

HOSPITAL INPATIENT SERVICES AGREEMENT

THIS INPATIENT SERVICES AGREEMENT ("Agreement") is made and entered into this ____ day of November, 2012 (the "Effective Date") by and between **COMPASSIONATE CARE HOSPICE OF Clifton, LLC** with its principal place of business at 6 Prospect Village Plaza, Clifton, NJ 07013 ("Hospice") and **Jersey City Medical Center**, a New Jersey nonprofit corporation, whose address is 355 Grand Avenue, Jersey City, NJ 07302 ("Facility"). The Hospice and Facility are referred to each as a "Party" and collectively as the "Parties."

RECITALS

- A. WHEREAS, Hospice operates a licensed hospice program.
- B. WHEREAS, Facility is a duly licensed facility that is certified to participate in the Medicare program and is able to provide inpatient care for pain control and/or symptom management.
- C. WHEREAS, Hospice desires to engage Facility, and Facility desires to be engaged, to provide Inpatient Services to Hospice Patients (as such terms are defined below) in accordance with the terms and conditions of this Agreement. The scope of the services provided by Facility for Hospice shall be limited to short-term inpatient care for pain management but no respite care is to be provided, as set forth in federal Medicare and State laws and regulations pertaining to hospital services provided under contract with hospices.

AGREEMENTS

In consideration of the Recitals and mutual agreements that follow, the parties agree to the following terms and conditions:

1. Definitions.

(a) "General Inpatient Care Day" means a day on which a Hospice Patient receives Inpatient Services for pain control or symptom management which cannot be managed in other settings. Any portion of a 24-hour period, if less than 24 hours, shall constitute a General Inpatient Care Day and shall be compensated pursuant to this Agreement, except the day on which the Hospice Patient is discharged unless such patient dies as an inpatient.

(b) "Hospice Patient" means an individual who has elected, directly or through such individual's legal representative, to receive Hospice Services and is accepted by Hospice to receive Hospice Services.

(c) "Hospice Physician" means a duly licensed doctor of medicine or osteopathy employed or contracted by Hospice who, along with the Hospice Patient's attending physician (if any), is responsible for the palliation and management of a Hospice Patient's terminal illness and related conditions.

(d) "Hospice Services" means those services provided to a Hospice Patient that are reasonable and necessary for the palliation and management of such Hospice Patient's terminal illness and are specified in a Hospice Patient's Plan of Care. Hospice Services include: (i) nursing care and services by or under the supervision of a registered nurse; (ii) medical social services provided by a qualified social worker under the direction of a physician; (iii) physician services to the extent that these services are not provided by the attending physician; (iv) counseling services, including bereavement, dietary and spiritual counseling; (v) physical, respiratory, occupational and speech therapy services; (vi) home health aide/homemaker services; (vii) medical supplies; (viii) drugs and biologicals; (ix) use of medical appliances; and (x) medical direction and management of the Hospice Patient.

(e) "Inpatient Services" means inpatient beds and related services that are available at, and provided by, Facility pursuant to its customary policies, including services necessary for pain control, or for symptom management.

Such services include, without limitation, nursing, dietary, housekeeping, therapies, emergency, laboratory, radiology, respiratory, pharmacy, oxygen services and related ancillary services.

(f) "Interdisciplinary Group" ("IDG") means a group of qualified individuals including, but not limited to: a doctor of medicine or osteopathy, a registered nurse, a social worker, and a pastoral or other counselor.

(g) "Medicare and/or Medicaid Eligible Hospice Patient" means a Hospice Patient who is eligible for Medicare and/or Medicaid benefits and who has elected the Medicare or Medicaid hospice benefit.

(h) "Plan of Care" means a written care plan established, maintained, reviewed and modified, if necessary, at intervals identified by the IDG. The Plan of Care must reflect Hospice Patient and family goals and interventions based on the problems identified in the Hospice Patient assessments. The Plan of Care includes: (i) an identification of the Hospice Services, including interventions for pain management and symptom relief, needed to meet such Hospice Patient's needs and the related needs of the Hospice Patient's family; (ii) a detailed statement of the scope and frequency of such Hospice Services; (iii) measurable outcomes anticipated from implementing and coordinating the Plan of Care; (iv) drugs and treatment necessary to meet the needs of the Hospice Patient; (v) medical supplies and appliances necessary to meet the needs of the Hospice Patient; and (vi) the IDG's documentation of the Hospice Patient's or representative's level of understanding, involvement, and agreement with the Plan of Care.

(i) "Private Pay Hospice Patient" means a Hospice Patient who is not eligible for the Medicare Part A hospice benefit, or the Medicaid hospice benefit, or if eligible, has revoked or elected not to receive the Medicare Part A hospice benefit and/or the Medicaid hospice benefit.

2. Responsibilities of Facility.

(a) Provision of Inpatient Services.

(i) Inpatient Services. At the request of an authorized Hospice staff member, Facility shall admit Hospice Patients as Facility inpatients and make beds available to Hospice Patients on the same priority as its other patients. Facility shall immediately notify Hospice if Facility is unable to provide Inpatient Services to a Hospice Patient. Facility shall comply with Hospice Patient's Plan of Care and shall ensure Hospice Patients are kept comfortable, clean, well-groomed and protected from negligent and intentional harm including, but not limited to, accident, injury, and infection.

(ii) Availability. Facility shall be available to provide Inpatient Services 24 hours per day, 7 days per week and shall maintain sufficient personnel who have the requisite training, skills and experience to meet this obligation including, but not limited to, a registered nurse on each shift who provides direct care.

(iii) Twenty-Four Hour Nursing Services. Facility shall provide 24-hour nursing services that meet the nursing needs of all patients and are furnished in accordance with each patient's Plan of Care. Each patient must receive all nursing services as prescribed.

(iv) Home-Like Atmosphere. To the extent reasonably possible, the Facility shall provide a home-like atmosphere and ensure that patient areas are designed to preserve the dignity, comfort and privacy of patients.

(b) Professional Standards and Credentials.

(i) Professional Standards. Facility shall ensure that all Inpatient Services are provided competently and efficiently. Inpatient Services shall meet or exceed the standards of care for providers of such services and shall be in compliance with all applicable laws, rules, regulations, professional standards and licensure requirements.

(ii) Credentials.

[a] Licensure. Facility represents and warrants that it has and will maintain in good standing during the term of this Agreement all federal, state and local licenses and certificates required by law to provide Inpatient Services. Upon Hospice's request, Facility shall provide Hospice with evidence of such licenses and certifications.

[b] Medicare Certification. Facility represents and warrants that it is currently, and will at all times during the term of this Agreement remain, certified to participate in the Medicare program.

[c] Qualifications of Personnel. Personnel who provide Inpatient Services shall be reasonably acceptable to Hospice. Facility represents and warrants that personnel providing Inpatient Services: [i] are duly licensed, credentialed, certified, and/or registered as required under applicable state laws; and [ii] possess the education, skills, training and other qualifications necessary to provide Inpatient Services. Based on criminal background checks conducted by Facility, Facility personnel who have direct contact with Hospice Patients or have access to Hospice Patient records have not been found to have engaged in improper or illegal conduct relating to the elderly, children or vulnerable individuals. Upon Hospice's request, Facility shall provide Hospice with proof of an individual's qualifications to provide Inpatient Services.

[d] Disciplinary Action. Facility represents and warrants to the best of its knowledge that neither it nor any of its personnel are under suspension or subject to any disciplinary proceedings by any agency having jurisdiction over professional activities of Facility or its personnel and is not under any formal or informal investigation or preliminary inquiry by such department or agency for possible disciplinary action.

[e] Exclusion from Medicare or Medicaid. Facility represents and warrants that neither Facility nor its personnel has been, at any time, excluded from participation in any federally funded health care program including, without limitation, Medicare or Medicaid, nor has been convicted or found to have violated any federal or state fraud and abuse law or illegal remuneration law.

(c) Authorization of Services. Facility shall provide Inpatient Services to Hospice Patients only with the authorization of designated Hospice personnel. Facility is authorized to provide all Inpatient Services identified in the Plan of Care. Facility shall seek authorization from designated Hospice personnel prior to providing services not identified in the Plan of Care.

(d) Quality Assessment and Performance Improvement Activities. Facility shall cooperate with Hospice in its hospice-wide quality assessment and performance improvement activities. Components of the quality assessment and performance improvement program include (i) data collection; (ii) reporting adverse patient events; analyzing their causes, and implementing preventive actions and mechanisms; and (iii) taking actions to improve performance. Hospice shall also maintain a coordinated agency-wide program for the surveillance, identification, prevention, control and investigation of infectious and/or communicable disease. Upon request, Hospice shall provide Facility with a description of its quality assessment and performance improvement program and information on performance improvement projects. Third party payors may also impose their own utilization management or quality assurance requirements which Facility must meet. Cooperating in such activities shall not constitute a waiver of any legal privileges or rights that may apply to the information that is shared. Hospice shall maintain the confidentiality of such information in whatever form it is provided.

(e) Coordination of Care. Facility shall participate in any meetings, when requested, for the coordination, supervision and evaluation by Hospice of the provision of Inpatient Services. Hospice and Facility shall communicate with one another regularly and as needed for each particular Hospice Patient orally, via telephone, IDG member visits, and care plan meetings. Each Party is responsible for documenting such communications in its respective clinical records to ensure that the needs of Hospice Patients are met 24 hours per day.

(f) Policies and Procedures. In providing Services, Provider shall abide by patient care protocols, patients' plans of care, and applicable Hospice policies and procedures as provided by Hospice. Provider shall endeavor to incorporate into its orientation of Facility staff the information related to infection control and the hospice philosophy,

which are attached as Exhibit A and which may be provided by computer e-learning as the Parties shall agree. Provider shall maintain documentation of staff attendance at orientation and the content of the training, and shall provide Hospice with such documentation upon request.

(g) Notification of Change in Condition. Facility shall immediately inform Hospice of any change in the condition of a Hospice Patient. This includes, without limitation, a significant change in a Hospice Patient's physical, mental, social or emotional status, clinical complications that suggest a need to alter the Plan of Care, a need to transfer the Hospice Patient to another facility, or the death of a Hospice Patient.

(h) Discharge Summary. Facility shall provide Hospice with a copy of the discharge summary at the time of discharge.

(i) Policies and Procedures.

(i) Hospice Policies and Procedures. In providing Inpatient Services, Facility shall abide by Hospice's policies and procedures, palliative care protocols and Plans of Care provided by Hospice to Facility.

(ii) Facility Policies and Procedures. Facility shall institute, maintain and implement administrative procedures and patient care protocols that are consistent with the procedures and protocols of Hospice and agrees to abide by the palliative care protocols and Plan of Care established by the Hospice. Upon the execution of this Agreement, Facility shall provide Hospice with Facility's established policies and protocols and shall promptly provide Hospice with any amendments or modifications thereto.

(j) Assist with Surveys and Complaints. Facility shall be available during federal, state, local and other surveys to assist Hospice in responding to surveyor questions and survey citations, attending exit conferences, drafting plans of correction for identified survey deficiencies and providing clinical expertise when necessary to appeal survey deficiencies. In the event of any complaint filed by or with respect to a Hospice Patient or any investigation initiated by any governmental agency or any litigation commenced against Hospice, Facility shall fully cooperate with Hospice in an effort to respond to and resolve the same in a timely and effective manner. Facility shall also cooperate fully with any insurance company providing protection to Hospice in connection with investigations. Facility shall notify Hospice promptly of any inquiries, claims, and investigations and cooperate fully with the directions of Hospice with respect thereto.

(k) Visiting and Access by Hospice.

(i) Visiting Privileges. Facility shall permit free access and unrestricted visiting privileges, including visits by children of any age, 24 hours per day, 7 days per week, to the extent reasonable under the circumstances.

(ii) Visitor Accommodations. Facility shall provide adequate space, located conveniently to Hospice Patient, for private visiting among Hospice Patient, Hospice Patient's family members and any other visitors. Facility shall provide adequate accommodations for Hospice Patient's family members to remain with Hospice Patient up to 24 hours per day, and permit family members privacy following the death of a Hospice Patient.

(iii) Hospice Access to Facility. Facility shall permit employees, contractors, agents and volunteers of Hospice free and complete access to Facility 24 hours per day, as necessary, to permit Hospice to counsel, treat, attend and provide services to each Hospice Patient.

(iv) Hospice Physician. Facility shall grant full staff privileges to Hospice Physicians upon application and qualification for such privileges in accordance with Facility's requirements.

(l) Patient Transfer. Facility shall not transfer any Hospice Patient to another care setting without the prior approval of Hospice. If Facility fails to obtain the necessary prior approval, Hospice bears no financial responsibility for the costs of transfer or the costs of care provided in another setting.

(m) Physician Orders. If there are physician orders that are inconsistent with the Plan of Care or Hospice protocols, a registered nurse with Facility shall notify Hospice. An authorized representative of Hospice shall resolve differences directly with the physician and secure the necessary orders.

(n) Implementation of Agreement. Facility shall designate an individual within Facility who shall be responsible for the implementation of the provisions of this Agreement ("Responsible Facility Representative"). The current Responsible Facility Representative is identified at the end of this Agreement. Facility shall notify Hospice if a new individual is designated as the Responsible Facility Representative.

(o) Anything in this Agreement to the contrary notwithstanding, to the extent this Agreement and/or Hospice requests or requires Facility to provide services beyond Inpatient Services pursuant to the Plan of Care and/or as required by federal or State laws and regulations, such as participation in Hospice's quality assessment and performance activities, Facility will be required to reasonably cooperate with the Hospice.

3. Responsibilities of Hospice.

(a) Assessing Continued Eligibility. Hospice shall have sole authority for assessing a Hospice Patient's continued eligibility for Hospice Services and for discharging a Hospice Patient from Hospice.

(b) Professional Management Responsibility.

(i) Compliance with Law. Hospice shall retain responsibility as the care provider to all Hospice Patients and family units, pursuant to the Medicare Conditions of Participation for Hospice Care and state and local laws and regulations. This includes admission and/or discharge of patients, patient and family assessments, reassessments, establishment of the Plan of Care, authorization of all services and management of the care through IDG meetings.

(ii) Plan of Care.

[a] Management of Plan of Care. Hospice shall retain professional management responsibility to ensure that Inpatient Services are furnished in a safe and effective manner by qualified personnel in accordance with Hospice Patient's Plan of Care.

[b] Provision of Plan of Care to Facility. Upon a Hospice Patient's admission to Facility, Hospice shall furnish a copy of the current Plan Care. Hospice shall specify the Inpatient Services to be furnished by Facility to such Hospice Patient.

(iii) Coordination and Evaluation. Hospice shall retain responsibility for coordinating, evaluating and administering the hospice program, as well as ensuring the continuity of care of Hospice Patients, which shall include coordination of Inpatient Services. Methods used to evaluate the care may include: [a] periodic supervisory visits; [b] review of the qualifications of personnel providing Inpatient Services; [c] review of documentation; [d] evaluation of the response of a Hospice Patient to the Plan of Care; [e] discussion with patient and patient's caregivers; [f] patient evaluation surveys; and [g] quality improvement data.

(iv) Assessment of Inpatient Services. Hospice shall develop, maintain and conduct an ongoing, comprehensive assessment of the quality and appropriateness of Facility and the provision of Inpatient Services. Such assessments shall be conducted at least annually.

(c) Hospice Care Training. Hospice shall provide orientation and ongoing hospice care training to Facility's personnel as necessary to facilitate the provision of safe and effective care to Hospice Patients.

(d) Designation of Hospice Representative. For each Hospice Patient, Hospice shall designate a registered nurse, who will be responsible for coordinating and supervising services provided to a Hospice Patient and available 24 hours per day, 7 days per week for consultation with Facility concerning a Hospice Patient's Plan of Care. The hospice representative shall monitor Facility and be available to provide information to Facility regarding the

provision of Inpatient Services and to coordinate the periodic evaluation of patient progress and outcomes of care upon request. Further, the hospice representative shall be responsible for communicating with Facility representatives to ensure quality of care for Hospice Patients and their families.

(e) Provision of Information. Hospice shall promote open and frequent communication with Facility and shall provide Facility with sufficient information to ensure that the provision of Inpatient Services under this Agreement is in accordance with the Hospice Patient's Plan of Care, assessments, treatment planning and care coordination.

(f) Policies and Procedures. Hospice shall provide Facility with copies of Hospice's policies and procedures applicable to the provision of Inpatient Services and shall meet with Facility to review such policies and procedures, as necessary.

(g) Physician Orders. All physician orders communicated by Hospice under this Agreement shall be in writing and signed by the applicable attending physician or Hospice Physician; provided, however, that in the case of urgent or emergency circumstances, such orders may be communicated orally by any such persons. Hospice shall maintain adequate records of all physician orders communicated in connection with the Plan of Care.

(h) Assist with Surveys and Complaints. Hospice shall be available during federal, state, local and other surveys to assist Facility in responding to surveyor questions and survey citations, attending exit conferences, drafting plans of correction for identified survey deficiencies and providing medical expertise when necessary to appeal survey deficiencies. In the event of any complaint filed by or with respect to a Hospice Patient or any investigation initiated by any governmental agency or any litigation commenced against Facility, Hospice shall fully cooperate with Facility in an effort to respond to and resolve the same in a timely and effective manner. Hospice shall also cooperate fully with any insurance company providing protection to Facility in connection with investigations. Hospice shall notify Facility promptly of any inquiries, claims and investigations and cooperate fully with the directions of Hospice with respect thereto.

(i) Notification of Hospice Services. Hospice shall fully inform Hospice Patient of the Hospice Services to be provided by Hospice.

4. Billing and Payment.

(a) Billing and Payment for Inpatient Services Provided to Medicare and/or Medicaid Eligible Hospice Patients.

(i) Rates. Hospice shall pay Facility a fixed rate for each General Inpatient Care Day provided to a Medicaid and/or Medicare Eligible Hospice Patient, except the day on which such patient is discharged from Facility, unless such patient dies while residing at Facility. **The fixed payment rate shall be eighty five percent (85%) of the rate Hospice receives from Medicare or Medicaid for each General Inpatient Care Day.** Facility shall accept this rate as payment in full for each General Inpatient Care Day provided to Medicare and/or Medicaid Eligible Hospice Patients and shall not bill such patients, their family, representatives or any third party payor. The rate represents fair market value and does not take into account the volume or value of referrals. Hospice shall meet with Facility at least 60 days prior to the end of the then current term of this Agreement to discuss the rate.

(ii) Billing and Payment. Facility will make best efforts to provide the bill within ten (10) calendar days of the end of the month and within at least 30 days of providing Inpatient Services, Facility shall submit to Hospice an accurate and complete statement of Inpatient Services provided to Medicare and/or Medicaid Eligible Hospice Patients. The statement shall be in a form acceptable to Hospice and include information usually provided to third party payors to verify services and charges, which may include, but is not limited to: [a] the name of the Medicare and/or Medicaid Eligible Hospice Patient; [b] the dates for the General Inpatient Care Days; [c] the total charges to Hospice for each Medicare and/or Medicaid Eligible Hospice Patient; and [d] any other information requested by Hospice. Hospice shall pay Facility within 30 days after receipt of a complete statement. Payment by Hospice in respect to such bills shall be considered final, unless adjustments are requested in writing by Facility within 30 days of receipt of payment. Hospice

shall have no obligation to pay Facility for any service if Hospice does not receive a bill for such service within 120 days following the date on which the service was rendered.

(b) Billing and Payment for Inpatient Services Provided to Private Pay Hospice Patients. Facility may bill usual and customary charges for all Inpatient Services provided under this Agreement directly to Hospice Patients who are Private Pay Hospice Patients or their applicable third party payor. Facility shall accept such payment as payment in full for Inpatient Services. Hospice will not be responsible for reimbursing Facility for any portion of the cost of Inpatient Services provided to a Private Pay Hospice Patient. Facility shall not seek payment from Hospice in the event of default of financial obligations on the part of a Private Pay Hospice Patient or third party payors. Hospice will, to the extent permitted by law, provide Facility with any information it may reasonably require to obtain payment from any payor or other permissible payment source.

(c) Limitation on Hospice's Financial Responsibility. Hospice shall retain financial management responsibility for care furnished by Hospice, directly or under arrangement with other providers, which is related to a Hospice Patient's terminal illness, provided that such care is specified in the Plan of Care for the patient. Hospice shall bear no responsibility, obligation or other liability to reimburse Facility for any charges, costs, expenses or other fees for services: (i) provided to Hospice Patients who are not Medicare and/or Medicaid Eligible Hospice Patients; (ii) that are not in conformity with the Plan of Care for a given Medicare and/or Medicaid Eligible Hospice Patient; and/or (iii) that are provided without the prior authorization of Hospice. The Parties agree that for each Private Pay Patient, Hospice shall provide to Facility reasonable written notice of such patient's private pay status.

5. Insurance and Hold Harmless.

(a) Insurance. Each Party shall obtain and maintain appropriate professional liability, commercial general liability, worker's compensation and employer's liability insurance coverage in accordance with the minimum amounts required from time to time by applicable federal and state laws and regulations, but at no time shall the terms or coverage amounts of either Party's professional liability insurance be less than \$1 million per claim and \$3 million in the aggregate. Either Party may request evidence of insurance from the other Party and such other Party shall provide such evidence to the requesting Party in a timely manner. In the event that either Party's referenced policies are cancelled before the expiration date, written notice will be provided to the other Party.

(b) Mutual Hold Harmless. Each Party shall be responsible for the acts and omissions of itself and its employees and subcontractors and neither Party agrees to indemnify any other Party for any such act or omission; provided, however, that this Agreement shall not constitute a waiver by any Party of any rights to indemnification, contribution or subrogation which such Party may have by operation of law.

6. Records.

(a) Creation and Maintenance of Records. Facility shall prepare and maintain complete and detailed records concerning each Hospice Patient receiving Inpatient Services under this Agreement in accordance with prudent record-keeping procedures and as required by applicable federal and state laws and regulations and Medicare and Medicaid program guidelines. Facility shall retain such records for a minimum of six years from the date of discharge of each Hospice Patient or such other time period as required by applicable federal and state law. Each clinical record shall completely, promptly and accurately document all services provided to, and events concerning, each Hospice Patient, including evaluations, treatments, progress notes, authorizations to admission to Hospice and/or Facility, physician orders entered pursuant to this Agreement and discharge summaries. Each record shall document that the specified services are furnished pursuant to hospice care or in accordance with this Agreement and shall be readily accessible and systemically organized to facilitate retrieval by either Party. Facility shall cause each entry made for Inpatient Services provided to be signed and dated by the person providing Inpatient Services.

(b) Financial Recordkeeping. Facility shall keep accurate books of accounts and records covering all transactions relating to this Agreement (the "Financial Records") at its principal place of business. Not more than once per year, Hospice may, at its expense, retain an independent public accountant or other auditor to review the Financial Records and prepare a detailed statement showing the charges made to Hospice by Facility. Hospice and its duly

authorized representatives, including any such independent public accountant or other auditor, shall have the right during regular business hours and on reasonable written notice to Facility to examine Facility's Financial Records and to make copies thereof.

(c) Access by Hospice. Facility shall permit Hospice or its authorized representative, upon reasonable notice, to review and make photocopies of records maintained by Facility relating to the provision of Inpatient Services including, but not limited to, clinical records and billing and payment records. This section shall survive the termination of this Agreement.

(d) Inspection by Government. In accordance with 42 U.S.C. § 1395x(v)(1)(i) and 42 C.F.R. § 420.300, et seq., Facility shall make available, until the expiration of five years from the termination of this Agreement, upon written request, to the Secretary of Health and Human Services of the United States, and upon request, to the Comptroller General of the United States, or any of their duly authorized representatives, this Agreement and any of its books, documents and records that are necessary to certify the nature and costs of Medicare reimbursable services provided under this Agreement. If and to the extent Facility carries out any of its duties under this Agreement through a subcontract with a related organization having a value or cost of \$10,000 or more over a 12-month period, then Facility shall ensure that the subcontract contains a clause comparable to the clause in the preceding sentence. Nothing contained in this section shall be construed as a waiver by either Party of any legal rights of confidentiality with respect to patient records and proprietary information.

(e) Destruction of Records. Facility shall take reasonable precautions to safeguard records against loss, destruction and unauthorized disclosure.

7. Confidentiality. Each Party acknowledges that as part of its performance under this Agreement, it may be required to disclose to the other Party certain information pertaining to Hospice Patients (collectively, "Patient Information") and may be required to disclose certain business or financial information (collectively, with the Patient Information, the "Confidential Information"). The Parties agree that they shall comply with federal HIPAA regulations, to the extent applicable. Each Party further agrees that it shall treat Confidential Information with the same degree of care it affords its own similarly confidential information and shall not, except as specifically authorized in writing by the other Party or as otherwise required by law, reproduce any Confidential Information or disclose or provide any Confidential Information to any person. A Party that discloses Confidential Information shall be entitled to injunctive relief to prevent a breach or threatened breach of this section, in addition to all other remedies that may be available. Following the discovery of a breach of unsecured protected health information (PHI), the Provider is required to notify Hospice of the breach so that Hospice can, in turn, notify the affected individuals. To the extent possible, the Provider should identify such individuals whose unsecured PHI has been, or is reasonably believed to have been, breached. Such notice should be given without unreasonable delay and not later than 60 days following discovery of breach.

8. Term and Termination.

(a) Term. This Agreement shall have an initial term of one year beginning on the Effective Date ("Initial Term") and shall automatically renew for successive one-year terms, unless sooner terminated as provided below.

(b) Termination.

(i) With or Without Cause. During the Initial Term or any renewal term, this Agreement may be terminated by either Party at any time and for any reason by providing at least ninety (90) days' prior written notice to the other Party.

(ii) Change in Law. In the event there are substantial changes or clarifications to any applicable laws, rules or regulations that materially affect, in the opinion of either Party's legal counsel, any Party's right to reimbursement from third party payors or any other legal right of any Party to this Agreement, the affected Party may, by written notice to the other Party, propose such modifications to this Agreement as may be necessary to comply with such change or clarification. Upon receipt of such notice, the parties shall engage in good faith negotiations regarding any appropriate modifications to this Agreement. If such notice is given and the parties are unable within 60 days thereafter to

agree to appropriate modifications to this Agreement, either Party may terminate this Agreement by providing at least 30 days' notice to the other Party.

(iii) Immediate Termination. Notwithstanding the above, either Party may immediately terminate this Agreement if:

[a] Failure to Have Qualifications. A Party or its personnel are excluded from any federal health program or no longer have the necessary qualifications, certifications and/or licenses required by federal, state and/or local laws to provide Inpatient Services.

[b] Liquidation. A Party commences or has commenced against it proceedings to liquidate, wind up, reorganize or seek protection, relief or a consolidation of its debts under any law relating to insolvency, reorganization or relief of debtors or seeking the appointment of a receiver or trustee.

[c] Failure to Have Insurance. A Party ceases to have any of the insurance required under this Agreement.

[d] Threats to Health, Safety or Welfare. A Party fails to perform its duties under this Agreement and the other Party determines in its full discretion that such failure threatens the health, safety or welfare of any patient.

[e] Commission of Misconduct. A Party commits an act of misconduct, fraud, dishonesty, misrepresentation or moral turpitude involving the other Party or a mutual patient of the parties.

(c) Effect of Termination on Availability of Inpatient Services. In the event this Agreement is terminated, Facility shall work with Hospice in coordinating the continuation of Inpatient Services to existing Hospice Patients and shall continue to provide Inpatient Services to Hospice Patients after this Agreement is terminated, if Hospice determines that removing Inpatient Services would be detrimental to Hospice Patients. In such cases, Inpatient Services shall continue to be provided in accordance with the terms set forth in this Agreement. This section shall survive termination of this Agreement

9. Notification of Material Events. Either Party shall immediately notify the other Party of:

(a) Ownership Change. Any change in 10% or more of its ownership.

(b) Business Address Change. Any change in business address.

(c) Licensure Actions. Any sanctions, intermediate or otherwise, administrative or judicial fines, penalties, or action by federal or state officials against the Party or its personnel.

(d) Exclusion. Any threatened, proposed or actual exclusion of it or any of its subcontractors or personnel from any government program including, but not limited to, Medicare or Medicaid.

(e) Insurance. The cancellation or modification of any of the insurance coverage that the Party is required to have under this Agreement.

(f) Liquidation. The commencement of any proceeding to liquidate, wind up, reorganize or seek protection, relief or a consolidation of Facility's or Hospice's debts under any law relating to insolvency, reorganization or relief of debtors or seeking the appointment of a receiver or trustee.

(g) Incident Reporting. Any of the following alleged incidents involving a Hospice Patient:

(i) mistreatment or neglect;

(ii) verbal, mental, sexual or physical abuse;

- (iii) injuries of an unknown source; or
- (iv) misappropriation of patient property.

10. Nondiscrimination. The parties agree that in the performance of this Agreement they will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, sex, age, religion, national origin, or any other protected class in any manner prohibited by federal or state laws.

11. Independent Contractor. In performance of the services discussed herein, Hospice and Facility shall each be, and at all times are, acting and performing as an independent contractor, and not as a partner, a co-venturer, an employee, an agent or a representative of the other. No employee or agent of one Party to this Agreement shall be considered an employee or agent of the other Party.

12. Use of Name or Marks. Neither Hospice nor Facility shall have the right to use the name, symbols, trademarks or service marks of the other Party in advertising or promotional materials or otherwise without receiving the prior written approval of such other Party; provided, however, that one Party may use the name, symbols, or marks of the other Party in written materials previously approved by the other Party for the purpose of informing prospective Hospice Patients and attending physicians of the availability of the services described in this Agreement.

13. Verification of Regulatory Requirements. Hospice shall verify compliance with the following requirements established by the Medicare Conditions of Participation for Hospice Care.

(a) Copy of Plan of Care. Hospice shall document in the patient's record that the Plan of Care has been provided to Facility and specify the Inpatient Services that Facility will furnish. Hospice shall periodically review Hospice Patients' records to verify that these requirements are met.

(b) Patient Care Policies. Hospice shall verify that Facility has established patient care policies that are consistent with Hospice's policies and agrees to abide by the palliative care protocols and Plans of Care established by Hospice for its patients. Hospice shall review Facility's policies to determine their consistency with Hospice policies.

(c) Inpatient Clinical Records. Hospice shall periodically review Hospice Patients' inpatient clinical records to determine that they include a record of all Inpatient Services furnished and events regarding care that occurred at Facility. Facility shall make inpatient clinical records available to Hospice at all times, including after discharge.

(d) Copy of Discharge Summary. Hospice shall document in the patient's record that Facility provided a copy of the discharge summary at the time of discharge. Hospice shall periodically review Hospice Patients' records to verify that this requirement is met.

(e) Responsible Facility Representative. The Responsible Facility Representative is identified at the end of this Agreement. Facility shall immediately notify Hospice if a new Responsible Facility Representative is appointed, and shall inform Hospice of the name and contact information of the new Responsible Facility Representative. Hospice shall maintain a record of Responsible Facility Representatives.

(f) Hospice Training. Upon request, Facility shall provide Hospice with a list of Facility personnel who will be providing care to Hospice Patients, indicating whether each person has already been provided with hospice training. For personnel who have already received training, Facility shall provide hospice with the names of the individuals who gave the training and a description of the training. For personnel who have not received hospice training, Hospice shall provide training, and shall document the names of the individuals who gave the training and a description of the training. Upon hiring new personnel who will be providing care to Hospice Patients, Facility shall notify Hospice and indicate whether the personnel have received hospice training and, if so, the names of the individuals who gave the training and a description of the training. The Parties will cooperate in order to ensure Facility personnel have adequate hospice training.

14. Miscellaneous Provisions.

(a) Amendment. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the parties hereto.

(b) Severability. This Agreement is severable, and in the event that any one or more of the provisions hereof shall be deemed invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

(c) Headings. The descriptive headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

(d) Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of New Jersey.

(e) Nonassignability. Neither Party shall assign nor transfer, in whole or in part, this Agreement or any of its rights, duties or obligations under this Agreement without the prior written consent of the other Party, and any assignment or transfer without such consent shall be null and void.

(f) Waiver. The waiver by either Party of a breach or violation of any provision in this Agreement shall not operate or be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights, or privileges hereunder.

(g) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. There are no third party beneficiaries of or to this Agreement.

(h) No Third Party Beneficiaries. Except as expressly provided elsewhere herein, nothing in this Agreement is intended to be construed or be deemed to create any rights or remedies in any third party.

(i) Force Majeure. In the event that either Party's business or operations are substantially interrupted by acts of war, fire, labor strike, insurrection, riots, earthquakes or other acts of nature of any cause that is not that Party's fault or is beyond that Party's reasonable control, then that Party shall be relieved of its obligations only as to those affected operations and only as to those affected portions of this Agreement for the duration of such interruption.

(j) No Requirement to Refer. This Agreement is not intended to influence the judgment of any physician or provider in choosing medical specialists or medical facilities appropriate for the proper care and treatment of residents. Neither Facility nor Hospice shall receive any compensation or remuneration for referrals.

(k) Nonexclusive Agreement. This Agreement is intended to be nonexclusive, and either Party may use any provider for the same or similar services.

(l) Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same instrument.

(m) Notices. All notices or other communications which may be or are required to be given, served or sent by any Party to the other Party pursuant to this Agreement shall be in writing, addressed as set forth below, and shall be mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by hand delivery or facsimile. Such notice or other communication shall be deemed sufficiently given or received for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, the affidavit or messenger or the answer back being deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation. Each Party may designate by notice in writing a new address to which any notice or communication may thereafter be so given, served or sent.

TO: HOSPICE
Compassionate Care Hospice of Clifton, LLC
6 Prospect Village Plaza
Clifton, NJ 07013
Attn: Program Director

With a Copy to:
Compassionate Care Hospice
200 Lanidex Plaza, Suite 2101
Parsippany, NJ 07054
Attn: Chief Operating Officer

TO: FACILITY
Liberty Healthcare System, Inc.
355 Grand Street
Jersey City, New Jersey 07302
Attn: Paul Goldberg, CFO

With a Copy to:
Liberty Healthcare System, Inc.
355 Grand Street, 3 East
Jersey City, New Jersey 07302
Attn: Paul R. Murphy, Sr. VP & General Counsel

(n) Entire Agreement. This instrument contains the entire agreement of the parties hereto and supersedes all prior oral or written agreements or understandings between them with respect to the matters provided for herein. This Agreement may not be modified or amended except by mutual consent of the parties, and any such modification or amendment must be in writing duly executed by the parties hereto, and shall be attached to, and become a part of, this Agreement.

(o) Responsible Facility Representative. Facility has identified the following individual as the Responsible Facility Representative: Nancy Pain, APN, RN-C, Pain and Palliative Care Nurse.

The parties have executed this Agreement as of the day, month and year first written above.

HOSPICE:
By: _____
Name: Lillian Montalvo, RN, BSN
Title: Program Director

FACILITY:
By: Rita Smith
Name: RITA SMITH
Title: Sr. VP & Chief Nursing Officer

Paul Goldberg
By: PAUL GOLDBERG

Title: CFO

LHS
LEGAL FORM APPROVED

Signature: [Signature]
Date: 11-22-12

EXHIBIT A
HOSPICE POLICIES AND PROCEDURES

Contractors Self- Learning Packet