<table>
<thead>
<tr>
<th>SUBJECT: Provider Contract Termination Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIVISION:</strong></td>
</tr>
<tr>
<td><strong>DATE APPROVED BY LEADERSHIP:</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Joshua Plavin, MD, MPH, MBA  
Vice President and Chief Medical Officer  

Dawn Schneiderman  
Vice President, Chief Operating Officer  

**REGULATORY/ACCREDITATION LINKS:**  
Vermont Rule H-2009-03, section 5.3  

**RELATED POLICY:**  
Provider Appeals from Adverse Contract Actions and Denials of Participation in BCBSVT Networks
I. Description

This document sets forth the policy of Blue Cross and Blue Shield of Vermont (BCBSVT) and The Vermont Health Plan, LLC (TVHP, and, together with BCBSVT, Plan) regarding termination of provider network participation. This policy is intended to supplement and clarify, but not conflict, with the provider’s contract. To the extent anything in this document conflicts with language in the provider’s contract, the contract takes precedence. The waiver of any requirement herein or any other variation from this policy must be approved unanimously by Plan’s Provider Contract Termination Committee, comprised of the following members:

- Plan’s Chief Medical Officer or Medical Director
- Plan’s Director of Quality
- Plan’s General Counsel
- Plan’s Director of Provider Services
- Plan’s Director of Customer Service
- Plan’s Director of Integrated Health
- Plan’s Director of Network Management
- Plan’s Contracting Counsel
- Plan’s Director of Payment Integrity

To the extent that a member of this committee brings a recommendation to terminate a particular provider or group, that member will not be authorized to vote on the ultimate decision of whether to terminate the provider or group.

II. Policy

A. General. A provider’s participation in Plan’s networks may be terminated under the circumstances listed below. Sections II(B) though II(G) explain each category of termination in greater detail.

a. Provider-initiated terminations. These terminations occur at the provider’s request and may be with cause or without cause.

b. Quality-related terminations. These terminations are initiated by Plan, are with cause, and result from serious issues of non-compliance with Plan’s quality program or failure to comply with credentialing or re-credentialing requirements.

c. Payment Integrity Audit terminations. These terminations are with cause and initiated by Plan at the recommendation of Plan’s Payment Integrity department, usually as the result of an audit.

d. Breach of contract terminations. These terminations are initiated by Plan at the recommendation of a Plan business unit based on a provider’s failure, inability, or refusal to satisfy a material contractual obligation. These are terminations with cause.
e. Administrative terminations. These terminations are initiated by Plan, are with cause, and typically occur when a provider cannot be reached or is no longer eligible to contract with Plan (e.g., the provider has stopped practicing in Vermont or a contiguous county).

f. Other Plan-initiated terminations without cause. Plan may decide, for business reasons, to terminate the contract without cause.

B. Provider-initiated terminations

a. Provider-initiated terminations may be either with or without cause.

b. Reasons for termination. If the provider seeks termination without cause, a reason need not be given, but typically the provider has some disagreement with the terms of the contract.

c. Key Processes.

   i. Provider Relations or Network Management will confirm with the provider or group of the intent to terminate.

   ii. Notice of termination must be submitted in writing (email is sufficient) to Plan by the provider or an authorized representative.

d. BCBSVT Review/Approval. The provider’s request to terminate is reviewed and approved by the Director of Provider Services (or designee).

e. Appeal. Because these are typically terminations without cause initiated by the provider, there is no Plan action to appeal. If, however, Plan initiates a termination in error, the provider has the right to appeal in accordance with the terms of the provider’s contract.

f. Reinstatement. Plan is not obligated to reinstate a provider, but if a provider satisfies Plan’s requirements for credentialing and enrollment, the provider may be reinstated.

C. Quality-related terminations

a. Quality-related terminations are always with cause.

b. Reasons for termination include, but are not limited to the following:

   i. Plan discovers a serious issue of non-compliance with the requirements of Plan’s quality program, which may include issues such as:

      1. Revocation, suspension, or material restriction of licensure

      2. Revocation or suspension of privileges at a hospital that participates with Plan or where the provider conducts his/her principal business
3. Failure to render appropriate care to members

4. Any actions or inactions that gives rise to a concern by Plan for the health, safety, or well-being of Plan members

ii. Provider fails to cooperate with or complete credentialing or re-credentialing requirements, which typically means either of the following circumstances exist:

1. The provider has failed to re-attest his/her CAQH application after multiple notifications from Plan.

2. The provider has failed to respond to multiple requests for additional documentation or information (such as a current copy of malpractice insurance, explanation for a malpractice case, explanation for sanction monitoring, work history, etc.).

c. Key Processes.

i. For issues related to credentialing, Plan will attempt to outreach to the provider to resolve the deficiency. If Plan is not successful after multiple attempts, Plan’s credentialing team will notify Network Management and make a recommendation to terminate the provider’s contract or participation as of the date the provider’s current credentialing expires.

ii. For other quality issues, Plan’s quality department or Plan’s Network Quality Review and Credentialing Committee will recommend termination to the Provider Contract Termination Committee.

1. Plan reserves the right to suspend a provider’s participation status immediately if Plan has concerns for member (or the public’s) health, safety, or well-being, and in such cases, termination will become effective (1) in the absence of action by a licensing authority, immediately after Plan investigation has confirmed there is sufficient evidence to terminate with cause, or (2) to the extent that a provider’s license has been revoked, suspended, or materially restricted, Plan will issue a notice of termination as soon as it learns of action taken by the licensing authority, and termination will be effective as of the date of the licensing authority action.

2. For quality issues that trigger termination, but where Plan does not have concerns for member (or the public’s) health, safety, or well-being, termination will occur after notice as stated in the provider contract.

3. Plan will report to appropriate authorities as stated in Plan’s Provider Appeals from Adverse Contract Actions and Denials of BCBSVT Network Participation policy.
d. BCBSVT Review/Approval.
   
i. Instances of failure to cooperate with credentialing requirements and the
   recommendation to terminate are reviewed and approved by the Director of
   Provider Services (or designee).

   ii. Instances of failure to cooperate with the requirements of Plan’s quality program
   (including issues related to licensure) and the recommendation to terminate are
   reviewed and approved by the Provider Contract Termination Committee.

e. Appeal. A provider may appeal in accordance with the terms of the provider’s contract.

f. Reinstatement. Plan is not obligated to reinstate a provider, but if a provider satisfies
   Plan’s requirements for credentialing and enrollment, the provider may be reinstated as
   follows:

   i. For terminations related to a failure to cooperate with or complete credentialing
      requirements:

      1. If the provider has been terminated for less than thirty (30) days,
         provider must contact Plan and provide the information required by Plan.
         Plan will verify provider’s status and information and will notify the
         provider of the outcome of Plan’s review by sending either an email
         (return receipt requested) or by sending a letter via U.S. mail. If
         termination is rescinded, network participation may continue
         uninterrupted notwithstanding the notice to terminate.

      2. If the provider has been terminated for more than thirty (30) days, or
         never completed initial credentialing, the provider must reapply and
         complete the credentialing process anew.

   ii. If the termination was for an issue of serious noncompliance with Plan’s quality
       program, Provider is not eligible to apply for re-instatement for three (3) years
       from the date of termination, unless stated otherwise in the notice of termination.
       Upon the provider’s application for reinstatement, Plan may ask for proof of
       corrective action to address the issue that led to termination originally.

   iii. If the termination was for an issue related to revocation, suspension, or material
       restriction of licensure, Plan may reinstate provider in Plan’s networks to the
       extent the provider can demonstrate reinstatement of an unrestricted license, and
       Plan has adequate assurances that provider poses no risk to Plan members’
health, safety, or well-being. Provider must re-apply for participation and complete the credentialing process anew.

iv. Except at Plan’s sole discretion, a provider removed from network participation more than once is not eligible to apply for network participation.

v. Except at Plan’s sole discretion, Plan will not enter a contract with an entity over which a previously-terminated provider maintains control or ownership.

D. Payment Integrity audit terminations.

a. Payment Integrity audit terminations are always with cause.

b. Reasons for termination include concerns identified during an audit, which may include, but are not limited to the following: Fraudulent, misleading, deceptive, unlawful, wasteful, or abusive activity.

c. Key processes. Termination is recommended by Plan’s Payment Integrity department, usually following an audit of the provider’s claims.

d. BCBSVT Review/Approval. Recommendations to terminate are reviewed and approved by Plan’s Contract Termination Review Committee.

e. Appeal. A provider may appeal in accordance with the terms of the provider’s contract.

f. Reinstatement. Plan is not obligated to reinstate a provider, but if a provider satisfies Plan’s requirements for credentialing and enrollment, the provider may be reinstated as follows:

i. Provider is not eligible to apply for re-instatement for three (3) years from the date of termination, unless stated otherwise in the notice of termination. The provider is expected to make a final payment of restitution for any overpayments calculated during an audit, unless stated otherwise in the notice of termination or more than ten (10) years have passed since the termination. Upon a provider’s application for reinstatement, Plan may ask for proof of corrective action to address the issue that led to termination originally.

ii. Except at Plan’s sole discretion, a provider removed from network participation more than once is not eligible to apply for network participation.

iii. Except at Plan’s sole discretion, Plan will not enter a contract with an entity over which a previously-terminated provider maintains control or ownership.

E. Breach of contract terminations.

a. Breach of contract terminations are always with cause.
b. Reasons for termination include material, serious, or repeated breaches of the terms and conditions of providers contract including, but not limited to:

   i. Failure to comply with policies and procedures of Plan
   
   ii. Failure to comply with the insurance requirements of the provider’s contract
   
   iii. Failure to comply with the non-discrimination requirements of the provider’s contract
   
   iv. Failure to comply with HIPAA requirements
   
   v. Failure to comply with laws applicable to the conduct of his/her business
   
   vi. Exclusion or termination from federally-funded health care programs

c. Key processes. Recommendations to terminate will be submitted by the Plan business unit to the Director of Provider Services (or designee), who will bring that recommendation to the Provider Contract Termination Committee.

d. BCBSVT Review/Approval. Recommendations are reviewed and approved by the Provider Contract Termination Committee.

e. Appeal. A provider may appeal in accordance with the terms of the provider’s contract.

f. Reinstatement. Plan is not obligated to reinstate a provider, but if a provider satisfies Plan’s requirements for credentialing and enrollment, the provider may be reinstated as follows:

   i. The provider is not eligible to apply for re-instatement for three (3) years from the date of termination, unless otherwise stated in the notice of termination. Upon a provider’s application for reinstatement, Plan may ask for proof of corrective action to address the issue that led to termination originally.

   ii. Except at Plan’s sole discretion, a provider removed from network participation more than once is not eligible to apply for network participation.

   iii. Except at Plan’s sole discretion, Plan will not enter a contract with an entity over which a previously-terminated provider maintains control or ownership.

F. Administrative terminations

   a. Administrative terminations are with cause but generally do not include any sort of “bad act” associated with other terminations with cause.

   b. Reasons for termination include, but are not limited to, the following:
i. Plan is unable to reach the provider. This may occur when Plan is unable to locate a current, active phone number for the provider, and/or mail sent to the provider’s last-known address has been returned as undeliverable with no forwarding address.

ii. The provider is or will no longer be eligible to maintain a contract with Plan (e.g., because the provider is moving out of the service area, has retired, or is deceased).

iii. Provider has not submitted a claim, request for prior approval, or other transaction in the past twelve (12) months. NOTE: Some provider types are excluded from this process.

c. Key processes. Provider Services or Network Management will attempt to confirm that the provider is or will no longer be eligible to contract with Plan, and Provider Services or Network Management will document all communication in writing. Based on the results of the outreach, Network Management will either update the system with correct information for the provider or will make a recommendation to terminate.

d. BCBSVT Review/Approval. Recommendations to terminate are reviewed and approved by Director of Provider Services or designee.

e. Appeal. A provider may appeal in accordance with the terms of the provider’s contract.

f. Reinstatement. Plan is not obligated to reinstate a provider, but if a provider satisfies Plan’s requirements for credentialing and enrollment, the provider may be reinstated as follows:

   i. If the provider has been terminated for less than thirty (30) days, the provider must contact Plan and provide information to show termination is not warranted. Plan will verify provider’s status and information and will send documenting the outcome of Plan’s review, either via email (return receipt requested) or U.S. mail. If termination is rescinded, participation may continue uninterrupted notwithstanding the notice to terminate.

   ii. If the provider has been terminated for more than thirty (30) days, the provider must reapply and complete the credentialing process anew.

G. Other Plan-initiated terminations without cause.

   a. This section covers Plan-initiated terminations without cause.

c. Key Processes. The appropriate business unit of Plan makes a recommendation to the Provider Contract Termination Committee.

d. Plan Review/Approval. The recommendation is reviewed and approved by the Provider Contract Termination Committee.

e. Appeal. For terminations without cause, the contract does not afford the provider the right to appeal.

f. Reinstatement. Plan is not obligated to reinstate a provider, but if a provider satisfies Plan’s requirements for credentialing and enrollment, the provider may be reinstated.