency involving a non-DoD beneficiary, the state's borrowed servant defense and any other applicable defenses and immunities available to the United States will apply to allegations of negligence or wrongful acts or omissions arising from care rendered by the provider.

5.2. The Hospital shall ensure that health care personnel employed by the Hospital who provide services under this Agreement shall be covered by full professional liability insurance to the same extent as is usual and customary in civilian practice in the community associated with medical services for the volume and complexity of the services to be provided by each such provider and in compliance with the Provider Agreement.

5.3 The relationship of the Parties is not and shall not be construed or interpreted to be a partnership, joint venture, or agency.

6. HOSPITAL AGREES

6.1. To provide facilities, ancillary support, diagnostic and therapeutic services; and equipment and supplies necessary for the proper and clinically appropriate care and management of patients presented under this agreement. Provide MTF professional healthcare personnel storage, dressing and locker room space and all other administrative privileges typically enjoyed by Hospital professional staff.

6.2. To provide administrative support to External Resource Sharing MTF healthcare personnel and patients as necessary, including:

(i) Maintenance of patient records, including transcription and copying services as may be necessary to satisfy all applicable State and Federal laws, Department of Defense (DoD) and Service requirements, and TRICARE standards and policies;

(ii) Reasonable accommodations (to the same extent as afforded other outside professional providers) within the Hospital for such periods of time as the External Resource Sharing professional provider may present to provide care in the facility;

(iii) An environment that maintains patients' rights to privacy and confidentiality of patient records, as embodied in TRICARE, other DoD regulations and policies, military service regulations, and the Privacy Act of 1974. Furthermore, the Hospital and its personnel shall abide by TRICARE, separate military service and DoD policies and regulations governing the release of information on matters pertaining to, or services delivered under, this agreement to the public, including advance approval before publication of technical papers in professional or scientific journals.

6.3. That no care rendered pursuant to this agreement will be a part of a medical or scientific study, research grant, or other test without the written consent of the MTF Commander, HMHS and the Assistant Secretary of Defense for Health Affairs.

6.4. To grant all privileged MTF healthcare personnel the authority to prescribe category 1-5 drugs, or all drugs contained with the Hospital's formulary, if different, to patients presented for care under this Agreement within the Hospital.

6.5. All medical records created in treating beneficiaries under this Agreement are the property of the Hospital. Provide the MTF, at no charge, a copy of the medical record, to include narrative summary when available, and other documentation of care, upon request from the MTF, or upon request from a beneficiary who presents a properly executed medical release.

7. NOTICE OF COMPLAINT OR SUIT

In the event of receipt by HMHS of a notice of a claim, complaint, or lawsuit relating to care under this Agreement involving care provided by Hospital, HMHS will notify the USG and Hospital immediately of such receipt and cooperate fully with the USG in investigation and resolution of the matter. The USG, likewise, will cooperate to the extent permissible by statute or regulation with HMHS and the health care personnel. In the event of receipt by Hospital of a notice of a claim, complaint, or lawsuit relating to care under this Agreement, Hospital will notify HMHS of such notice in accordance with the PROVIDER AGREEMENT which stipulates that the Hospital shall within seventy-two (72) hours, or such lesser period of time as required by the applicable statute of the state in which the Hospital is located, notify HMHS in writing of notice of any Beneficiary claim alleging malpractice or the occurrence of any incident which is required to be reported under such statute. Hospital will also immediately notify the USG.

8. PAYMENT FOR SERVICES

8.1. For TRICARE eligible beneficiaries presented to receive care at the Hospital under this External Resource Sharing Agreement, the Hospital agrees to accept as payment in full from HMHS the payment arrangements outlined in the PROVIDER AGREEMENT, less any co-payments, deductible, coinsurance, and/or cost-share amounts due from the TRICARE beneficiaries for Covered Services provided to TRICARE beneficiaries.

8.2. For TRICARE beneficiaries presented to receive care at the Hospital under this External Resource Sharing Agreement, the Hospital and its employees are prohibited from billing for or receiving any other compensation from agencies of the government which exceeds either the TRICARE determined allowable rate of reimbursement, for TRICARE and ACTIVE DUTY beneficiaries.

8.3. Payment for services to Active Duty service members will be made through the Department of Defense Supplemental Health Care Program in accordance with the terms of the current PROVIDER AGREEMENT between HMHS and the Hospital and as may be subsequently amended.

9. RIGHT OF ASSIGNMENT

No party subject to this External Resource Sharing Agreement shall assign, transfer, convey, sublet, or otherwise dispose of this agreement or the right, title, or interest therein, or the power to execute such agreement, to any other person, company, or corporation, without the written consent of all other parties.

10. TERM AND TERMINATION

10.1. The term of this Agreement shall be effective from the date below until the signing Commander of the MTF changes (at which time it must be amended or renegotiated), and is contingent upon the existence of a signed, current network agreement between HMHS and Hospital. Notwithstanding the above, this Agreement may be terminated by any party, with or without cause, upon sixty (60) days written notice to all other parties, or automatically ends upon termination of contract MDA 906-03-C-0010.

10.2. However, upon termination, the Hospital agrees to continue to render medical services to any TRICARE beneficiary or active duty military personnel, in a course of treatment or hospitalization as an inpatient on the date of termination, until alternative care is arranged for by HMHS, the MTF, or the TRICARE beneficiary or active duty military personnel, is discharged from the Hospital. HMHS and the MTF agree to pay for such coverage in accordance with the PROVIDER AGREEMENT.

11. APPROVAL, AMENDMENTS AND MODIFICATIONS

This Agreement is subject to final approval by the MTF Commander, President/CEO of HMHS, the TRICARE Regional Office, and the Hospital. The approved Agreement may only be modified or amended by written agreement executed by HMHS, the MTF, the TRICARE Regional Office and the Hospital.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

MILITARY TREATMENT FACILITY

HOSPITAL

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

HUMANA MILITARY HEALTHCARE SERVICES, INC. APPROVAL

TRICARE REGIONAL OFFICE

By: _____
David J. Baker

By: _____
William H Thresher, SES

Title: President & CEO

Title: Regional Director
TRICARE Regional Office – South

Date: _____

Date: _____

**EXTERNAL RESOURCE SHARING AGREEMENT
BETWEEN
MTF & HOSPITAL & HUMANA MILITARY HEALTHCARE SERVICES:
NEGOTIATED RATE OF REIMBURSEMENT
Attachment A**

The Hospital agrees to accept as payment in full from HMHS for TRICARE outpatient and inpatient beneficiaries at the rate contracted for in the PROVIDER AGREEMENT for covered services provided to TRICARE beneficiaries, to include Active Duty military beneficiaries. Medicare dual eligible beneficiaries may not be authorized to be seen by MTF healthcare personnel under this ERSA unless the medical services are not reimbursable as a covered benefit under Medicare.

<u>Covered Services</u>	<u>Compensation Rates</u>	<u>Codes (ICD-9, revenue)</u>
Specialty	At the rate that is currently contracted for in the Network agreement	N/A

The Hospital shall reduce the Per Case rates, billed to HMHS for covered services by the amount of any copayments, coinsurance, cost-share amounts and/or deductibles due from the beneficiaries.

HMHS shall maintain an authorization procedure for the Hospital to verify coverage of TRICARE beneficiaries under the TRICARE program as required by the Government and as specified in TRICARE Policies. The MTF shall maintain an authorization and benefit review procedure for the Hospital to verify coverage of Active Duty beneficiaries under the TRICARE program. Hospital agrees to verify coverage of all beneficiaries presented for care under the External Resource Sharing agreement and to verify pre-admission authorization prior to rendering any non-emergent Hospital services.

The Hospital further understands that HMHS based on their business practices and guided by TRICARE Policy shall make no payments for Hospital services rendered to TRICARE beneficiaries, which are, in the opinion of HMHS, determined to not to be medically necessary. "Medical Necessity" (or "Medically Necessary") shall mean services provided by the Hospital or other provider to identify or treat an illness or injury and which, in the opinion of HMHS are: (1) represent appropriate medical care that is consistent with the symptoms, diagnosis and treatment of the condition, disease, ailment or injury; (2) appropriate with regard to standards of good medical practice; are generally accepted by qualified professionals to be reasonable and adequate for the diagnosis and treatment of illness and injury,; (3) not primarily for the convenience of the patient; and (4) the most appropriate and cost-effective supply, setting, or level of service which can safely be provided to the patient. When applied to an inpatient, it further means that the patient's symptoms or condition requires the services or the supplies cannot be safely provided to the patient as an outpatient. In the case of Active Duty Beneficiaries, where HMHS determines that their care is not medically necessary, the case will be referred to the MTF for payment decision.

The MTF shall provide MTF healthcare personnel, in the following professional specialties, to provide services under this agreement:

Specialty

**MTF & HOSPITAL & HUMANA MILITARY HEALTHCARE SERVICES:
PROJECT DESCRIPTION
Attachment B**

Project Description: MTF requires the ability for assigned MTF healthcare personnel to admit Military Health System beneficiaries to a TRICARE Network facility within the area for inpatient and outpatient services. Inpatient and outpatient services, for those services listed in Attachment A and performed by assigned MTF healthcare personnel, will be at the External Resource Sharing Facility.

Workload Estimates: Approximately ___ admissions and surgical procedures per month.

Projected HMHS cost of resources and reimbursable MTF marginal costs: None

**MTF & HOSPITAL & HUMANA MILITARY HEALTHCARE SERVICES:
PROJECT DESCRIPTION: CREDENTIALS REQUIREMENTS
Attachment C**

MTF healthcare personnel currently credentialed and privileged at Hospital shall be covered by the terms of this agreement without repeating the credentialing and privileging process. Hospital may require the MTF healthcare personnel to periodically repeat the credentialing and privileging process, as required by their by-laws.

The Hospital agrees to process requests for credentialing and privileging for all categories of medical personnel that potentially will provide care within the Hospital under this agreement. The Hospital shall provide written credentialing and privileging requirements within five (5) calendar days of initial discussions in which HMHS and/or the MTF request provider credentialing, or privileges at the Hospital. HMHS and/or the MTF will provide all credentialing documentation to the Hospital no later than 30 days prior to the provider's first day of work. The Hospital will provide to HMHS and/or the MTF the results of credentialing and/or privileging processes where the provider is denied credentialing and/or privileges.

Credentialing and privileging requirements are requested for MTF healthcare personnel in the following Specialties authorized by HMHS and/or the MTF to provide services at the Hospital under the External Resource Sharing Agreement:

Specialty

The MTF will make its "best efforts" to have the Providers supply all of the required credentialing information in a timely manner.