

POLICY AND PROCEDURE

POLICY NAME: Provider Hardship Policy	POLICY ID: WNC.FINC.01
BUSINESS UNIT: WellCare of North Carolina	FUNCTIONAL AREA: Finance
EFFECTIVE DATE: 07/01/2021	PRODUCT(S): Medicaid
REVIEWED/REVISED DATE: 09/27/2023	
REGULATOR MOST RECENT APPROVAL DATE(S): 07/01/2022	

POLICY STATEMENT:

For various reasons (claims payment issues, growth, etc.) WellCare of North Carolina (WNC) may have a need to hardship funds to providers to help them continue to provide high-quality services to its members for situations that are out of a providers control.

PURPOSE:

The Health Plan Chief Financial Officer ("CFO"), along with other appropriate Health Plan personnel, shall negotiate the terms of the hardship, including the structure, which may be in the form of cash hardship repayable in cash or an advance against future claim payments for the Health Plan members who use their facilities, and the repayment terms. Repayment timeframe should, generally, not exceed six months.

SCOPE:

This policy applies to all directors, officers, and employees of WellCare of North Carolina (WNC) (collectively, the "Health Plan") and its contracted providers.

DEFINITIONS: N/A

POLICY:

Hardship Qualifications

Hardship payments are meant to be a short-term measure to address issues that are beyond a providers control and are used in circumstances that cannot be resolved through engagement with a provider to immediately address any claims adjudication issues.

In order for a provider to qualify for a hardship advancement the provider must meet the following criteria:

- Provider must demonstrate material need for hardship.
- Provider claims payment delays are not related to claims submission errors that are within their control.

PROCEDURE:

Initiation and Approval

All Provider advances are initiated by the Health Plan Provider Relations team and is the primary channel for providers to submit requests. Any advancement request will be sent to the Health Plan CFO to determine if provider has met the hardship eligibility requirements. A Hardship Agreement is required and must be fully executed prior to final approval and payment initiation. Health Plans should work with their Legal contact to create the Hardship Agreement (sample attached). At a minimum, the agreement must include provider name, hardship date, amount, interest rates and amounts (if applicable), repayment arrangements and time frame.

Hardship resolution is reliant on providers to demonstrate need at time of request, promptly respond with documentation when additional details are required, and executing the required Hardship Agreement. Funds disbursement cannot occur until hardship eligibility has been approved and Hardship Agreement has been executed.

The Health Plan will make a best effort attempt to resolve and issue payment for any approved request within seven (7) days (1-3 days in extraordinary circumstances) of receipt of hardship request and necessary supporting information from provider.

Disbursement

The request for payment for all Provider Advances is submitted to Accounting via an approved check request form with supporting documentation (Hardship Agreement). No Provider Advances will be approved or processed through the Capitation process. The disbursement is subject to the regular policies and procedures in the Treasury process. The supporting documentation is maintained by the Health Plan Controller, whose staff maintains tracking spreadsheets for each provider Hardship. These spreadsheets detail the provider's name, hardship date, amount, interest rates and amounts (if applicable), payments, allowance amounts and net ending balance. The excel spreadsheet is stored within the Accounting folder on the network.

The allowance amount is an estimate determined by the Health Plan Controller, based on expected collectability of the provider advances. Amounts not to exceed current claims inventory and/or claims payment denials that are a direct result of Health Plans claims payment processing errors.

Disbursement timeline: Payments are processed Tuesday and Thursday each week. Deadlines to submit payment requests are Friday, 12pm CST, for the following Tuesday; and Tuesday, 12pm CST, for the following Thursday.

Recoupment

The Health Plan CFO, along with other appropriate Health Plan personnel, will be responsible for collection of hardship in accordance with the agreed-upon terms. While reviewing the Health Plan Balance Sheet, the status of recouping provider hardship balances will be discussed during the monthly close meetings with the Health Plan CFO and other key Health Plan staff. If the Hardship Agreement stipulates that payments may be held from claims or surplus payments, then those reductions are formalized during the call. The Health Plan CFO discusses the collectability of the advances with the Health Plan Controller to determine if any adjustments need to be made to the receivable balance.

As recoupments to hardship balances are made the Health Plan CFO will be responsible for providing the appropriate backup to Accounting, who will assure that such activity is appropriately recorded against the provider's hardship balance in the general ledger ("GL").

Reconciliation and Accounting

Each month as part of the month-end GL close process Accounting will review the hardship and/or loan balances. Any adjustments (recoupments, new advances, etc.) that need to be made to the hardship balances will be made as part of this process.

An Accountant prepares the necessary (i.e., allowances) journal entries to adjust the receivable balance and the entries are reviewed and approved by the Health Plan Controller. An accountant performs a monthly reconciliation between the GL balance and the provider hardship tracking spreadsheet and is then approved by the Health Plan Controller. Differences between the general ledger balances and the tracking spreadsheet are investigated and a correcting entry is made to the GL.

The provider hardship reserve balance is reviewed and approved by the Health Plan Controller.

REFERENCES: N/A

ATTACHMENTS: Attachment A: Sample of Agreement

ROLES & RESPONSIBILITIES:

The Finance Team is responsible for this policy.
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REGULATORY REPORTING REQUIREMENTS:

All Policies and Procedures ("Documents") are required to be reviewed at least biennially, unless required more frequently by state regulation or contractual obligation. The review includes collaboration with Stakeholders and may also require regulatory or state approvals. Upon completion of the review, the Documents must be approved and published in RSA
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Archer to be valid. To facilitate this timing, reviews should commence 90 days prior to one calendar year from the current New, Reviewed or Revised date.

REVISION LOG

REVISION TYPE	REVISION SUMMARY	DATE APPROVED & PUBLISHED
New Policy Document	New Policy	07/01/2022
Ad Hoc Review	Updated WellCare of North Carolina policy to Centene Corporation template and numbering with content from previous policy: NC.FIN.01	07/29/2022; 09/23/2022; 09/26/2022
Ad Hoc Review	Changed WellCare references to the Health Plan; formatting changes	07/29/2022
Annual Review	Reviewed policy for updates, no changes needed	9/27/2023

POLICY AND PROCEDURE APPROVAL

The electronic approval retained in RSA Archer, the Company's P&P management software, is considered equivalent to a signature.

ADVANCE PAYMENT AGREEMENT

THIS ADVANCE PAYMENT AGREEMENT (this "Agreement") is made as of [REDACTED] by and between [REDACTED] ("Payor") and [REDACTED] ("Payee").

WHEREAS, Payor and [REDACTED] will be entering into a Master Services Agreement (the "Master Services Agreement") whereby [REDACTED] provides fiscal and employer agency services to persons covered under one or more managed care plans operated by Payor; and

WHEREAS, the parties desire to make arrangements for an advance payment by Payor to [REDACTED] as security for amounts owing or to be owed under the Master Services Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Advance Payment. In recognition of accounts receivable currently outstanding and owed by Payor to [REDACTED], and/or anticipated to be owed by Payor to [REDACTED] in the future pursuant to the Master Services Agreement (collectively, "Accounts Payable"), Payor shall, deposit with [REDACTED] the sum of \$ [REDACTED] in cash in respect of and on account of such Accounts Payable (the "Advance Account") no later than [REDACTED].

2. Direct Service Reimbursement Procedure.

(a) [REDACTED] and Payor shall each continue to adhere to the procedures set forth in the Master Services Agreement with regard to the submission and payment of [REDACTED] and accounts payable.

(b) Within three business days following each [REDACTED] as defined in the Master Services Agreement, [REDACTED] shall invoice Payor for actual payroll and accounts payable funds disbursed, with [REDACTED] provided services calculated at the [REDACTED] rate [REDACTED], as applicable. Upon receipt of payment of the direct service invoices from Payor, [REDACTED] will transmit an 837P encounter file to Payor.

3. Terms of the Advance Account.

(a) The amounts deposited by Payor to the Advance Account shall be retained by and are the sole property of [REDACTED], subject to the terms hereof, to be applied by [REDACTED] to amounts owed by Payor to [REDACTED] under the Master Services Agreement.

(b) Upon notification of termination of this Agreement and the Master Service Agreement, Payor retains the right and authority to offset any amount owed to [REDACTED] by Payor, whether in connection with an invoice arising under the Master Services Agreement or otherwise, against any amounts owed to [REDACTED] hereunder.

4. Term and Termination.

(a) Term. Unless earlier terminated as provided for herein, this Agreement commences as of the date first set forth above and expires upon the earlier of i) Approval of the Master Services Agreement

between [REDACTED], and [REDACTED]

(b) Termination. This Agreement may be terminated prior to the end of the Term as follows:

(i) Either party shall have the right to terminate this agreement upon 30 days' written notice as a result of the other party's gross negligence, willful misconduct or a material breach of this Agreement.

(ii) Either party may terminate this Agreement upon written notice to the other party in the event that such other party (A) makes a general assignment for the benefit of creditors, (B) terminates or suspends its business, (C) becomes insolvent, admits in writing its inability to pay its debts as they become due, or becomes subject to direct control of a trustee, receiver, or similar authority, or (D) becomes subject to any bankruptcy or insolvency proceeding under federal or state statutes, provided that any such proceeding, if involuntary, is not dismissed within 60 days of filing.

5. Miscellaneous.

(a) Notices. Any notice hereunder to Payor shall be addressed to Payor at WellCare Health Plans, Inc., 8735 Henderson Road, Renaissance One, Tampa, Florida 33634, Attn: General Counsel. Any notice hereunder to [REDACTED], shall be addressed to [REDACTED], at [REDACTED] address- [REDACTED], subject to the right of either party to designate at any time hereafter in writing some other address. Any notice shall be deemed to have been duly given when delivered personally, one day following dispatch if sent by reputable overnight courier, fees prepaid or three days following mailing if sent by registered mail, return receipt requested, postage prepaid and addressed as set forth above.

(b) Assignment. Neither party may assign its rights or delegate its obligations under this Agreement except with the prior written consent of the other party. Subject to the foregoing, this Agreement inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto. For purposes of this Agreement, successor shall include any successor entity in connection with the merger of such party.

(c) Dispute Resolution; Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association, and judgment on the award rendered by such arbitration may be entered in any court having jurisdiction thereof. Such arbitration proceedings shall be held in [REDACTED]. The parties understand and agree that the decision of the arbitrator(s) shall be final and binding upon both parties, and that the arbitrator(s) shall have all powers provided by law.

(d) Entire Agreement; Amendments and Waivers. This Agreement constitutes the entire agreement with respect to the subject matter hereof and shall supersede any prior written or oral agreements, understandings, or arrangements between the parties which may have related to the subject matter hereof in any way (but for the avoidance of doubt does not include the Master Services Agreement). Any provision of this Agreement may be amended or waived only with the prior written consent of the Payor and [REDACTED]

IN WITNESS WHEREOF, Payor and [REDACTED] have executed this Advance Payment Agreement as of the date first above written.

SAMPLE