

**2012 Hennepin Health Contract**  
**METROPOLITAN HEALTH PLAN d/b/a**  
**HENNEPIN HEALTH**

**MINNESOTA DEPARTMENT OF HUMAN SERVICES**  
**CONTRACT FOR MEDICAL ASSISTANCE**

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**MINNESOTA DEPARTMENT OF HUMAN SERVICES  
CONTRACT FOR MEDICAL CARE SERVICES**

THIS CONTRACT, which shall be interpreted pursuant to the laws of the State of Minnesota, is made and entered into by the State of Minnesota, acting through its Department of Human Services (DHS) (hereinafter STATE), and **Metropolitan Health Plan d/b/a Hennepin Health**, Managed Care Organization (MCO) (hereinafter MCO).

The STATE may enter into agreements in furtherance of the Minnesota Medical Assistance Program for the provision of prepaid medical and remedial services pursuant to Title XIX of the Social Security Act, 42 USC § 1396 et seq., 42 CFR Parts 434 and 438, Minnesota Statutes, §§ 256B.69 and Minnesota Statutes §256B.0756 and may request waivers for the Medical Assistance program pursuant to Section 1115 of the Social Security Act, 42 USC § 1315 et seq.

For the period of January 1, 2012 through December 31, 2012 services will be provided through this 2012 Contract identified as number **32408**.

This Contract represents the Prepaid Medical Assistance for single non-disabled adults under the age of 65 eligible for Medical Assistance.

Hennepin County owns a license as a Health Maintenance Organization (HMO) and is thus qualified under Minnesota law to operate as an MCO.

NOW, THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth the parties agree as follows:

**Article. 1 Overview.** This Contract applies to the health benefits the MCO shall provide through the Prepaid Medical Assistance for non-disabled adults without children eligible for Medical Assistance under the age of sixty-five (65). The Medical Assistance program is a public health benefits programs intended to provide Enrollees with access to cost-effective health care options.

All articles of this Contract apply to all programs, unless otherwise noted. All references to “days” in the Contract mean calendar days unless otherwise specified in the Contract (e.g. “business days”).

**Article. 2 Definitions.** Whenever used in this Contract, the following terms have the respective meaning set forth below, unless the context clearly requires otherwise, and when the defined meaning is intended, the term is capitalized.

**2.1 638 Facility** means a facility funded by Title I or V of the Indian Self-Determination and Education Assistance Act (Public Law 93-638), as amended.

**2.2 Abuse** means provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Enrollee practices that result in

unnecessary cost to the Medicaid program. Abuse shall also include substantial failure to provide Medically Necessary items and services that are required to be provided to an Enrollee under this Contract if the failure has adversely affected or has a substantial likelihood of adversely affecting the health of the Enrollee.

**2.3 Action** means: 1) the denial or limited authorization of a requested service, including the type or level of service; 2) the reduction, suspension, or termination of a previously authorized service; 3) the denial, in whole or in part of payment for a service; 4) the failure to provide services in a timely manner; 5) the failure of the MCO to act within the timeframes defined in sections 8.1.2 through 8.4.10 and; or, 6) for a resident of a Rural Area with only one MCO, the denial of an Enrollee's request to exercise his or her right to obtain services outside the network.

**2.4 Acupuncture Services** means acupuncture practice, as defined in Minnesota Statutes, § 147B.01, subd. 3.

**2.5 Adjudicated** means that a claim has reached its final disposition of paid or denied.

**2.6 Adult** means an individual twenty-one (21) years of age or older.

**2.7 Advance Directive** means "advance directive" as defined in 42 CFR § 489.100.

**2.8 American Indian** means those persons for whom services may be provided as an Indian pursuant to 42 CFR § 136.12.

**2.9 Appeal** means an oral or written request from the Enrollee, or the Provider acting on behalf of the Enrollee with the Enrollee's written consent to the MCO for review of an Action.

**2.10 Atypical Services or Atypical Provider** means those non-health care services or providers of those services for whom CMS does not issue a National Provider Identifier (NPI). Examples include non-emergency transportation providers and carpenters building a home modification.

**2.11 Business Continuity Plan** means a comprehensive written set of procedures and information intended to maintain or resume critical functions in the event of an Emergency Performance Interruption (EPI).

**2.12 Capitation Payment** means a payment the STATE makes periodically to the MCO for each Enrollee covered under the Contract for the provision of services as defined in Article 6 regardless of whether the Enrollee receives these services during the period covered by the payment.

**2.13 Care Management** means the overall method of providing on-going health care in which the MCO manages the provision of primary health services with additional appropriate services provided to an Enrollee. See section 6.1.4.

**2.14 Clean Claim** means, pursuant to 42 CFR § § 447.45 and 447.46, and Minnesota Statutes, § 62Q.75, a claim that has no defect or impropriety, including any lack of any required substantiating documentation or particular circumstance requiring special treatment that prevents timely payment from being made on the claim.

**2.15 Clinical Trials** means those trials that: 1) have been subjected to independent peer-review of the rationale and methodology; 2) are sponsored by an entity with a recognized program in clinical research that conducts its activities according to all appropriate federal and state regulations and generally accepted standard operating procedures governing the conduct of participating investigators; and 3) whose results will be reported upon completion of the trial regardless of their positive or negative nature.

**2.16 CMS** means the Centers for Medicare & Medicaid Services of the U.S. Department of Health and Human Services.

**2.17 Commissioner** means the Commissioner of the Minnesota Department of Human Services or the Commissioner's designee.

**2.18 Common Carrier Transportation** means the transport of an Enrollee by a bus, taxicab, or other commercial carrier or by private automobile.

**2.19 Community Health Services Agency** means a "local health agency" or a public or private nonprofit organization that enters into a contract with the Minnesota Commissioner of Health pursuant to Minnesota Statutes, § § 145.891 through 145.897.

**2.20 Community Health Worker (CHW)** means a person who meets the certification or experience qualifications listed in Minnesota Statutes, § 256B.0625, subd. 49, to provide coordination of care and patient education services under the supervision of a Medical Assistance enrolled physician, advanced practice registered nurse, Mental Health Professional, dentist, or a certified public health nurse operating under the direct authority of an enrolled unit of government.

**2.21 Community Health Worker Services** means patient education and care coordination provided by a Community Health Worker in clinics and community settings for the purpose of disease prevention, promoting health, and increasing access to health care for individuals and their communities.

**2.22 Contract Year** means the calendar year for which the term of this Contract is effective, as described in section 5.1.

**2.23 Cost Avoidance Procedure** means the process by which a Provider obtains payment from the identified third party resource before billing the MCO.

**2.24 Covered Service** means a health care service as defined in Minnesota Statutes, § 256B.0625, and Minnesota Rules, Parts 9505.0170 through 9505.0475, and that was provided in accordance with the MCO's Service Delivery Plan and the MCO Evidence of Coverage, as approved by the STATE.

**2.25 Cut-Off Date** means the last day on which enrollment information may be entered in the STATE's Medicaid Management Information System (MMIS) in order to be effective the first day of the following month.

**2.26 Disease Management Program** means a multi-disciplinary, continuum-based approach to improve the health of Enrollees that proactively identifies populations with, or at risk for, certain medical conditions that: 1) supports the physician/patient relationship and place of care; 2) emphasizes prevention of exacerbation and complications utilizing cost-effective evidence-based practice guidelines and patient empowerment strategies such as self-management; and 3) continuously evaluates clinical, humanistic, and economic outcomes with the goal of improving overall health.

**2.27 Dual Eligible or Dual Eligibility** means an individual who has established eligibility for Medicare as their primary coverage and Medicaid as their secondary coverage.

**2.28 Emergency Care.** See Medical Emergency.

**2.29 Emergency Performance Interruption (EPI)** means any event, including, but not limited to: wars, terrorist activities, natural disasters, pandemic or health emergency, that the occurrence and effect of which is unavoidable and beyond the reasonable control of the MCO and/or the STATE, and which makes normal performance under this Contract impossible or impracticable.

**2.30 Education Begin Date** means the date on which the MCO will be presented by the Local Agency as an initial enrollment option to PMAP Recipients.

**2.31 Enrollee** means a Medical Assistance eligible person whose enrollment in the MCO has been entered into MMIS. Where this Contract confers certain rights or obligations that the individual (or a court of law acting on the individual's behalf) has conferred to a guardian, conservator, legal representative or authorized representative, the use of the terms "Recipient" or "Enrollee" does not preclude the legal or authorized representative from meeting those obligations or exercising those rights, to the extent of the legal or authorized representative's authority.

**2.32 Experimental or Investigative Service** means a drug, device, medical treatment, diagnostic procedure, technology, or procedure for which reliable evidence does not permit conclusions concerning its safety, effectiveness, or effect on health outcomes, pursuant to Minnesota Rules, Parts 4685.0100, subpart 6a and 4685.0700, subpart 4, item F.

**2.33 Family Planning Service** means a family planning supply (related prescribed drug or contraceptive device) or health service, including screening, testing, and counseling for sexually transmitted diseases, such as HIV, when provided in conjunction with the voluntary planning of the conception and bearing of children and related to an Enrollee's condition of fertility.

**2.34 Fraud** means the definition set out in Minnesota Rules, Part 9505.2165, subpart 4.



**2.35 Generally Accepted Community Standards** means that access to services is equal to or greater than that currently existing in the Medical Assistance fee-for-service system in the Metro or Non-Metro Area.

**2.36 Grievance** means an expression of dissatisfaction about any matter other than an Action, including but not limited to the quality of care or services provided or failure to respect the Enrollee's rights.

**2.37 Grievance System** means the overall system that includes Grievances and Appeals handled at the MCO and access to the State Fair Hearing process.

**2.38 Health Care Home** means a clinic, personal clinician, or local trade area clinician that is certified under Minnesota Rules, parts 4764.0010 to 4764.0070.

**2.39 Health Care Professional** means a physician, optometrist, chiropractor, psychologist, dentist, advanced dental therapist, dental therapist, physician assistant, physical or occupational therapist, therapist assistant, speech-language pathologist, audiologist, registered or practical nurse (including nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist, and certified nurse midwife), licensed independent clinical social worker, and registered respiratory therapy technician.

**2.40 Home Care Services** means skilled nurse visits, private duty nursing services, home health aide services, personal care assistance services, qualified supervision of personal care services, physical therapy, occupational therapy, speech therapy, respiratory therapy, durable medical equipment, and supplies.

**2.41 Hospice Care** means palliative and supportive care and other services provided by an interdisciplinary team under the direction of an identifiable hospice administration to terminally ill hospice patients and their families to meet the physical, nutritional, emotional, social, spiritual, and special needs experienced during the final stages of illness, dying, and bereavement, as defined in Minnesota Statutes, § 144A.75, subd. 8.

**2.42 Improper Payment** means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. This includes, but is not limited to: 1) any payment for an ineligible Recipient; 2) any duplicate payment; 3) any payment for services not received; 4) any payment incorrectly denied; and 5) any payment that does not account for credits or applicable discounts.

**2.43 Indian Health Care Provider** means a health care program operated by the Indian Health Service (IHS) or by an Indian Tribe, Tribal Organization, or Urban Indian Organization (otherwise known as an I/T/U) as those terms are defined in section 4 of the Indian Health Care Improvement Act (25 USC 1603). Indian Health Care Provider includes a 638 Facility and provision of Indian Health Service Contract Health Services (IHS CHS).

**2.44 Indian Health Service (IHS)** means the federal agency charged with administering the health programs for American Indians and Alaska Natives (AI/AN) who are enrolled members of federally recognized Indian tribes.

**2.45 IHS Contract Health Services (IHS CHS)** means health services covered by this Contract that would otherwise be provided at the expense of the Indian Health Service, from public or private medical or hospital facilities other than those of the Indian Health Service under a contract with IHS and through a referral from IHS, to American Indian Enrollees.

**2.46 Indian Health Services Facility (IHS Facility)** means a facility administered by the Indian Health Service that is providing health programs for American Indians and Alaska Natives (AI/AN) who are enrolled members of federally recognized Indian tribes.

**2.47 Inpatient Hospitalization** means inpatient medical, mental health and chemical dependency services provided in an acute care facility licensed under Minnesota Statutes, §§ 144.50 through 144.56.

**2.48 Local Agency** means a county or multi-county agency that is authorized under Minnesota Statutes, §§ 393.01, subd. 7, and 393.07, subd. 2, as the agency responsible for determining Recipient eligibility for the Medical Assistance program. Local Agency also means a federally recognized American Indian tribe's social service, human service, and/or health services agency.

**2.49 Managed Care Organization (MCO)** means an entity that has, or is seeking to qualify for, a comprehensive risk contract, and that is: 1) a Federally Qualified HMO that meets the advance directives requirements of 42 CFR § 489.100-104; or 2) any public or private entity that meets the advance directives requirements and is determined to also meet the following conditions: a) makes the services it provides to its Medicaid Enrollees as accessible (in terms of timeliness, amount, duration, and scope) as those services are to other Medicaid Recipients within the area served by the entity, and b) meets the solvency standards of 42 CFR § 438.116.

**2.50 Managing Employee** means an individual (including a general manager, business manager, administrator or director) who exercises operational or managerial control over the entity or part thereof, or who directly or indirectly conducts the day-to-day operations of the entity or part thereof as defined in 42 CFR § 1001.1001(a)(ii)(A)(6).

**2.51 Marketing** means any communication from a MCO, or any of its agents or independent contractors, with an Enrollee or Recipient that can reasonably be interpreted as intended to influence that individual to enroll or reenroll in the MCO's product(s) under this Contract.

**2.52 Marketing Materials** means materials that: (1) are produced in any medium, by or on behalf of an MCO; and (2) can reasonably be interpreted as intended to influence individuals to enroll or reenroll in the MCO's product(s) under this Contract.

**2.53 Material Modification of Provider Network** means: 1) a change that would result in an Enrollee having only three remaining choices of a Primary Care Provider within thirty (30) miles or thirty (30) minutes; or 2) a change which results in the discontinuation of a Primary Care Provider who is responsible for Primary Care for one-third (1/3) or more of the Enrollees in the applicable area (the same area from which the affected Enrollee chose their Primary Care Provider or sole source Provider, prior to the Material Modification); or 3) a change that involves

a termination of a sole source service Provider where the termination is for cause. For purposes of this section, termination of a Provider for cause does not include the inability to reach agreement on contract terms.

**2.54 Medical Assistance** means the federal/state Medicaid program authorized under Title XIX of the federal Social Security Act and Minnesota Statutes, Chapter 256B.

**2.55 Medical Assistance Drug Formulary** means prescription or over-the-counter drugs covered under the Medical Assistance program as determined by the Commissioner pursuant to Minnesota Statutes, § 256B.0625, subd. 13.

**2.56 Medical Assistance Family and Children** means a category of PMAP Enrollees used as a factor to determine the Rate Cell of an individual Enrollee.

**2.57 Medical Emergency** means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in: 1) placing the physical or mental health of the Enrollee (or, with respect to a Pregnant Woman, the health of the woman or her unborn Child) in serious jeopardy; 2) continuation of severe pain; 3) serious impairment to bodily functions; 4) serious dysfunction of any bodily organ or part; or 5) death. Labor and delivery is a Medical Emergency if it meets this definition. The condition of needing a preventive health service is not a Medical Emergency.

**2.58 Medical Emergency Services** means inpatient and outpatient services covered under this Contract that are furnished by a Provider qualified to furnish emergency services and are needed to evaluate or stabilize an Enrollee's Medical Emergency.

**2.59 Medically Necessary or Medical Necessity** means, pursuant to Minnesota Rules, Part 9505.0175, subpart 25, a health service that is: (1) consistent with the Enrollee's diagnosis or condition; (2) is recognized as the prevailing standard or current practice by the Provider's peer group; and (3) is rendered:

- (A) In response to a life threatening condition or pain; or
- (B) To treat an injury, illness or infection; or
- (C) to treat a condition that could result in physical or mental disability; or
- (D) To care for the mother and unborn child through the maternity period; or
- (E) To achieve a level of physical or mental function consistent with prevailing community standards for diagnosis or condition; or
- (F) As a preventive health service defined under Minnesota Rules, Part 9505.0355.

**2.60 Medicare Prescription Drug Program (Part D Drug Benefit)** means the prescription drug benefit for Medicare beneficiaries, pursuant to Title I of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

**2.61 Mental Health Professional** means a person providing clinical services in the treatment of mental illness who meets the qualifications required in Minnesota Statutes, § 245.462, subd. 18(1) through (6), for adults; and Minnesota Statutes § 245.4871, subd. 27(1) through (6), for children.

**2.62 Mental Illness** means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that: 1) is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axis I, II, or III; and 2) seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation as defined under Minnesota Statutes, § 245.462 subd. 20.

**2.63 Metro Area** means the following seven Minnesota counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

**2.64 MMIS** means the Medicaid Management Information System.

**2.65 National Provider Identifier (NPI)** means the ten (10) digit number issued by CMS which is the standard unique identifier for health care Providers, and which replaces the use of all legacy provider identifiers (e.g., UPIN, Medicaid Provider Number, Medicare Provider Number, Blue Cross and Blue Shield Numbers) in standard transactions.

**2.66 Notice of Action** means a Denial, Termination, or Reduction of Service Notice (DTR) or other Action as defined in 42 CFR § 438.400(b).

**2.67 Out of Service Area** means a health care provided to an Enrollee by non-Participating Providers outside of the geographical area served by the MCO.

**2.68 Out of Plan** means health care provided to an Enrollee by non-Participating Providers within the geographic area served by the MCO.

**2.69 Participating Provider** means a Provider who is employed by or under contract with the MCO to provide health services to Enrollees.

**2.70 Person Master Index (PMI)** means the STATE identification number assigned to an individual Recipient.

**2.71 Person with an Ownership or Control Interest** means a person or corporation that: A) has an ownership interest, directly or indirectly, totaling five percent (5%) or more in the MCO or a disclosing entity; B) has a combination of direct and indirect ownership interests equal to

five percent (5%) or more in the MCO or the disclosing entity; C) owns an interest of five percent (5%) or more in any mortgage, deed of trust, note, or other obligation secured by the MCO or the disclosing entity, if that interest equals at least five percent (5%) of the value of the property or assets of the MCO or the disclosing entity; or D) is an officer or director of the MCO or the disclosing entity (if it is organized as a corporation) or is a partner in the MCO or the disclosing entity (if it is organized as a partnership).

**2.72 Personal Care Assistance Provider Agency (PCPA)** means a Medical Assistance enrolled provider that provides or assists with providing personal care assistance (PCA) services and includes a personal care assistance provider organization (PCPO), personal care assistance choice agency (PCPA), class A licensed nursing agency, and Medicare-certified home health agency.

**2.73 Physician Incentive Plan** means any compensation arrangement between an organization and a physician or physician group that may directly or indirectly have the effect of reducing or limiting services provided to Enrollees of the MCO, as defined in 42 CFR § 438.700(b)(6).

**2.74 Post Payment Recovery** means seeking reimbursement from third parties whenever claims have been paid for which there are third parties that are liable for payment of the claims. This is also referred to as the “pay and chase” method.

**2.75 Post-Stabilization Care Services** means Medically Necessary Covered Services, related to an Emergency medical condition, that are provided after an Enrollee is stabilized, in order to maintain the stabilized condition, and for which the MCO is responsible when: 1) the services are Service Authorized; 2) the services are provided to maintain the Enrollee’s stabilized condition within one (1) hour of a request to the MCO for Service Authorization of further Post-Stabilization Care Services; 3) the MCO could not be contacted; 4) the MCO did not respond to a Service Authorization within one hour; or 5) the MCO and treating Provider are unable to reach agreement regarding the Enrollee’s care.

**2.76 Potential Enrollee** means a Medical Assistance eligible person who is subject to mandatory enrollment or may voluntarily elect to enroll in a given managed care program, but is not yet an Enrollee of a specific MCO.

**2.77 Pregnant Woman** means a basis of eligibility for Medical Assistance, as defined in 42 CFR Part 435 and implemented under State law, that is used as a factor to determine the Rate Cell of an Enrollee.

**2.78 Prepaid Medical Assistance Program (PMAP)** means the program authorized under Minnesota Statutes, § 256B.69 and Minnesota Rules, Parts 9500.1450 through 9500.1464.

**2.79 Primary Care** means all health care services and laboratory services customarily furnished by or through a general practitioner, family practice physician, internal medicine physician, obstetrician/gynecologist, or pediatrician, to the extent the furnishing of those services is legally authorized in the state in which the practitioner furnishes them.

**2.80 Primary Care Provider** means a Provider or licensed practitioner, pursuant to Minnesota Rules, Part 4685.0100, subpart 12a, or a nurse practitioner or physician assistant, pursuant to Minnesota Rules, Part 485.0100, subpart 12b, under contract with or employed by the MCO.

**2.81 Priority Services** means:

- (A) Those services that must remain uninterrupted to ensure the life, health and/or safety of the Enrollee;
- (B) Medical Emergency Services, Post-Stabilization Care Services and Urgent Care;
- (C) Other Medically Necessary services that may not be interrupted or delayed for more than fourteen (14) days;
- (D) A process to authorize the services described in paragraphs (A) through (C);
- (E) A process for expedited appeals for the services described in paragraphs (A) through (C); and
- (F) A process to pay Providers who provide the services described in paragraphs (A) through (C).

**2.82 Privacy Incident** means violation of the Minnesota Government Data Practices Act (MGDPA) and/or the HIPAA Privacy Rule (45 CFR Part 164, Subpart E), including, but not limited to, improper and/or unauthorized use or disclosure of Protected Information, and incidents in which the confidentiality of the information maintained by the parties has been breached.

**2.83 Protected Information** means private information concerning individual STATE clients that the MCO may handle in the performance of its duties under this Contract, including any or all of the following:

- (A) Private data (as defined in Minnesota Statutes, § 13.02, subd. 12), confidential data (as defined in Minnesota Statutes, § 13.02, subd. 3), welfare data (as governed by Minnesota Statutes, § 13.46), medical data (as governed by Minnesota Statutes, § 13.384), and other non-public data governed elsewhere in the Minnesota Government Data Practices Act (MGDPA), Minn. Stats. Chapter 13;
- (B) Health records (as governed by the Minnesota Health Records Act, Minnesota Statutes, §§ 144.291 through 144.298.);
- (C) Chemical health records (as governed by 42 USC § 290dd-2 and 42 CFR § § 2.1 to § 2.67);

(D) Protected health information (PHI) (as defined in and governed by the Health Insurance Portability Accountability Act (HIPAA), 45 CFR § 164.501);

(E) Electronic Health Records (as governed by Health Information Technology for Economic and Clinical Health Act (HITECH), 42 USC § 201 note, 42 USC § 17931); and

(F) Information protected by other applicable state and federal statutes, rules, and regulations governing or affecting the collection, storage, use, disclosure, or dissemination of private or confidential individually identifiable information.

**2.84 Provider** means an individual or entity that is engaged in the delivery of health care services and is legally authorized to do so by the state in which it delivers the services.

**2.85 Provider Manual** means the current Internet online version of the official STATE publication, entitled “*Minnesota Health Care Programs Provider Manual*,” available to enrolled Providers for policy clarification, procedures, and definitions of Covered Services under the Medical Assistance program.

**2.86 Qualified Professional** means a professional providing supervision of personal care assistance services and staff as defined in Minnesota Statutes, § 256B.0625, subd. 19c.

**2.87 Rate Cell** means the pricing data attributed to an Enrollee to determine the monthly prepaid capitation rate that will be paid by the STATE to the MCO for health care coverage of that Enrollee. A Rate Cell is determined based on Rate Cell determinants which may consist of all or a part of the following, consistent with MMIS requirements: age, sex, county of residence, major program, eligibility type, living arrangement, Medicare status, and product ID.

**2.88 Recipient** means a person who has been determined by the STATE or Local Agency to be eligible for the Medical Assistance Program.

**2.89 Restricted Recipient Program** means a program for Recipients and Enrollees who have failed to comply with the requirements of the program. Placement in the Restricted Recipient Program does not apply to services in long term care facilities and/or covered by Medicare. Placement in the Restricted Recipient program means:

(A) Requiring that for a period of twenty-four (24) or thirty-six (36) months of eligibility, the Recipient/Enrollee must obtain health services from a designated Primary Care Provider located in the Recipient’s or Enrollee’s local trade area, a hospital used by the Primary Care Provider, a pharmacy, or any other designated health service Provider, including a Minnesota Health Care Program (MHCP) enrolled Personal Care Provider Assistance Agency (PCPA) or Medicare certified Provider.

(B) Prohibiting the Recipient or Enrollee from using the personal care assistance choice, flexible use option, or consumer directed community support services for a period of twenty-four (24) or thirty-six (36) months of eligibility.

**2.90 Rural Area** means any area other than an urban area as an urban area is defined in 42 CFR § 412.62(f)(1)(iii).

**2.91 Security Incident** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

**2.92 Serious and Persistent Mental Illness (SPMI)** means a condition which meets the criteria defined in Minnesota Statutes, § 245.462 subd. 20(c).

**2.93 Service Area** means the Counties of Minnesota in which the MCO agrees to offer health coverage under this Contract. See Appendix I-A MCO Service Areas.

**2.94 Service Authorization** means a managed care Enrollee's request, or a Provider's request on behalf of an Enrollee, for the provision of a medical service, and the MCO's determination of the Medical Necessity for the medical service prior to the delivery or payment of the service.

**2.95 Special Needs BasicCare (SNBC)** means the Minnesota prepaid managed care program, pursuant to Minnesota Statutes, § 256B.69, subd. 28, that provides Medicaid services and/or integrated Medicare and Medicaid services to Medicaid eligible people with disabilities.

**2.96 Spenddown** means the process by which a person who has income in excess of the Medical Assistance income standard allowed in Minnesota Statutes, § 256B.056, subd. 5, becomes eligible for Medical Assistance by incurring medical expenses that are not covered by a liable third party, except where specifically excluded by state or federal law, and that reduce the excess income to zero.

**2.97 STATE** means the Minnesota Department of Human Services or its agents, and the Commissioner of Human Services.

**2.98 State Fair Hearing** means a hearing filed according to an Enrollee's written request with the STATE pursuant to Minnesota Statutes, § 256.045, related to: 1) the delivery of health services or participation in the MCO; 2) denial (full or partial) of a claim or service by the MCO; 3) failure to make an initial determination in thirty (30) days; or 4) any other Action.

**2.99 Substitute Health Services** means those services an MCO has used as a replacement for or in lieu of a service covered under this Contract because the MCO has determined: 1) the MCO reimbursement for the Substitute Health Service is less than the MCO reimbursement for the Covered Service would have been had the Covered Service been provided; and 2) that the health status of and quality of life for the Enrollee is expected to be the same or better using the Substitute Health Service as it would be using the Covered Service.

**2.100 Telemedicine Consultations** means physician services made via two-way interactive video or store-and-forward technology, and for mental health services that are otherwise covered by Medical Assistance as direct face-to-face services. The Enrollee record must include a written opinion from the consulting physician providing the Telemedicine Consultation. A



communication between two physicians that consists solely of a telephone conversation is not a Telemedicine Consultation.

**2.101 Tribal Community Member** means individuals identified as enrolled members of the tribe and any other individuals identified by the tribe as a member of the tribal community. This definition is used only in the Tribal Assessments section 6.1.13(D) below.

**2.102 Unique Minnesota Provider Identifier (UMPI)** means the unique identifier assigned by the STATE for certain Atypical Providers who are not eligible for a NPI.

**2.103 Urgent Care** means acute, episodic medical services available on a twenty-four (24) hour basis that are required in order to prevent a serious deterioration of the health of an Enrollee.

**2.104 Volunteer Driver** means an individual working with a program or organization recognized by the Local Agency or its representative that provides rides to health care appointments for eligible MHCP enrollees in the community.

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**Article. 3 Duties.** MCO agrees to provide the following services to the STATE during the term of this Contract.

### **3.1 Eligibility and Enrollment.**

#### **3.1.1 Eligibility.**

(A) Only those persons eligible under Minnesota Statutes, § 256B.055, subd. 15, Adults without Children, who are enrolled in Medical Assistance and residing within Hennepin County shall be eligible for enrollment.

(B) Eligibility for Medical Assistance and participation in prepaid medical assistance will be determined by the Local Agency.

(C) Enrollment Exclusions for Managed Care. All persons who receive Medical Assistance and reside in the Service Area will participate in managed care, except for Recipients who are members of the following Medical Assistance populations:

(1) Recipients receiving Medical Assistance due to blindness or disability as determined by the U.S. Social Security Administration or the State Medical Review Team, except if sixty-five (65) years of age or older.

(2) Medical Assistance Recipients receiving the Refugee Assistance Program pursuant to 8 USC § 1522(e).

(3) Medical Assistance Recipients who are residents of State institutions, unless the placement has been approved by the MCO. For purposes of this Contract, approval by the MCO would include a placement which is court-ordered within the terms described in section 6.1.21(B).

(4) Medical Assistance Recipients who are terminally ill as defined in Minnesota Rules, Part 9505.0297, subpart 2, item N, and who, at the time enrollment in managed care would occur, have an established relationship with a primary physician who is not part of the MCO.

(5) Recipients, who at the time of notification of mandatory enrollment in managed care, have a communicable disease whose prognosis is terminal and whose primary physician is not a Participating Provider in the MCO, and that physician certifies that disruption of the existing physician-patient relationship is likely to result in the patient becoming noncompliant with medication or other health services.

(6) Individuals who are Qualified Medicare Beneficiaries (QMB), as defined in § 1905(p) of the Social Security Act, 42 USC § 1396d(p), who are not otherwise receiving Medical Assistance.

(7) Individuals who are Service Limited Medicare Beneficiaries (SLMB), as defined in § 1905(p) of the Social Security Act, 42 USC §§ 1396a(a)(10)(E)(iii) and 1396d(p), and who are not otherwise receiving Medical Assistance.

(8) Non-citizen Recipients defined under Minnesota Statutes, § 256B.06, subd. 4.

(9) Recipients receiving Medical Assistance on a medical Spenddown basis.

(10) Medical Assistance Recipients with private health care coverage through a HMO certified under Minnesota Statutes, Chapter 62D.

(11) Medical Assistance Recipients with cost effective employer-sponsored private health care coverage, or who are enrolled in a non-Medicare individual health plan determined to be cost-effective according to Minnesota Statutes, § 256B.69, subd. 4(b)(9).

(12) Medical Assistance Recipients who are eligible while receiving care and services from a non-profit center established to serve victims of torture.

(13) Women receiving Medical Assistance through the Breast and Cervical Cancer Control Program.

(D) Voluntary Enrollment Populations for Managed Care. The following populations are excluded from mandatory enrollment, but may elect to enroll in managed care on a voluntary basis:

(1) Adults who are determined to have a SPMI and eligible to receive Medical Assistance covered targeted case management (MH-TCM) services pursuant to Minnesota Statutes, § 245.4711.

### **3.1.2 Enrollment.**

(A) Nondiscrimination. The MCO will accept all eligible Recipients who select or are assigned to the MCO without regard to physical or mental condition, health status, need for health services, disability, marital status, age, sex, sexual orientation, national origin, race, color, religion or political beliefs, and shall not use any policy or practice that has the effect of such discrimination.

(B) Order of Enrollment. The MCO shall enroll Recipients in the order in which they apply or are assigned. Recipients who do not choose an MCO within the allotted time will be assigned to an MCO by the STATE.

(C) Number of Enrollees and Automatic Assignment.

(1) Effective January 1, 2012 for the MCO's initial enrollment, the STATE shall enroll to the MCO adults without children who are not disabled residing in the Service Area defined in Appendix I-A. Subject to the limitations in 3.1.2(C)(2)

below, during the Contract Year the STATE shall automatically assign Recipients residing in the defined zip codes.

(2) The STATE may limit the number of Enrollees in the MCO to a maximum of ten thousand (10,000) Enrollees total per month, based on average enrollment for the previous calendar quarter. In the event the number of Enrollees exceeds such ten thousand (10,000) limit, the STATE may suspend automatic assignment of Enrollees until such time as the number of Enrollees in the MCO no longer exceeds the limit.

(D) Timing of Enrollment. Recipients may enroll with the MCO at any time during the duration of this Contract, subject to the limitations under Article 3.

(E) Period of Enrollment. Each Recipient enrolled in the MCO pursuant to this Contract shall be enrolled for twelve (12) months following the effective date of coverage, subject to the exceptions in this section.

(F) Choice of Health Care Professional. The MCO must allow an Enrollee to choose his or her Health Care Professional to the extent possible and appropriate. "To the extent possible and appropriate" includes limiting the selection of a Primary Care Provider to participants in the MCO's network, unless the Primary Care Provider was already at capacity, and other instances discussed in the "Provisions of the Proposed Rule and Analysis of and Response to Public Comments" to 42 CFR § 438.6(m), Volume 67, Number 115, pages 41,006 and 41,007 of the Federal Register.

(G) Health Care Home. The MCO Provider network must include clinics, personal clinicians, or local trade area clinicians designated as Health Care Homes that are certified under Minnesota Rules, parts 4764.0010 to 4764.0070. In addition, the MCO must:

(1) Track Enrollees with complex or chronic health conditions who are enrolled in a certified Health Care Home; and

(2) Attribute enrollment in the Health Care Home to the clinic site, and the Enrollee specific care provided, pursuant to Minnesota Rules, Part 4764.0040.

(H) Enrollee Change of Primary Care Provider. The Enrollee may change to a different Primary Care Provider within the MCO's network every thirty (30) days upon request to the MCO. This section does not apply to Enrollees who are under restriction pursuant to section 8.10.

(I) Open Enrollment. The MCO shall enroll any eligible Recipients during any open enrollment period required by the STATE.

(J) Notice to Student Enrollees. MCOs meeting the definition of a closed panel health plan, as defined in Minnesota Statutes, § 62Q.43, subd. 1, shall at least annually notify full-time student Enrollees under the age of twenty-five (25) of their right to change

their designated clinics or physicians at least once per month. The MCO may require from the student at least fifteen (15) days' notice of intent to change his or her designated clinic or physician, and as long as the clinic or physician is part of the MCO's statewide clinic or physician network.

### **3.1.3 Effective Date of Coverage.**

(A) MCO coverage of Enrollees shall commence at the following times:

(1) For Medical Assistance, when enrollment occurs and has been entered on the STATE's MMIS on or before the Cut-Off Date, medical coverage shall commence at midnight, Minnesota time, on the first day of the month following the month in which the enrollment was entered on the STATE MMIS.

(2) For Medical Assistance, when enrollment occurs and has been entered on the STATE MMIS after the Cut-Off Date, medical coverage shall commence at midnight, Minnesota time, on the first day of the second month following the month in which the enrollment was entered on the STATE MMIS.

(B) Inpatient Hospitalization and Enrollment. MCO coverage of Recipients or Enrollees who are receiving Inpatient Hospitalization services (including inpatient hospital-based chemical dependency (CD) services) at the time coverage otherwise would become effective under (1) and (2) above of this section shall commence for Medical Assistance, on the first day of the month following the month of discharge from the hospital.

(C) Reinstatement. An Enrollee whose termination from the MCO has been entered into MMIS on or before the monthly Cut-Off Date may be reinstated for the following month with no lapse in coverage if the Enrollee reestablishes his or her eligibility and such eligibility is entered into MMIS by the last business day of the month. An Enrollee whose termination from the MCO has been entered into MMIS on or before the monthly Cut-Off Date and who fails to reestablish his or her eligibility and have it entered into MMIS by the last business day of the month shall be disenrolled from the MCO for the following month unless a continuity of care issue arises and it is mutually agreed by all parties that the Enrollee will be reinstated in the MCO for that following month and subsequent months. The STATE shall pay according to Article 4 for the month of coverage in which the Enrollee was reinstated.

(D) Reenrollment. If an Enrollee is disenrolled for any reason and subsequently becomes eligible to enroll, the STATE shall reenroll the Enrollee in the same MCO, unless the Enrollee requests a change in MCOs in accordance with section 3.2.13 or section 3.1.4. In no circumstance shall the MCO randomly assign an Enrollee to a Primary Care Provider upon reenrollment.

### **3.1.4 Termination of Enrollee Coverage; Change of MCOs.**

(A) Termination by STATE. An Enrollee's coverage in the MCO may be terminated by the STATE for one of the following reasons:

(1) The Enrollee becomes ineligible for Medical Assistance or ineligible under Minnesota Statutes, § 256B.055, subd. 15.

(2) The Enrollee moves out of the MCO's Service Area and the MMIS county of residence is updated per eligibility policy, except in the case where the Enrollee is receiving Inpatient Hospitalization services overnight on the last day of the month

(3) The Enrollee changes MCOs pursuant to Minnesota Rules, Part 9500.1453 because of problems with access, service delivery, or other good cause.

(4) The Enrollee changes MCOs without cause pursuant to 42 CFR § 438.56(c) within ninety (90) days following the Enrollee's initial enrollment with the MCO. For counties where the MCO is the only choice, the Enrollee cannot disenroll, but may change Primary Care Providers pursuant to section 3.1.2(H).

(5) The Enrollee no longer meets the eligibility criteria in section 3.1.1.

(6) Pursuant to Minnesota Rules, Part 9500.1453, subpart 5, the Enrollee elects to change MCOs once during the first year of initial enrollment in the MCO or during the first sixty (60) days after a change in enrollment from an MCO that no longer participates in the relevant prepaid managed care program.

(7) Pursuant to Minnesota Rules, Part 9500.1453, subparts 7 or 8, the Enrollee elects to change MCOs due to substantial travel time or Local Agency error.

(8) The Enrollee elects to change MCOs during the annual open enrollment period, or the Enrollee misses the opportunity to change during open enrollment due to disenrollment.

(9) The Enrollee elects to change MCOs within one hundred twenty (120) days following notice of a Material Modification of the MCO's Provider Network as outlined under section 3.2.13(A)(2).

(10) The MCO, to the best of its ability as soon as it becomes aware, shall notify the Local Agency regarding potential changes in an Enrollee's eligibility status because of such factors as pregnancy or disability.

(B) Termination by MCO. The MCO may not request disenrollment of an Enrollee for any reason.

(C) Notification and Termination of Coverage. Notification and termination of MCO coverage shall become effective at the following times:

(1) When termination has been entered on the STATE MMIS on or before the Cut-Off Date, MCO coverage shall cease at midnight, Minnesota time, on the first day of

the month following the month in which termination was entered on the STATE MMIS.

(2) When termination has been entered on the STATE MMIS after the Cut-Off Date, MCO coverage shall cease at midnight, Minnesota time, on the first day of the second month following the month in which termination was entered on the STATE MMIS.

(3) When termination takes place due to ineligibility for Medical Assistance, or for participation in the MCO, and the Enrollee is receiving Inpatient Hospitalization services, on the effective date of ineligibility, MCO coverage shall cease at midnight, Minnesota time, on the first day following discharge from the hospital. The STATE will not pay to the MCO a Capitation Payment for any month after the month in which the Enrollee's enrollment was terminated.

(4) When termination takes place for any reason other than those set forth in this section, including the termination or expiration of this Contract, while the Enrollee is receiving Inpatient Hospitalization services, excluding chemical dependency services provided in freestanding residential centers that are not inpatient hospital-based services, MCO coverage shall cease at midnight, Minnesota time, on the first day of the month following the month of discharge from the hospital.

### **3.1.5 Capability to Receive Enrollment Data Electronically.**

(A) The MCO shall have the capability to receive enrollment data electronically from the STATE via a medium prescribed by the STATE. If there is a disruption of the STATE's electronic capabilities, the MCO has the time period specified in section 3.2.5(A) to disseminate enrollment information to its Enrollees.

(B) The MCO shall provide valid enrollment data to Providers for Enrollee coverage verification by the first day of the month and within two working days of availability of enrollment data at the time of reinstatement. This shall include all subcontractors. The MCO may require its Providers to use the STATE's Electronic Verification System (EVS) or MN-ITS system to meet the requirement in this paragraph.

(C) The STATE shall provide to the MCO an annual MMIS schedule of enrollment and reinstatement deadlines. If the STATE changes this schedule, other than electronic disruptions as indicated in this section, the STATE shall provide the MCO with reasonable written notice of the new timelines.

**3.1.6 Enrollee Rights.** The MCO shall have written policies regarding the rights of Enrollees and shall comply with any applicable Federal and State laws that pertain to Enrollee rights. When providing services to Enrollees, the MCO must ensure that its staff and contracted Providers consider the Enrollee's right to the following:

(A) Receive information pursuant to 42 CFR § 438.10.

- (B) Be treated with respect and with due consideration for the Enrollee's dignity and privacy.
- (C) Receive information on available treatment options and alternatives, presented in a manner appropriate to the Enrollee's condition and ability to understand.
- (D) Participate in decisions regarding his or her health care, including the right to refuse treatment.
- (E) Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience or retaliation, as specified in other Federal regulations on the use of restraints and seclusion.
- (F) Request and receive a copy of his or her medical records pursuant to 45 CFR § 160 and 164, subparts A and E, and request to amend or correct the record as specified in 45 CFR §§ 164.524 and 164.526.
- (G) To be furnished health care services in accordance with 42 CFR §§ 438.206 through 438.210.
- (H) That each Enrollee is free to exercise his or her rights and that the exercise of these rights will not adversely affect the way the Enrollee is treated.

## **3.2 Potential Enrollee and Enrollee Communication**

**3.2.1 Communications Compliance with Title VI of the Civil Rights Act.** Title VI of the Civil Rights Act of 1964, 42 USC § 2000d et. seq. and 45 CFR § 80 provide that no person shall be subjected to discrimination on the basis of race, color or national origin under any program or activity that receives Federal financial assistance and that in order to avoid discrimination against persons with limited English proficiency (LEP) and for LEP persons to have meaningful access to programs and services, the MCO must take adequate steps to ensure that such persons receive the language assistance necessary, free of charge. The MCO shall comply with the recommendations of the revised Policy Guidelines published on August 8, 2003 by the Office for Civil Rights of the Department of Health and Human Services, titled *“Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons”* (hereinafter “Guidance”) and take reasonable steps to ensure meaningful access to the MCO’s programs and services by LEP persons, pursuant to that document. The MCO shall apply, and require its Providers and subcontractors to apply the four factors described in the Guidance to the various kinds of contacts they have with the public to assess language needs, and decide what reasonable steps, if any, they should take to ensure meaningful access for LEP persons. The MCO shall document its application of the factors described in the Guidance to the services and programs it provides.

**3.2.2 Communications Compliance with the Americans with Disabilities Act.** (Americans with Disabilities Act of 1990, 42 USC, § 1210, et seq.; hereafter “ADA”).



(A) All communications with Enrollees must be consistent with the ADA's prohibition on unnecessary inquiries into the existence of a disability.

(B) The MCO shall have information available in alternative formats and in a manner that takes into consideration the Enrollee's special needs, including those who are visually impaired or have limited reading proficiency.

(C) All written materials, including all membership materials, must be updated with the following statement: "This information is available in other forms to people with disabilities by calling 000-000-0000 (voice), or 1-800-000-0000 (toll free), or 000-000-0000 (TDD), or 7-1-1, or through the Minnesota Relay direct access numbers at 1-800-627-3529 (TTY, Voice, ASCII, Hearing Carry over), or 1-877-627-3848 (speech to speech relay service)," or similar language approved by the STATE pursuant to section 3.2.

### **3.2.3 Requirements for Potential Enrollee or Enrollee Communication.**

(A) Written Information.

(1) The MCO shall submit to the STATE for review and approval written information intended for Enrollees or Potential Enrollees. Information requiring approval is listed in the *Materials Guide* posted on the DHS managed care website. The list of materials identifies information that is submitted for purposes of file and use, information only, STATE review and approval, or information not to be submitted. The STATE will notify the MCO of any changes or updates to the *Materials Guide*.

(2) The MCO shall determine and translate vital documents and provide them to households speaking a prevalent non-English language, whenever the MCO determines that five percent (5%) or one thousand (1,000) persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered in the MCO's Service Area speak a non-English language. For purposes of this section, "prevalent" means a significant number or percentage of Enrollees and Potential Enrollees speak a non-English language. If a Potential Enrollee or Enrollee speaks any non-English language, regardless of whether it meets the threshold, the MCO must provide that the Potential Enrollee or Enrollee receives free of charge information in his or her primary language, by providing oral interpretation or through other means determined by the MCO.

(B) Language Block. All material sent by the MCO to Potential Enrollees or Enrollees that targets Potential Enrollees or Enrollees under this Contract, shall include the STATE's language block. The MCO may request a waiver from this requirement if special circumstances apply.

(C) Readability Test. All written materials, including Marketing, new Enrollee information, member handbooks, Grievance, Appeal and State Fair Hearing information and other written information, which target Potential Enrollees or Enrollees under this Contract and are disseminated to Potential Enrollees or Enrollees by the MCO in the

English language must be understandable to a person who reads at the seventh (7th) grade level, using the Flesch scale analysis readability score as determined under Minnesota Statutes, § 72C.09. The results of the Flesch score must be submitted at the time all documents specified in this section are submitted to the STATE for approval. All materials sent to Potential Enrollees or Enrollees must be in at least a 10-point type size, with the exception of the identification card, which may have non-essential items in a smaller type size.

(D) Compliance with State Laws. The MCO's Marketing and education practices will conform to the provisions of Minnesota Statutes, § 62D.22, subd. 8, and applicable rules and regulations promulgated by the Minnesota Commissioners of Commerce and Health.

(E) American Indians. All Potential Enrollees and Enrollee Marketing and enrollment materials that reference access to covered benefits or the MCO's network shall explain the right of American Indians to access out-of-network services at Indian Health Care Providers.

(F) Prior Notice of STATE Materials. The STATE shall provide the MCO with text of notices it sends to all Enrollees. To the extent possible, the STATE shall provide the notices to the MCO prior to distribution to Enrollees.

### **3.2.4 Marketing and Marketing Materials.**

(A) Inducements to Enroll. The MCO, its agents and Marketing representatives, may not offer or grant any reward, favor or compensation as an inducement to a Recipient or Enrollee to enroll in the MCO. Additional health care benefits or services are not included in this restriction. The MCO shall not seek to influence a Recipient's or Enrollee's enrollment with the MCO in conjunction with the sale of any other insurance.

(B) Prior Approval of Materials. The MCO shall present to the STATE for approval all Marketing Materials that the MCO, or its subcontractors, plan to undertake during the Contract period, including but not limited to posters, brochures, Internet web sites, any materials which contain statements regarding the benefit package, and provider network-related materials, prior to the MCO's use of such Marketing Materials. Internet web sites which merely link to the DHS web site for information do not need prior approval. If the Marketing Materials target American Indian Recipients, the STATE shall consult with tribal governments within a reasonable period of time before approval. Such approval by the STATE shall not be unreasonably withheld or delayed.

(C) Marketing Standards and Restrictions. Except through mailings and publications as set forth below, the MCO and any of its subcontractors, agents, independent contractors, employees and Providers, is restricted from Marketing and promotion to Recipients who are not enrolled in the MCO. This restriction includes, but is not limited to: telephone

Marketing, face-to-face Marketing, promotion, cold-calling, and/or direct mail Marketing.

(1) May Not be False or Misleading. Mailings from the MCO to Recipients and Enrollees shall not contain false or misleading information. The MCO shall not make any written or oral assertions or statements that a Recipient or Enrollee must enroll in the MCO in order to obtain or maintain covered benefits, or that the MCO is endorsed by CMS, the STATE, or federal government.

(2) Mailings to Recipients. The MCO may make no more than two mailings per calendar year to Enrollees of the MCO covered under this Contract or potential Enrollees who reside in the MCO's Service Area. Two mailings per calendar year means the MCO may request no more than two mailing lists from the STATE for this Contract. Any such mailing shall be at the MCO's expense, using a mailing list provided by the STATE supplied in a format as determined by the STATE. Additional mailings will only be allowed upon approval by the STATE, and limited to Service Area expansion, new programs, or other changes initiated by the STATE.

(3) Other Publications. The MCO, acting indirectly through the publications and other Marketing Materials distributed by the Local Agency or the STATE, or through mass media advertising Marketing Materials (including the Internet), may inform Medical Assistance Recipients who reside in the Service Area of the availability of medical coverage through the MCO, the location and hours of service and other plan characteristics, subject to all restrictions in this section.

(a) The MCO may distribute brochures and display posters at physician offices and clinics, informing patients that the clinic or physician is part of the MCO's provider network, provided that all MCOs contracted with the Provider have an equal opportunity to be represented.

(b) The MCO may provide health education materials for Enrollees in Providers' offices.

**3.2.5 Enrollment Information.** The STATE must approve all enrollment materials including the Evidence of Coverage (EOC) sent to Enrollees prior to their use. Approvals by the STATE for these materials shall not be unreasonably withheld. The MCO must submit its documents in a final version prior to receiving an approval from the STATE. The STATE agrees to inform the MCO of its approval or denial of these documents within thirty (30) days of receipt of these documents from the MCO.

The MCO shall present to all new Enrollees the following information within fifteen (15) calendar days of the availability of readable enrollment data from the STATE:

(A) Evidence of Coverage (EOC). The STATE will provide annually to the MCO a model EOC or EOC Addendum as the base document. After the MCO has incorporated its specific information, the completed EOC or EOC Addendum will be submitted to the STATE for prior approval. The complete EOC must include the following:

- (1) A description of the MCO's medical and remedial care program, including specific information on benefits, limitations, and exclusions.
- (2) A description of the Enrollee's rights and protections as specified in 42 CFR § 438.100.
- (3) Cost sharing, if applicable.
- (4) Notification of the open access of Family Planning Services and services prescribed by Minnesota Statutes, § 62Q.14.
- (5) Information about providing coverage for prescriptions that are dispensed as written (DAW).
- (6) A statement informing Enrollees that the MCO shall provide language assistance to Enrollees that ensures meaningful access to its programs and services.
- (7) A description of how American Indian Enrollees may directly access Indian Health Care Providers and how such Enrollees shall obtain referral services. In prior approving this portion of the EOC, the STATE shall consult with tribal governments.
- (8) A description of how Enrollees may access services to which they are entitled under Medical Assistance, but that the MCO does not provide under this Contract.
- (9) A description of Medical Necessity for mental health services under Minnesota Statutes, § 62Q.53.
- (10) A description of how transportation is provided.
- (11) A description of how the Enrollee may obtain services, including: 1) hours of service; 2) appointment procedures; 3) Service Authorization requirements and procedures; 4) what constitutes Medical Emergency and Post Stabilization care; 5) the process and procedures for obtaining both Medical Emergency and Post Stabilization care, including a 24-hour telephone number for Medical Emergency Services; and 6) procedures for Urgent Care and Out of Plan care. The MCO must indicate that Service Authorization is not required for Medical Emergencies and that the Enrollee has a right to use any hospital or other setting for emergency care. If the MCO does not allow direct access to specialty care, the MCO must inform Enrollees the circumstances under which a referral may be made to such Providers.
- (12) A toll-free telephone number that the Enrollee may call regarding MCO coverage or procedures.
- (13) A description of all Grievance, Appeal and State Fair Hearing rights and procedures available to Enrollees, including the MCO's Grievance System procedures, the availability of an expert medical opinion from an external

organization pursuant to sections 8.9.10, the ability of Grievances, Appeals and State Fair Hearings to run concurrently, and the availability of a second opinion at the MCO's expense. This includes, but is not limited to:

- (a) For State Fair Hearing: 1) the right to hearing; 2) the method for obtaining a hearing; and 3) the rules that govern representation at the hearing.
  - (b) The right to file Grievances and Appeals.
  - (c) The requirements and timeframes for filing a Grievance or Appeal.
  - (d) The availability of assistance in the filing process.
  - (e) The toll-free numbers that the Enrollee can use to file a Grievance or an Appeal by phone.
- (14) An explanation that, when an Appeal is requested by the Enrollee:
- (a) Benefits will continue if the Enrollee files an Appeal or a request for State Fair Hearing within the timeframes specified for filing, and requests continuation of benefits within the time allowed; and
  - (b) The Enrollee may be required to pay the cost of services furnished while the Appeal is pending, if the final decision is not wholly favorable to the Enrollee.
- (15) Any Appeal rights under state law available to Providers to challenge the failure of the MCO to cover a service.
- (16) Appeal rights for denial of prescription drug coverage.
- (17) A description of the MCO's obligation to assume financial responsibility and provide reimbursement for Medical Emergency Services, Post-Stabilization Care Services and Out of Service Area Urgent Care.
- (18) General descriptions of the coverage for durable medical equipment, level of coverage available, criteria and procedures for any Service Authorizations, and also the address and telephone number of an MCO representative whom an Enrollee can contact to obtain (either orally or in writing upon request) specific information about coverage and Service Authorization. The MCO shall provide information that is more specific to a prospective Enrollee upon request.
- (19) A description of the Enrollee's right to request information about Physician Incentive Plans from the MCO, including whether the MCO uses a Physician Incentive Plan that affects the use of referral services, the type of incentive arrangement, whether stop-loss protection is provided, and a summary of survey results.

(20) A description of the Enrollee's right to request the results of an external quality review study, and a description of the MCO's Quality Assurance System pursuant to 42 CFR § 438.364.

(B) Provider Directory.

(1) A Provider directory that lists the contracted Providers within the MCO's network, including Primary Care Providers, specialty and subspecialty Providers, and hospitals, including Provider names, locations, and telephone numbers, and other requirements as specified in the "*Provider Directory Guidelines*" posted on the STATE's managed care website.

(2) The directory shall also indicate those current Participating Providers who speak a non-English language. For hospitals, the MCO should list only the languages spoken by the on-site interpreter staff. The MCO must identify any Participating Provider that is not accepting new patients.

(3) The Provider directory document may be posted on the MCO's web site. The document must meet all of the *Provider Directory Guidelines* and may not differ from the State-approved paper copy. Enrollees may choose to access this document electronically instead of receiving a paper copy pursuant to section 3.2.8 below.

(4) The Provider directory shall be updated annually and shall include a phone number where an Enrollee may call to verify or receive current information.

(C) Identification Card. An identification card that conforms to the requirements in Minnesota Statutes, § 62J.60, subd. 3, and has been approved by the STATE prior to printing, which identifies the Recipient as an MCO Enrollee and contains an MCO telephone number to call regarding coverage, procedures, and Grievances and Appeals. The identification card shall demonstrate that the Enrollee is a Recipient of Minnesota Health Care Programs, either by printing the Enrollee's STATE PMI number on the card or by other reasonable means.

(D) Website. A website accessible to Enrollees and Potential Enrollees, Local Agency staff, and other outreach partners, that provides information regarding Provider (clinic) locations, phone numbers, hours of availability, Provider (clinic) specialty, whether the Provider (clinic) is accepting new patients, and whether a non-English language is spoken. The website must provide enough information to allow an Enrollee to select a Primary Care Provider, and other Providers if the MCO requires them to be selected.

**3.2.6 Date of Issue of Enrollee Materials.** The MCO shall submit to the STATE upon request written confirmation of the dates on which the MCO issues all new Enrollee materials required by section 3.2.5. The MCO must notify the STATE and provide a brief explanation in writing within two (2) working days if the MCO cannot comply with the time frame specified in section 3.2.5.

### **3.2.7 Primary Care Network List (PCNL).**

(A) Specifications. The MCO must supply all Local Agencies within its Service Area, with copies of a standardized document (known as a "Primary Care Network List" or "PCNL") that provides information about the MCO's Provider network and that includes a description of the essential components of the MCO, to be used by the Local Agencies to educate consumers. If the MCO also provides its PCNL in alternative format pursuant to section 3.2.8 below, then the MCO must also supply all Local Agencies within its Service Area, with such alternative format. This document must follow the STATE specifications as indicated in the STATE document entitled "*PCNL Guidelines*" posted on the STATE's managed care website and must be prior approved by the STATE in accordance with section 3.2.3. The document must be printed on a grade of paper that is equivalent to bond paper which is not less than nineteen (19) pound bond but not greater than twenty (20) pound bond. If the PCNL has a cover, the grade of paper must be on uncoated offset paper or on glossy paper. The paper must be 8 ½" x 11" or 17" x 11", and the 17" x 11" document must fold to 8½" x 11".

(B) The document must contain the following information:

- (1) A list of Participating Providers with summary information, which shall include, but is not limited to, addresses and phone numbers, including clinics, primary care physicians, specialists, and hospitals. The MCO may satisfy or partially satisfy the requirement to list specialists by listing multi-specialty clinics. The PCNL must indicate Providers who speak a non-English language and identify Providers that are not accepting new patients within the Service Area at the time the list is prepared. The MCO must also provide information upon request regarding a specific Provider, including specialists, if the Provider is not listed in the PCNL. The MCO may list other affiliated Providers and their addresses or provide a toll-free phone number where a Potential Enrollee may call to obtain the specific information. The PCNL may be posted on the MCO's web site in addition to being made available on paper.
- (2) A toll-free MCO telephone number that the Recipient may contact regarding MCO coverage or procedures, and updated information regarding Providers, languages spoken, and open and closed panels of Providers.
- (3) Information that oral interpretation is available for any language and written information will be available in prevalent non-English languages.
- (4) Information about how to access mental health, chemical dependency, dental, and Medical Emergency and Urgent Care services.
- (5) Information concerning the selection process, including a statement that the Enrollee must select an MCO in which their Primary Care Provider or specialist participates if they wish to continue to obtain services from him or her.
- (6) Any restrictions on the Enrollee's freedom of choice among network Providers.

(7) Information regarding open access of Family Planning Services and services prescribed by Minnesota Statutes, § 62Q.14, and the availability of transitional services.

(8) Any language required by the Minnesota Department of Health (MDH) in order to provide protection and additional information for consumers of Health Care. Currently this language includes the following:

“Enrolling in this health plan does not guarantee you can see a particular Provider on this list. If you want to make sure, you should call that Provider to ask whether he or she is still part of this health plan. You should also ask if they are accepting new patients. This health plan may not cover all your health care costs. Read your contract, or ‘Evidence of Coverage,’ carefully to find out what is covered.”

If MDH determines that new language needs to be included, the MCO will incorporate it into the next available printing of the PCNL.

(9) A misrepresentation of Providers on the MCO’s PCNLs or Provider Directory may be determined by the STATE to be an intentional misrepresentation in order to induce Recipients to select the MCO.

(10) When the MCO is new to a Service Area, the MCO must supply the STATE, or in certain cases, the Local Agency, with a supply of the final, printed and approved PCNL pursuant to the STATE’s specifications, in quantities sufficient to meet the STATE need. If the MCO also provides its PCNL in alternative format pursuant to section 3.2.8 below, then the MCO must also supply the STATE, or in certain cases, the Local Agency, with such alternative format. The MCO must update the PCNL as necessary to maintain accuracy, particularly with regard to the list of Participating Providers, but not less than twice per year. The PCNL and all revisions to the PCNL must be submitted to the STATE along with a cover letter detailing all changes in the PCNL. The PCNL must be approved in writing by the STATE pursuant to section 3.2.4(B). Such approval by the STATE shall not be unreasonably withheld. The MCO shall distribute the PCNLs to the Local Agencies and the STATE in a timely manner. The STATE shall respond to inquiries by the Local Agencies in a timely manner and shall communicate any issues or problems regarding distribution of the PCNLs to the MCO.

**3.2.8 Provision of Required Materials in Alternative Formats.** The MCO may provide in an alternative (other than paper) format a Provider Directory and Evidence of Coverage, or materials otherwise required to be available in writing under 42 CFR § 438.10, pursuant to Minnesota Statutes, § 256B.69, subd 30 if:

(A) The MCO informs the Enrollee that:



(1) an alternative format (other than paper) is available and the enrollee affirmatively requests of the MCO that the Provider Directory, Evidence of Coverage, or materials be provided in an alternative format; and

(2) a record of the Enrollee request (whether to receive materials in alternative formats or to withdraw the request) is retained by the MCO in the form of written direction from the Enrollee or a documented telephone call followed by a confirmation letter to the Enrollee from the MCO that explains that the Enrollee may change the request at any time;

(B) The materials are sent to a secure electronic mailbox and are made available at a password-protected secure electronic Web site or on a data storage device if the materials contain Enrollee data that is individually identifiable;

(C) The Enrollee is provided a customer service number on the Enrollee's identification card that may be called to request a paper version of the materials provided in an alternative format; and

(D) The materials provided in an alternative format meets all other requirements of the Contract regarding content, size of the typeface, and any required time frames for distribution.

(E) The MCO may provide in an alternative format its PCNL to the STATE and to Local Agencies within its service area. The STATE or Local Agency, as applicable, shall inform a Potential Enrollee of the availability of an MCO's PCNL in an alternative format. If the Potential Enrollee requests an alternative format of the PCNL, a record of that request shall be retained by the STATE or Local Agency. The Potential Enrollee is permitted to withdraw the request at any time.

**3.2.9 Local Agency Training and Orientation.** When the MCO or an MCO product is new to a Service Area, the MCO must provide training and orientation to the Local Agency regarding the MCO or the MCO product. Such training and orientation shall be provided to the Local Agency by the MCO prior to the Education Begin Date and as necessary upon request by the STATE thereafter. The MCO must supply the Local Agency with training and orientation materials to be used by the Local Agency or the STATE in educating new Enrollees in the Service Area about the MCO. Such materials shall be provided by the MCO to the Local Agency and the STATE twenty (20) working days in advance of the Education Begin Date. Training and orientation materials are: 1) lists of contacts and their phone numbers at the MCO; 2) complete network listings or additional Provider directories, if any; and 3) organization charts.

**3.2.10 Tribal Training and Orientation.** The MCO shall provide training and orientation materials to tribal governments upon request, and shall make available training and orientation for any interested tribal governments.

**3.2.11 Additional Information Available to Enrollees.** The MCO shall furnish the following information to Recipients and Enrollees upon request:

(A) The licensure, certification and accreditation status of the MCO or the health care facilities in its network.

(B) Information regarding the education, licensure, and Board certification and recertification of the Health Care Professionals in the MCO network. For purposes of this section, Health Care Professionals means professionals with whom the Recipient or Enrollee has or may have an appointment for services under this Contract.

(C) Other information, available to the MCO within reasonable means, on requirements for accessing services to which an Enrollee is entitled under the Contract, including factors such as physical accessibility.

### **3.2.12 Potential Enrollee and Enrollee Education.**

(A) The STATE or the Local Agency will inform Recipients who reside in the Service Area of the options available in health care coverage. The STATE or Local Agency shall describe through presentations and/or written materials the various MCOs available to Recipients in a particular geographic area and complete enrollment of Recipients by obtaining the signature of Recipients or their lawful representatives on the enrollment form. For Recipients who are assigned to an MCO, a signature will not be obtained. Tribal governments may assist the STATE or Local Agency in presenting or developing materials describing the various MCO options for their members. If the tribal government revises any MCO materials, the MCO may review them prior to distribution. If the MCO deems the revisions to be substantial, the MCO shall have thirty (30) days to respond to the tribal government and no MCO materials will be distributed until there is mutual agreement on the revisions.

(B) Neither the STATE nor the Local Agency will distribute to Enrollees written educational materials which describe the MCO or its health care plan without providing reasonable notice and opportunity for review by the MCO. Any inaccuracies will be corrected prior to dissemination, but final approval by the MCO is not required.

(C) Enrollee Education. The MCO, or its subcontractors, is not prohibited from providing information to Enrollees for the purpose of educating Enrollees about Provider choices available through the MCO, subject to the limitations in this Contract.

**3.2.13 Significant Events.** MCO must notify the STATE as soon as possible of significant events affecting the level of service either by the MCO or its Providers or subcontractors. Such events include:

(A) Material Modification of Provider Network.

(1) Notice to STATE. The MCO must notify the STATE of a possible Material Modification in its Provider Network within ten (10) working days from the date the MCO has been notified that a Material Modification is likely to occur. A Material Modification shall be reported in writing to the STATE no less than one hundred and

twenty (120) days prior to the effective date or within two (2) working days of becoming aware of it, whichever occurs first. An MCO may terminate a sub-contract without one hundred and twenty (120) days' notice in those situations where the termination is for cause. For the purposes of this section, termination of a Provider for cause does not include the inability to reach agreement on contract terms.

(2) Notice to Enrollees. The MCO shall provide prior written notification to Enrollees who will be affected by a Material Modification. Such prior written notice shall be approved by the STATE. The notice must inform each affected Enrollee that:

(a) One of the Primary Care Providers they have used in the past is no longer available and that they must choose a new Primary Care Provider from the MCO's remaining choices; or that the Enrollee has been reassigned from a terminated sole source Provider; and

(b) In either case, the Enrollee has the opportunity to disenroll and change MCOs up to one hundred and twenty (120) days from the date of notification, unless open enrollment occurs within one hundred and twenty (120) days of the date of notification. The MCO shall fully cooperate with the STATE and Local Agency to facilitate a change of MCO for Enrollees affected by the Provider termination.

(B) Provider Access Changes. The MCO shall not make any substantive changes in its method of Provider access during the term of this Contract, unless approved in advance by the STATE. For the purposes of this section, a substantive change in the method of Provider access means a change in the way in which an Enrollee must choose his or her Primary Care Provider and his or her physician specialists. Examples of methods of Provider access include, but are not limited to: 1) Enrollee has open access to all Primary Care Providers; 2) Enrollee may self-refer to a physician specialist; 3) Enrollee must choose one Primary Care Provider; and 4) Enrollee must receive a referral to a physician specialist from his or her Primary Care Provider. For purposes of this section, a substantive change in the method of Provider access shall not include the addition or deletion of Service Authorization requirements for services.

(C) Network Stability. The MCO shall provide the same network of Providers for all Enrollees covered under this Contract.

**3.2.14 Enrollee Notification of Terminated Primary Care Provider.** The MCO, or if applicable its subcontractor, shall make a good faith effort to provide written notice of the termination of a Participating Provider within fifteen (15) days after the MCO's, or if applicable its subcontractor's, receipt or issuance of the Participating Provider termination notice, to an Enrollee who receives his or her Primary Care from, or was seen on a regular basis by, that Participating Provider. A sample Enrollee notice must be prior approved by the STATE. The MCO must comply with Minnesota Statutes, § 62Q.56, and provide the following information to the STATE:

- (A) Date the Participating Provider will no longer be available to Enrollees;
- (B) Number of Enrollees affected in each Minnesota Health Care Program;
- (C) Impact on the MCO's Provider network; and
- (D) MCO's remedy to the situation.

### **3.3 Reporting Requirements.**

#### **3.3.1 Encounter Data.**

- (A) The MCO must maintain patient encounter data to identify the physician who delivers services or supervises services delivered to Enrollees, as required by Section 1903(m)(2)(A)(xi) of the Social Security Act, 42 USC § 1396b(m)(2)(A)(xi).
- (B) The MCO agrees to furnish information from its records to the STATE or the STATE's agents that the STATE may reasonably require to administer this Contract. The MCO shall provide the STATE upon the STATE's request in the format determined by the STATE and for the time frame indicated by the STATE, the following information:
  - (1) Individual Enrollee-specific, claim-level encounter data for services provided by the MCO to Enrollees detailing all medical and dental diagnostic and treatment encounters, all pharmaceuticals, supplies and medical equipment dispensed to Enrollees, and all nursing facility services which the MCO provides as a Substitute Health Service. Encounter data shall include all paid lines associated with a claim, and those denied claims or lines, for which Medicare or a third party has paid in full. Third party paid claims include immunizations which are paid for by the Minnesota Vaccines for Children Program (MNVFC).
  - (2) Claim-level data must be reported to the STATE using the following claim transaction formats: a) the X12 837 standard format for physician, professional services and physician-dispensed pharmaceuticals (837P), inpatient and outpatient hospital services (837I) and dental services (837D) that are the responsibility of the MCO; and b) the NCPDP Batch 1.2/D.0 pharmacy. The MCO may submit the NCPDP Batch 1.2/D.0 for non-durable medical supplies which have an NDC code.
  - (3) All encounter claims must be submitted electronically. The MCO must comply with state and federal requirements, including the federal Implementation Guides, and the STATE's *837 Encounter Companion Guide for Professional, Institutional and Dental Claims*, and the *Pharmacy Encounter Claims Guide* posted on the STATE's managed care website. The MCO must submit charge data using HIPAA standard transaction formats. Charge data shall be the lesser of the usual and customary charge (or appropriate amount from a Relative Value Scale for missing or unavailable charges) or submitted charge. Claims submitted must include, but are

not limited to paid units of service, valid procedure codes, bill type, place of service, dates of services and accurate applicable Provider numbers.

(4) The MCO shall submit on the encounter claim for NCPDP Batch 1.2/D.0, 837P, 837D, and 837I the Provider allowed and paid amounts. For the purposes of this section “paid amount” is defined as the amount paid to the Provider excluding third party liability, Provider withhold and incentives, and Medical Assistance cost-sharing. For the purposes of this section “allowed amount” is defined as the Provider contracted rate prior to any exclusions or add-ons. In accordance with Minnesota Statutes, §256B.69, subd. 9c, (a), the data reported herein is non-public and is defined in Minnesota Statutes, §13.02.

(5) The MCO will submit Medicaid drug information on pharmacy (NCPDP Batch 1.2/D.0), on professional (837P) and institutional (837I) encounter claims in accordance with STATE data element specifications related to the collection of drug rebates. These specifications will be outlined in the Companion Guides for the NCPDP Batch 1.2/D.0 Pharmacy, 837 Professional and 837 Institutional encounter claims. The MCO and its subcontractor, if applicable, must comply with these specifications and submit encounter data no less than monthly and no later than 30 days after the MCO (or its subcontractor) adjudicates these outpatient pharmacy and physician-administered drug claims in order for the STATE to comply with 1927(b) 1903m(2)(A) and 1927(j)(1) of the Social Security Act as amended by Section 2501 (c) of the Patient Protection and Affordable Care Act.

(6) Third party liability payments, including Medicare reimbursement, shall be reported on the encounter claim. The MCO may choose to report personal injury settlements on a separate monthly report. The monthly report shall include all data elements required on the encounter claim and is due on the 10th of the month for all settlements paid to the MCO for the previous month. The MCO shall indicate to the STATE which method it chooses for reporting personal injury settlements.

(7) The STATE shall provide the MCO with an electronic listing of all Medical Assistance Providers and their Provider numbers. The MCO must update the Provider identification numbers by submitting, for Providers who are new to the MCO and do not already have a STATE Provider number, UMPI or NPI and demographic information about the Provider that is current and complete, on a form approved by the STATE. The MCO shall not require Providers to enroll as an MHCP fee-for-service Provider. If a Provider will only be serving MCO Enrollees, the MCO shall follow the process established by the STATE for MCO only Providers.

(8) The MCO shall comply with the applicable provisions of Subtitle F (Administrative Simplification) of the Health Insurance Portability and Accountability Act of 1996 and any regulations promulgated pursuant to its authority, including the 5010 transaction standards that are required to be operational no later than January 1, 2012. The MCO shall cooperate with the STATE as necessary to ensure compliance.

(9) The MCO shall submit encounter data on all personal care assistance (PCA) services using the X12 837 P standard transaction format and report PCAs as treating Providers. The MCO shall submit complete encounter data on PCA services, including the date of service, the units of service by date, and the treating PCA Provider. The STATE will monitor PCAs as treating Providers.

(10) The MCO shall notify the STATE sixty (60) days prior to any change in the submitter process, including but not limited to the use of a new submitter.

(C) The MCO shall submit encounter claims with all of the required data elements to the STATE no later than ninety (90) days after the date the MCO adjudicated the claim, except for outpatient pharmacy and physician-administered drug encounter claims, which must be submitted no later than thirty (30) days after adjudication. The MCO shall make submissions for each transaction format at least monthly. If the MCO is unable to make a submission during a certain month, the MCO shall contact the STATE to notify it of the reason for the delay and the estimated date when the STATE can expect the submission.

(D) For all encounter claims, when the STATE returns or rejects a file of claims, the MCO shall have thirty (30) days from the date the MCO receives the file to resubmit the file with all of the required data elements in the correct file format.

(E) If the MCO chooses to resubmit a claim previously paid or denied on the MCO's remittance advice, the MCO must resubmit the claim as a replacement claim or a voided claim.

(F) The STATE will provide remittance advice, on a schedule specified by the STATE, for all submitted encounter claims, including void and replacement claims. The Remittance Advice will be provided in the X12 835 standard transaction format and in accordance with the *Remittance Advice Companion Guide* posted on the STATE's managed care website.

(G) The MCO shall collect and report to the STATE individual Enrollee specific, claim level encounter data that identifies the Enrollee's treating Provider NPI or UMPI (the Provider that actually provided the service within the groups below), when the Provider is part of a group practice that bills on 837P format or 837D format. The treating Provider is not required when there is an individual practice office (i.e., a sole treating Provider), because in those cases it will be identical to the pay-to Provider. Group practice Provider categories that bill on the 837P format or 837D format and will require a treating Provider are:

(1) Community Mental Health Clinics;

(2) Physician Clinics;

(3) Dental Clinics;

- (4) County Contracted Mental Health Providers;
- (5) Indian Health Care Providers, where applicable;
- (6) Federally Qualified Health Centers;
- (7) Rural Health Clinics;
- (8) Chiropractic Clinics;
- (9) Personal Care Provider Assistance Agencies (PCPAs), and other organizations that employ PCAs for PCA services.

No treating Provider is required for any other claim type.

(H) The MCO shall submit interpreter services on encounter claims, if the interpreter service was a separate, billable service.

(I) For payment of supplies or services that are based on an order or referral of a Provider, the MCO must include on the encounter claim the NPI of the ordering or referring Provider and ensure that the provider is registered with the STATE.

(J) The MCO must require any subcontractor to include the MCO when contacting the STATE regarding any issue with encounter data. The MCO will work with the STATE and subcontractor or agent to resolve any issue with encounter data.

(K) Coding Requirements.

(1) The MCO must use the most current version of the following coding sources, unless otherwise precluded from doing so by state or federal law:

(a) Diagnosis codes obtained from the International Classification of Diseases, Clinical Modification (ICD-9-CM).

(b) Procedure codes obtained from the International Classification of Diseases, Clinical Modification (ICD-9-CM) for inpatient claims.

(c) Procedure codes obtained from Physician's Current Procedural Terminology (CPT) and from CMS' Health Care Common Procedure Coding System (HCPCS Level 2).

(d) American Dental Association current dental terminology codes as specified in Minnesota Statutes, § 62Q.78.

(e) National Drug Codes.

(2) The MCO and its subcontractors must utilize the coding sources as defined in this section and follow the instructions and guidelines set forth in the most current versions of ICD-9-CM, HCPCS and CPT. The MCO will cooperate with the STATE

as necessary to ensure the MCO will be in compliance with ICD-10 coding requirements when ICD-10 implementation takes effect in October 2013.

(3) Neither the MCO nor its subcontractors may redefine or substitute these required codes.

(4) HIPAA compliant codes must be submitted on encounter data.

(L) National Provider Identifier (NPI) and Atypical Provider Types (UMPI). The MCO shall use the NPI for all Providers for whom CMS issues NPIs. For certain Providers of Atypical Services, the MCO shall use the STATE-issued UMPI.

(M) 2013 Encounter Data Process. The STATE will be changing the process it uses to collect encounter data to be more consistent with emerging national standards and with other encounter data collection in Minnesota. Although the data elements that are currently required will remain the same, the data format file (envelope) that transmits the data will change. The data format of the envelope will be similar to the format utilized by the Minnesota Department of Health under Minnesota Statutes §62U.04.

(1) The STATE anticipates contracting with a vendor that will assist the STATE with the development and the implementation of a standardized data collection that the STATE anticipates will be operational in 2013. The standardized data collection will allow the STATE to more efficiently and quickly understand healthcare costs, quality and utilization.

(2) The STATE will convene a workgroup with MCO representatives in March or April of 2012 to develop a work plan for implementing the new data format file. The MCO agrees to work with the STATE to implement the process and will have 60 days to make the necessary changes to support the new process of collecting encounter data.

**3.3.2 Other Reporting Requirements.** The MCO must provide the STATE with the following information in a format and time frame determined by the STATE. The MCO shall submit information to the effect that no change has occurred since the prior year for reports which require an annual update and where no change has occurred since the prior year.

(A) Birth of Child to an Enrollee. The MCO may report to the STATE or the Local Agency the birth of any Child to an Enrollee on a form approved by the STATE, as soon as reasonably possible after the MCO knows of the birth.

(B) Enrollment and Marketing Materials. Enrollment and Marketing Materials described in this Agreement.

(C) Service Delivery Plan. Any substantive changes in the service delivery plan previously submitted shall be provided by the MCO to the STATE within thirty (30)



days of the effective date of this Contract and prior to any subsequent changes made by the MCO. The STATE must approve all changes to the MCO's service delivery plan.

(D) Provider Information.

(1) The MCO must submit annually by April 15th of the Contract Year a complete list of Participating Providers, including name, specialty, and address, in a format approved by the STATE using a current version of Excel. The MCO shall also submit an update of its list of Participating Providers, in the same format, by the 15th of October of the Contract Year. This requirement excludes pharmacies, transportation providers, and interpreters.

(2) Upon request by the STATE, the MCO will provide information about the qualifications of mental health and chemical dependency Providers, provided that such request be at least sixty (60) days in advance of the date such information is due.

(E) Financial Statements. Financial statements and other information as specified by the STATE to determine the MCO's financial and risk capability.

(F) Quality Assurance Materials. Information as specified in Article 7 regarding quality assurance and performance improvement.

(G) Grievance System Summaries. Information regarding Grievances, Appeals and Denial, Termination, or Reduction (DTR) Notices as required under Article 8.

(H) Administration and Subcontracting Information. Information relating to MCO administration and subcontracting arrangements, as specified by the STATE and CMS.

(I) Health Care Home; Alternative Models.

(1) The MCO shall require that the Health Care Home provider report data to the Department of Human Services and to the Minnesota Department of Health as required in Minnesota Statutes, § 256B.0751 as a condition of contracting between the MCO and Health Care Home.

(2) Reporting Requirement for Health Care Home and Alternative Model Arrangements. The MCO shall annually provide a description of each comprehensive payment arrangement and its proposed outcome or performance measures that the MCO will use as an alternative to Health Care Homes reporting under section 3.3.2(I)(1) The description shall include the following:

(a) Identify each sub-contractor for whom the MCO is paying a comprehensive payment arrangement in lieu of the standard Health Care Home coordination fee, and include:

(b) Number of Enrollees served under each arrangement;

(c) Identify whether the Provider is certified as a Health Care Home ( describe if some portions of the Provider entity are and other parts are not);

(d) Description of payment arrangements;

(e) Describe the process for tracking total costs of care;

(f) Describe the services included in the total cost of care arrangement (for example, is long term care included, are Medicare and Medicaid costs included, mental and behavioral health, are any services carved out of the arrangement);

(g) Describe the MCO's process for overseeing the entities and evaluating their performance;

(h) Describe any quality indicators used to measure performance;

(i) Describe the benchmarks used to determine whether the Provider entity is within the total costs of care expectations.

(3) The descriptive report is due May 1 of the Contract Year; the summary of performance measures and outcomes for the previous Contract Year is due at the end of the first quarter of the Contract Year.

(J) Third Party Resources. Pursuant to section 10.2, the MCO shall report to the STATE any additional third party resources in a format provided by the STATE.

(K) Third Party Payments. Pursuant to section 10.3.2 and 10.3.3, the MCO shall report all recovery and Cost Avoided amounts on the encounter claim as third party payments.

(L) Cost Avoided and Recovered. Pursuant to section 10.3, the MCO shall, on a quarterly basis, disclose to the STATE all Cost Avoided and recovered amounts.

(M) Quality Assurance Workplan. The MCO shall submit its Quality Assurance Work Plan, pursuant to 7.1.7.

(N) Disclosure of Ownership and Management Information (MCO). By September 1st of the Contract Year, the MCO shall report to the STATE full disclosure information as required to assure compliance with 42 CFR § 455.104. The MCO shall also report full disclosure information upon request from the STATE or within thirty-five (35) days of a change in MCO ownership. The required information includes:

(1) The name, address, date of birth, social security number (in the case of an individual), and tax identification number (in the case of a corporation) of each person (individual or corporation), including managing employees of the MCO, with an Ownership or Control Interest in the MCO or in any subcontractor in which the MCO has direct or indirect ownership of five percent (5%) or more. The address for

corporate entities must include primary business address, every business location and P.O. box address;

(2) A statement as to whether any Person (individual or corporation) with an Ownership or Control Interest in the MCO or in any subcontractor as identified in 3.3.2(N)(1) above is related (if an individual) to any other Person with an Ownership or Control interest as a spouse, parent, child, or sibling; and

(3) The name of any other disclosing entity in which a Person with an Ownership or Control Interest in the MCO also has an ownership or control interest in the other disclosing entity.

(O) Disclosure of Transactions. The MCO must report to the STATE or CMS information related to business transactions in accordance with 42 CFR §455.105(b). The MCO must be able to submit this information within thirty-five (35) days of the date of a written request from the STATE or CMS.

(1) The ownership of any subcontractor (as defined below) with whom the MCO has had business transactions totaling more than twenty-five thousand dollars (\$25,000) during the twelve (12) month period ending on the date of the request; and

(2) Any significant business transactions (\$25,000 or five percent (5%) of the MCO's total operating expenses, whichever is less) between the MCO and any wholly owned supplier, or between the MCO and any subcontractor (as defined below), during the five (5) year period ending on the date of the request.

For purposes of section 3.3.2(O)(1) and (2), 42 CFR §455.101 defines subcontractor as an individual, agency, or organization to which a disclosing entity has contracted or delegated some of its management functions or responsibilities of providing medical care to its Enrollees.

(P) FQHCs and RHCs. The MCO shall provide to the STATE a monthly report to identify MCO payments made to FQHCs and RHCs for all programs covered under this Contract.

(1) The STATE will provide to the MCO no later than the third business day of each month, a list of all Providers currently qualified to be designated FQHCs or RHCs. If a new list is not provided, the MCO shall use the prior monthly listing. Any new FQHC/RHC Providers identified after the third of the month will be added to the following monthly MCO report.

(2) Pursuant to the STATE's specifications in the document entitled "*FQHC/RHC Payment Data Report*," MCO reports will be submitted no later than the last day of the following month.

(3) Within eight (8) business days of receipt of this report, the STATE shall provide the MCO a return file that contains incorrect data lines that cannot be read by the system and loaded. The MCO must review the data lines and correct appropriately.

Corrected data lines must be resubmitted with the next monthly report, and shall be reported separately as a corrected file. The MCO shall not resubmit data already submitted and accepted.

(4) In the event that a FQHC/RHC contacts the MCO regarding payments made to the FQHC/RHC during the previous month, but not included in the submitted report, the MCO shall review, and if appropriate, must submit the missing data on the following monthly report.

(Q) Health Care Expenditures. Pursuant to Minnesota Statutes, § 16A.725, the MCO shall provide to the STATE, no later than February 1st of the Contract Year, all health care service expenditures for the previous state fiscal year. The report shall include expenditures certified by the MCO paid July 1st of two years preceding the Contract Year through June 30th of the year preceding the Contract Year, combining expenditures under all Minnesota Health Care Programs (MHCP) contracts. The report must be submitted to the STATE in a format specified by the STATE and include health care expenditures within the following groups and for each of the service categories:

- (1) Major Program Groups (Medical Assistance).
- (2) Age Groups (Children under 18 years, and adults 18 and older, determined as of the date of service).
- (3) Service Category (Inpatient Hospital, Ambulatory; including Outpatient Hospital, Dental, Home Health, Pharmacy, and Skilled Nursing Facility).

(R) Inpatient and Outpatient Services Report for FFP. Pursuant to Minnesota Statutes, § 256.969, subd. 9, and if requested by the STATE, the MCO shall submit a report to the STATE of charges and payments made under Medical Assistance for each claim of inpatient and outpatient hospital service. This report shall also include any other information specified by the STATE as needed by the STATE for the purpose of obtaining federal matching funds. This data is only to be used by the STATE for this purpose and not for any other, except with the express written consent of the MCO. This data shall be submitted by the MCO to the STATE in accordance with specifications designated by the STATE and provided to the MCO. The first report in this format shall be submitted by the MCO to the STATE within sixty (60) days after the MCO receives the report specifications from the STATE.

(S) Chemical Dependency Room and Board Services. The MCO will provide a quarterly report to the STATE that identifies the CD room and board services that were authorized in combination with CD treatment pursuant to the Rule 25 assessment criteria. The report will be in accordance with the STATE's specifications and will include only those CD room and board services for which the MCO issued payment and submitted an encounter claim to the STATE. The report will be submitted no later than thirty (30) days following the end of each quarter. The MCO must certify the quarterly report in accordance with section 9.10.3.

(T) Reporting Provider Payment Rates. According to guidelines developed by the STATE, in consultation with health care providers and MCOs, each MCO must annually provide to the STATE the following information:

- (1) Administrative expenses by category and subcategory consistent with administrative expense reporting to other state and federal regulatory agencies, by program;
- (2) Revenues by program, including investment income;
- (3) Non-administrative service payments, provider payments, and reimbursement rates by provider type or service category, by program, paid by the managed care plan under this section or the county-based purchasing plan under Minnesota Statutes, § 256B.692 to providers and vendors for administrative services under contract with the plan, including but not limited to:
  - (a) Individual-level provider payment and reimbursement rate data;
  - (b) Provider reimbursement rate methodologies by provider type, by program, including a description of alternative payment arrangements and payments outside the claims process;
  - (c) Data on implementation of legislatively mandated provider rate changes; and
  - (d) Individual-level provider payment and reimbursement rate data and plan-specific provider reimbursement rate methodologies by provider type, by program, including alternative payment arrangements and payments outside the claims process, provided to the STATE under this subdivision are nonpublic data as defined in Minnesota Statutes, § 13.02;
- (4) Data on the amount of reinsurance or transfer of risk by program; and
- (5) Contribution to reserve, by program.
- (6) The MCO will submit the provider payment data report by August 15 of the Contract Year in a form and manner determined by the STATE, in accordance with Minnesota Statutes, § 256B.69, subd. 9c.
- (7) In the event a report is published or released based on data provided under this subdivision, the STATE shall provide the report to the MCO thirty (30) days prior to the publication or release of the report. The MCO shall have thirty (30) days to review the report and provide comment to the STATE.

(U) Payment for *ad hoc* Reporting. The STATE may require reimbursement at standard rates for *ad hoc* reports requested of the STATE. For the purposes of this section, “standard rates” means those listed in the STATE policy “*DHS Policies and Procedures for Handling Protected Information: 2.60 Data Requests and Copy Costs*” available at [http://www.dhs.state.mn.us/main/id\\_017855](http://www.dhs.state.mn.us/main/id_017855)

(V) Evidence-Based Childbirth Reporting. The MCO must maintain all Evidence-Based Childbirth Program Data Collection Forms completed by the attending obstetric Providers in accordance with Section 4.7.4(B) of the Contract and submit the documents to the STATE by December 31st of the Contract Year.

(W) Quarterly Report on Progress. The MCO shall provide quarterly reports in a form and format determined by the STATE, due by the last day of the month following the end of each quarter, summarizing the overall implementation progress of the demonstration, including but not limited to:

- (1) Data sharing between the MCO and Provider Systems and among the MCO's Provider systems to coordinate care and improve outcomes;
- (2) Descriptions of provider payment models that include incentives for producing value;
- (3) Innovative care delivery and clinical models;
- (4) Clinical outcome planning, progress or data as described in Article 7;
- (5) Arrangements with extended partners, including those delivering services across the spectrum of enrollees' needs;
- (6) Activities to ensure appropriate enrollee access to providers; and
- (7) Internal processes and efforts to measure clinical quality, including the Joint Quality Committee.

(X) Annual Report on Outcomes. The MCO shall provide an annual report on outcomes in a form and format determined by the STATE in consultation with the MCO, due October 1st of the Contract Year. The annual report shall include values for identified high-priority measures in key outcomes categories, including but not limited to:

- (1) Clinical quality and patient safety;
- (2) Patient experience and engagement;
- (3) Costs of care (and related utilization changes); and
- (4) Provider experience and engagement.

### **3.3.3 Electronic Reporting Data Capability.**

(A) With STATE. The MCO shall be capable of receiving the following data electronically from the STATE: price files, remittance advices, enrollment data, third party liability, and rates files.

(B) With Providers. Pursuant to Minnesota Statutes, § 62J.536 and the resulting uniform companion guides, the MCO must perform the following data exchanges electronically with applicable Providers.

- (1) Accept and transmit eligibility transactions;
- (2) Accept claims transactions; and
- (3) Transmit payment and remittance advice.

**3.3.4 E-Mail Encryption.** The MCO shall use the Pretty Good Privacy (PGP) and Security Multipurpose Internet Mail Extensions (S/MIME) standards for digital signing and encryption of e-mail communications to the STATE about Enrollees that contain Private Health Information. The MCO may also communicate with the STATE using MN-ITS or request that the STATE initiate a secure e-mail exchange.

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## **Article. 4 Payment.**

### **4.1 Payment of Capitation.**

**4.1.1 Payment.** Except as noted below in section 4.1.2, on the STATE's first warrant date or the 14th day of each month, whichever is earlier, the STATE agrees to pay the MCO the following rates as specified in Appendix II-A per month, per Recipient enrolled with the MCO, as full compensation for goods and services provided hereunder in that month. For the Capitation Payment for those Enrollees who have been reinstated, the STATE agrees to pay the MCO on the next available warrant.

**4.1.2 Exceptions to Payment Schedules.** Section 4.1.1 does not apply to:

(A) Capitation Payments for services provided in the month of June, for which payment shall be made no earlier than the first day of each July pursuant to Minnesota Statutes, § 256B.69, subd. 5d; and

(B) With thirty (30) days advance notice, at the request of the office of Minnesota Management and Budget for purposes of managing the state's cash flow, the STATE may delay the capitation payment for up to two full warrant cycles twice during the course of this Contract. One delay may take place between January 1 and April 30 of the Contract Year. A second delay may take place between August 1 and December 31 of the Contract Year.

(C) Any excess of total payments to the MCO that exceed \$99,999,999.99 in a single warrant period. The STATE shall pay any such excess in the next warrant period, up to \$99,999,999.99, with any excess from that period to be paid in the following warrant period, and so on. At its option, the STATE may choose to make more than one payment in a warrant cycle.

(D) In the event of an Emergency Performance Interruption (EPI) that affects the STATE's ability to make payments, the STATE will make payments to the MCO in accordance with the STATE's Business Continuity Plan.

**4.1.3 Capitation Payments.** The STATE will pay to the MCO a Capitation Payment for each Enrollee in accordance with Article 4 for the month in which coverage becomes effective and thereafter until termination of Enrollee coverage pursuant to section 3.1.1 and 3.1.2 becomes effective.

### **4.1.4 Assignment of Rate Cells.**

(A) Assignment of Rate Cells shall be made based on information on the STATE MMIS at the time of capitation.

(B) The STATE will periodically review information in MMIS related to the assignment of Rate Cells to verify that appropriate rates are being paid.



#### **4.1.5 Medical Education and Research Trust Fund Money (MERC).**

(A) Appendix II-A includes for the Contract Year:

- (1) A set of capitation rates with MCO specific MERC and Disproportionate Hospital Utilization (DHU) funding in the rates.
- (2) A set of capitation rates with MCO specific MERC funding out of the rates.
- (3) A set of capitation rates with MCO specific MERC and DHU funding out of the rates.
- (4) The dollar difference between (1) and (2) above which is the amount of the rate attributable to medical education and being removed (“carved out”) from the rates prior to payment to the MCO.
- (5) The dollar difference between (2) and (4) above, which is the MCO’s specific DHU rate.

**4.1.6 Premium Tax.** Pursuant to Minnesota Statutes, § 297I.15, subd. 4, the MCO shall be taxed on the premiums paid by the STATE under the Medical Assistance program. If the MCO is exempt or is no longer required to pay the premium tax, the MCO’s base rate will be adjusted to reflect that change.

**4.1.7 Contingent Reduction in Health Care Access Tax.** The Commissioner of Management and Budget shall, by December 1 of the Contract Year, determine the projected balance in the Health Care Access Fund. If the projected balance for the biennium reflects a ratio of revenues to expenditures and transfers greater than one-hundred and twenty-five percent (125%) and if the actual cash balance in the Fund is adequate, the Commissioner of Management and Budget shall reduce the tax rates under subdivisions 1, 1a, 2, 3, and 4 of Minnesota Statutes, § 295.52, for the subsequent calendar year sufficient to reduce the structural balance in the Fund, as described in Minnesota Statutes, § 295.52, subd. 8. The reduction, if any, shall be included in the rates shown in Appendix II.

**4.1.8 Capitation Payment Rates.** The MCO shall receive for each Enrollee the rate of the county of residence.

(A) Monthly payments paid by the STATE to the MCO shall be 100% demographic.

(B) The payments shown in Appendix II-B, column (6), shall be reduced by two point five percent (2.5%) per Minnesota Statutes, § 256B.69, subds. 5g and 5h, with this ratable reduction. The total Capitation Payment to the MCO is identified in Appendix II-B, column (7).

#### **4.2 Compliance Related to Capitation Payments**

**4.2.1 Actuarially Sound Payments.** All payments for which the STATE receives Federal Financial Participation under this Contract, including risk adjusted payments and any risk sharing methodologies must be actuarially sound pursuant to 42 CFR § 438.6(c).

**4.2.2 STATE Request for Data.** In accordance with Minnesota Rules, Part 9500.1460, subpart 16, the MCO shall comply with the requests for data from the STATE or its actuarial agent for rebasing risk adjustment or for any other data required by the STATE for rate-setting purposes. The MCO shall make the data available: (A) within thirty (30) days from the date of the request and (B) in accordance with the STATE's specifications.

**4.2.3 Renegotiation of Prepaid Capitation Rates.** The prepaid capitation rates for Recipients enrolled in the MCO shall be subject to renegotiation not more than annually unless required by state or federal law or regulation, or necessary due to changes in eligibility and/or benefits. .

**4.2.4 No Recoupment of Prior Years' Losses.** The capitation rate shall not include payment for recoupment of losses incurred by the MCO from prior years or under previous contracts.

### **4.3 Premiums and Cost-Sharing.**

**4.3.1 No Cost-Sharing for Substitute Health Services.** The MCO agrees that no copayments or deductibles shall be charged to Medical Assistance Enrollees for services provided as substitutes to Covered Services as part of the MCO's case management plan.

**4.4 Medical Assistance Cost-sharing.** Except as noted section 4.4.1 below, Medical Assistance Enrollees must pay cost-sharing for the services in section 4.4.2 below.

**4.4.1 Exceptions.** The following Enrollees or services are exempt from cost-sharing:

- (A) Children;
- (B) Pregnant women;
- (C) Enrollees expected to reside for thirty (30) days or more in an institution;
- (D) Enrollees receiving hospice care;
- (E) An American Indian who receives services from an Indian Health Care Provider or through contracted health services (IHS CHS) referral from an IHS facility;
- (F) Emergency Services;
- (G) Family Planning;
- (H) Copayments that exceed one per day per Provider for non-preventive visits, eyeglasses and non-emergency visits to a hospital-based emergency department; and

(I) Chemical dependency treatment services pursuant to Minnesota Statutes, § 254B.03, subd. 2.

#### **4.4.2 Cost-Sharing Amounts**

(1) Prescription drugs. Except for anti-psychotic drugs for which no copayment is required, Medical Assistance Enrollees shall pay copayments of three dollars (\$3.00) per prescription for brand name drugs and one dollar (\$1.00) per prescription for generic drugs, with a maximum of twelve dollars (\$12.00) per month.

(2) \$3 per non-preventive visit, except for the exceptions in excluding Enrollees and services in (A) through (G) and (I) noted in section 4.4.1, above and for mental health services which are exempt from this copayment. For purposes of this paragraph, a “visit” means an episode of service which is required because of an Enrollee's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary (excluding a psychiatrist or other Mental Health Professional), chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(3) Non-Emergency Use of Emergency Departments. Medical Assistance Enrollees shall have a copayment for non-emergency use of the emergency department of three dollars and fifty cents (\$3.50) per visit

(4) Copayments shall be limited to one per day per Provider.

(5) Family Deductible. Medical Assistance Enrollees, excluding Enrollees and services in (A) through (G) and (I) noted in section 4.4.1, will have a family deductible of two dollars and fifty-five cents (\$2.55) per month for the Contract Year.

(a) The STATE will provide the MCO with monthly data identifying the MCO's enrollees, including case numbers, for whom the deductible will apply.

(6) Nursing Facility Stay Greater Than Thirty (30) Days. If the MCO places an Medical Assistance Enrollee in a nursing facility for thirty (30) days or more, the MCO shall ensure that its Providers do not require the Enrollee to pay any copayments, and shall reimburse its Providers any copayment amount paid. The MCO may submit an invoice in a format approved by the STATE, and a data certification to the STATE for all copayments the MCO has reimbursed to its Providers in the previous quarter, no more often than quarterly. The STATE shall verify the Medical Assistance Enrollee's living arrangement, and date of service on the encounter claim, prior to payment to the MCO for the amounts the MCO claims to have reimbursed to its Providers.

(7) Cost-Sharing and Family Income. For Medical Assistance only, individuals identified by the commissioner with income at or below one hundred percent (100%) of the federal poverty guidelines, total monthly cost-sharing must not exceed five percent (5%) of family income. For purposes of this paragraph, family income is the

total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent (5%) limit on cost-sharing as authorized by Minnesota Statutes, § 256B.0631, subd. 1(b)(3).

#### **4.5 Managed Care Performance Measures.**

**4.5.1 Capitation Payments and Withhold Return.** The STATE shall not withhold payments due the MCO under Minnesota Statutes, § 256B.69, subd. 5a for Contract Year 2012. The STATE shall work with the MCO to determine clinical and administrative performance measures that will apply to future contract year withholds. The STATE will define the baseline measures by October 1st of the Contract Year.

**4.5.2 Withhold Return Scoring for Contract Years Following 2012.** The MCO agrees to work with the STATE to develop administrative and clinical performance measures for years following the 2012 Contract Year. The STATE may continue to measure or develop a baseline for the MCO against the following performance targets if applicable: Valid NPI Treating Provider, NPI Pay-To-Provider, PCA Treating provider UMPI/NPI; Emergency Department Utilization Rate, Hospital Admission Rate; 30 Day Readmission Percentage.

#### **4.6 Payment Errors.**

**4.6.1 Payment Error in Excess of \$500,000.** If the STATE determines that there has been an error in its payment to the MCO pursuant to Article 4 that resulted in overpayment or underpayment in excess of \$500,000, due to reasons not including rate-setting methodology, or Fraud or Abuse by the MCO or the Enrollee, the STATE or MCO may make a claim under this section.

**4.6.2 Independent Audit.** The STATE or the MCO may request an independent audit of the payment error prior to recovery or offset by the STATE of the overpayment or underpayment amount.

(A) The STATE shall select the independent auditor and shall determine the scope of the audit, and shall involve the MCO in discussions to determine the scope of the audit and selection of the auditor.

(B) The MCO must request the audit in writing within sixty (60) days from actual receipt of the STATE's written notice of overpayment.

(C) Neither the STATE nor the MCO shall be bound by the results of the audit.

(D) The STATE shall not be obligated to honor the MCO's request for an independent audit if in fact sufficient funds are not available for this purpose or, if in fact, an independent auditor cannot be obtained at a reasonable cost. This does not preclude the MCO from obtaining an independent audit at its own expense; however, the MCO must

give reasonable notice of the audit to the STATE and must provide the STATE with a copy of any final audit results.

**4.6.3 Inspection Procedures.** The STATE and the MCO shall work together to develop reasonable procedures for the inspection of STATE documentation to determine the accuracy of payment amounts pursuant to this section.

**4.6.4 Two Year Limit to Assert Claim.**

(A) The STATE shall not assert any claim for or seek the payment of or make any adjustment for any alleged overpayment made by the STATE to the MCO pursuant to section 4.1 of this Contract, more than two years after the date such payment was actually received by the MCO from the STATE.

(B) The MCO shall not assert any claim for or seek the payment of or make any adjustment for any alleged underpayment made by the STATE to the MCO pursuant to section 4.1 of this Contract, more than two years after the date such payment was actually received by the MCO from the STATE. The MCO must have filed a timely appeal of risk factors in order to assert any claims regarding risk adjusted payments.

(C) Payment Offset. When possible, a recovery for an overpayment or payment due because of an underpayment shall be offset against or added to future payments made according to section 4.1 of this Contract.

(D) Notice. The parties shall notify each other in writing of an intent to assert a claim under this section.

**4.6.5 Payment Errors Not in Excess of \$500,000.** If the STATE determines there has been an error or errors in its payment to the MCO pursuant to section 4.1 that resulted in overpayment or underpayment to the MCO not in excess of \$500,000, and if such an error or errors occurred because of reasons other than rate-setting methodology, or Fraud or Abuse by the MCO or the Enrollee, the STATE or the MCO may make a claim under this section.

**4.6.6 One Year Limit to Assert Claim.**

(A) The STATE shall not assert any claim for or seek the payment of or make any adjustment for any alleged overpayment made by the STATE to the MCO under section 4.1 more than one year after the date such payment was actually received by the MCO from the STATE. This one year limitation, along with the notice requirement described in section 4.6.6(C), does not apply to duplicate payments made because of multiple identification numbers for the same Enrollee, payments for full months for a Medical Assistance Enrollee while incarcerated in a facility, and payments for full months after the death of the Enrollee.

(B) The MCO shall not assert any claim for or seek the payment of or make any adjustment for any alleged underpayment made by the STATE to the MCO more than one year after the date such payment was actually received by the MCO from the

STATE. The MCO must have filed a timely appeal of risk factors in order to assert any claims regarding risk adjusted payments.

(C) Notice. The parties shall notify each other in writing of any intent to assert a claim under this section.

#### **4.7 Compliance Related to All Payments**

**4.7.1 Assumption of Risk.** The MCO shall assume the risk for the cost of comprehensive services covered under this Contract and shall incur the loss if the cost of those services exceed the payments made under this Contract, except as otherwise provided in sections 4.6 of this Contract.

**4.7.2 CMS Approval of Contract.** Approval of the contract by CMS is a condition for Federal Financial Participation (FFP). If CMS disapproves the rates in Appendix II, and CMS and the STATE subsequently agree upon revised rates that are actuarially sound:

(A) The STATE shall adjust MCO payments to bring previous payments in line with rates agreed upon by the STATE and CMS. When possible, a recovery for an overpayment or payment due because of an underpayment shall be offset against or added to future payments made according to section 4.1 of this Contract.

(B) For the remainder of the contract term the contract shall be amended, with rates agreed upon by the STATE and CMS, pursuant to Article 19.1 of the contract.

**4.7.3 Payment of Clean Claims.** The MCO shall promptly pay all Clean Claims, and interest on Clean Claims, when applicable, whether provided within or outside the Service Area of this Contract consistent with Sections 1816(c)(2) (42 USC § 1395(h)(c)(2)), 1842(c)(2) (42 USC § 1395u(c)(2)) and 1902(a)(37)(a) (42 USC § 1396a (a)(37)) of the Social Security Act; 42 CFR Parts 447.45 and 447.46; and Minnesota Statutes, § 16A.124, and § 62Q.75.

**4.7.4 Evidence-Based Childbirth Program.** The MCO shall ensure that payments for professional services associated with the delivery of a newborn in a hospital are made in accordance with Minnesota Statutes, § 256B.0625, subd. (3g). Payments shall be made under the following circumstances:

(A) The hospital has been identified by the STATE as having received approval of its policies and procedures that prohibit elective inductions prior to 39 weeks gestation; or

(B) The hospital has not received approval of its policies and procedures related to elective inductions. If so, the attending obstetric Provider must submit information on a STATE-approved form about the nature of the labor and delivery, including any induction of labor performed with the specific birth, as an attachment to the Provider's claim. The MCO must maintain the information from the Provider and make it available to the STATE as specified in Section 3.3.2(V).

## **4.8 Non-Capitated Payments**

**4.8.1 Payment for CD Room and Board.** The STATE will reimburse the MCO for room and board costs associated with CD treatment when such treatment is required by the Rule 25 assessment criteria. The STATE will not pay more than the rate specified in the Consolidated Chemical Dependency Treatment Fund (CCDTF) rates database in effect at the time the service was rendered. The STATE will make a warrant request within thirty (30) days of receipt of the MCO's quarterly report.

### **4.8.2 Health Care Home Care Coordination Payment; Variance.**

(A) The MCO shall pay a care coordination fee to Providers for qualified Enrollees of a certified Health Care Home within the MCO Provider network, unless the MCO is using an alternative comprehensive payment arrangement. The fee schedule for Health Care Homes must be stratified according to the stratification criteria developed by the STATE, pursuant to Minnesota Statutes § 256B.0751 et seq. In addition:

(1) If a clinic or clinician is a certified Health Care Home and the MCO has an alternative comprehensive payment arrangement that includes care coordination and is tied to outcome measures related to patient health, patient experience and cost effectiveness with that clinic or clinician, then upon documentation in accordance to section 3.3.2(I)(2) of the alternative comprehensive payment arrangement and its proposed performance and outcome measures, the STATE will provide a variance from the stratified fee schedule in 4.8.2(A) above and from any additional Health Care Home care coordination fee.

(2) The MCO is not required to pay both a Health Care Home care coordination fee and a fee based on a more comprehensive payment arrangement.

(B) DHS will make payment to the MCO for Enrollees in or above Tier One of the classifications developed pursuant to Minnesota Statutes, § 256.0753.

**4.8.3 Incentive Payments.** The STATE may make payments for certain incentive programs pursuant to section 7.10.

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## **Article. 5 Term, Termination and Breach.**

**5.1 Term.** The term of this Contract shall be the Contract Year from **January 1, 2012** (Effective Date) through **December 31, 2012** (Termination Date). Coverage will begin at 12:00 a.m. on January 1st and end at 11:59:59 p.m. (Central Standard Time) on December 31st unless this Contract is: (1) terminated earlier pursuant to section 5.2; (2) extended through: (a) an amendment pursuant to Article 19.1, or (b) automatic renewal pursuant to section 5.1.1; or (3) replaced by a Renewal Contract pursuant to section 5.1.2.

**5.1.1 Automatic Renewal.** This Contract will renew for an additional one year term unless the MCO or the STATE provides notice of termination or non-renewal in accordance with section 5.2. If the Contract automatically renews for an additional one year term under the current terms pursuant to this section and without a Renewal Contract being entered into between the parties, the STATE shall pay the MCO the rates under this Contract in effect at the time of the automatic renewal, minus any legislated rate reductions. In addition, the Termination Date and Contract Year will advance by one calendar year, unless the MCO has provided the STATE with notice of non-renewal under section 5.2.1.

**5.1.2 Renewal Contract.** The Commissioner of Human Services shall have the option to either provide the MCO with a notice of non-renewal, or offer to enter into negotiations for a renewal of this Contract on an annual basis (Renewal Contract), upon a one hundred and twenty (120) day written notice to the MCO. The MCO has the right to decline the option to renew this Contract. If the MCO declines this offer, this Contract will automatically renew in accordance with section 5.1.1 unless the MCO or the STATE provides notice of termination or non-renewal. If the Parties negotiate and execute a Renewal Contract with the intent that it takes effect upon the termination of this Contract on its original or modified Termination Date, this Contract will so terminate and the Renewal Contract will replace it upon the Renewal Contract's effective date.

**5.1.3 Notice of Other MCO Termination or Service Area Reduction.** In the event that any other MCO under contract with the STATE for the provision of services to Enrollees similar to those covered by this Contract either (a) terminates its contract with the STATE, or (b) reduces its Service Area in a way that impacts the MCO's Service Area, the STATE shall provide the MCO with written notice within five working days of receipt by the STATE of termination notice or notice of reduction of the Service Area (as described above) from any other such MCO. This paragraph does not apply to procurement decisions.

## **5.2 Contract Non-Renewal and Termination.**

### **5.2.1 Notice of Non-Renewal.**

(A) 150 or More Days Prior to the End of Contract. The MCO shall provide the STATE with at least one hundred and fifty (150) days written notice prior to the end of the contract term if the MCO chooses not to renew or extend this Contract at the end of the contract term. If the MCO provides the STATE with such notice, the Contract will end on the Termination Date. The MCO shall provide the STATE with at least one



hundred and fifty (150) days written notice prior to withdrawing services from a county; this period may be less by mutual agreement.

(B) Less Than 150 Days Prior to the End of the Contract. If the MCO provides the STATE written notice prior to the end of the contract term but less than one hundred and fifty (150) days prior to, the Contract will end at 11:59:59 p.m. on the last day of the month which falls one hundred and fifty (150) days from the date the notice is given, unless the parties agree in writing to a different date.

**5.2.2 Termination Without Cause.** This Contract may be terminated by the STATE at any time without cause, upon a one hundred and fifty (150) day written notice to the MCO.

**5.2.3 Termination for Cause.**

(A) By the MCO. This Contract may be terminated by the MCO in the event of the STATE's material breach of this Contract, upon a one hundred and fifty (150) calendar day advance written notice to the STATE. In the event of such termination, the MCO shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed through the effective date of cancellation or termination.

(B) By the STATE.

(1) The STATE may terminate this Contract for any material breach by the MCO after one-hundred and fifty (150) days from the date the STATE provides the MCO notice of termination. The MCO may request, and must receive if requested, a hearing before the mediation panel described in section 5.9 prior to termination.

(2) In the event of a material breach as listed below, termination may occur after thirty (30) days from the date the STATE provides notice. Material breach, for purposes of this paragraph, that may be subject to a thirty (30) day termination notice includes:

(a) Fraudulent action by the MCO;

(b) Criminal action by the MCO;

(c) For MCOs certified as a health maintenance organization, a determination by the Minnesota Department of Health that results in the suspension or revocation of the assigned certificate of authority, for failure to comply with Minnesota Statutes, §§ 62D.01 to 62D.30; or

(d) For County Based Purchasing MCOs, a determination by the Minnesota Department of Health that the MCO no longer satisfies the requirements for assurance of consumer protection, provider protection, and fiscal solvency of chapter 62D, applicable to health maintenance organizations, as stated in Minnesota Statutes, § 256B.692, subd. 2(b), or otherwise results in a determination that the CBP is no longer authorized to operate.

(C) Legislative Appropriation. Continuation of this Contract is contingent upon continued legislative appropriation of funds for the purpose of this Contract. If these funds are not appropriated, the STATE will immediately notify the MCO in writing and the Contract will terminate as of 11:59 p.m. on June 30th of the Contract Year.

**5.2.4 Contract Termination Procedures.** If the Contract is terminated:

(A) Both parties shall cooperate in notifying all MCO Enrollees covered under this Contract in writing of the date of termination and the process by which those Enrollees will continue to receive medical care, at least sixty (60) days in advance of the termination, or immediately as determined by the STATE, if termination is for a material breach listed in section 5.2.3(B)(2). Such notice must be approved by the STATE. Such notice must include a description of alternatives available for obtaining services after Contract termination.

(B) The MCO shall assist in the transfer of medical records of Enrollees from Participating Providers to other Providers, upon request and at no cost to the Enrollee.

(C) Any funds advanced to the MCO for coverage of Enrollees for periods after the termination of coverage for those Enrollees shall be promptly returned to the STATE.

(D) The MCO will promptly supply all information necessary for the reimbursement of any medical claims that result from services delivered after the date of termination.

(E) Written notices by the parties shall be sent by U.S. Postal Service certified mail, return receipt requested. The required notice periods set forth in Article 5 of this Contract shall be calendar days measured from the date the receipt is signed.

(F) Termination under this Article shall be effective on the last day of the calendar month in which the notice becomes effective. Payment shall continue and services shall continue to be provided during that calendar month.

**5.3 Deficiencies.** The STATE and the MCO agree that if the MCO does not perform any of the duties in this Contract, the STATE may, in lieu of terminating this Contract, enforce one of the remedies or sanctions listed in sections 5.6 or 5.7, at the STATE's option. Enforcing one of the remedies shall not be construed to bar other legal or equitable remedies that may be available to the STATE, including, but not limited to, criminal prosecution. Concurrent breaches of the same administrative functions may be construed as more than a single breach. Nothing in this article shall be construed as relieving the MCO from performing any contractual duties.

**5.3.1 Quality of Services.** If the STATE or CMS finds that the quality of care or services offered by the MCO is materially deficient, the STATE has the right to terminate this Contract pursuant to section 5.2.3 or to enforce remedies pursuant to section 5.6.

**5.3.2 Failure to Provide Services.** The MCO shall be subject to one of the remedies listed in section 5.6 or section 5.7 if the MCO fails substantially to provide Medically Necessary

items and services that are required to be provided to an Enrollee covered under this Contract, if the failure has adversely affected or has a substantial likelihood of adversely affecting the Enrollee.

**5.4 Considerations in Determination of Remedy.** In determining the remedy or sanction, the STATE may consider as mitigating factors, as appropriate, any of the following:

- (A) The nature and magnitude of the violation, as it relates to this Contract;
- (B) The number of Enrollees or Recipients, if any, affected by the breach;
- (C) The effect, if any, of the breach on Enrollees' due process rights under this Contract, or Enrollees' or Potential Enrollees' health or access to health services;
- (D) If only one Enrollee or Recipient is affected, the effect of the breach on that Enrollee's or Recipient's health;
- (E) Whether the breach is an isolated incident or there are repeated breaches or deficiencies under the Contract;
- (F) Whether and to what extent the MCO has attempted to correct previous breaches or deficiencies; and
- (G) The economic benefits, if any, derived by the MCO by virtue of the breach or deficiency.

**5.5 Notice; Opportunity to Cure.** The STATE shall give the MCO reasonable written notice of a breach or deficiency by the MCO prior to imposing a remedy or sanction under this section. The MCO shall have sixty (60) days from the date it receives the notice of breach or deficiency, except for those sanctions in section 5.6(D) below, which the STATE has determined cannot be cured, unless a longer period to cure the breach is mutually agreed upon, to cure the breach if the breach can be cured. In urgent situations, as determined by the STATE, the STATE may establish a shorter time period to cure the breach.

**5.6 Remedies or Sanctions for Breach.** If the STATE determines that the MCO failed to cure the breach within the time period specified in section 5.5, the STATE may enforce one or more of the following remedies or sanctions, which shall be consistent with the factors specified at section 5.4. The STATE may impose sanctions until such time as a breach is corrected, or the time period the correction should have been made until the time when notification by the MCO is actually made or the correction is made. The MCO reserves all of its legal and equitable remedies to contest the imposition of a remedy or sanction under this Contract.

- (A) Withhold capitation payments or a portion thereof until such time as the breach or deficiency is corrected to the satisfaction of the STATE.
- (B) Monetary payments from the MCO to the STATE in the following amounts, offset against payments due the MCO by the STATE or as a direct payment to the STATE, at

the STATE's discretion, until such time as the breach is corrected to the satisfaction of the STATE.

(C) Sanctions in General. The STATE may impose sanctions at the STATE's discretion, in an amount of:

(1) up to five thousand dollars (\$5,000) per day; and/or

(2) the direct and indirect costs to the STATE of an incident or incidents caused by the MCO or its subcontractor(s), not to exceed two hundred and fifty thousand dollars (\$250,000).

(D) Sanctions for Due Process Noncompliance: Effective July 1, 2012, the STATE may impose a sanction of up to \$15,000 for each determination of a deficiency by MDH, during the triennial Quality Assurance Exam or if a deficiency persists at the time of the MDH Mid-cycle Review, for violations of Enrollee rights or due process. For the purposes of this section, violation of due process includes but is not limited to:

(1) Failure to provide an Enrollee under this Contract with timely notice of disposition of a Grievance and/or timely written notice of the resolution of a Standard or Expedited Appeal;

(2) Failure to provide an Enrollee under this Contract with a timely DTR (Notice of Action) for denial of a Standard or Expedited Service Authorization.

(E) Not offer the MCO as an enrollment choice for Recipients in the affected county until thirty (30) days after the Local Agency or the STATE receives the required Marketing and enrollment Materials.

(F) Suspension of all new enrollment including default enrollment after the effective date of the sanction.

(G) Payments provided for under the contract will be denied for new Enrollees when, and for so long as, payment for those Enrollees is denied by CMS in accordance with the requirements in 42 CFR § 438.730.

**5.7 Temporary Management.** In addition to the remedies listed in section 5.6 the STATE shall impose temporary management of the MCO pursuant to 42 CFR § 438.706(b) if the STATE finds that the MCO has repeatedly failed to meet the substantive requirements of § 1903(m) or § 1932 of the Social Security Act. When imposing this sanction the STATE shall:

(A) Allow Enrollees the right to terminate enrollment without cause and notify the affected Enrollees of their right to disenroll.

(B) Not delay the imposition of temporary management to provide a hearing.

(C) Maintain temporary management of the MCO until the STATE determines that the MCO can ensure that the sanctioned behavior will not recur.

**5.8 Notice.** If the STATE enforces a remedy under this section, the STATE shall provide the MCO written notice of the remedy to be imposed.

**5.9 Mediation Panel.** The MCO may request the recommendation of a three (3) person mediation panel within three (3) business days of receiving notice of a remedy or sanction, a one hundred and fifty (150) day notice of termination, or notice of non-renewal from the STATE. The mediation panel shall meet, accept both written and oral argument as requested, and make its recommendation within fifteen (15) days of receiving the request for recommendation unless the parties mutually agree to a longer time period. The Commissioner shall resolve all disputes after taking into account the recommendations of the mediation panel and within three (3) days after receiving the recommendation of the mediation panel.

(A) For non-CBP MCOs, the panel shall be composed of one designee of the Minnesota Council of Health Plans, one designee of the Commissioner of Human Services, and one designee of the Commissioner of Health.

(B) For CBP MCOs, the three-person mediation panel shall be composed of one designee of the president of the association of Minnesota counties, one designee of the commissioner of human services, and one person selected jointly by the designee of the commissioner of human services and the designee of the Association of Minnesota Counties. The State shall not require that contractual disputes between county-based purchasing entities and the State be mediated by a panel that includes a representative of the Minnesota Council of Health Plans pursuant to Minnesota Statutes § 256B.69, subd. 3a(d) and (f).

**Article. 6 Benefit Design and Administration.** All terms of Article 6 apply to Medical Assistance, unless otherwise stated.

**6.1 Medical Assistance Covered Services.** The MCO shall provide, or arrange to have provided to Medical Assistance Enrollees, comprehensive preventive, diagnostic, therapeutic and rehabilitative health care services as defined in Minnesota Statutes, § 256B.0625 and Minnesota Rules, Parts 9505.0170 to 9505.0475. Except for sections 6.1.27 (Prescription Drugs and Over-the-Counter Drugs.) and 6.1.35 (Transplants.) or as otherwise specified in the Contract, these services shall be provided to the extent that the above law and rules were in effect on the Effective Date of this Contract. Sections 6.1.27 and 6.1.35 shall be provided to the extent that the above law and rules are in effect.

Pursuant to section 6.7.1, all covered benefits, except for services mandated by state or federal law, are subject to determination by the MCO of Medical Necessity as defined in section 2.59. For purposes of this paragraph, mandated services do not include the benefits described in Minnesota Statutes, Chapters 256B, 256D, and 256L.

The MCO shall provide services that shall include but are not limited to the following:

**6.1.1 Acupuncture Services.** When provided by a licensed acupuncturist or by another Minnesota licensed practitioner for whom acupuncture is within the practitioner's scope of practice and who has specific acupuncture training or credentialing.

**6.1.2 Advanced Practice Nurse Services.** Certified Advanced Practice Nurse Services are services provided by nurse practitioners, nurse anesthetists, nurse midwives and clinical nurse specialists.

**6.1.3 Cancer Clinical Trials.** Routine care that is provided through the administration or performance of items or services that are: 1) required as part of the Protocol Treatment in a high-quality Clinical Trial; 2) usual, customary and appropriate to the Enrollee's condition; and 3) would be typically provided to that Enrollee when cared for outside of a Clinical Trial, including those items or services needed for the prevention, diagnosis or treatment of adverse effects and complications of the protocol treatment.

**6.1.4 Care Management Services.** The MCO shall be responsible for the Care Management of all Enrollees. The MCO's Care Management system must be designed to coordinate the provision of primary care and all other Covered Services to its Enrollees and must promote and assure service accessibility, attention to individual needs, continuity of care, comprehensive and coordinated service delivery, the provision of culturally appropriate care, and fiscal and professional accountability. At a minimum, the MCO's Care Management system must incorporate the following elements:

(A) Procedures for the provision of an individual needs assessment, diagnostic assessment, the development of an individual treatment plan as necessary based on the needs assessment, the establishment of treatment objectives, the monitoring of outcomes, and a process to ensure that treatment plans are revised as necessary. These procedures must be designed to accommodate the specific cultural and linguistic needs of the MCO's Enrollees.

(B) A strategy to ensure that all Enrollees and/or authorized family members or guardians are involved in treatment planning and consent to the medical treatment.

(C) A method for coordinating the medical needs of an Enrollee with his or her social service needs. This may involve working with Local Agency social service staff or with the various community resources in the county. Coordination with the Local Agency social service staff will be required when the Enrollee is in need of the following services: 1) pre-petition screening, preadmission screening or Home and Community-Based services; 2) Child protection; 3) court ordered treatment; 4) developmental disabilities; 5) assessment of medical barriers to employment; or 6) a STATE medical review team or social security disability determination. It may also involve working with Local Agency social service staff or county attorney staff for Enrollees who are the victims or perpetrators in criminal cases. If the MCO determines that an assessment is required in order for the Enrollee to receive Covered Services related to these conditions, the MCO is responsible for payment of the assessments,

unless the requested assessment has been paid for by a MCO within the previous one hundred and eighty (180) days.

(D) Procedures and criteria for making referrals to specialists and sub-specialists.

(E) Capacity to implement, when indicated, Care Management functions such as: 1) individual needs assessment, including screening for special needs (e.g. mental health and/or chemical dependency problems, developmental disability, high risk health problems, difficulty living independently, functional problems, language or comprehension barriers); 2) individual treatment plan development; 3) establishment of treatment objectives; 4) treatment follow-up; 5) monitoring of outcomes; or 6) revision of treatment plan. The MCO shall coordinate with Local Agency human service agencies for assessment and evaluation related to judicial proceedings.

(F) Procedures for coordinating care for American Indian Enrollees.

(G) Procedures for coordinating with individual education program (IEP), an individualized family service plan (IFSP) or Individual Community Support Plan (ICSP) services and supports.

(H) Procedures for coordinating with care coordination and services provided by children's mental health collaboratives, family services collaboratives, and adult county mental health initiatives.

(I) In-reach Community-based Service Coordination. Upon federal approval, the MCO will implement in-reach service coordination in collaboration with the STATE. The in-reach service coordination will include navigating services to address an Enrollee's mental health, chemical health, social, economic, and housing needs, or any other activities targeted at reducing the incidence of emergency room and inpatient hospitalization.

**6.1.5 Chemical Dependency (CD) Treatment Services.** CD treatment services do not include detoxification (unless it is required for medical treatment). The MCO is responsible for all CD treatment services including room and board determined necessary by the assessment. Notwithstanding section 6.21.2, CD treatment services shall be provided in accordance with 42 CFR § 8.12, and Minnesota Statutes, §§ 254B.04, subd. 2a and 254B.05, subd. 1.

(A) Chemical Dependency services will include utilization, in primary care clinics, of a valid and reliable tool approved by the STATE, for Screening and Brief Intervention (SBI) to identify unhealthy substance use, and to provide a brief intervention, when indicated.

(B) In addition, when patient screens are positive for substance abuse or dependence, the MCO agrees to provide Screening Brief Intervention and/or Referral to Treatment (SBIRT) in primary care clinics. Clinics will utilize valid and reliable tools, approved by the STATE, and resources to provide immediate treatment options, which may include pharmacotherapy options and/or referral to specialized treatment.

**6.1.6 Chiropractic Services.**

**6.1.7 Circumcisions.** Only circumcisions that are Medically Necessary are covered.

**6.1.8 Clinic Services.**

**6.1.9 Community Health Worker Services.**

**6.1.10 Dental Services.** Pursuant to Minnesota Statutes, § 256B.0625, subd. 9, dental services include the following:

(A) Services for adults who are not pregnant are limited to the following:

- (1) comprehensive exams, limited to once every five years;
- (2) periodic exams, limited to one per year;
- (3) limited exams;
- (4) bitewing x-rays, limited to one per year;
- (5) periapical x-rays;
- (6) panoramic x-rays, limited to one every five years except (1) when medically necessary for the diagnosis and follow-up of oral and maxillofacial pathology and trauma or (2) once every two years for patients who cannot cooperate for intraoral film due to a developmental disability or medical condition that does not allow for intraoral film placement;
- (7) prophylaxis, limited to one per year;
- (8) application of fluoride varnish, limited to one per year;
- (9) posterior fillings, all at the amalgam rate;
- (10) anterior fillings;
- (11) endodontics, limited to root canals on the anterior and premolars only;
- (12) removable prostheses, each dental arch limited to one every six years;
- (13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;
- (14) palliative treatment and sedative fillings for relief of pain; and
- (15) full-mouth debridement, limited to one every five years.



(B) In addition to the services specified in (B), medical assistance covers the following services for adults, if provided in an outpatient hospital setting or freestanding ambulatory surgical center as part of outpatient dental surgery:

- (1) periodontics, limited to periodontal scaling and root planing once every two years;
- (2) general anesthesia; and
- (3) full-mouth survey once every five years.

(C) Services provided by advanced dental therapists and dental therapists when provided within the scope of practice identified in Minnesota Statutes, § § 150A.105 and 150A.106.

#### **6.1.11 Family Planning Services.**

(A) The MCO must comply with the sterilization consent procedures required by the federal government, and must ensure open access to Family Planning Services pursuant to 42 CFR § 431.51, and the Family Planning Services prescribed by Minnesota Statutes, § 62Q.14.

(B) The MCO may not restrict where the Enrollee receives the following services, pursuant to Minnesota Statutes, § 62Q.14:

- (1) Voluntary planning of the conception and bearing of Children, not including abortion services;
- (2) Diagnosis of infertility, including counseling and services related to the diagnosis (i.e., Provider visit(s) and test(s) necessary to make a diagnosis of infertility and to inform the Enrollee of the results);
- (3) Testing and treatment of a sexually-transmitted disease; and
- (4) Testing for AIDS and other HIV-related conditions.

(C) The MCO may require family planning agencies and other Providers to refer patients back to the MCO under the following circumstances for other services, diagnosis, treatment and follow-up:

- (1) Abnormal pap smear/colposcopy;
- (2) Infertility treatment;
- (3) Medical care other than Family Planning Services;
- (4) Genetic testing; and
- (5) HIV treatment.

(D) Pursuant to 42 CFR § 433.116(f)(2), the MCO shall not specify confidential services, as defined by the STATE, in Notices about claims sent to the Enrollee, including the Explanation of Benefit and/or Explanation of Medical Benefit Notices.

**6.1.12 Health Care Home.** Individuals with complex or chronic health conditions may access services through a certified Health Care Home.

**6.1.13 Home Care Services.**

(A) Home Care Services include:

(1) Skilled Nursing visits provided by a certified Home Health Care Agency, for Medical Assistance, up to the service limit described in Minnesota Statutes, § 256B.0651, subd. 6(b), § 256B.0653, subds. 4, and subd. 2(m), telehomecare skilled nurse visit.

(2) Home Health Aide services provided by a certified Home Health Care Agency, up to the service limit described in Minnesota Statutes, § 256B.0652, subd. 4, and § 256B.0653, subd. 3.

(3) Personal Care Assistance (PCA) Services as specified in Minnesota Statutes § 256B.0659 subds. (1)-(30) and below, except subds. (5)(c),(d), and (e).

(a) PCA Assessment/ LTCC Assessment. The MCO must provide assessments for PCA services as required under Minnesota Statutes, § 256B.0659 subd. 3a, or for MCOs who are lead agencies, under Minnesota Statutes § 256B.0911, and must authorize home care services utilizing the home care rating criteria, service amounts and limits under Minnesota Statutes, § 256B.0659, subd. 4. An in-person assessment must occur at least annually, or when there is a significant change in the Enrollee's condition or when there is a change in the need for PCA services. A service update may substitute for the in-person assessment when there is no significant change in the Enrollee's condition or a change in the need for PCA services.

The MCO will work with the STATE on implementation of changes in the ADL assessment requirements. MCO will identify and notify Enrollees who, under the changes in Minnesota Statutes § 256B.0625, subd. 19a (from Laws of Minnesota 2009, Chapter 79, Article 8, Section 20), no longer qualified for PCA services as of July 1, 2011. Using a STATE-approved notice, the MCO shall notify these Enrollees that the Enrollee may initiate a new request for PCA services. PCA services for Enrollees with one dependency in ADLs or Level I behavior shall be provided consistent with Minnesota Statutes, § 256B.0652, subd. 6.

(b) Personal Care Assessment and Service Plan. Pursuant to Minnesota Statutes, § 256B.0659, subd. 6, the MCO must require that the service plan be completed by the assessor with the Enrollee and responsible party, on a form provided by the

State. The PCA Assessment and Service Plan must include a summary of the assessment with a description of the need and authorized amount of personal care assistance services. The Enrollee and the Provider must be given a copy of the completed PCA Assessment and Service Plan within ten (10) working days of the date of the home visit for the assessment. The Enrollee must also be given information by the assessor about the options in the personal care assistance program to allow for review and decision making. The MCO must ensure that an Enrollee who appeals a reduction in previously authorized home care services has been provided the most recent PCA Assessment and Service Plan with an explanation of the ADL, complex health-related needs and behavior areas that have changed since the last assessment, including notice of the amount of time per day reduced, and the reasons for the reduction in the Enrollee's Notice of Denial, Termination or Reduction.

(c) Personal Care Assistance Care Plan. The MCO must require that the provider and the Qualified Professional working for the PCPA provides each Enrollee with a current personal care assistance care plan that is consistent with the service plan. The care plan must meet the requirements of Minnesota Statutes, § 256B.0659 subd. 7, and must be completed by the Qualified Professional and the Enrollee or responsible party based on the service plan.

i) The care plan must be completed within seven (7) calendar days after the start of services with a personal care provider agency and must be updated as needed when there is a change in need for personal care services;

ii) A new care plan is required annually at the time of reassessment;

iii) A copy of the care plan must be kept in the Enrollee's home and in the Enrollee's file at the PCA agency. The care plan must include provisions for measures to address identified health and safety and vulnerability issues, including a backup staffing plan, the responsible party and instructions for contact, a description of the Enrollee's needs for assistance with activities of daily living, instrumental activities of daily living, health related tasks and behaviors, and must be signed and dated by the Enrollee, or responsible party and Qualified Professional. The care plan must also include instructions and comments about the Enrollee's needs for assistance and any special instructions or procedures required. The month to month plan for the use of personal care assistance services is part of the care plan.

(d) Disenrollment or Change in MCO. The MCO will comply with Minnesota Statutes, § 256B.0651, subd. 7(b), which provides that the amount and type of PCA services based on the assessment and service plan must remain in effect for the one year period of the most recent valid assessment for the Enrollee whether the Enrollee chooses a different provider, or enrolls or disenrolls from an MCO under Minnesota Statutes, § 256B.0659, unless the service needs of the recipient change and a new assessment is warranted under (a).

(e) MCO Authorization of PCA Services. The MCO is responsible for reviewing the PCA Assessment and Service Plan, and authorizing the amount, duration and frequency of the PCA services, as determined by the Assessment.

i) If the MCO authorization requires changes to the PCA Assessment and Service Plan due to a required assessment, to avoid duplication of services, or due to an Enrollee's request, the MCO is responsible for ensuring that the PCA provider, Primary Care Physician and Enrollee are notified of this change in writing. The MCO must assure that the Provider and the Enrollee are notified in writing of the updated written service plan, including reasons for any changes.

ii) The MCO shall direct the Provider to adjust the care plan to reflect changes in i) above and to provide an updated care plan to the Enrollee.

(f) MCO Authorizations Continue after Disenrollment. The MCO must cooperate with provisions under Minnesota Statutes, § 256B.0652 subd. 14, (5) for extension of authorizations of PCA services for Enrollees who are temporarily disenrolled from the MCO, and Enrollees who return to the MCO.

i) If a Recipient enrolled in managed care experiences a temporary disenrollment from an MCO, the STATE fee-for-service system shall accept the current MCO authorization for up to sixty (60) days, provided the request was received within the first thirty (30) days of disenrollment.

ii) If the Recipient's re-enrollment in managed care is after sixty (60) days and before ninety (90) days, the PCA provider must request an additional thirty (30) day extension of the current MCO authorization.

iii) An MCO authorization is valid in the FFS system for a total limit of ninety (90) days from the date of disenrollment.

(g) Workgroup. The MCO will participate in the MCO Personal Care Assistance (PCA) workgroup to develop additional implementation plans for the processes as specified in Minnesota Statutes, § 256B.69, subd. 5a if required.

(h) 30 Day Notice. The MCO shall provide notice to the Enrollee thirty (30) days prior to the effective date of any change in the PCA services, pursuant to Minnesota Statutes, § 256B.0659, subd. 30. An Enrollee whose PCA services will be reduced or terminated due to the requirements of Minnesota Statutes, § 256B.0659 may request continued services pending appeal within the time period allowed to request an appeal. The Enrollee may request a copy of the care plan and/or authorization document from the MCO or its subcontractor for PCA hours of service at the previously authorized level, if the Enrollee has requested services pending an appeal.

(i) Foster Care. The MCO shall not authorize PCA services in a housing setting where the foster care license holder is also the PCA provider or personal care assistant unless the foster home is the licensed provider's primary residence as defined in Minnesota Statutes, § 256B.0625, subdivision 19a(c). The MCO must ensure that PCA Providers keep specific documentation on file for each Enrollee, pursuant to § 256B.0659, subs. 12 and 28, including but not limited to a service plan, care plan and timesheets.

(j) PCA services are no longer covered when the owner of a PCPA who is not related by blood, marriage or adoptions owns or otherwise controls the living arrangement, pursuant to Minnesota statute, § 256B.0659, subdivisions 3b and 29.

i) Provider owned or controlled housing includes but is not limited to Corporate Foster Care, Assisted Living, Housing with services and other models where there is an expectation that services are included with housing.

ii) The STATE considers a living arrangement to be controlled by a provider if any of the following are true:

1. Entity that controls the living arrangement is using PCAs as shift staff. This includes unlicensed group residences, corporate foster care, assisted living and any other model with an expectation that PCA services are included with the housing.

2. Landlord actively markets one or more PCA providers to its residents

3. Landlord places any restrictions on residents based on their MHCP enrollment status, amount of service authorized or the PCA provider used.

4. Landlords provide incentives, such as discounts in rent or higher personal needs allowances, to recipients of one or more PCA services

5. Living arrangement is made contingent upon the need for or authorization of PCA services

6. Recipient needs to move in order to choose a new PCA Provider.

(k) PCA Options. The MCO shall ensure flexible use, shared and PCA choice options are provided in accordance with Minnesota Statutes, § 256B.0659, subdivisions 15, 16 and 18 through 20, including but not limited to the limitations and Service Authorization for the option for flexible use of PCA hours and as described on the DHS PCA Portal at [http://www.dhs.state.mn.us/main/dhs16\\_145201#](http://www.dhs.state.mn.us/main/dhs16_145201#)

(l) Responsible Party. The MCO must have mechanisms in place to ensure that PCA providers require that responsible parties meet the definitions outlined in

Minnesota Statutes, § 256B.0659 subd. 9 and that they carry out their duties as required under § 256B.0659, subd. 10, including that the responsible party enter into a written agreement with the PCPA using the “PCA Program Responsible Party Agreement and Plan” (DHS form #5856).

(m) Ineligible PCAs. If the STATE provides the MCO notice that an individual is ineligible to participate as a PCA in the Minnesota Health Care Programs, the MCO will ensure that funds received by the MCO from the STATE are not used to pay the individual for PCA services.

(n) Upon sixty (60) days’ notice by the STATE, the MCO will implement the requirements of Minnesota Statutes, § 256B.0659, subd. 11, (c), in reducing the rate paid when the PCA is a relative of the Enrollee receiving PCA services. Notwithstanding any delay in implementing the rate change, MCO shall require its PCPAs to document the relative status of PCAs pursuant to Minnesota Statutes, § 256.0659, subd. 28, (a)(6). The MCO shall have the capability to monitor and audit PCPAs for compliance with this section.

(o) PCA Qualifications. MCOs must make reasonable efforts to assure that PCAs are in compliance with Minnesota Statutes, § 256B.0659, subdivision 11. This compliance includes but is not limited to the PCA being:

i) employed by a personal care assistance provider agency, with completion of a background study according to Minnesota Statutes, § 245C;

ii) supervised by a qualified professional according to section 6.1.13(A)(4) below; and

iii) limited to providing and being paid for up to 275 hours per month of PCA services regardless of the number of Enrollees being served or the number of PCPAs the PCA is enrolled with. The STATE shall provide to the MCO on a monthly basis a report identifying an individual PCA who has exceeded the monthly 275 hour limit. The report will provide how many units of service exceeded 275 hours for that PCA in that month. The MCO must reprocess the original claim and take back the reimbursement for service provided above the 275 hour limit. The MCO will also submit either a void or replacement encounter claim for action taken on the original claim.

(p) PCPA Qualifications; Enrollee Right to Choose. MCOs must make reasonable efforts to assure that PCPAs are in compliance with Minnesota Statutes, § 256B.0659, subdivision 21. This compliance includes (but is not limited to) assurance by the MCO that the PCPA does not limit Enrollees’ right to choose service providers through restrictive agreements. This includes that the PCPA may not require its PCAs to

i) Agree not to work with any particular Enrollee, or

ii) Agree not to work for another PCPA, after leaving the PCPA.

iii) The MCO must assure that the PCPA is not taking action on any such agreements or requirements regardless of the date signed.

(4) Qualified Professional supervision of PCA Services as described in Minnesota Statutes, § 256B.0659, subds. 13 and 14. All personal care assistants must be supervised by a Qualified Professional. The Qualified Professional is responsible for assisting the Enrollee in developing a care plan for use of the PCA time authorized and will assure how those hours are used throughout the month.

(5) Private Duty Nursing Services, up to the limits established in Minnesota Statutes, § 256B.0654, subd. 2 and 2b, and § 256B.0652. The MCO shall also use the criteria established in Minnesota Statutes, § 256B.0654, subd. 4 to determine whether or not to grant a hardship waiver for these services to an Enrollee's parent, spouse or legal guardian, or family foster care parent of a minor.

(6) Therapy Services, including physical therapy, occupational therapy, speech therapy and respiratory therapy, up to the limits established in Minnesota Statutes, § 256B.0653 and Minnesota Rules, Part 9505.0390.

(7) Medical Equipment and Supplies, pursuant to section 6.1.19.

(B) For Enrollees who are ventilator-dependent, the limits described in Minnesota Statutes, § 256B.0652, subd. 7 must be applied.

(C) If the MCO requires Service Authorization for Home Care Services, it shall comply with section 6.21 of this Contract.

(D) Tribal Assessments and Service Plans. The MCO will accept the results of home care assessments, reassessments and the resulting service plans developed by tribal assessors for Tribal Community Members as determined by the tribe. Referrals to non-tribal providers for home care services resulting from the assessments must be made to providers within the MCO's network. This applies to home care services requested by Tribal Community Members residing on or off the reservation.

(E) Use of Certified Assessors and Assessment. By a date determined by the STATE and with ninety (90) days' notice, and provided required training has been made available to those the MCO has designated, the MCO will be required to utilize STATE certified assessors and the STATE-approved assessment system for home care services as provided in Minnesota Statutes § 256B.0911 subds. 2b and 2c.

(F) Sanctioned Home Health Care Agencies.

(1) In the event of a termination due to sanction under MS § 256B.064 or an MCO action, the MCO must assure that home health care agencies will provide or have provided each Enrollee with a copy of the home care bill of rights under MS § 144A.44 at least thirty (30) days before terminating services to an Enrollee.

(2) If a home health care agency determines it is unable to continue providing services to an Enrollee because of any action under MS § 256B.064, the agency must notify the MCO, the Enrollee, the Enrollee's responsible party if applicable, and the STATE thirty (30) days prior to terminating services to the Enrollee. The MCO and agency must cooperate in supporting the Enrollee in transitioning to another provider of the Enrollee's choice within the MCO's network .

(3) In the event of a sanction of a home health care agency, a suspension of participation, or a termination of participation of a home health care agency under § 256B.064 or from the MCO, the MCO must inform the Office of the Ombudsman for Managed Care for all Enrollees with care plans with the home health care agency. The MCO must contact Enrollees to ensure that the Enrollees are continuing to receive needed care, and that the Enrollees have been given choice of provider (within the MCO's network) if they transfer to another home health care agency.

**6.1.14 Hospice Services.** Hospice services include services provided by a Medicare certified hospice agency or, when a Medicare-certified hospice agency is not available, services that are equivalent to those provided in a Medicare-certified hospice agency. An Enrollee under age 21 who elects to receive hospice services does not waive coverage for services that are related to the treatment of the condition for which a diagnosis of terminal illness has been made. For purposes of this section, "equivalent to those provided in a Medicare-certified hospice " means that the Enrollee:

(A) Will be provided with a hospice election process that is similar to the hospice election process used by a Medicare certified hospice agency; and

(B) Will be provided with the same choice and amount of services that would be available from a Medicare certified hospice agency.

**6.1.15 Inpatient Hospital Services.** Coverage for Inpatient Hospital services shall not exceed the actual semi-private room rate, unless a private room is determined to be Medically Necessary by the MCO.

**6.1.16 Interpreter Services.** The MCO shall provide sign and spoken language interpreter services that assist Enrollees in obtaining their program's covered health services, to the extent that interpreter services are available to the MCO or its subcontractor when services are delivered. The intent of the limitation, above, is that the MCO should not delay the delivery of a necessary health care service, even if through all diligent efforts, no interpreter is available. This does not relieve the MCO from using all diligent efforts to make interpreter services available.

(A) Coverage for face-to-face oral language interpreter services shall be provided only if the oral language interpreter used by the MCO is listed in the registry or roster established under Minnesota Statutes, § 144.058.



(B) The MCO is not required to provide an interpreter for activities of daily living in residential and institutional facilities. The MCO is responsible to provide an interpreter for medical services provided by the MCO outside of residential facilities and the per diem institutional facilities under this Contract.

**6.1.17 Laboratory, Diagnostic and Radiological Services.**

**6.1.18 Medical Emergency, Post-Stabilization Care, and Urgent Care Services.**

(A) Pursuant to 42 CFR § 438.114, Medical Emergency, Post-Stabilization Care and Urgent Care services must be available twenty-four (24) hours per day, seven days per week, including a 24-hour per day number for Enrollees to call in case of a Medical Emergency. Except for Critical Access Hospitals, visits to a hospital emergency department that are not an emergency, post-stabilization care, or urgent care may not be reimbursed as emergency or urgent care services. However, the MCO may reimburse such services as outpatient clinic services and may reimburse for a triage at a triage rate when only triage services are provided. The MCO shall not require an Enrollee to receive a Medical Emergency or Post-Stabilization Care Service within the MCO's network, as specified in section 6.22.1(B).

(B) For Medical Emergency services the MCO shall not:

- (1) Require Service Authorization as a condition of providing a Medical Emergency service;
- (2) Limit what constitutes a Medical Emergency condition based upon lists of diagnoses or symptoms;
- (3) Refuse to cover Medical Emergency services based upon the emergency department Provider, hospital, or fiscal agent not notifying the MCO of an Enrollee's screening and treatment within ten (10) calendar days of the Enrollee requiring Emergency Services.
- (4) Hold the Enrollee liable for payment concerning the screening and treatment necessary to diagnose and stabilize the condition; or
- (5) Prohibit the treating Provider from determining when the Enrollee is sufficiently stabilized for transfer or discharge. The determination of the treating Provider is binding on the MCO for coverage and payment purposes.

**6.1.19 Medical Equipment and Medical Supplies.** Medical Supplies and Equipment includes durable and non-durable medical supplies and equipment which provide a necessary adjunct to direct treatment of the Enrollee's condition. Covered medical supplies, equipment and appliances suitable for use in the home are those that are Medically Necessary and ordered by a physician. The MCO must comply with Minnesota Statutes, § 256B.0625, subd. 31 (b) and (c), in assuring that its contracted vendors of durable medical equipment are enrolled as a Medicare provider unless exempted by the STATE pursuant to § 256B.0625, subd. 31 (b) and (c).

Replacement of lost, stolen or irreparably damaged hearing aids for an Enrollee who is twenty-one (21) years of age or older may be limited to two replacements in a five year period.

**6.1.20 Medical Transportation Services.** Also see section 6.4 for Common Carrier Transportation Services. Medical transportation services include:

(A) Ambulance services required for Medical Emergency care, as defined in Minnesota Statutes, § 144E.001, subd. 2. MCOs shall require that providers bill ambulance services according to Medicare Criteria. Nonemergency ambulance services shall not be paid as emergencies, pursuant to Minnesota Statutes 256B.0625, subd. 17a.

(B) Special transportation services for a person who is physically or mentally incapable of transport by taxicab or bus.

**6.1.21 Mental Health Services.** Mental Health Services shall be provided by qualified Mental Health Professionals. In approving and providing mental health services, the MCO shall use a definition of Medical Necessity that is no more restrictive than the definition of Medical Necessity found in Minnesota Statutes, § 62Q.53 or described in section 2.59.

(A) Adult Mental Health Services. Mental health services must be provided in accordance with Minnesota Rules, Part 9505.0323 (Medical Assistance payment for outpatient mental health services). Mental health services should be directed at rehabilitation of the Enrollee in the least restrictive clinically appropriate setting. Services include:

(1) Diagnostic assessment, psychological testing, and an explanation of findings to either rule out or establish the appropriate mental illness (MI) diagnosis in order to develop the individual treatment plan. A psychiatric assessment must include the direct assessment of the Enrollee. The MCO will require behavioral health Providers performing diagnostic assessments to:

(a) Screen all adult Enrollees upon initial access of behavioral health services for the presence of co-occurring mental illness and substance use disorder using a screening tool of the Providers' choice, but must meet the following criteria:

i) Reading grade level of no more than 9th grade;

ii) Easily administered and scored by a non-clinician;

iii) Tested in a general population at the national level;

iv) Demonstrated reliability and validity;

v) Documented sensitivity of at least seventy percent (70%) and overall accuracy of at least seventy percent (70%); and

vi) Predicts a range of diagnosable major mental illnesses such as affective disorders, anxiety disorders, personality disorders, and psychoses, if a mental illness screening tool; predicts alcohol disorders and drug disorders, especially dependence, if a substance use screening tool; and both of the above, if a combined screening tool.

(b) Preferred criteria for screening tools, but not required, include:

i) Short duration of screening process taking no more than ten (10) minutes or having ten (10) or fewer items per scale;

ii) Widely used with adults; and

iii) Tool can be used in either interview or self-report format.

iv) The STATE recommends the following nationally recognized assessment tools:

“In the mental health service for detecting substance use:” Section 3 (Substance use Disorder Screener) of the Global Assessment of Individual Needs-Short Screener (GAIN-SS) or the CAGE-AID; or

“In the chemical health service for detecting mental health issues;” sections 1 and 2 (Internalizing Disorder and Externalizing Disorder Screeners) of the Global Assessment of Individual Needs-short Screener (GAIN-SS) or the K-6.

(2) Crisis assessment and intervention provided in an emergency department or urgent care setting (phone and walk-in);

(3) Residential and non-residential crisis response and stabilization services pursuant to Minnesota Statutes, § 256B.0624;

(4) Intensive Residential Treatment Services (IRTS) provided during a short-term stay in an IRTS setting pursuant to Minnesota Statutes, § 256B.0622;

(5) Assertive Community Treatment (ACT) that is consistent with DHS established standards and protocols (see DHS Bulletin #08-53-01);

(6) Adult Rehabilitative Mental Health Services (ARMHS) pursuant to Minnesota Statutes, § 256B.0623;

(a) The MCO may participate in revising standards and guidelines for Adult Rehabilitative Mental Health Services (ARMHS), Intensive Residential Treatment (IRT) and Assertive Community Treatment (ACT) in order to establish consistent standards and guidelines for behavioral health Providers.

(7) Day treatment;

(8) Partial hospitalization;

(9) For IRTS, ACT, ARMHS, Day Treatment and Partial Hospitalization services identified in paragraphs 6.1.21(A)(4) through (8) above, the MCO shall require its providers to use the Level of Care Utilization System (LOCUS) or another level of care tool recognized nationally with prior approval by the STATE. When determining eligibility and making referrals for these services, the LOCUS must be used in conjunction with a completed diagnostic assessment and functional assessment that reflects the Enrollee's current mental health status.

(10) Individual, family, and group therapy and multiple family group psychotherapy, including counseling related to adjustment to physical disabilities or chronic illness;

(11) Inpatient and outpatient treatment;

(12) Assessment of Enrollees whose health care seeking behavior and/or mental functioning suggests underlying mental health problems;

(13) Neuropsychological assessment;

(14) Neuropsychological rehabilitation and/or cognitive remediation training for Enrollees with a diagnosed neurological disorder who can benefit from cognitive rehabilitation services;

(15) Medication management;

(16) Travel time for mental health Providers as specified in Minnesota Statutes, § 256B.0625, subd. 43, who provide community-based mental health services covered by the MCO in the community at a place other than their usual place of work;

(17) Mental health services that are otherwise covered by Medical Assistance as direct face-to-face services may be provided via two-way interactive video. The telemedicine method must be medically appropriate to the condition and needs of the Enrollee. The interactive video equipment must comply with Medicare standards in effect at the time the service is provided;

(18) Consultation provided by a psychiatrist via telephone, e-mail, facsimile, or other means of communication, to Primary Care Providers, including pediatricians. The consultation must be documented in the patient record maintained by the Primary Care Provider. Consultation provided without the Enrollee being present is subject to federal limitations and data privacy provisions and must have the Enrollee's consent;

(19) Mental health outpatient treatment benefits consistent with DHS guidelines and protocols, for dialectical behavior therapy (DBT) for Enrollees who meet the

eligibility criteria consistent with DHS guidelines for admission, continued treatment and discharge.

(20) For Enrollees with bipolar disorder or schizophrenia, the STATE recommends use of the “Minnesota 10 x 10” program tool that coordinates primary care physicians and other health care providers to ensure that annual health screenings are offered, for example for chronic disease such as heart disease and diabetes.

(21) Adult Mental Health Targeted Case Management (AMH-TCM) The MCO shall make available to Enrollees, MH-TCM services that comply with Minnesota Rules, Parts 9520.0900 to 9520.0926 (Rule 79) that establish standards and procedures for providing case management services to adults with Serious and Persistent Mental Illness (SPMI) as authorized by Minnesota Statutes, §§ 245.461 to 245.486.

(a) The MCO may offer substitute models of AMH-TCM services to Enrollees who meet SPMI criteria with the consent of the individual, if the substitute model includes all four activities that comprise the CMS definition for targeted case management services. These activities include:

i) Comprehensive assessment of the Enrollee to determine the need for any medical, educational, social or other services. The LOCUS is not required in determining eligibility for Adult MH-TCM. However it is required as part of Adult MH-TCM services to complete the LOCUS as it relates to the responsibilities of the case manager in assessment, planning, referral and monitoring of all MH services;

ii) Development of a specific care plan that: is based on the information collected through the assessment; specifies the goals and actions to address the medical, social, educational, and other services needed by the individual; includes activities such as ensuring the active participation of the Enrollee, and working with the individual (or the Enrollee’s authorized health care decision maker) and others to develop those goals; and identifies a course of action that responds to the assessed needs of the Enrollee.

iii) Referral and related activities to help the Enrollee obtain needed services including activities that help link an individual with:

iv) Medical, social, educational Providers; or

v) Programs and services available for providing additional needed services, such as assisting with referrals to Providers for needed services and scheduling appointments for the Enrollee.

vi) Monitoring and follow-up activities, including necessary Enrollee contact, to ensure the care plan is implemented and adequately addresses the Enrollee’s needs. These activities and contact may be with the Enrollee, his or her family members, Providers, other entities or individuals and may be conducted as frequently as necessary; including at least one annual monitoring to assure

following conditions are met: Services are being furnished in accordance with the Enrollee's care plan; services in the care plan are adequate; and if there are changes in the needs or status of the Enrollee, necessary adjustments must be made to the care plan and to service arrangements with Providers.

(b) All MH-TCM services must meet the following quality standards:

i) Assure adequate access to MH-TCM for all eligible Enrollees pursuant to Minnesota Rules parts 9520.0900 to 9520.0903.

1. The MCO agrees to work with DHS to provide adequate access to AMH-TCM. This includes limiting the case manager average caseload as specified in Minnesota Rules, part 9520.0903, subp. 2, in order to attend to the outcomes specified for case management services as specified in Minnesota Rules, Part 9520.0905.

2. The STATE acknowledges that MH-TCM Providers may provide services to Enrollees for multiple health plans and fee-for-service, and agrees to monitor caseload ratios and will provide feedback to the MCOs regarding the caseload ratios of all contracted case management Providers.

ii) Provide face-to-face contact with the Enrollee at least once per month, or as appropriate to Enrollee need pursuant to Minnesota Rules 9520.0914, subp. 2.B.

(c) Case Managers for AMH-TCM services must meet the qualifications and supervision requirements listed in Minnesota Statutes, 245.462, subs. 4 and 4(a), and Minnesota Rules, Part 9520.0912.

(B) Court-Ordered Treatment. The following procedures apply to mental health services that are court-ordered:

(1) The MCO must provide all court-ordered mental health services pursuant to Minnesota Statutes, § 62Q.535, subs. 1 and 2; § 253B.045, subd. 6; and § 260C.201, subd. 1, which are also covered services under this Contract. The services must have been ordered by a court of competent jurisdiction and based upon a mental health care evaluation performed by a licensed psychiatrist or a doctoral level licensed psychologist. The MCO shall assume financial liability for the evaluation which includes diagnosis and an individual treatment plan, if the evaluation has been performed by one of the Participating Providers in its network.

(2) The court-ordered mental health services shall not be subject to a separate Medical Necessity determination by the MCO as provided for in section 6.7.1 of this Contract. However, the MCO may make a motion for modification of the court-ordered plan of care, including a request for a new evaluation, according to the rules of procedure for modification of the court's order.

(3) The MCO's liability for an ongoing mental health inpatient stay at a regional treatment center (RTC) shall end when the medical director, or his or her designee, of the center or facility, no longer certifies that the Enrollee is in need of continued treatment at a hospital level of care, and the MCO agrees that the Enrollee no longer meets Medical Necessity criteria for continued treatment at a hospital level of care.

(4) The MCO must provide a twenty-four (24) hour telephone number answered in-person that a Local Agency may call to get an expeditious response to situations involving the MCO's Enrollees where court ordered treatment and disability certification are involved.

(C) Civil Commitment.

(1) The MCO shall:

(a) Work with hospitals in the MCO's network to develop procedures for prompt notification by the hospital to the MCO upon admission of an Enrollee for psychiatric inpatient services;

(b) Work with county pre-petition screening teams to develop procedures for notification within seventy-two (72) hours by the pre-petition screening team to the MCO when an Enrollee is the subject of a pre-petition screening investigation;

(c) Provide expedited determination of eligibility for MH-TCM for MCO Enrollees who are referred to the health plan as potentially eligible for MH-TCM; and

(d) Assign MH-TCM as court ordered services for Enrollees with mental illness who are committed, or for Enrollees whose commitment has been stayed or continued.

(2) The MCO Mental Health Targeted Case Manager shall:

(a) Work with hospitals, pre-petition screening teams, family members or representatives, and current Providers, to assess the Enrollee and develop an individual care plan that includes diversion planning and least restrictive alternatives consistent with the Commitment Act. This may include testifying in court, and preparing and providing requested documentation to the court;

(b) Report to the court within the court-required timelines regarding the Enrollee's care plan status and recommendations for continued commitment, including, as needed, requests to the court for revocation of a provisional discharge;

(c) Provide input only for pre-petition screening, court-appointed independent examiners, substitute decision-makers, or court reports for Enrollees who remain in the facility to which they were committed;

(d) Provide mental health case management coverage which includes discharge planning for up to one hundred and eighty (180) days prior to an Enrollee's discharge from an Inpatient Hospitalization in a manner that works with, but does not duplicate, the facility's discharge planning services; and

(e) Ensure continuity of health care and case management coverage for Enrollees in transition due to change in benefits or change in residence.

**6.1.22 Obstetrics and Gynecological Services.** In the event of a birth to an MCO Enrollee, services include nurse-midwife services and prenatal care services as described below.

(A) Nurse-Midwife. Nurse-Midwife services are certified nurse-midwife services, pursuant to § 1905(a)(17) of the Social Security Act, Minnesota Rules, Part 9505.0320.

(B) Prenatal Care Services. The MCO must ensure that its Providers perform the following tasks:

(1) All pregnant Enrollees must be screened during their initial prenatal care office visit using a standardized prenatal assessment, or its equivalent, which must be maintained in the Enrollee's medical record. The purpose of the screening is to determine the Enrollee's risk of poor pregnancy outcome as well as to establish an appropriate treatment plan, including enhanced health services if the Enrollee is an at-risk Pregnant Woman as defined in Minnesota Rules, Part 9505.0353. A referral to the Women, Infants, Children Supplemental Food and Nutrition Program (WIC) must be made when WIC assessment standards are met.

(2) Women who are identified as at-risk must be offered enhanced perinatal services. Enhanced perinatal services include: at-risk antepartum management, care coordination, prenatal health education, prenatal nutrition education, and a postpartum home visit.

(C) Birth Centers: Services provided in a licensed birth center by a licensed health professional are covered if the service would otherwise be covered if provided in a hospital, pursuant to Minnesota Statutes § 256B.0625, subd. 54.

(D) Inpatient Hospitalization for Childbirth.

**6.1.23 Outpatient Hospital Services.** Outpatient hospital services include emergency care.

**6.1.24 Personal Care Assistance (PCA) Services.** PCA services are covered as specified in section 6.1.13(A)(3).

**6.1.25 Physician Services and Telemedicine Consultation.** Physician services include Telemedicine Consultations. Coverage of Telemedicine Consultations is limited to three Telemedicine Consultations per Enrollee per week.



### **6.1.26 Podiatric Services.**

### **6.1.27 Prescription Drugs and Over-the-Counter Drugs.**

(A) Covered prescription and over-the-counter drugs that are: 1) prescribed by a Provider who is licensed to prescribe drugs within the scope of his or her profession; 2) dispensed by a Provider who is licensed to dispense drugs within the scope of his or her profession; and 3) contained in the Medical Assistance Drug Formulary or that are the therapeutic equivalent to Medical Assistance formulary drugs, except those drugs covered under the Medicare Prescription Drug Program under Medicare Part D for Medicare eligible Enrollees.

(B) Pursuant to Minnesota Statutes, § 256B.0625, subd. 13(c), the MCO may allow pharmacists to prescribe over-the-counter drugs.

(C) For Dual Eligibles, if any, the MCO may cover drugs from the drug classes listed in 42 USC § 1396r-8(d)(2), except that drugs listed in 42 USC § 1396r-8(d)(2)(E), which are covered by Part D, shall not be covered.

(D) If the MCO chooses to have a drug formulary or policies which are more restrictive than the STATE's Drug Formulary or policies, the MCO shall provide any necessary drug at its own cost to Enrollees on behalf of whom the STATE intervenes, following the STATE's review by a pharmacist and physician. If the STATE does such an intervention, it shall also initiate a corrective action plan to the MCO, which the MCO must implement.

(E) Upon request of the STATE, the MCO shall submit a copy of the MCO's drug formulary, in order for the STATE to comply with the monitoring requirements under the CMS Waiver Number 11-W-OO039/5 (i.e. Minnesota's PMAP+/ § 1115 Waiver). The MCO may fulfill this requirement by making the drug formulary available on the MCO's website and providing the link to the STATE.

(F) The STATE shall notify the MCO of any inadequacies in the MCO's formulary and the MCO shall submit a corrective action plan. For the purposes of this section, "inadequacies" means that the MCO's formulary does not contain a therapeutic equivalent for a class of drugs.

(G) In addition, the MCO shall notify the STATE of any changes in its drug formulary within thirty (30) days of the changes, and for deletions shall submit the justification for the change. The MCO shall also submit a copy of any Service Authorization criteria used to limit access of Enrollees to drugs.

(H) The MCO must cover antipsychotic drugs prescribed to treat emotional disturbance or mental illness regardless of the MCO's formulary if the prescribing Provider certifies in writing to the MCO that the prescribed drug will best treat the Enrollee's condition, pursuant to Minnesota Statutes, § 62Q.527. The MCO shall not require recertification from the prescribing Provider on prescription refills or renewals, or impose any special payment requirements that the MCO does not apply to other drugs in its drug formulary.

If the prescribed drug has been removed from the MCO's formulary due to safety reasons, the MCO does not have to provide coverage for the drug.

(I) Subject to conditions specified in Minnesota Statutes, § 62Q.527, the MCO shall allow an Enrollee to continue to receive a prescribed drug to treat a diagnosed mental illness or emotional disturbance for up to one year, upon certification by the prescribing Provider that the drug will best treat the Enrollee's condition, and without the MCO imposing special payment requirements. This continuing care benefit is allowed when the MCO changes its drug formulary or when an Enrollee changes MCOs, and must be extended annually if certification is provided to the MCO by the prescribing Provider. The MCO is not required to cover the prescribed drug if it has been removed from the MCO's formulary for safety reasons.

(J) Pursuant to Minnesota Statutes, § 62Q.527, subd. 4, the MCO must promptly grant an exception to its drug formulary when the health care Provider prescribing the drug for an Enrollee indicates to the MCO that:

- (1) The formulary drug causes an adverse reaction in the Enrollee;
- (2) The formulary drug is contraindicated for the Enrollee; or
- (3) The health care Provider demonstrates to the MCO that the prescription drug must be dispensed as written (DAW) to provide maximum medical benefit to the Enrollee.

**6.1.28 Medication Therapy Management (MTM) Care Services.** Medication Therapy Management (MTM) Care Services are covered pursuant to Minnesota Statutes, § 256B.0625, subd. 13h, and the Medication Therapy Management Services listed on the STATE's MHCP Enrolled Providers website, ([http://www.dhs.state.mn.us/id\\_054232](http://www.dhs.state.mn.us/id_054232) ; MHCP Provider Update PRX-06-02R). MTM services are covered, except for Enrollees receiving drugs covered by Medicare Part D, for whom MTM services are covered by Medicare. An eligible pharmacist within the MCO's network may provide MTM services via two-way interactive video when there are no pharmacists eligible to provide such services within a reasonable geographic distance of the Enrollee.

**6.1.29 Electronic Prescribing.** The MCO shall comply with Minnesota Statutes, § 62J.497 and the applicable standards specified in the statute for electronic prescribing. The MCO shall also ensure that its providers involved in prescribing, filling prescriptions or paying for prescriptions, including communicating or transmitting formulary or benefit information also conform to the electronic prescribing standards for transmitting prescription or prescription-related information.

**6.1.30 Prosthetic and Orthotic Devices.** Prosthetic and orthotic devices, including related medical supplies.

**6.1.31 Public Health Services.** Public health clinic services and public health nursing clinic services as they are described in Chapter 8 of the Provider Manual, which is incorporated by reference and made a part of this Contract, as applicable.

**6.1.32 Reconstructive Surgery.** Reconstructive surgery as described in Minnesota Statutes, § 62A.25, subd. 2, and the Women's Health and Cancer Rights Act of 1998 (WHCRA), 45 CFR § 146.180.

**6.1.33 Rehabilitative and Therapeutic Services.** Rehabilitative and therapeutic services (related to evaluation and treatment) include:

(A) Physical therapy (including specialized maintenance therapy for Enrollees age 20 and under, pursuant to Minnesota Rules, § 9505.0390);

(B) Speech therapy (including specialized maintenance therapy for Enrollees age 20 and under, pursuant to Minnesota Rules, § 9505.0390);

(C) Occupational therapy (including specialized maintenance therapy for Enrollees age 20 and under, pursuant to Minnesota Rules, § 9505.0390);

(D) Audiology; and

(E) Respiratory therapy.

**6.1.34 Second Opinion.** MCOs must provide, at the MCO expense, a second medical opinion within the health plan upon Enrollee request pursuant to Minnesota Rules, Part 9500.1462 (A).

**6.1.35 Transplants.** Covered transplants: cornea, heart, kidney, liver, lung, pancreas, heart-lung, intestine, intestine-liver, pancreas-kidney, pancreatic islet cell, stem cell, bone marrow and other transplants that are listed in the Provider Manual, covered by Medicare, or recommended by the STATE's medical review agent. All organ transplants must be performed at transplant centers meeting United Network for Organ Sharing (UNOS) criteria or at Medicare approved organ transplant centers. Stem cell or bone marrow transplant centers must meet the standards established by the Foundation for the Accreditation of Cellular Therapy (FACT).

**6.1.36 Tuberculosis-Related Services.** Tuberculosis related services include Case Management and Directly Observed Therapy (DOT) which consists of direct observation of the intake of drugs prescribed to treat tuberculosis by a nurse or other trained health care Provider. The MCO shall make reasonable efforts to contract with and use the Local Public Health Nursing Agency as the Provider for direct observation of the intake of drugs prescribed to treat tuberculosis and refer for nurse case management, except for persons who are institutionalized. The MCO shall communicate to medical care Providers that tuberculosis patients should be referred to the Local Public Health Agency for DOT and nurse case management services.

**6.1.37 Vaccines and Immunizations.** Covered vaccines and immunizations include, but are not limited to: (A) recommendations by the Minnesota Department of Health; (B) human papilloma virus (HPV) immunizations for males and females ages nine (9) to twenty-six (26);

(C) Zostavax® for Enrollees ages sixty (60) and over; and (D) Varicella for Enrollees age 19 and older.

**6.1.38 Vision Care Services.** Vision care services include vision examinations, eyeglasses, and optician, optometrist and ophthalmologist services. Eyeglasses, sunglasses and contact lenses shall be provided only if prescribed by or through the MCO participating physicians or participating optometrists. The MCO must make available a reasonable selection of eyeglass frames, but is not required to make available an unlimited selection. Replacement of lost, stolen or irreparably damaged eyeglasses, sunglasses, and contact lenses may be covered upon a showing of Medical Necessity and may be limited to the replacement of the same frames.

**6.2 Substitute Health Services Permitted.** To the extent consistent with Minnesota Statutes, Chapter 256B and § 256L.03, et seq., and § 256D.03, subd. 4, the MCO shall have the right, in its discretion, to pay for or provide Substitute Health Services if such services are, in the judgment of the MCO, medically appropriate and cost-effective. Substitute Health Services submitted as encounter data will be considered in calculations of MCO costs pursuant to Article 4 .

**6.3 Additional Services Permitted.** The MCO may provide or arrange to have provided services in addition to the services described in section 6.1 as permitted through waivers granted by the U.S. Department of Health and Human Services-Centers for Medicare and Medicaid Services under Title XI, § 1115 of the Social Security Act, for Enrollees for whom, in the judgment of the MCO's Care Management staff, the provision of such services is Medically Necessary; provided, however, that it is understood that the provision of any such services shall not affect the calculation of capitation rates pursuant to Article 4.

#### **6.4 Common Carrier Transportation Services.**

**6.4.1 General.** In addition to the medical transportation services described in section 6.1.20, and except for the services described in section 6.4.2, the MCO shall provide Common Carrier Transportation, including Volunteer Drivers when available, to its Medical Assistance Enrollees for the purpose of obtaining covered health care services.

#### **6.4.2 Common Carrier Transportation that is Not the Responsibility of the MCO.**

(A) The Local Agency shall remain responsible for reimbursing the Enrollee or the Enrollee's driver for mileage to non-emergency Covered Services, and meals and lodging as necessary.

(B) The MCO shall not be responsible for providing Common Carrier Transportation in any situation where the Enrollee has access to private automobile transportation (not including Volunteer Drivers) to a non-emergency service covered under this Contract.

(C) The MCO shall not be responsible for providing Common Carrier Transportation when an Enrollee chooses a non-emergency Primary Care Provider located thirty (30) miles or more from the Enrollee's home, or when an Enrollee chooses a Specialty Care

Provider that is more than sixty (60) miles from the Enrollee's home, unless the MCO approves the travel because the non-emergency primary or specialty care required is not available within the specified distance from the Enrollee's residence.

(D) Providing non-emergency transportation to medical services located outside of Minnesota that have been approved by the MCO is the responsibility of the Local Agency.

**6.4.3 Common Carrier Transportation.** The STATE shall reimburse the MCO on a capitation basis for transporting an Enrollee to or from the site of a non-emergency service covered under this Contract, pursuant to Minnesota Statutes, § 256B.691.

**6.5 Vaccines for Children.** The MCO agrees to participate in the Vaccines for Children (VFC) immunization program, pursuant to 42 USC § 1396s and Minnesota Statutes, § 256B.0625, subd. 39. The MCO will also collaborate as reasonably requested with public health agencies to ensure childhood immunizations to all enrolled families with Children, pursuant to Minnesota Statutes, § 256L.12, subd. 10.

**6.6 Special Education Services.** The MCO may not deny the provision of or payment for Medically Necessary medical services for which the MCO is otherwise responsible under this Contract solely because, pursuant to section 6.8.9, those services are or could be included in a Child's individualized education plan (IEP), or an infant's or toddler's individualized family service plan (IFSP), adopted pursuant to 34 CFR Part 300.

#### **6.7 Limitations on MCO Services.**

**6.7.1 Medical Necessity.** Unless otherwise provided in this Contract, or otherwise mandated by state or federal law, the MCO shall be responsible for the provision and cost of health care services as described in Article 6 only when such services are deemed to be Medically Necessary by the MCO.

**6.7.2 Coverage Limited to Program Coverage.** Except as otherwise provided under this Contract, all health care services prescribed or recommended by a participating physician, dentist, care manager, or other practitioner, or approved by the MCO are limited to services that are covered under Medical Assistance.

**6.8 Services Not Covered By This Contract.** Although the MCO may provide the following services, the prepaid capitation rate does not include payment for the following services, and therefore the MCO is not required to provide them:

**6.8.1 Abortion Services** are not covered.

**6.8.2 Cosmetic Procedures or Treatment.** Cosmetic procedures or treatment are not covered, except that the following services are not considered cosmetic and therefore must be covered: services necessary as the result of injury, illness or disease, or for the treatment or repair of birth anomalies.

**6.8.3 Circumcision.** Circumcision is not covered unless Medically Necessary.

**6.8.4 Experimental or Investigative Services** are not covered.

**6.8.5 Services Provided at Federal Institutions.** All claims arising from services provided by institutions operated or owned by the federal government are not covered, unless the services are approved by the MCO.

**6.8.6 State and Other Institutions.** All claims arising from services provided by a state regional treatment center, a state-owned long term care facility, or an institution for mental disease (IMD) are not covered, unless the services are approved by the MCO or unless the services are court-ordered pursuant to Minnesota Statutes, § 62Q.535; § 253B.045, subd. 6; or § 260C.201, subd. 1.

**6.8.7 Fertility Drugs and Procedures.** Fertility drugs are not covered when specifically used to enhance fertility. The following procedures also are not covered: in vitro fertilization, artificial insemination, and reversal of a voluntary sterilization.

**6.8.8 Sex Reassignment Surgery** is not covered.

**6.8.9 IEP and IFSP Services.** Medically Necessary Medical Assistance services that would otherwise be covered by this Contract that are provided by school districts or their contractors and are either: (1) identified in an Enrollee's Individual Education Plan (IEP), or (2) Individual Family Service Plan (IFSP), are not covered.

**6.8.10 Incidental Services.** Incidental services are not covered, including but not limited to: 1) rental of television or telephone; 2) barber and beauty services; and 3) guest services that are not Medically Necessary.

**6.8.11 Certain Mental Health Services.** Housing associated with Intensive Residential Treatment (IRT) is not covered.

**6.8.12 HIV Case Management Services** are not covered.

**6.8.13 Out of Country Care.** Medicaid payments must not be made:

- (A) For services delivered or items supplied outside of the United States; or
- (B) To a provider, financial institution, or entity located outside of the United States.

For the purpose of this section, United States includes the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

**6.8.14 Waiver Services.** Services provided under home-based and community-based waivers authorized under 42 USC § 1396 are not covered.

**6.8.15 Drugs covered under the Medicare Prescription Drug Program.** Drugs covered under the Medicare Prescription Drug Program are not covered (for Enrollees who are eligible for Medicare).

**6.8.16 Nursing Facility Services.** Nursing facility services are not covered under this Contract unless provided as a Substitute Health Service under section 6.2 of this Contract.

**6.8.17 Other.** All other exclusions set forth in Minnesota Statutes, § 256B.0625, Minnesota Statutes, § 256B.69, Minnesota Rules, Part 9505.0170 to 9505.0475, and Minnesota Rules, Part 9500.1450 to 9500.1464 are not covered.

## **6.9 Enrollee Liability and Limitations.**

**6.9.1 Cost-sharing.** Enrollees may be liable for cost-sharing pursuant to section 4.4.

**6.9.2 Limitation.** Except for sections 4.4, the MCO will not bill or hold the Enrollee responsible in any way for any charges or cost-sharing, for Medically Necessary Covered Services or services provided as Substitute Health Services to Covered Services as part of the MCO's Care Management Plan. Providers may seek payment from an Enrollee for non-covered services (not otherwise eligible for payment), pursuant to Minnesota Statutes, § 256B.0625, subd. 55. The MCO shall ensure that its subcontractors also do not bill or hold the Enrollee responsible in any way for any charges or cost-sharing for such services. The MCO shall further ensure that an Enrollee will be protected against liability for payment when:

- (A) The MCO does not receive payment from the STATE for the Covered Services;
- (B) A health care Provider under contract or other arrangement with the MCO fails to receive payment for Covered Services from the MCO;
- (C) Payments for Covered Services furnished under a contract or other arrangement with the MCO are in excess of the amount that an Enrollee would owe if the MCO had directly provided the services; or
- (D) A non-Participating Provider does not accept the MCO's payment as payment in full.

**6.10 Penalty for Illegal Remuneration.** If the MCO or its subcontractors violate 42 USC § 1320a-7b(d), the MCO and its subcontractors may be subject to the criminal penalties stated therein.

**6.11 No Payments to Enrollees.** The MCO shall not make payment to an Enrollee in reimbursement for a service provided under this Contract. (See 42 CFR § 447.25).

**6.12 Designated Source of Primary Care.** The MCO will provide each Enrollee with a choice of a Primary Care Provider who will coordinate the Enrollee's care. The MCO shall have written procedures that ensure that each Enrollee has an ongoing source of Primary Care appropriate to his or her needs and a Provider formally designated as primarily responsible for coordinating the health care services furnished to the Enrollee.

**6.13 Fair Access to Care.** The MCO agrees that the health care services listed in Article 6 will be available to Enrollees during normal business hours to the same extent available to the general population.

**6.14 Geographic Accessibility of Providers.** In accordance with Minnesota Statutes, § 62D.124, the MCO must demonstrate that its Provider network is geographically accessible to Enrollees in its Service Area. In determining the MCO's compliance with the access standards, the STATE may consider an exception granted to the MCO by the Minnesota Department of Health for areas where the MCO cannot meet these standards.

**6.15 Access Standards.** The MCO shall provide care to Enrollees through the use of an adequate number of hospitals, service locations, service sites, and professional, allied and paramedical personnel for the provision of all Covered Services, pursuant to the following standards:

**6.15.1 Primary Care.**

(A) Distance/Time: No more than thirty (30) miles or thirty (30) minutes distance for all Enrollees, or the STATE's Generally Accepted Community Standards.

(B) Adequate Resources: The MCO shall have available appropriate and sufficient personnel, physical resources, and equipment to meet the projected needs of its Enrollees for covered health care services.

(C) Timely Access: The MCO shall arrange for covered health care services, including referrals to Participating and non-Participating Providers, to be accessible to Enrollees on a timely basis in accordance with medically appropriate guidelines and consistent with Generally Accepted Community Standards.

(D) Appointment Times: Not to exceed forty-five (45) days from the date of an Enrollee's request for routine and preventive care and twenty-four (24) hours for Urgent Care.

(E) Tracking: The MCO must have a system in place for confidential exchange of Enrollee information with the Primary Care Provider, if a Provider other than the Primary Care Provider delivers health care services to the Enrollee.

**6.15.2 Specialty Care.**

(A) Transport Time: Not to exceed sixty (60) minutes, or the STATE's Generally Accepted Community Standards.

(B) Appointment/Waiting Time: Appointments for a specialist shall be made in accordance with the time frame appropriate for the needs of the Enrollee, or the Generally Accepted Community Standards.



**6.15.3 Emergency Care/Shock Trauma.** All emergency care must be provided on an immediate basis, at the nearest equipped facility available, regardless of MCO contract affiliation.

**6.15.4 Hospitals.** Transport time: Note to exceed thirty (30) minutes, or the STATE's Generally Accepted Community Standards.

**6.15.5 Dental, Optometry, Lab, and X-Ray Services.**

(A) Transport Time: Not to exceed sixty (60) minutes, or the STATE's Generally Accepted Community Standards.

(B) Appointment/Waiting Time: Not to exceed sixty (60) days for regular appointments and forty-eight (48) hours for Urgent Care. For the purposes of this section, regular appointments for dental care means preventive care and/or initial appointments for restorative visits.

**6.15.6 Pharmacy Services.** Transport Time: Not to exceed sixty (60) minutes, or the STATE's Generally Accepted Community Standards.

**6.15.7 Other Services.** All other services not specified in this section shall meet the STATE's Generally Accepted Community Standards or other applicable standards.

**6.16 Around-the-Clock Access to Care.** The MCO shall make available to Enrollees access to Medical Emergency Services, Post-Stabilization Care Services and Urgent Care on a twenty-four (24) hour, seven-day-per-week basis. The MCO must provide a twenty-four (24) hour, seven day per week MCO telephone number that is answered in-person by the MCO or an agent of the MCO. This telephone number must be provided to the STATE. The MCO is not required to have a dedicated telephone line.

**6.17 Serving Minority and Special Needs Populations.** The MCO must offer appropriate services for the following special needs groups. Services must be available within the MCO or through contractual arrangements with Providers to the extent that the service is a Covered Service pursuant to this Article.

(A) Persons with a Serious and Persistent Mental Illness. Services for this group include ongoing medications review and monitoring, day treatment, and other alternatives to conventional therapy, and coordination with the Enrollee's case management service Provider to assure appropriate utilization of all needed psychosocial services.

(B) Persons with a Physical Disability and/or Chronic Illness. Services for this group include in-home services and neurological assessments.

(C) Abused Children and Adults, Abusive Individuals. Services for this group include comprehensive assessment and diagnostic services and specialized treatment techniques for victims and perpetrators of maltreatment (physical, sexual, and emotional).

(D) Enrollees with Language Barriers. Services for this group include interpreter services, bilingual staff, culturally appropriate assessment and treatment. When an individual is enrolled, the enrollment form will indicate whether the Enrollee needs the services of an interpreter and what language she or he speaks. Upon receipt of enrollment information indicating interpreter services are needed, the MCO shall contact the Enrollee by phone or mail in the appropriate language to inform the Enrollee how to obtain Primary Care services. In addition, whenever an Enrollee requests an interpreter in order to obtain health care services, the MCO must provide the Enrollee with access to an interpreter. See section 6.1.16.

(E) Cultural and Racial Minorities. Services for this group include culturally appropriate services rendered by Providers with special expertise in the delivery of health care services to the various cultural and racial minority groups.

(F) Persons with a Dual Mental Illness /Developmental Disability or Mental Illness /Chemical Dependency Clients. Services for this group include comprehensive assessment, diagnostic and treatment services provided by staff who are trained to work with clients with multiple disabilities and complex needs.

(G) Lesbians, Gay Men, Bisexual and Transgender Persons. Services for this group include sensitivity to critical social and family issues unique to these Enrollees.

(H) Persons with a Hearing Impairment. Services for this group include access to TDD and hearing impaired interpreter services.

(I) Enrollees in Need of Gender Specific Mental Health and/or Chemical Dependency Treatment. The MCO must provide its Enrollees with an opportunity to receive mental health and/or chemical dependency services from the same sex therapist and the option of participating in an all-male or all-female group therapy program.

(J) Persons with a Developmental Disability (DD). Services for this group include specialized mental health and rehabilitative services and other appropriate services covered by Medical Assistance services that are designed to maintain or increase function and prevent further deterioration or dependency and that are coordinated with available community resources and support systems, including the Enrollee's Local Agency DD case management service Provider, families, guardians and residential care Providers. Continuity of care should be a major consideration in the treatment planning process. Referrals to specialists and sub-specialists must be made when medically indicated.

(K) American Indians. Services for this group include culturally appropriate services rendered by Providers with special expertise in the delivery of health care services to the various tribes.

**6.18 Client Education.** The MCO will ensure that Enrollees are advised of the appropriate use of health care and the contributions they can make to the maintenance of their own health.

**6.19 Direct Access to Obstetricians and Gynecologists.** Pursuant to Minnesota Statutes, § 62Q.52, the MCO shall provide Enrollees direct access without a referral or Service Authorization to the following obstetric and gynecologic services: 1) annual preventive health examinations and any subsequent obstetric or gynecologic visits determined to be Medically Necessary by the examining obstetrician or gynecologist; 2) maternity care; and 3) evaluation and necessary treatment for acute gynecologic conditions or emergencies. Direct access shall apply to obstetric and gynecologic Providers within the Enrollee's network or care system, including any Providers with whom the MCO has established referral patterns.

#### **6.20 Services Received at Indian Health Care Providers.**

**6.20.1 Access.** American Indian Medical Assistance Enrollees, living on or off a reservation, will have direct out-of-network access to Indian Health Care Providers, for services that would otherwise be covered under Minnesota Statutes, § 256B.0625, even if such facilities are not Participating Providers. The MCO shall not require any Service Authorization or impose any condition for an American Indian to access services at such facilities.

#### **6.20.2 Referrals from Indian Health Care Providers.**

(A) When a physician in an IHCP facility refers an American Indian Enrollee to a Participating Provider for services covered under this Contract, the MCO shall not require the Enrollee to see a Primary Care Provider prior to the referral.

(B) The Participating Provider to whom the IHCP physician refers the Enrollee may determine that services are not Medically Necessary or not covered.

**6.20.3 Home Care Service Assessments.** The MCO will comply with section 6.1.13(D) for requirements specific to Tribal Community Members and home care assessments.

**6.20.4 Cost-sharing for American Indian Enrollees.** The MCO shall cooperate in assuring that the IHCP and Providers providing IHS Contract Health Services (IHS CHS) through referral from IHS Facilities do not charge copayments to American Indians, pursuant to section 4.4.1(E).

**6.20.5 STATE Payment for IHS and 638 Facility Services.** The STATE shall pay IHS and 638 facilities directly for services provided to American Indian Enrollees under this Contract. The STATE shall send an electronic report of the American Indians enrolled in the MCO on a monthly basis, as part of the enrollment data, using the most complete and accurate means available to the STATE. The STATE shall provide the MCO with a statement of encounters by Enrollees electronically, on a quarterly basis, by the 15th day of the month following the end of the calendar quarter, which shall describe the date of service, the Recipient, and the diagnosis code.

#### **6.20.6 Payment for IHCPs That Are Not IHS and 638 Facilities.**

(A) Consistent with section 5006(d) of the American Recovery and Reinvestment Act of 2009, MCO must pay an Urban Indian Organization that is an FQHC (but not a Participating Provider with the MCO) for the provision of covered services to an

American Indian Enrollee at a rate equal to the amount of payment that the entity would pay an FQHC that is a Participating Provider (but is not an IHCP) for such services.

(B) In the case of an IHCP that is not an IHS or 638 Facility nor FQHC, and for IHS Contract Health Services, the MCO must

- (1) Pay for covered services (at Participating or non-Participating Providers) provided to American Indian Enrollees at a rate equal to the rate negotiated between the MCO and the Provider or,
- (2) If such a rate has not been negotiated, the MCO must make payment at a rate that is not less than the level and amount of payment which the MCO would make if the services were furnished by a Participating Provider that is not an IHCP; and
- (3) The MCO must make payment at a rate that is not less than the State Plan rate for the service.
- (4) Pursuant to Section 5006 (c) of the ARRA and 42 CFR § 447.57, the MCO must not reduce payments to Indian Health Care Providers or Providers providing IHS Contract Health Services (IHS CHS) for cost-sharing amounts not paid by eligible American Indian Enrollees under the exceptions in sections 4.4.1(E). The MCO must ensure refunds to Enrollees of cost-sharing collected in error.

**6.20.7 Cooperation.** The MCO agrees to work cooperatively with the STATE, other MCOs under contract with the STATE, and tribal governments to find mutually agreeable mechanisms to implement this section including, but not limited to, a common notification form by which tribal governments may report referrals to the MCO.

## **6.21 Service Authorization and Utilization Review.**

**6.21.1 General Exemption for Medicaid Services.** The MCO is exempt from STATE Service Authorization and second surgical opinion procedures at Minnesota Rules, Part 9505.5000 through 9505.5105, and from certification for admission requirements at Minnesota Rules, Part 9505.0501 through 9505.0540.

**6.21.2 Medical Necessity Standard.** The MCO may require Service Authorization for services, except for Medical Emergency Services and services as described in section 6.22. Service Authorization shall be based on Medical Necessity, pursuant to section 2.59. In the case of mental health services, service authorization shall also be based on Minnesota Statutes, § 62Q.53, and for CD services, Minnesota Rules, Parts 9530.6600 through 9530.6655.

**6.21.3 Utilization Review.** The MCO, and if applicable its subcontractor, must have in place and follow written policies and procedures for utilization review that: (1) reflect current standards of medical practice in processing requests for initial or continued Service Authorization of services; and (2) meet the requirements specified in Minnesota Statutes, § § 62M.05 and 62M.09. The MCO's policies and procedures shall ensure the following:

- (A) Consistent application of review criteria for authorization decisions;
- (B) Consultation with the requesting Provider when appropriate;
- (C) Decisions to deny an authorization request or authorize it in an amount, duration, or scope that is less than requested be made by a Health Care Professional who has appropriate clinical expertise in treating the Enrollee's health condition; and
- (D) Notification to the requesting Provider and written notice to the Enrollee of the MCO's decision to deny or limit the request for services in accordance with section 8.3.

**6.21.4 Denials Based Solely on Lack of Service Authorization.** Pursuant to Minnesota Statutes, § 62D.12, subd. 19, the MCO shall not deny or limit coverage of a service which the Enrollee has received solely on the basis of lack of Service Authorization, to the extent that the service would otherwise have been covered by the MCO had Service Authorization been obtained.

## **6.22 Out of Network and Transition Services.**

**6.22.1 Out of Network Services.** The MCO shall cover Medically Necessary Out of Plan or Out of Service Area services received by an Enrollee when one of the following occurs:

- (A) The Enrollee requires Medical Emergency Services.
- (B) The Enrollee requires Post-Stabilization Care Services to maintain, improve or resolve the Enrollee's condition. The MCO shall continue coverage until: 1) an MCO Provider assumes responsibility for the Enrollee's care; 2) the MCO reaches an agreement with the treating Provider concerning the Enrollee's care; 3) the MCO has contacted the treating Provider to arrange for a transfer; or 4) the Enrollee is discharged.
- (C) The Enrollee is Out of Service Area and requires Urgent Care.
- (D) The Enrollee is Out of Service Area or Out of Plan and in need of non-emergency medical services that are or have been prescribed, recommended, or are currently being provided by a Participating Provider. The MCO may require Service Authorization. When the Enrollee is authorized for Out of Plan care or Out of Service Area care, the MCO shall reimburse the non-Participating Provider for such services pursuant to section 6.22.3.
- (E) The Enrollee moves Out of Service Area and this change is entered on MMIS after the Cut-Off Date, and a payment has been or will be made to the MCO for coverage for the Enrollee for that same or next month. The MCO shall reimburse, at no less than the Medical Assistance fee-for-service rate, any services provided by non-Participating Providers to the Enrollee during the balance of the month or the month after which the Enrollee has moved. The MCO may condition reimbursement of these Out of Plan services on the Enrollee's requesting MCO approval or Service Authorization to receive such services except for services needed to respond to a Medical Emergency.

(F) Pregnancy-related services the Enrollee receives in connection with an abortion, including, but not limited to, transportation and interpreter services.

**6.22.2 Transition Services.** The MCO is responsible for care in the following situations.

(A) **Services Previously Service Authorized.** The MCO shall provide Enrollees Medically Necessary Covered Services that an Out of Plan Provider, another MCO, or the STATE had Service Authorized before enrollment in the MCO. The MCO may require the Enrollee to receive the services by an MCO Provider, if such a transfer would not create undue hardship on the Enrollee and is clinically appropriate. Transition services relating to mental health service and chemical dependency services are covered as described in the below paragraphs of this section.

(B) **Chemical Dependency Services.** The MCO shall be responsible for all treatment and treatment-related room and board effective upon the date of the Recipient's enrollment into the MCO. Except for inpatient hospital-based programs, enrollment into the MCO will not be delayed. The MCO shall provide coverage for services that were authorized by the CCDTF or any other STATE-contracted MCO prior to the Recipient's enrollment in the MCO, unless the MCO completes a new Rule 25 assessment or assessment update, which identifies a different level of need for services.

(C) **Mental Health Services.** At the time of initial enrollment, the MCO shall consider the individual Enrollee's prior use of mental health services and to develop a transitional plan to assist the Enrollee in changing mental health Providers, should this be necessary, and to develop a plan to assure the need for continuity of care for any individual or family who is receiving ongoing mental health services.

(D) **Enrollee Change of MHCP.** The MCO shall continue coverage if: 1) the Enrollee was enrolled with the MCO in the same county, but under a different MHCP covered under another STATE-MCO contract; 2) the MCO products do not have the same Participating Providers; and 3) the Enrollee chooses to receive services from the Participating Providers from the prior enrollment with the MCO. The MCO must notify any affected Enrollee of his or her right to choose to remain with their original Participating Providers.

(E) **Pharmacy.** Upon the Enrollee's enrollment into the MCO, the MCO shall continue payment of all drugs the Enrollee is taking under a current prescription, except for those drugs covered by a Medicare Prescription Drug Program (Part D) for Medicare eligible Enrollees. This payment shall continue until such time as a transition plan can be established by the MCO or ninety (90) days, whichever occurs first, and shall apply to all those Enrollees who have identified themselves to the MCO or have been identified to the MCO by an appropriate representative as requiring such continuation.

**6.22.3 Reimbursement Rate for Out-of-Plan or Out of Service Area Care.** When the Enrollee is authorized for Out of Plan care or Out of Service Area care, the MCO shall reimburse the non-Participating Provider for the Out of Plan care or Out of Service Area care. Pursuant to

section 6085 of the Deficit Reduction Act, the MCO may not reimburse more than the comparable Medical Assistance fee-for-service rate for emergency services furnished by non-Participating Providers. For all other services, pursuant to Minnesota Rules, Part 9500.1460, Subpart 11a, the MCO is not obligated to reimburse the non-Participating Provider more than the comparable Medical Assistance fee-for-service rate or its equivalent, unless another rate is required by law.

**6.23 Residents of Nursing Facilities.** If a medical service eligible for coverage under this Contract has been ordered by a participating physician or dentist for an Enrollee residing in a Nursing Facility, the MCO is responsible for providing the service and covering the cost of the service required by the physician's or dentist's order.

#### **6.24 Timeframe to Evaluate Requests for Services.**

**6.24.1 General Request for Services.** The MCO must evaluate all requests for services, either by Participating Providers or Enrollees, within ten (10) business days of receipt of the request for services, pursuant to sections 6.21 and 8.1.2. The MCO must communicate its decision on all requests for services to the Enrollee or his or her authorized representative and the appropriate Provider as expeditiously as the Enrollee's health condition requires, but no later than the evaluation determination.

**6.24.2 Request for Urgent Services.** If the need is for Urgent Care or for services required to prevent institutionalization, the MCO must evaluate the request for services and communicate its decision to the Enrollee or authorized representative and the Provider within an expedited time frame appropriate to the type of service and the need for service that has been requested by the Enrollee or requested on the Enrollee's behalf. In no circumstance shall the review exceed seventy-two (72) hours.

**6.24.3 Request for Mental Health and/or Chemical Dependency (CD) Services.** The MCO must provide Mental Health and/or CD services in a timely manner. Enrollees requiring CD crisis intervention or mental health crisis intervention services should be seen immediately. Other Enrollees in need of mental health and CD services should have an appropriate assessment performed within two weeks.

**6.25 Access to Culturally and Linguistically Competent Providers.** To the extent possible, the MCO shall provide Enrollees with access to Providers who are culturally and linguistically competent in the language and culture of the Enrollee. For the purpose of this Contract, cultural and linguistic competence includes Providers who serve Enrollees who are deaf and use sign language or an alternative mode of communication.

(A) The MCO agrees to work towards increasing the Provider pool of culturally and linguistically competent Providers where there is an identified need, including but not limited to, participating in STATE efforts to increase the Provider pool of culturally and linguistically competent Providers, and participating in the STATE's needs assessment process and related planning effort to expand the pool.

(B) Nothing in this section shall obligate an MCO to contract or continue to contract with a Provider if the MCO has determined that it has sufficient access for Enrollees to

culturally and linguistically competent Providers and/or if the Provider does not meet the MCO's participation criteria, including credentialing requirements.

**6.26 Public Health Goals.** The MCO shall engage in the following public health activities, toward the achievement of public health goals:

**6.26.1 For the Metro Area.** These goals were mutually developed by a "PMAP Public Health Goals" *ad hoc* workgroup, composed of members of the Metropolitan Local Public Health Association and the Minnesota Council of Health Plans. The goal statements for immunizations and tobacco use prevention were derived from local, state, and federal population health improvement goals:

(A) Response to Violence. By undertaking the following activities, the MCO will continue to work towards the goal of one hundred percent (100%) of participating medical clinics that include assessments for family violence in their protocols, along with client care plans that connect clients to community resources:

(1) To the extent possible, the STATE will share data from a standardized prenatal assessment tool with the MCO and the Local Public Health Agencies, for the purposes of jointly analyzing the data to determine the exposure of Pregnant Women to violence, and to identify the best use of the data to improve services and outcomes.

(2) The MCO and Counties will work together to develop collaborative responses to families exposed to violence.

(B) Tobacco Use Prevention and Control. By undertaking the following activities The MCO will work to reduce tobacco use among select population groups:

(1) The MCO will work with local public health agencies on the implementation and evaluation of community based tobacco use prevention programs funded through the tobacco prevention endowments.

(2) The MCO will collaborate with the Center for Population Health tobacco subcommittee to disseminate AHRQ smoking cessation guidelines or other approved guidelines to their Provider networks.

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## **Article. 7 Quality Assessment and Performance Improvement.**

**7.1 Quality Assessment and Performance Improvement Program.** The MCO shall provide for a quality assessment and performance improvement program consistent with federal requirements under Title XIX of the Social Security Act, 42 CFR § 438, Subpart D, and as required pursuant to Minnesota Statutes, Chapters 62D, 62M, 62N, 62Q and 256B and related rules, including Minnesota Rules, Part 4685.1105 to 4685.1130, and applicable NCQA “*Standards and Guidelines for the Accreditation of Health Plans*” as specified in this Contract.

The MCO shall have an ongoing quality assessment and performance improvement program for the services it furnishes to all Enrollees ensuring the delivery of quality health care.

**7.1.1 Scope and Standards.** The MCO must incorporate into its quality assessment and improvement program the standards as described in 42 CFR § 438, Subpart D, (Access, Structure and Operations, and Measurement and Improvement). At least annually, the MCO must assess program standards to determine the quality and appropriateness of care and services furnished to all Enrollees. This assessment must include monitoring and evaluation of compliance with STATE and CMS standards and performance measurement.

**7.1.2 Information System.** The MCO must operate an information system that supports initial and ongoing operations and quality assessment and performance improvement program. The MCO must maintain a health information system that collects, analyzes, integrates, and reports data, and can achieve the following objectives:

- (A) Collect data on Enrollee and Provider characteristics, and on services furnished to Enrollees;
- (B) Ensure that data received from Providers is accurate and complete by:
  - (1) Verifying the accuracy and timeliness of reported data;
  - (2) Screening or editing the data for completeness, logic, and consistency; and
  - (3) Collecting service information in standardized formats to the extent feasible and appropriate.
- (C) Make all collected data available to the STATE and CMS upon request.

**7.1.3 Utilization Management.** The MCO shall adopt a utilization management structure consistent with state regulations and current NCQA “*Standards and Guidelines for the Accreditation of Health Plans.*” Pursuant to 42 CFR § 438.240(b)(3), this structure must include an effective mechanism and written description to detect both under- and over-utilization of services.

- (A) Ensuring Appropriate Utilization. The MCO shall facilitate the delivery of appropriate care and monitor the impact of its utilization management program to detect and correct potential under- and over-utilization. The MCO shall:

- (1) Choose the appropriate number of relevant types of utilization data, including one type related to behavioral health to monitor.
- (2) Set thresholds for the selected types of utilization data and annually quantitatively analyze the data against the established thresholds to detect under- and over-utilization.
- (3) Examine possible explanations for all data not within thresholds.
- (4) Analyze data not within threshold by medical group or practice.
- (5) Take action to address identified problems of under- and over-utilization and measure the effectiveness of its interventions.

**7.1.4 Special Health Care Needs.** The MCO must have effective mechanisms to assess the quality and appropriateness of care furnished to Enrollees with special health care needs. If the MCO has in place an alternative mechanism(s), or is proposing a new mechanism(s) that meets or exceeds the requirements of section 7.1.4(A), the MCO must submit a written description to the STATE for approval. If the MCO's mechanism(s) have been approved by the STATE and there has been a material change, the MCO must timely submit a revised description to the STATE for approval.

(A) Mechanism to Identify Persons with Special Health Care Needs. The MCO must identify Enrollees that may need additional services through method(s) approved by the STATE.

(1) The MCO must analyze claim data for diagnoses and utilization patterns (both under- and over-utilization) to identify Enrollees who may have special health care needs. At a minimum the MCO must quarterly analyze claim data to identify Enrollees eighteen (18) years and older for the following:

- (a) Prevention Quality Indicators as described in the "*Guide to Prevention Quality Indicators: Hospital Admission for Ambulatory Care Sensitive Conditions*" by AHRQ for bacterial pneumonia, dehydration, urinary tract infection, adult asthma, congestive heart failure, hypertension and chronic pulmonary disease.
- (b) Hospital emergency department utilization as determined by the MCO.
- (c) Inpatient utilization stays for the MCO's identified key Minnesota Health Care Program diagnoses or diagnoses clusters.
- (d) Hospital readmission for the same or similar diagnoses as defined by the MCO within a timeframe specified by the MCO.
- (e) Individual Enrollee claims totaling more than one hundred thousand dollars (\$100,000.00) per year.

(f) Home Care Services utilization as determined by the MCO.

(2) In addition to claims data, the MCO may use other methods, such as: a) health risk assessment surveys; b) performance measures; c) medical record reviews; d) Enrollees receiving PCA services; e) requests for Service Authorizations; and/or f) other methods developed by the MCO or its Participating Providers.

(B) Assessment of Enrollees Identified. The MCO must implement mechanisms to assess Enrollees identified and monitor the treatment plan set forth by the MCO's treatment team, as applicable. The assessment must utilize appropriate Health Care Professionals to identify any ongoing special conditions of the Enrollee that require a course of treatment or regular care monitoring.

(C) Access to Specialists. If the assessment determines the need for a course of treatment or regular care monitoring, the MCO must have a mechanism in place to allow Enrollees to directly access a specialist as appropriate for the Enrollee's condition and identified needs.

(D) Annual Reporting to the STATE. The MCO shall incorporate into, or include as an addendum to, the MCO's Annual Quality Assessment and Performance Improvement Program Evaluation (as required in section 7.1.8) a Special Health Care Needs summary describing efforts to identify Enrollees that may need additional services and the following items:

(1) The number of Adults identified in section 7.1.4(A) with special health care needs;

(2) Annual number of assessments completed by the MCO or referrals for assessments completed; and

(3) If the MCO adds the information in this section as an addendum, the addendum must include an evaluation of items 7.1.4(A) through 7.1.4(C).

**7.1.5 Practice Guidelines.** The MCO shall adopt preventive and chronic disease practice guidelines appropriate for prenatal care (if applicable), young adult, and adult populations. The MCO must adopt, disseminate and apply practice guidelines consistent with the preventive care standards on chlamydia screening, breast cancer screening, and cervical cancer screening.

(A) Adoption of practice guidelines. The MCO shall adopt guidelines that: 1) are based on valid and reliable clinical evidence or a consensus of Health Care Professionals in the particular field; 2) consider the needs of the MCO Enrollees; 3) are adopted in consultation with contracting Health Care Professionals; and 4) are reviewed and updated periodically as appropriate.

(B) Dissemination of guidelines. The MCO shall ensure that guidelines are disseminated to all affected Providers and, upon request, to Enrollees and potential Enrollees.

(C) Application of guidelines. The MCO shall ensure that these guidelines are applied to decisions for utilization management, Enrollee education, coverage of services, and other areas to which there is application and consistency with the guidelines.

(D) Audit of Provider Compliance. The MCO shall audit a reasonable sample of its Providers (by physician or clinic) to determine Provider compliance with the practice guidelines the MCO has chosen as high priority to audit, using an appropriate data source. The MCO shall incorporate into, or include as an addendum to, the MCO's annual quality assessment and performance improvement program evaluation (as required in section 7.1.8) a written summary that shall include:

(1) How the MCO implemented this subsection, section 7.1.5(A) through 7.1.5(C);

(2) A description of all adopted guidelines, source of guidelines, date the guideline was reviewed and/or revised, including which guidelines are in place, and identify those guidelines that are applicable to, and/or modified for Enrollees under this Contract;

(3) Results of the audit; and

(4) Improvement strategies and/or necessary corrective action that will be undertaken.

(5) If the MCO adds the information in this section as an addendum, the addendum must include an evaluation of items 7.1.5(D), parts (1) through (4).

**7.1.6 Credentialing and Recredentialing Process.** The MCO shall adopt a uniform credentialing and recredentialing process and comply with that process consistent with state regulations and current NCQA "*Standards and Guidelines for the Accreditation of Health Plans.*" For organizational Providers, including hospitals, and Medicare certified home health care agencies, the MCO shall adopt a uniform credentialing and recredentialing process and comply with that process consistent with State regulations.

(A) Waiver service Providers and PCPAs are exempt from this requirement.

(B) Selection and Retention of Providers. The MCO must implement written policies and procedures for the selection and retention of Providers.

(C) Process for Credentialing and Recredentialing. The MCO must follow a documented process for credentialing and recredentialing of those Providers who are subject to the credentialing and recredentialing process and have signed contracts or participation agreements with the MCO.

(D) Discrimination Against Providers Serving High-Risk Populations. The MCO is prohibited from discriminating against particular Providers that serve high-risk populations or specialize in conditions that require costly treatment.

(E) Sanction Review. The MCO shall ensure prior to entering into or renewing an agreement with a Provider that the Provider:

- (1) Has not been sanctioned for fraudulent use of federal or state funds by the U.S. Department of Health and Human Services, pursuant to 42 USC § 1320 a-7(a) or by the State of Minnesota; or
- (2) Is not debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued pursuant to Executive Order No. 12549 (51 Federal Register 6370, February 18, 1986) or under guidelines interpreting such order, or
- (3) Is not an affiliate of such a Provider.
- (4) The MCO shall not knowingly contract with such a Provider.

(F) Restricting Financial Incentive. The MCO may not give any financial incentive to a health care Provider based solely on the number of services denied or referrals not authorized by the Provider, pursuant to Minnesota Statutes, § 72A.20, subd. 33, and as required under 42 CFR § 417.479.

(G) Provider Discrimination. The MCO shall not discriminate with respect to participation, reimbursement, or indemnification as to any Provider who is acting within the scope of the Provider's license or certification under applicable State law, solely on the basis of such license or certification. This section shall not be construed to prohibit the MCO from including Providers only to the extent necessary to meet the needs of the MCO's Enrollees or from establishing any measure designated to maintain quality and control costs consistent with the responsibilities of the MCO. If the MCO declines to include individuals or groups of Providers in its network, it must give the affected Providers written notice of the reason for its decision.

(H) Affiliated Provider Access Standards. The MCO shall require its Providers to meet the access standards required by section 6.15 of this Contract, and applicable state and federal laws. The MCO shall monitor, on a periodic or continuous basis, but no less than every twelve (12) months, the Providers' adherence to these standards.

**7.1.7 Annual Quality Assurance Work Plan.** On or before May 1, 2012 the MCO shall provide the STATE an annual written work plan that details the MCO's proposed quality assurance and performance improvement projects for the year. This report shall follow the guidelines and specifications contained in Minnesota Rules, Part 4685.1130, subpart 2, and current NCQA "*Standards and Guidelines for the Accreditation of Health Plans.*" If the MCO chooses to substantively amend, modify or update its work plan at any time during the year, it shall provide the STATE with material amendments, modifications or updates in a timely manner.

**7.1.8 Annual Quality Assessment and Performance Improvement Program Evaluation.** Effective for the 2013 Contract Year and thereafter, the MCO must conduct

an annual quality assessment and performance improvement program evaluation consistent with state and federal regulations, and current NCQA “*Standards and Guidelines for the Accreditation of Health Plans.*” This evaluation must review the impact and effectiveness of the MCO’s quality assessment and performance improvement program including performance on standardized measures and MCO’s performance improvement projects. The MCO must submit the written evaluation to the STATE by May 1st of the Contract Year.

**7.2 Performance Improvement Projects (PIPs).** The MCO must conduct PIPs designed to achieve, through ongoing measurements and intervention, significant improvement, sustained over time, in clinical care and non-clinical care areas that are expected to have a favorable effect on health outcomes and Enrollee satisfaction. Projects must comply with 42 CFR § 438.240(b)(1) and (d) and CMS protocol entitled “*Protocol for Use in Conducting Medicaid External Quality Review Activities: Conducting Performance Improvement Projects.*” The MCO is encouraged to participate in collaborative initiatives with the MCOs that coordinate PIP topics. The STATE will convene meetings with MCO representatives to discuss topics and options for collaborative PIPs.

**7.2.1 New Performance Improvement Project Proposal.** On or before September 1st of the Contract Year, the MCO must submit to the STATE for review and approval a written description of the PIP MCO proposes to conduct beginning the first quarter of the next calendar year. The project proposal(s) must be consistent with CMS published protocol entitled “*Protocol for Use in Conducting Medicaid External Quality Review Activities: Conducting Performance Improvement Projects*” and STATE requirements. The new PIP proposal(s) must include steps one through seven of the CMS protocol.

**7.2.2 Performance Improvement Project Interim Progress Assessment.** By December 1st of the Contract Year, the MCO must produce an interim performance improvement project report for each current project.

(A) The interim project report must include any changes to the project(s) protocol steps one through seven and steps eight through ten, as appropriate.

(B) If the MCO makes changes to the STATE-approved PIP success measure(s), the MCO shall submit changes to the STATE for approval.

(C) Upon the request of the STATE, the MCO shall make available to the STATE, or the STATE’s designated review agency, a copy of the reports.

**7.2.3 Final Performance Improvement Project Report.** The MCO must submit to the STATE for review and approval, upon completion of each PIP, a final written report by September 1st of the Contract Year. The report must include any changes to protocol steps one through ten, as appropriate. Each completed project must have a separate report.

**7.2.4 Performance Improvement Project Life Cycle.** The project lifecycle must be based upon the project’s measurement periodicity, such that there are two measurement periods after the project has been demonstrated to have obtained a statistically significant improvement

(*p* value of 0.05 or less). Implementation of the project must begin within the first quarter of the year following project approval.

**7.2.5 Termination of a Performance Improvement Project.** In the rare event that a project, after extensive MCO efforts to assess and correct barriers, fails to achieve statistical significance, the MCO may submit a written request to terminate the project. The request must demonstrate: 1) why the project was unable to result in significant improvement, sustained over time; 2) the MCO's efforts to resolve project barriers; and 3) an explanation of why these barriers were not addressed during the original proposal. The MCO is encouraged to provide information on how the project may have achieved "meaningful improvement" as defined by NCQA in the written termination request.

**7.2.6 Performance Improvement Project Categories.** The MCO shall propose a new PIP annually. PIP topics should address the full spectrum of clinical and nonclinical areas associated with the MCO and not consistently eliminate any particular subset of enrollees or topics when viewed over multiple years.

**7.3 Disease Management Program.** The MCO shall make available a Disease Management Program for its Enrollees with diabetes, asthma and heart disease.

(A) Disease Management Program Standards. The MCO's Disease Management Program shall be consistent with current NCQA "*Standards and Guidelines for the Accreditation of Health Plans*" pursuant to the QI Standard Disease Management.

(B) Waiver of Disease Management Program Requirement. If the MCO is able to demonstrate that a Disease Management Program is 1) not effective based upon Provider satisfaction, and is unable to achieve meaningful outcomes; or 2) will have a negative financial return on investment, the MCO may request that the STATE waive this requirement for the remainder of the Contract Year.

**7.4 Enrollee Satisfaction Surveys.** The STATE shall conduct an annual Enrollee satisfaction survey and, if necessary, the MCO shall cooperate with the entity arranged by the STATE to conduct the survey.

**7.4.1 Enrollee Disenrollment Survey.** Enrollee disenrollment, as measured by an ongoing survey conducted by the STATE or its designee in the manner required in Minnesota Statutes, Chapter 62J. The MCO shall cooperate with the STATE or its designee in collection activities as directed by the STATE.

**7.5 External Quality Review Organization (EQRO).** The MCO shall cooperate with the entity as arranged for by the STATE in an annual independent, external review of the quality of services furnished under this Contract, as required under 42 USC § 1396a(a)(30), and 42 CFR Part 438, Subpart E. Such cooperation shall include, but is not limited to: 1) meeting with the entity and responding to questions; 2) providing requested medical records and other data in the requested format; and 3) providing copies of MCO policies and procedures and other records, reports and/or data necessary for the external review.

**7.5.1 Nonduplication of Mandatory External Quality Review (EQR) Activities.** To avoid duplication, the STATE may use information collected from Medicare or private accreditation reviews in place of information collected by the EQRO, when the following required terms are met:

- (A) Complies with federal requirements (42 CFR § 438.360);
- (B) CMS or accrediting standards are comparable to standards established by the STATE and identified in the STATE's Quality Strategy;
- (C) MCOs must have received an NCQA accreditation rating of excellent, commendable or accredited; and
- (D) All Medicare or accrediting reports, findings and results, related to services provided under this Contract, are provided to the STATE.

**7.5.2 Exemption from EQR.** The MCO may request from the STATE an exemption to the EQR, if the MCO meets federal requirements (42 CFR § 438.362) and is approved by the STATE.

**7.5.3 Review of EQRO Annual Technical Report Prior to Publication.** The STATE shall allow the MCO to review a final draft copy of the EQRO Annual Technical Report prior to the date of publication. The MCO shall provide the STATE written comments about the report, including comments on its scientific soundness or statistical validity, within thirty (30) days of receipt of the final draft report. The STATE shall include a summary of the MCO's written comments in the final publication of the report, and may limit the MCO's comments to the report's scientific soundness and/or statistical validity.

**7.5.4 EQRO Recommendation for Compliance.** Pursuant to 42 CFR § 438.364(a)(5), the MCO shall effectively address recommendations for improving the quality of health care services made by the EQRO in the Annual Technical Report for obligations under this Contract.

**7.6 Delegation of Quality Improvement Program Activities.** The MCO shall meet the requirements for delegation as specified in section 9.3.7 for any delegated activities related to quality improvement.

**7.7 Documentation of Care Management.** The MCO shall maintain documentation sufficient to support its Care Management responsibilities set forth in section 6.1.4. Upon the reasonable request of the STATE, the MCO shall make available to the STATE, or the STATE's designated review agency, access to a sample of Enrollee Care Management plan documentation.

**7.8 Inspection.** The MCO shall provide that the STATE, CMS or their agents may evaluate through inspection or other means, the quality, appropriateness, and timeliness of services or administrative procedures performed under this Contract.



**7.9 Workgroup Participation.** The MCO shall appoint a representative to participate in the STATE's workgroups as follows:

(A) Quality Technical Committee covering EQR activities, surveys, Quality Strategy, and

(B) The collaborative quality improvement committee, covering measurement alignment, collaborative and priority initiatives.

#### **7.10 Financial Performance Incentives.**

**7.10.1 Compliance and Limits.** All incentives outlined in this section must comply with the federal managed care incentive arrangement requirements pursuant to 42 CFR § 438.6(c)(1)(iv); (2)(i); (4)(ii) and (iv); (5)(iii) and (iv) and the State Medicaid Manual (SMM) 2089.3, and to the extent that funds are available.

**7.10.2 Federal Limit.** The total of all payments paid to the MCO under this Contract shall not exceed 105% of the Capitation Payments pursuant to 42 CFR § 438.6(c)(5)(iii), as applicable to each group of rate cells covered under the incentive arrangement. If the incentive applies to the entire population covered under the Contract, the limit will apply in aggregate.

**7.10.3 Pay for Performance.** The MCO shall cooperate with the STATE to develop and implement a pay-for-performance model for rewarding Providers for chronic disease care.

(A) The STATE, as a member of the guiding coalition for the Minnesota Bridges to Excellence (BTE) health care quality initiative, has contracted with the Buyers Health Care Action Group (BHCAG) to implement the pay-for-performance BTE program. All private payers and the STATE participating in the pay-for-performance program contribute incentive payments based on the payer's proportionate share of Enrollees served by the clinics or medical groups.

(B) BHCAG calculates the incentive payment annually and provides a report to the MCOs and the State. As a participant in the program, the STATE pays the incentive reward payments to the MCO based on criteria established by BHCAG. The MCOs pay to BHCAG the same incentive reward payment. BHCAG then distributes the appropriate payment to the eligible clinics or medical groups based on their performance level of providing optimal chronic disease care.

(C) In order to receive the annual pay-for-performance reward, the MCO contracted clinic or medical group must have achieved optimal chronic disease care for a designated percentage of its patients, as determined by BHCAG. The pay-for-performance projects are limited to:

(1) Diabetes Care, and

(2) Coronary / Vascular Disease Care.

#### **7.10.4 Critical Access Dental Payment**

(A) The MCO shall participate in a dental access initiative whereby the MCO agrees to provide increased reimbursement to designated dentists for services for Medical Assistance Enrollees in accordance with the following:

- (1) Designation of Critical Access Dental Providers. The STATE shall provide to the MCO a list of designated dental Providers for the Critical Access Dental designation quarterly at the end of February, May, August and November.
- (2) Quarterly Reporting of MCO's Dental Payments to Designated Critical Access Dental Providers. The MCO shall provide for each quarter no later than the 15th of the month following the end of the quarter the total payment amount the MCO paid to the specific designated critical access dental Provider, in a format specified by the STATE. The report must be certified in accordance with section 9.10.
- (3) Critical Access Dental Payments to Designated Critical Access Dental Providers.
  - (a) The STATE shall calculate the critical access dental payment for each designated Provider identified in the MCO's quarterly report and provide to the MCO a payment schedule that will identify the amount of critical access dental payment to be paid to each designated Provider.
  - (b) For Medical Assistance covered services, this amount shall be fifty percent (50%) more than the amount that was reported by the MCO on its quarterly report, consistent with Minnesota Statutes, § 256B, subd. 4.
  - (c) The STATE will issue a gross payment adjustment to the MCO which will be the sum of the critical access dental payment amounts for the Providers identified in the quarterly report. The MCO shall distribute the critical access dental payments as specified in the STATE's payment schedule.
  - (d) In the event that a designated dental provider provides notice to the STATE that a payment by the MCO is incorrect, the MCO remains responsible for the payment after verification of the correct payment.

**7.11 Minnesota Community Measurement.** The STATE will work with MDH and the marketplace of purchasers and Providers on the development and application of the MN Community Measurement (MNCM) programs supporting MHCP. The MCOs shall retain and apply the race and ethnicity data supplied by DHS when needed for MNCM programs supporting MHCP.

## **Article. 8 The Grievance System: Grievances, Notices of Action (DTR), Appeals, and State Fair Hearings.**

### **8.1 General Requirements.**

**8.1.1 Components of Grievance System.** The MCO must have a Grievance System in place that includes a Grievance process, an Appeal process, and access to the State Fair Hearing system.

**8.1.2 Timeframes for Disposition.** The MCO must dispose of each Grievance, resolve each Appeal, and provide notice as expeditiously as the Enrollee's health condition requires, but no later than timeframes set forth in this Article.

**8.1.3 Legal Requirements.** The Grievance System must meet the requirements of Minnesota Statutes, § § 62M.06 and 256.045, subd. 3a (excluding the reference to Minnesota Statute, § 62D.11); and 42 CFR § 438, Subpart F.

**8.1.4 STATE Approval Required.** The MCO's Grievance System is subject to approval of the State. This requires that:

(A) Any proposed changes to the Grievance System must be approved by the STATE prior to implementation.

(B) The MCO must send written notice to Enrollees of significant changes to the Grievance System at least thirty (30) days prior to implementation.

(C) The MCO must provide information specified in 42 CFR § 438.10(g)(1) about the Grievance System to Providers and subcontractors at the time they enter into a contract.

(D) Within sixty (60) days after the execution of a contract with a Provider (e.g. hospitals, individual Providers, and clinics), the MCO must inform the Provider of the programs under this Contract, and specifically provide an explanation of the Notice of Rights and Responsibilities, and Grievance, Appeal and State Fair Hearing rights of Enrollees and Providers under this Contract.

**8.1.5 Response to Investigation.** Pursuant to Minnesota Statutes, § 256B.69, subd. 3a, the MCO must respond directly to county advocates, established under Minnesota Statutes, § 256B.69, subd. 21, and the STATE ombudsman, established under Minnesota Statutes, § 256B.69, subd. 20, regarding service delivery.

## **8.2 MCO Grievance Process Requirements.**

**8.2.1 Filing Requirements.** The Enrollee, or the Provider acting on behalf of the Enrollee with the Enrollee's written consent, may file a Grievance within ninety (90) days of a matter regarding an Enrollee's dissatisfaction about any matter other than an MCO "Action." Examples include the quality of care or services provided, rudeness of a Provider or employee, or failure to respect the Enrollee's rights. A Grievance may be filed orally or in writing.

### **8.2.2 Timeframe for Resolution of a Grievance.**

(A) Oral Grievances must be resolved within ten (10) days of receipt.

(B) Written Grievances must be resolved within thirty (30) days of receipt.

(C) Oral Grievances may be resolved through oral communication, but the MCO must send the Enrollee a written decision for written Grievances.

**8.2.3 Timeframe for Extension of Grievance Resolution.** The MCO may extend the timeframe for resolution of a Grievance by an additional fourteen (14) days if the Enrollee or the Provider requests the extension, or if the MCO justifies that due to a need for additional information, the extension is in the Enrollee's interest. The MCO must provide written notice to the Enrollee of the reason for the decision to extend the timeframe if the MCO determines that an extension is necessary. The MCO must issue a notice of resolution no later than the date the extension expires. The STATE may review the MCO's justification upon request.

#### **8.2.4 Handling of Grievances.**

(A) The MCO must mail a written acknowledgment to the Enrollee or Provider acting on behalf of the Enrollee, within ten (10) days of receiving a written Grievance, and may combine it with the MCO's notice of resolution if a decision is made within the ten (10) days.

(B) The MCO must maintain a log of all Grievances, oral and written.

(C) The MCO must not require submission of a written Grievance as a condition of the MCO taking action on the Grievance.

(D) The MCO must give Enrollees any reasonable assistance in completing forms and taking other procedural steps, including but not limited to, providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capability.

(E) The individual making a decision on a Grievance shall not have been involved in any previous level of review or decision-making.

(F) If the MCO is deciding a Grievance regarding the denial of an expedited resolution of an Appeal or one that involves clinical issues, the individual making the decision must be a Health Care Professional with appropriate clinical expertise in treating the Enrollee's condition or disease. The MCO shall make a determination in accordance with the timeframe for an expedited Appeal.

#### **8.2.5 Notice of Disposition of a Grievance.**

(A) Oral Grievances may be resolved through oral communication. If the resolution, as determined by the Enrollee, is partially or wholly adverse to the Enrollee, or the oral Grievance is not resolved to the satisfaction of the Enrollee, the MCO must inform the Enrollee that the Grievance may be submitted in writing. The MCO must also offer to provide the Enrollee with any assistance needed to submit a written Grievance, including an offer to complete the Grievance form, and promptly mail the completed form to the Enrollee for his/her signature pursuant to Minnesota Statutes § 62Q.69, subd. 2. Oral resolution must include the results of the MCO investigation and actions

related to the Grievance, and the MCO must inform the Enrollee of options for further assistance through the Managed Care Ombudsman and/or review by the Minnesota Department of Health.

(B) When a Grievance is filed in writing, the MCO must notify the Enrollee in writing of its disposition. The written notice must include the results of the MCO investigation, the MCO actions relative to the Grievance, and options for further review through the Managed Care Ombudsman and the Minnesota Department of Health.

**8.3 Denial, Termination, or Reduction (DTR) Notice of Action to Enrollees.** If the MCO denies, reduces or terminates services or claims that are: 1) requested by an Enrollee; 2) ordered by a Participating Provider; 3) ordered by an approved, non-Participating Provider; 4) ordered by a care manager; or 5) ordered by a court, the MCO must send a DTR notice to the Enrollee that meets the requirements of this section.

### **8.3.1 General DTR Notice of Action Requirements.**

(A) Written Notice. The DTR must meet the language requirements of 42 CFR § 438.10(c). The DTR must also:

- (1) Be understandable to a person who reads at the 7th grade reading level;
- (2) Be available in alternative formats as required by section 3.2.2(B);
- (3) Be approved in writing by the STATE, pursuant to section 3.2
- (4) Maintain confidentiality for Family Planning Services (i.e. ensure that all information related to Family Planning is provided only to the Enrollee, in a confidential manner); and
- (5) Be sent to the Enrollee.

(a) The MCO may have its subcontractor send the DTR to the Enrollee only if MCO has received prior written approval by the STATE.

(b) The MCO must submit in advance for STATE approval any DTR notification and member rights form that will be used by the subcontractor.

(B) Content of DTR Notice of Action. The DTR must include:

- (1) The Action that the MCO has taken or intends to take;
- (2) The type of service or claim that is being denied, terminated, or reduced;
- (3) A clear detailed description in plain language of the reasons for the Action;
- (4) The specific federal or state regulations that support or require the Action, whichever applies. Nothing in this section prevents the MCO from providing more specific information;

- (5) The date the DTR was issued;
- (6) The effective date of the Action if it results in a reduction or termination of on-going or previously authorized services;
- (7) The date the MCO received the request for Service Authorization if the Action is for a denial, limited authorization, termination or reduction of a requested service;
- (8) The first date of service, if the Action is for denial, in whole or in part, of payment for a service;
- (9) The STATE's language block with an MCO phone number that Enrollees may call to receive help in translation of the notice;
- (10) A phone number that Enrollees may call at the MCO to obtain information about the DTR.
- (11) The notice of "Member Rights" provided and/or approved by the STATE, which includes but is not limited to:
  - (a) The Enrollee's right (or Provider on behalf of Enrollee with the Enrollee's written consent) to file an Appeal with the MCO;
  - (b) The requirements and timelines for filing an MCO Appeal pursuant to 42 CFR § 438.402;
  - (c) The Enrollee's right to file a request for a State Fair Hearing without first exhausting MCO's Appeal procedures, or up to thirty (30) days after the MCO's final determination;
  - (d) The process the Enrollee must follow in order to exercise these rights;
  - (e) The circumstances under which expedited resolution is available and how to request it for an Appeal or State Fair Hearing;
  - (f) The Enrollee's right to continuation of benefits upon request within the time frame allowed, how to request that benefits be continued, and under what circumstances the Enrollee may be billed for these services if the Enrollee files an Appeal at the MCO or requests a State Fair Hearing; and
  - (g) The right to seek an expert medical opinion from an external organization in cases of Medical Necessity, at the STATE's expense, for consideration at State Fair Hearings.
- (12) The notice of "Member Rights for PCA Services" provided and/or approved by the STATE, if the denial, termination or reduction is for PCA services. In the event

that both PCA and other services are addressed in one Action, the Enrollee is entitled to both Notices of Member Rights.

(C) Notice to Provider. The MCO must notify the Provider of the Action. For denial of payment, notice may be in the form of an Explanation of Benefits (EOB), Explanation of Payments, or Remittance Advice. The MCO must also notify the Provider of the right to Appeal a DTR pursuant to section 8.4, and provide an explanation of the Appeal process. This notification may be through Provider contracts, Provider manuals, or through other forms of direct communication such as Provider newsletters.

### **8.3.2 Timing of the DTR Notice.**

(A) Previously Authorized Services. For previously authorized services, the MCO must mail the Notice to the Enrollee and the attending health care Provider at least ten (10) days before the date of the proposed Action in accordance with 42 CFR § 438.404(c)(1). The following criteria must also be met:

- (1) The ongoing medical service must have been ordered by a Participating or authorized non-Participating Provider who is a treating physician, osteopath, dentist, Mental Health Professional, or chiropractor.
- (2) The service must be eligible for payment according to Minnesota Statutes, § 256B.0625 and Minnesota Rules, Part 9505.0170 to 9505.0475.
- (3) All procedural requirements regarding Service Authorization must have been met.

(B) Denials of Payment. For denial of payment, the MCO must mail the DTR notice to the Enrollee at the time of any Action affecting the claim.

(C) Standard Authorizations. For standard authorization decisions that deny or limit services, the MCO must provide the notice:

- (1) As expeditiously as the Enrollee's health condition requires;
- (2) To the attending Health Care Professional and hospital by telephone or fax within one working day after making the determination;
- (3) To the Provider, Enrollee and hospital, in writing, and must include the process to initiate an appeal, within ten (10) business days following receipt of the request for the service, unless the MCO receives an extension of the resolution period pursuant to section 8.4.2.

(D) Expedited Authorizations. For expedited Service Authorizations, the MCO must provide the determination as expeditiously as the Enrollee's health condition requires, not to exceed seventy-two (72) hours of receipt of the request for the service. Expedited Service Authorizations are for cases where the Provider indicates or the MCO

determines that following the standard timeframe could seriously jeopardize the Enrollee's life or health, or ability to attain, maintain or regain maximum function.

(E) Extensions of Time. The MCO may extend the timeframe by an additional fourteen (14) days for resolution of a standard authorization if the Enrollee or the Provider requests the extension, or if the MCO justifies a need for additional information and how the extension is in the Enrollee's interest. The MCO must provide written notice to the Enrollee of the reason for the decision to extend the timeframe, and the Enrollee's right to file a Grievance if he or she disagrees with the MCO's decision to extend. The MCO must issue a determination no later than the date the extension expires. The STATE may review the MCO's justification upon request.

(F) Delay in Authorizations. For Service Authorizations not reached within the timeframe specified in 42 CFR § 438.210(d)(1), the MCO must provide a notice of denial on the date the timeframe expires.

### **8.3.3 Continuation of Benefits Pending Decision.**

(A) If an Enrollee files an Appeal with the MCO before the date of the Action proposed on a DTR and requests continuation of benefits within the time allowed, the MCO, in accordance with 42 CFR § 438.420(b), may not reduce or terminate the service until ten (10) days after a written decision is issued in response to that Appeal, unless: (1) the Enrollee withdraws the Appeal; or, (2) if the Enrollee has requested a State Fair Hearing with a continuation of benefits, until the State Fair Hearing decision is reached.

(B) The continuation of benefits is not required if the Provider who orders the service is not an MCO Participating Provider or authorized non-Participating Provider.

## **8.4 MCO Appeals Process Requirements.**

**8.4.1 Filing Requirements.** The Enrollee or the Provider acting on behalf of the Enrollee with the Enrollee's written consent may file an Appeal within ninety (90) days of the DTR Notice of Action, or for any other Action taken by the MCO as it is defined in 42 CFR § 438.400(b). In addition, attending Health Care Professionals may Appeal utilization review decisions at the MCO level without the written signed consent of the Enrollee in accordance with Minnesota Statutes, § 62M.06. An Appeal may be filed orally or in writing. The initial filing determines the timeframe for resolution. If the Appeal is filed orally, the MCO must assist the Enrollee, or Provider filing on behalf of the Enrollee, in completing a written signed Appeal. Once the oral Appeal is reduced to a writing by the MCO, and pending the Enrollee's signature, the MCO must:

(A) Resolve the Appeal in favor of the Enrollee, regardless of receipt of a signature, or

(B) If no signed Appeal is received within thirty (30) days, the MCO may resolve the Appeal as if a signed appeal were received.



**8.4.2 Timeframe for Resolution of Standard Appeals.** The MCO must resolve each Appeal as expeditiously as Enrollee's health requires, not to exceed thirty (30) days after receipt of the Appeal.

**8.4.3 Timeframe for Resolution of Expedited Appeals.**

(A) The MCO must resolve and provide written notice of resolution for both oral and written Appeals as expeditiously as the Enrollee's health condition requires, not to exceed seventy-two (72) hours after receipt of the Appeal.

(B) If the MCO denies a request for expedited Appeal, the MCO shall transfer the denied request to the standard Appeal process, preserving the first filing date of the expedited Appeal. The MCO must notify the Enrollee of that decision orally within twenty-four (24) hours of the request and follow up with a written notice within two days.

(C) When a determination not to certify a health care service is made prior to or during an ongoing service, and the attending health care professional believes that an expedited Appeal is warranted, the MCO must ensure that the Enrollee and the attending health care professional have an opportunity to appeal the determination over the telephone. In such an Appeal, the MCO must ensure reasonable access to the MCO's consulting physician as authorized by Minnesota Statutes § 62M.06, subd.2(a).

**8.4.4 Timeframe for Extension of Resolution of Appeals.** An extension of the timeframes of resolution of Appeals of fourteen (14) days is available for standard and expedited Appeals if the Enrollee requests the extension, or the MCO justifies both the need for more information and that an extension is in the Enrollee's interest. The MCO must provide written notice to the Enrollee of the reason for the decision to extend the timeframe if the MCO determines that an extension is necessary. The MCO must issue a determination no later than the date the extension expires. The STATE may review the MCO's justification.

**8.4.5 Handling of Appeals.**

(A) All oral inquiries challenging or disputing a DTR Notice of Action or any Action as defined in 42 CFR § 438.400(b) shall be treated as an oral Appeal and shall follow the requirements of section 8.4.

(B) The MCO must send a written acknowledgment within ten (10) days of receiving the request for an Appeal and may combine it with the MCO's notice of resolution if a decision is made within the ten (10) days.

(C) The MCO must give Enrollees any reasonable assistance required in completing forms and taking other procedural steps, including but not limited to providing interpreter services and toll-free numbers that have adequate TTY/TDD and interpreter capability.

(D) The MCO must ensure that the individual making the decision was not involved in any previous level of review or decision-making.

(E) If the MCO is deciding an Appeal regarding denial of a service based on lack of Medical Necessity, the MCO must ensure that the individual making the decision is a Health Care Professional with appropriate clinical expertise in treating the Enrollee's condition or disease, as provided for in Minnesota Statutes, §§ 62M.06, 62M.09 and 42 CFR § 438.406(a)(3)(ii) .

(F) The MCO must provide the Enrollee with a reasonable opportunity to present evidence and allegations of fact or law, in person, by telephone as well as in writing. For expedited Appeal resolutions, the MCO must inform the Enrollee of the limited time available to present evidence in support of their Appeal.

(G) The MCO must provide the Enrollee, and his or her representative an opportunity, before and during the Appeals process, to examine the Enrollee's case file including medical records and any other documents and records considered during the Appeal process.

(H) The MCO must include as parties to the Appeal the Enrollee, his or her representative, or the legal representative of a deceased Enrollee's estate.

(I) The MCO must not take punitive action against a Provider who requests an expedited resolution or supports an Enrollee's Appeal.

**8.4.6 Subsequent Appeals.** If an Enrollee Appeals a decision from a previous Appeal on the same issue, and the MCO decides to hear it, for purposes of the timeframes for resolution, this will be considered a new Appeal.

#### **8.4.7 Notice of Resolution of Appeal.**

(A) The MCO must provide a written notice of resolution for all Appeals, and must include in the text of the notice: (1) the results of the resolution process and date it was completed; and (2) the Enrollee's right to request a State Fair Hearing if the resolution was not wholly favorable to the Enrollee. The MCO must include with the notice a copy of the STATE's Notice of Rights and/or PCA Notice of Rights.

(B) For Appeals of Utilization Management (UM) decisions, the written notice of resolution shall be sent to the Enrollee and the attending health care professional,

(C) The MCO must notify the Enrollee and attending health care professional by telephone of its determination on an expedited appeal as expeditiously as the Enrollee's medical condition requires, but no later than seventy-two (72) hours after receiving the expedited Appeal.

(D) If an Enrollee or Attending Health Care Professional is unsuccessful in an appeal of the UM determination, the MCO must provide: 1) a complete summary of the review findings, 2) qualifications of the reviewer, 3) the relationship between the Enrollee's

diagnosis and the review criteria used, including the specific rationale for the reviewer's decision, consistent with Minnesota Statutes, § 62M.06 subd. 3(e) and § 72A.285.

**8.4.8 Reversed Appeal Resolutions.** If a decision by an MCO is reversed by the Appeal process, the MCO:

(A) Must comply with the Appeal decision promptly and as expeditiously as Enrollee's health condition requires: and

(B) Must pay for any services the Enrollee already received that are the subject of the Appeal.

**8.4.9 Upheld Appeal Resolutions.** If the final resolution of the appeal is adverse to the Enrollee, that is the MCO decision is upheld, the MCO may recover the cost of the services furnished to the Enrollee while the appeal was pending, to the extent that the services were the subject of the appeal

**8.4.10 Additional Levels of Resolution.** This section does not prohibit an MCO from offering additional levels of internal resolution mechanisms so long as the minimum requirements set forth herein are complied with.

**8.5 Maintenance of Grievance and Appeal Records.** The MCO must maintain and make available upon request by the STATE its records of all Grievances, DTRs, Appeals and State Fair Hearings.

**8.6 Reporting of Grievances to the STATE.** The MCO must submit to the STATE a quarterly report of all oral and written Grievances that meets the following requirements:

(A) Is a comma-delimited text file, with data elements specified by the STATE and per STATE specifications, including identifying oral and written grievances separately in order to track both types of filed grievances;

(B) Grievance data is submitted through the Online Grievance/DTR/Appeals Reporting Web Application (ORWA), via MN-ITS;

(C) Is due on or before the 30th day of the month following the end of the quarter, for all oral and written Grievances resolved in the previous quarter. If the 30th day of the month falls on a weekend or holiday, the report is due to the STATE on the following business day.

**8.7 Reporting of DTRs to the STATE.** The MCO must submit to the STATE a quarterly DTR report, which meets the following requirements:

(A) Is a comma-delimited text file, with date elements specified by the STATE and per STATE specifications, including the PMI number and major program of each Enrollee; and

(B) DTR data is submitted through the Online Grievance/DTR/Appeals Reporting Web Application (ORWA), via MN-ITS;

(C) The report is due on or before the 30th day of the month following the end of the quarter, for all DTRs issued in the previous quarter. If the 30th day of the month falls on a weekend or holiday, the report is due to the STATE on the following business day.

**8.8 Reporting of Appeals to the STATE.** The MCO must submit to the STATE a quarterly electronic report of all oral and written Appeals that meets the following requirements:

(A) Is a comma-delimited text file, with data elements specified by the STATE and per STATE specifications, including identifying oral and written appeals separately in order to track both types of filed appeals;

(B) Appeal data is submitted through the ORWA, via MN-ITS; and

(C) Is due on or before the 30th day of the month following the end of the quarter, for all oral and written Appeals resolved in the previous quarter. If the 30th day of the month falls on a weekend or holiday, the report is due to the STATE on the following business day.

## **8.9 State Fair Hearings.**

**8.9.1 Matters Heard by State Fair Hearing Referee.** Pursuant to Minnesota Statutes, § 256.045, the State Fair Hearing Referees may review any Action by the MCO, as Action is defined in 42 CFR § 438.400(b) and section 2.3 of this Contract.

### **8.9.2 Standard Hearing Decisions.**

(A) The Enrollee, or the Provider acting on behalf of the Enrollee with the Enrollee's written consent, may file a request for a State Fair Hearing within thirty (30) days of the Notice of Action or Appeal decision and within ninety (90) days, if there is good cause for the delay pursuant to Minnesota Statutes, § 256.045.

(B) The STATE must take final administrative action on any request for a State Fair Hearing within ninety (90) days of the following, whichever is earlier:

(1) The date the Enrollee filed an Appeal of the same issue with the MCO, excluding the days it subsequently took for the Enrollee to file a request for a State Fair Hearing with the STATE; or

(2) The date the request for a State Fair Hearing was filed.

(C) The MCO must cooperate with the STATE in determining the date the Enrollee filed an Appeal with the MCO, including but not limited to:

(1) The MCO shall name a specific contact for the State Fair Hearing Office to contact for information about: a) an Appeal of the same issue filed at the MCO; b) the date the Appeal was filed; and c) the date of resolution of the Appeal;

(2) The MCO shall respond with the following information about an Appeal within one working day of receiving the request from the State Fair Hearing Office: a) whether an Appeal was filed with an MCO; b) the date the Appeal was filed; c) the resolution of the Appeal; and d) the date it was resolved; and

(3) The MCO shall notify the STATE and the State Fair Hearing Office of changes to the name or phone number of the contact within one working day of any change.

**8.9.3 Costs of State Fair Hearing.** The MCO shall provide reimbursement to the Enrollee for transportation, child care, photocopying, medical assessment outside the MCO's network, witness fee, and other necessary and reasonable costs incurred by the Enrollee or former Enrollee in connection with a request for State Fair Hearing. Necessary and reasonable costs shall not include the Enrollee's legal fees and costs, or other consulting fees and costs incurred by or on behalf of the Enrollee.

#### **8.9.4 Expedited Hearing Decisions.**

(A) The STATE must take final action within three (3) working days of receipt of the file from the MCO on a request for an expedited State Fair Hearing, or a request from the Enrollee which meets the criteria of 42 CFR § 438.410(a).

(B) The MCO must send the file to the State Fair Hearing Office as expeditiously as the Enrollee's health requires, not to exceed one (1) working day.

#### **8.9.5 Continuation of Benefits Pending Resolution of State Fair Hearing.**

(A) If the Enrollee files a written request for a State Fair Hearing with the STATE, and requests continuation of benefits within the time allowed, pursuant to Minnesota Statutes, § 256.045, subd. 3a, before the date of the proposed Action in either the MCO's Notice or Appeal decision, the MCO, in accordance with 42 CFR § 438.420(b), may not reduce or terminate the service until the STATE issues a written decision in the State Fair Hearing, or the Enrollee withdraws the request for a State Fair Hearing.

(B) An Enrollee whose PCA services will be reduced or terminated due to the requirements of Minnesota Statutes § 256B.0659 may request continued services pending appeal or State Fair Hearing within the time period allowed to request an appeal or State Fair Hearing.

(C) In the case of a reduction or termination of ongoing services, services must be continued pending outcome of all Appeal hearings if: (1) there is an existing order for services by the treating and Participating Provider; or (2) the treating and Participating Provider orders discontinuation of services and another Participating Provider orders the service, but only if that Provider is authorized by his/her contract with the MCO to order such services. The notice required by section 8.3.1 shall include this right.

### **8.9.6 Compliance with State Fair Hearing Resolutions.**

(A) Compliance with Decisions. The MCO must comply with the decision in the State Fair Hearing promptly and as expeditiously as Enrollee's health condition requires.

(B) MCO's Responsibility for Payment of Services. If the MCO's Action is not sustained by the State Fair Hearing decision, the MCO must promptly pay for any services the Enrollee received that are the subject of the State Fair Hearing.

(C) Upheld State Fair Hearing Resolutions. If the MCO's Action is sustained by the State Fair Hearing decision, the MCO may institute procedures to recover the cost of medical services furnished solely by reason of section 8.3.3.

**8.9.7 Representation and Defense of MCO Determinations.** The MCO agrees that it is the responsibility of the MCO to represent and defend all MCO determinations at the State Fair Hearing including compliance with the access to files and appeal summary requirements of Minnesota Statutes, §256.0451, subd 2., and subd. 3, and at any subsequent judicial reviews involving that determination. The MCO must receive the advice and consent of the STATE before appealing any subsequent judicial decisions adverse to the Commissioner's Order. The MCO agrees that the STATE shall provide necessary information, but that the STATE shall not assume any costs associated with such representation. The STATE shall notify the MCO in a timely manner of any State Fair Hearings that involve the MCO.

**8.9.8 External Review Participation.** In the course of a State Fair Hearing, an Enrollee may request an expert medical opinion be arranged by the external review entity pursuant to Minnesota Statutes, § 62Q.73, subd. 2. The MCO must participate in the external review process in accordance with this section and must comply with the process as specified in Minnesota Statutes, § 62Q.73, subd. 6(a).

**8.9.9 Judicial Review.** If the Enrollee disagrees with the determination of the STATE resulting from the State Fair Hearing, the Enrollee may seek judicial review in the district court of the county of service.

### **8.9.10 Second Opinion.**

(A) State Fair Hearings. At the request of the State human services judge, the MCO shall provide for a second medical opinion from the MCO and shall comply with any order of the STATE pursuant to Minnesota Statutes, § 256B.69, subd. 11, and Minnesota Rules, Part 9500.1462 C.

(B) Mental Health. The MCO shall provide for a second medical opinion for mental health conditions pursuant to Minnesota Statutes, § 62D.103.

(C) Chemical Dependency. The MCO shall provide for a second opinion for CD services as provided for in Minnesota Statutes, § 62D.103 and Minnesota Rules, Part 9530.6655. To the extent these laws are in conflict, the MCO shall apply Minnesota

Rules, Part 9530.6655 to Enrollees under this Contract. The MCO shall inform the Enrollee in writing of the Enrollee's right to make a written request for a second assessment at the time the Enrollee is assessed for a program placement.

**8.10 Sanctions for Enrollee Misconduct.** The MCO shall place an Enrollee in the Restricted Recipient Program for the conduct described in Minnesota Rules, Part 9505.2165.

**8.10.1 Notice to Affected Enrollees.** The MCO must notify Enrollees in writing if the Enrollee is to be placed in the Restricted Recipient Program. The notice must be sent thirty (30) days prior to placement. The notice to the Enrollee must state:

(A) Placement in the Restricted Recipient Program will not result in a reduction of services or loss of eligibility or disenrollment from the MCO;

(B) The factual basis for placement;

(C) The right to dispute the MCO's factual allegations; and

(D) The right to request an Appeal with the MCO and request a State Fair Hearing, and the right to request a State Fair Hearing without first exhausting the MCO's Grievance and Appeal procedures; and

(E) A reference to the Enrollee's rights listed in the "Member Rights for Placement in the Restricted Recipient Program" document.

**8.10.2 Enrollee's Right to Appeal.** An Enrollee may Appeal or request a State Fair Hearing for placement in the Restricted Recipient Program. If the Enrollee Appeals or requests a State Fair Hearing prior to the date of the proposed placement, the MCO may not impose the placement until the Appeal or State Fair Hearing is resolved in the MCO's favor. If the Enrollee does not Appeal within thirty (30) days of the date of notice, placement will occur and the designated Providers will be assigned.

**8.10.3 Reporting of Restrictions.**

(A) Until the MCO has access to enter data directly into MMIS, the MCO must report to the STATE the names and PMI numbers of all Enrollees placed in the Restricted Recipient Program, the date of placement, placement reason codes, and the names of the designated Providers with their addresses and Provider numbers. This information shall be reported to the STATE within five (5) working days of the Enrollee's placement in the Restricted Recipient Program.

(B) Once the MCO has access to enter data directly into MMIS, the MCO shall enter into MMIS the names and PMI numbers of all Enrollees placed in the Restricted Recipient Program, the date of placement, placement reason codes, and the names of the designated Providers with their addresses and Provider numbers. This information shall be entered into MMIS within five (5) working days of the Enrollee's placement in the Restricted Recipient Program.

**8.10.4 Program Administration.** The MCO will administer the Restricted Recipient Program consistent with Restricted Recipient Program criteria and process developed jointly with the MCOs and Minnesota Rules, Parts 9505.2160 through 9505.2245. The Restricted Recipient Program criteria and process are posted on the STATE's public website.

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## **Article. 9 Required Provisions.**

**9.1 Compliance with Federal, State and Local Law.** The MCO and its subcontractors shall comply with all applicable federal and state statutes and regulations, as well as local ordinances and rules now in effect and hereinafter adopted, including but not limited to Minnesota Statutes, §§ 62J.695 through 62J.76 (Minnesota Patient Protection Act), Minnesota Statutes, § 62Q.47 (Alcoholism, Mental Health, And Chemical Dependency Services), Minnesota Statutes, § 62Q.53 (Mental Health Coverage; Medically Necessary Care), Minnesota Statutes, §§ 62Q.56 and 62Q.58 (Continuity of Care and Care Coordination; Access To Specialty Care); Minnesota Statutes, § 62Q.19 (Essential Community Providers); and Minnesota Statutes § 256.969, subs. 3b and 4a, with 42 CFR 438.6 (f), (Provider-Preventable Conditions).

**9.1.1 Required MCO Participation in STATE Programs.** The MCO must comply with Minnesota Statutes, § 256B.0644 and § 62D.04, subd. 5.

**9.1.2 Licensing and Certification For Non-County Based Purchasing Entities.** MCO warrants that it is qualified to do business in the State and is not prohibited by its articles of incorporation, bylaws or the law of the state under which it is incorporated from performing the services under this Contract. MCO further warrants that MCO has obtained any and all necessary permits, licenses, or certificates to conduct business in the State. The MCO shall be properly licensed or certified for the performance of any services pursuant to this Contract. Loss of the appropriate certificate of authority for health maintenance organization (HMO) or community integrated service network (CISN), under Minnesota Statutes, Chapters 62D and 62N respectively, shall be cause for termination of this Contract pursuant to section 5.2.3. In the event any certificate is canceled, revoked, suspended or expires during the term of this Contract, the MCO agrees to so inform the STATE immediately.

**9.1.3 HMO and CISN Requirements For County Based Purchasing Entities.** The MCO shall comply with state statutes and regulations applicable to health maintenance organizations (HMOs) or community integrated service networks (CISNs), including: (A) Minnesota Statutes, § 62A.0411 (48-hour hospital stay for Maternity Care); (B) Minnesota Statutes, §§ 62J.695 through 62J.76 (Patient Protection Act); and (C) Minnesota Statutes, §§ 62D.03, subd. 4(a)-(d), (h)-(i), (k), (m)-(n), (p), (r)-(s) & (u), 62D.041, subd. 3 & 9, 62D.06-.08, 62D.11, 62D.123, 62M.04-.12, 62N.28, 62N.29, 62N.31 & 72A.201, Minnesota Rules 4685.0300, subparts 2(A) & (B), 4685.1010, 4685.1115, 4685.1120, 4685.1900 & 4685.3300, subpart 9 (HMO and CISN requirements, to the extent the Commissioner of Health has interpreted them to apply to county-based purchasers).

### **9.2 MCO Solvency Standards Assurance; Risk-Bearing Entity.**

(A) If the MCO is a not a Federally Qualified HMO, the MCO must provide written assurance to the STATE by April 30th of the Contract Year, and any time thereafter, if there are significant changes in the MCO or the Contract, that its provision against the risk of insolvency is adequate to ensure that its Enrollees will not be liable for the MCO's debts if it becomes insolvent.

(B) All MCOs must meet the solvency standards established by the State for Health Maintenance Organizations (HMO) or be licensed or certified by the State as a risk-bearing entity.

### **9.3 Subcontractors.**

**9.3.1 Written Agreement; Disclosures.** All subcontracts must be in writing. All subcontracts are subject to STATE and CMS review and approval, upon request by the STATE and/or CMS. All contracts must include:

(A) Disclosure of Ownership and Management Information, Subcontractors. In order to assure compliance with 42 CFR § 455.104, the MCO, before entering into a contract with a subcontractor, must request the following information:

(1) The name, address, date of birth, social security number (in the case of an individual), and tax identification number (in the case of a corporation) of each Person (individual or corporation), including managing employees of the disclosing entity, with an Ownership or Control Interest in the disclosing entity or in any subcontractor in which the disclosing entity has direct or indirect ownership of five percent (5%) or more. The address for corporate entities must include primary business address, every business location and P.O. Box address;

(2) A statement as to whether any Person (individual or corporation) with an Ownership or Control Interest in the disclosing entity as identified in 9.3.1(A) is related, if an individual, to any other Person with an Ownership or Control Interest as spouse, parent, child, or sibling; and

(3) The name of any other organization in which a Person with an Ownership or Control Interest in the disclosing entity also has an ownership or control interest.

(4) For purposes of section 9.3, subcontractor means an individual, agency, or organization to which a disclosing entity has contracted, or is a person with an employment, consulting or other arrangement with the MCO for the provision of items and services that are significant and material to the MCO's obligations under its contract with the STATE.

(B) MCO Disclosure Assurance. The MCO must submit to the STATE by September 1st of the Contract Year a letter of assurance stating that disclosure of ownership information has been requested of all subcontractors, and reviewed by the MCO prior to MCO and subcontractor contract renewal.

**9.3.2 Providers Without Numbers.** The MCO shall submit to the STATE, in a format provided by the STATE, a form for each Provider who does not already have a STATE provider number (NPI), or UMPI pursuant to section 3.3.1(L).

**9.3.3 Proof of Subcontractor Status.** The MCO must submit, upon STATE request, proof of subcontractor status.

**9.3.4 Subcontractors Audit.** The MCO shall require that all subcontractors shall provide CMS, the Comptroller General, or their designees, and the STATE with the right to inspect, evaluate, and audit any pertinent books, financial records, documents, papers, and records of any subcontractor involving financial transactions related to this Contract. The right under this section to information for any particular contract period will exist for a period equivalent to that specified in section 9.4.5.

**9.3.5 Compliance with Federal Law.** All subcontracts shall comply with 42 CFR § 434.6 regarding general requirements for all contracts and subcontracts.

**9.3.6 Health Care Services.** Notwithstanding section 9.3.7, the MCO may contract with Providers of health care services to provide services to Enrollees of the MCO. Subcontracts with other Providers of health care services shall not abrogate or alter the MCO's primary responsibility for performance under this Contract.

**9.3.7 Subcontractual Delegation.** The MCO shall oversee and is accountable for any functions and responsibilities that it delegates to any subcontractor. The MCO shall:

(A) Prior to any delegation, evaluate the prospective subcontractor's ability to perform the activities to be delegated.

(B) Have a written agreement that: 1) specifies the activities and report responsibilities delegated to the subcontractor; and 2) provides for revoking delegation or imposing other sanctions if the subcontractor's performance is inadequate.

(C) Monitor at least annually the subcontractor's performance through a formal review process that results in a written report.

(D) Upon request by the STATE, provide a copy of the formal delegation review process for approval.

(E) By January 15th of the Contract Year, submit to the STATE an annual schedule identifying subcontractors, delegated functions and responsibilities, and when their performance will be reviewed.

(F) Take corrective action with the subcontractor if deficiencies or areas for improvement are identified, and notify the STATE in writing the reasons for and the actions taken for correction.

(G) The MCO must provide to the STATE upon request a copy of the annual subcontractor performance report. The STATE agrees to return any copies of any submitted subcontractor performance report at the close of its review. The STATE may at its discretion choose to review this on site.

**9.3.8 FQHCs and RHCs Contracting Requirements.** If the MCO negotiates a Provider agreement or subcontract with a federally qualified health center (FQHC) as defined in § 1905(l)(2)(B) of the Social Security Act, 42 USC § 1396d(l)(2)(B), or a rural health clinic (RHC) as defined in 42 CFR § 440.20, for services under this Contract, the negotiated payment rates must be comparable to the rates negotiated with other subcontractors who provide similar health services. The STATE may require the MCO to offer to contract with any FQHC or RHC in the MCO's Service Area. The MCO is not required to pay any settle-up payments in addition to the negotiated payment rate.

**9.3.9 Nonprofit Community Health Clinic, Community Mental Health Centers, and Community Health Services Agencies Contracting Requirements.** The MCO shall contract with nonprofit community health clinics (community health clinic), as defined in Minnesota Statutes, Chapter 145A, including all FQHCs that are also nonprofit community health clinics, community mental health centers, or community health services agencies (community health boards) as defined in Minnesota Statutes, § 256B.0625, subd. 30, to provide services to Enrollees who choose to receive services from the clinic or agency, if the clinic or agency agrees to payment rates that are competitive with rates paid to other MCO Providers for the same or similar services, pursuant to Minnesota Statutes, § 256B.69, subd. 22. The MCO may reasonably require a nonprofit community health clinic, community mental health center, or Community Health Services Agency to comply with the same or similar contract terms that the MCO requires of the MCO's other Participating Providers, except that the MCO cannot exclude coverage for a Covered Service provided by a clinic or agency in a subcontract with a clinic or agency. Upon request of the MCO, the STATE shall provide the MCO with a list of all nonprofit community health clinics, community mental health centers, and community health services agencies within the MCO's Service Area.

**9.3.10 Essential Community Providers Contracting Requirements.** The MCO shall offer to contract with any designated essential community provider (ECP), as described in a listing provided by the STATE, located within its Service Area, pursuant to Minnesota Statutes, § 62Q.19. The MCO shall offer to contract with all ECPs in their service area for medical services. The MCO may contract, but is not required to do so, for non-medical services the ECP is certified to provide.

**9.3.11 Enrollees Held Harmless by Subcontractors.**

(A) Except for cost-sharing pursuant to sections 4.4 the MCO shall ensure that the Enrollee is not held responsible for any fees associated with the Enrollee's medical care received from the MCO subcontractor or an out-of-plan Provider with whom the MCO has negotiated a rate for providing the Enrollee services covered under this Contract.

(B) The MCO shall ensure, through its Provider contracts, that Providers: 1) notify Enrollees in writing of Enrollee liability for non-covered services; and, 2) prior to performance of the service, receive written authorization from the Enrollee for the non-covered service.

(C) Where an Enrollee receives Medical Emergency Services, Post-Stabilization Care Services or Urgent Care Out of Area or Out of Plan, the MCO shall pay the Out of Area or Out of Plan Provider on the condition that the Provider hold the Enrollee harmless for any financial liability.

(D) The MCO shall ensure that Enrollees receiving services at hospitals or ambulatory surgical centers are not held liable for any service provided for an authorized procedure (e.g. anesthesiologist or radiologist).

### **9.3.12 Exclusions of Individuals and Entities.**

(A) The MCO must search the Medicare Exclusion Database (MED) or the OIG List of Excluded Individuals/Entities (LEIE), and the Excluded Parties List System (EPLS) databases monthly, and require all subcontractors to search the MED or, the LEIE, and the EPLS monthly for any Providers, agents, Persons with an Ownership or Control Interest, and Managing Employees to verify that these persons:

(1) Are not excluded from participation in Medicaid under Sections 1128 or 1128a of the Social Security Act.

(2) Have not been convicted of a criminal offense related to that person's involvement in any program established under Medicare, Medicaid or the Title XX services program.

(B) The MCO must require subcontractors to assure to the MCO that no agreements exist with an excluded entity or individual for the provision of items or services related to the MCO's obligation under this Contract.

(C) The MCO shall require all subcontractors to report to the MCO within five (5) days any information regarding individuals or entities specified in (A) above, who have been convicted of a criminal offense related to the involvement in any program established under Medicare, Medicaid, the title XX services program, or that have been excluded from participation in Medicaid under §§ 1128 or 1128A of the Social Security Act.

(D) The MCO shall report this information to the STATE within seven (7) days of the date the MCO receives the information.

(E) The MCO must also promptly notify the STATE of any action taken on a subcontract under this section, consistent with 42 CFR § 1002.3 (b)(3).

(F) In addition to complying with the provisions of section 7.1.6(F), the MCO shall not enter into any subcontract that is prohibited, in whole or in part, under § 4707(a) of the Balanced Budget Act of 1997 or under Minnesota Statutes, § 62J.71.

**9.3.13 Medical Necessity Definition.** The MCO shall include in all subcontracts for the delivery of services under this Contract a requirement that the subcontractor follow the definition of Medical Necessity in section 2.59, and in subcontracts for the delivery of mental health services that the subcontractor additionally follow the Medical Necessity definition found in

Minnesota Statutes, § 62Q.53. Subcontracts shall include the definition found in section 2.59, and the definition found in Minnesota Statutes, § 62Q.53, where applicable.

**9.3.14 Timely Provider Payment.** The MCO agrees to pay health care Providers on a timely basis consistent with the claims payment procedure described in § 1902 (a)(37)(a) of the Social Security Act (42 USC § 1396a(a)(37)) and 42 CFR Parts 447.45 and 447.46. Additionally, the MCO shall allow twelve (12) months from the newborn's date of birth for any Provider to bill for services provided during the period of retroactive enrollment of a newborn.

**9.3.15 Patient Safety.** The MCO, in all future or renewing Provider contracts, shall encourage its Participating Providers that are hospitals to: (1) report through Leapfrog, a national patient safety initiative; and (2) develop and implement patient safety policies to systematically reduce medical errors. Such policies may include systems for reporting errors, and systems analysis to discover and implement error-reducing technologies.

**9.3.16 Provider and Enrollee Communications.** The MCO may not prohibit, or otherwise restrict, a health care professional acting within the lawful scope of practice from advising or advocating on behalf of an Enrollee, with respect to the following:

- (A) The Enrollee's health status, medical care, or treatment options, including any alternative treatment that may be self-administered.
- (B) Any information the Enrollee needs in order to decide among all relevant treatment options.
- (C) The risks, benefits, and consequences of treatment or non-treatment.
- (D) The Enrollee's right to participate in decisions regarding his or her health care, including the right to refuse treatment, and to express preferences about future treatment decisions.

**9.3.17 Business Continuity Plans (BCP).** By December 1st of the Contract Year, the MCO shall ensure that its subcontractors that provide Priority Services have in place a written Business Continuity Plan (BCP) that complies with the requirements of Article. 18.

#### **9.4 Maintenance, Inspection and Retention of Records.**

**9.4.1 Quality, Appropriateness and Timeliness of Services.** The MCO shall provide that the STATE and CMS or their agents may evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed under this Contract.

**9.4.2 Facilities Evaluation.** The MCO shall provide that the STATE and CMS may evaluate, through inspection or other means, the facilities of the MCO when there is reasonable evidence of some need for that inspection.

**9.4.3 Enrollment and Disenrollment Records Evaluation.** The MCO must provide that the STATE and CMS may evaluate, through inspection or other means, the enrollment and disenrollment records of the MCO when there is reasonable evidence of need for such inspection.

**9.4.4 Records Inspection.** The MCO shall provide that the STATE, CMS or the Comptroller General, or their designees, may audit or inspect any books, documents, financial records, papers and records of the MCO and its subcontractors or transferees that pertain to any aspect of services performed, reconciliation of benefit liabilities, and determination of amounts payable under the Contract.

**9.4.5 Timelines for Records Inspection.** The MCO must provide that the STATE and CMS's right to inspect, evaluate and audit shall extend through ten (10) years from the date of the final settlement for any contract period unless: (A) the STATE or CMS determines there is a special need to retain a particular record or records for a longer period of time and the STATE or CMS notify the MCO at least thirty (30) days prior to the normal record disposition date; (B) there has been a termination, dispute, Fraud, or similar default by the MCO, in which case the record(s) retention may be extended to ten (10) years from the date of any resulting final settlement; or (C) the STATE or CMS determined that there is a reasonable possibility of Fraud and the record may be reopened at any time.

**9.4.6 Record Maintenance.** The MCO agrees to maintain such records and prepare such reports and statistical data as may be deemed reasonably necessary by the STATE and CMS. It is further agreed that all records must be made available to authorized representatives of the STATE and CMS during normal business hours and at such times, places, and in such manner as authorized representatives may reasonably request for the purposes of audit, inspection, examination, and for research as specifically authorized by the STATE to the MCO in fulfillment of State or federal requirements. It is understood and agreed that the MCO shall be afforded reasonable notice of a request by an authorized representative of the STATE or CMS to examine records maintained by the MCO or its agents, unless otherwise provided by law.

**9.4.7 Record Retention by MCO.** The MCO agrees to maintain and make available to the STATE and CMS all records related to Enrollees enrolled pursuant to this Contract for a period of ten (10) years after the termination date of this Contract. Records to be retained include, but are not limited to, medical, claims, Care Management, and Service Authorization records.

**9.5 Settlement Upon Termination.** Upon termination of the Contract, or at such time as individual Recipients terminate enrollment in the MCO, and prior to final settlement, the MCO shall, upon request by the STATE, provide to the STATE copies of all information that may be necessary to determine responsibility for outstanding claims of Providers, and to ensure that all outstanding claims are settled promptly.

**9.6 Trade Secret Information.** The STATE agrees to protect from dissemination information submitted by the MCO to the STATE which the MCO can justify as trade secret information, pursuant to Minnesota Statutes, § 13.37, subd. 1(b). Protected information may be Marketing plans and Materials, rates paid to Providers, Medicare bid information or any other

information. The MCO must identify information as trade secret prior to or at the time of its submission for the STATE to consider classifying it as non-public. If information identified by the MCO as trade secret is subject to a data practices request or otherwise subject to publication, and if the STATE determines that the MCO's trade secret identification is colorable, the STATE shall provide the MCO an opportunity to justify in writing that the information meets the requirements of Minnesota Statutes, § 13.37. Trade secret information may be shared with CMS. The STATE must notify CMS that such information is considered trade secret. Pursuant to Minnesota Rules, Part 9500.1459, rates paid to the MCO, the STATE's rate methodology, and this Contract are not trade secrets.

**9.7 Requests for Time-Sensitive Data.** The STATE may collect data or contract with external vendors for studies, including but not limited to, data validation, service validation, and quality improvement.

**9.7.1 Notice for Time-Sensitive Data.** The STATE will give the MCO at least forty-five (45) days' notice. The notice will include the time-sensitive nature of the data, and data specifications for the required data.

**9.7.2 Data Specification Issues.** The MCO must notify the STATE within one week of any issues concerning the data specifications.

(A) Timely Submission. If the MCO is not able to submit all required data by the deadline, the MCO may request a delay. The STATE shall not grant a delay if such delay would result in the STATE's inability to evaluate the MCO's performance or data in the contracted study.

(B) Requirements. The MCO must submit accurate and complete data within the time periods that meet the data specifications.

**9.8 Ownership of Copyright.** If any copyrightable material is developed in the course of or under this Contract, the STATE and the U.S. Department of Health and Human Services shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for government purposes.

## **9.9 Fraud and Abuse Requirements.**

### **9.9.1 Integrity Program.**

(A) Administrative and Management Procedures. The MCO shall have administrative and management arrangements or procedures, including a mandatory compliance plan, that are designed to guard against Fraud, Abuse and Improper Payments. The arrangements or procedures shall include the following:

(1) Written policies, procedures, and standards of conduct that articulate the MCO's commitment to comply with all applicable Federal and State standards;



- (2) The designation of a compliance officer and a compliance committee that are accountable to senior management of the MCO;
- (3) Effective training and education for the compliance officer and the MCO's employees;
- (4) Effective lines of communication between the compliance officer and the MCO's employees;
- (5) Enforcement of standards through well-publicized disciplinary guidelines;
- (6) Provision for internal monitoring and auditing, including monitoring and auditing of subcontracted services to detect Fraud, Abuse and Improper Payments;
- (7) Provision for prompt response to detected offenses, and for development of corrective action initiatives relating to this Contract;
- (8) Provision for profiling Provider services and Enrollee utilization that identifies aberrant behavior and/or outliers;
- (9) Policies and procedures that safeguard against unnecessary or inappropriate use of services and against excess payments for services;
- (10) Policies and procedures that safeguard against failure by subcontractors or Participating Providers to render Medically Necessary items or services that are required to be provided to an Enrollee covered under this Contract; and
- (11) Provision for identifying, investigating, and taking corrective action against fraudulent and abusive practices by Providers, subcontractors, and Enrollees, MCO employees, officers and agents.
- (12) A method to verify whether services under this Contract, paid for by the MCO, were actually furnished to the Enrollees as required in 42 CFR § 455.1(a)(2). The MCO shall utilize direct methods for verifying the provision of any covered services to Enrollees. MCOs are not precluded from using a variety of direct methods to verify services, especially with provider types that have been identified by the STATE or the MCO as high risk for program integrity issues such as transportation, PCAs, medical supply, and interpreters. The MCO's direct methods and results shall be included in the Annual Integrity Program Report under section 9.9.1(D).

(a) Direct methods include:

- i) Confirming clinic visits or linking authorization and payment of transportation and interpreter services to clinic visits;
- ii) Expansion of HEDIS and PIP chart review contracts to require notification to the MCO of any discrepancy in charts against paid claims;

iii) Individual notices to Enrollees within 45 days of the payment of claims, in the form of an Explanation of Medical Benefits (EOMB) consistent with Minnesota Statutes, § 62J.581. EOMB notices must not include any confidential services and must not be sent to the Enrollee if the only service furnished was confidential. Notices should be provided to a sample group of at least 10% of Enrollees who received services from the provider type being verified. Notices must include a statement that the notice is not a bill. Notices must include the MCO's phone number that Enrollees can call to ask questions or obtain information about the services identified on the notice;

iv) Care manager or care coordinator follow up with Enrollees to confirm services and notification to MCO when services were not delivered,

v) Clinic authorization of a patient incentive that confirms a completed office visit;

vi) Specific service confirmation questionnaires; or

vii) Post-payment review of provider documentation of services for a sample of claims.

(b) Indirect methods such as DTRs, hotlines, billing monitoring, or customer satisfaction surveys are important program integrity practices and methods but they are not sufficient to verify services.

(B) Documentation. The MCO shall document all activities and corrective actions taken under its integrity program.

(C) Compliance Officer. The MCO shall identify to the STATE the compliance officer who is responsible for implementation of the integrity program.

(D) Annual Integrity Program Report. The MCO shall report annually to the STATE in writing, by August 31st of the Contract Year, detailing the MCO's integrity program, including investigative activity, corrective actions, Fraud and Abuse prevention efforts, and results according to guidelines provided by the STATE. The report must detail implementation of the requirements of section 9.9.1(A), and must specifically describe the activities it has undertaken to safeguard against Fraud and Abuse. The report must describe the activities of the previous state fiscal year, beginning July 1, 2011 and ending June 30, 2012. The report shall provide the following summary information about reports of provider fraud and abuse investigated by the MCO:

(1) Number of reports, by provider type;

(2) Number of opened cases, number of cases resolved, and number remaining open;

(3) Number and types of penalties or sanctions imposed;

- (4) Dollar amounts recovered which had been paid on behalf of Enrollees; and
- (5) Number of referrals to the MFCU.

(E) Violation Report Process. The MCO shall establish and adhere to a process for reporting to the STATE, MFCU, CMS, the Office of Inspector General for the U.S. Department of Health and Human Services, and the appropriate law enforcement agency credible information of violations of law by the STATE, the MCO, Participating Providers, subcontractors, or Enrollees, for a determination as to whether criminal, civil, or administrative action may be appropriate. If the MCO has reason to believe that an Enrollee has defrauded the Medicaid program, the MCO shall refer the case to an appropriate law enforcement agency as mandated in 42 CFR § 455.15(b).

(F) Quarterly Reporting of Adverse Actions. The MCO shall report quarterly to the STATE the name, specialty, address, and reason for adverse action (in a form approved by the STATE) of Providers whose participation have been denied at enrollment, credentialing or recredentialing, and providers whose active participation status the MCO has taken action to terminate or not renew during the previous quarter.

#### **9.9.2 Fraud and Abuse by MCO, its Subcontractors, and/or Participating Providers.**

(A) The MCO's officers understand that this Contract involves the receipt by the MCO of state and federal funds, and that they are, therefore, subject to criminal prosecution and/or civil or administrative actions for any intentional false statements or other fraudulent conduct related to their obligations under this Contract.

(B) The MCO and its subcontractors shall, upon the request of the MFCU make available to MFCU all administrative, financial, medical, and any other records that relate to the delivery of items or services under this Contract. The MCO shall allow the MFCU access to these records during normal business hours, except under special circumstances when after-hours admissions shall be allowed. Such special circumstances shall be determined by the MFCU.

(C) The MCO shall report in writing to the STATE and the MFCU any Fraud that the MCO knows or has reason to believe has been committed by a provider within twenty-four (24) hours after the MCO learns of or has reason to believe such Fraud has been committed. The MCO shall cooperate fully in any investigation of the Fraud by the STATE and MFCU and in any subsequent legal action that may result from those investigations. This may include investigation of claims paid by the MCO.

- (1) The MCO shall maintain a detailed log (in a form approved by the STATE) of all reports of provider fraud and abuse investigated by the MCO which shall be submitted to the STATE by the end of each month.
- (2) The MCO shall report in writing to the STATE any abusive billing by Providers that warrant investigation within thirty (30) days of identification of the problem. The MCO may use the log in 9.9.2(C)(1) for such a report.

(D) Except when the MCO has good cause, as described in 9.9.2(F) below, the MCO must suspend all Medicaid payments to a Provider after the following:

- (1) the STATE has notified the MCO that it has suspended all Medicaid payments to the provider based on a determination there is credible allegation of Fraud against the provider for which an investigation of payments made under the Medicaid program is pending; or
- (2) the MCO determines there is a credible allegation of Fraud against the provider for which an investigation is pending under the Medicaid program,

(E) The suspension of payments under this paragraph will be temporary and will not continue after either of the following:

- (1) the STATE or the MCO or the prosecuting authorities determine there is insufficient evidence of Fraud by the provider and the STATE or MCO has notified the other party of the lack of evidence; or
- (2) legal proceedings related to the provider's alleged fraud are completed.

(F) An MCO may find good cause exists not to suspend payments, not to continue a payment suspension previously imposed, or to suspend payment only in part if any of the provisions of 42 CFR 455.23 (e) or (f) are applicable. For purposes of implementing a good cause exception under the provisions of 42 CFR 455.23(e) and (f), "MCO" determinations shall be substituted for "STATE" determinations. The MCO will notify the STATE in writing of the basis for any good cause determination to not suspend payments, not to continue a payment suspension, or to suspend only in part. Whenever an MCO investigation leads to the initiation of a payment suspension by the MCO, the MCO shall notify the STATE within twenty-four (24) hours after of the imposition of the suspension. The MCO must make a written fraud referral to the MFCU not later than the next business day after the suspension is imposed.

(G) For purposes of a payment withholding under 9.9.2, "credible allegation of fraud" means an allegation, which has been verified by the STATE or the MCO from any source, and which has indicia of reliability. In determining whether there is a credible allegation of fraud, the MCO must review all allegations, facts, and evidence carefully and act judiciously on a case-by-case basis.

**9.9.3 Fraud and Abuse by Recipients.** The MCO shall report in writing via email to the STATE any suspected Fraud and/or patterns of Abuse by Recipients, in accordance with section 9.9.1(E)

**9.9.4 Fraud and Abuse by PCA Providers.**

(A) The STATE has determined that enrollment of individual PCA Providers in the fee-for-service system will allow the STATE to safeguard against unnecessary or

inappropriate use of PCA services and against excess payments. The MCO shall ensure that PCA Providers that are not under continuous direct supervision have a background study completed prior to providing any PCA services.

(B) The MCO may work with the STATE to utilize the STATE's licensing system for these purposes, but any other process utilized by the MCO must review using the same standards as the STATE's licensing system.

(C) The MCO shall require that PCA Provider agencies submit claims to the MCO using one date of service per claim line, per PCA.

#### **9.9.5 False Claims.**

(A) If the MCO receives or makes Medicaid payments totaling five million dollars (\$5,000,000) or more within a Federal fiscal year (October 1st through September 30th), the MCO must establish, implement and disseminate written policies and procedures to all employees including management, contractors and agents that includes detailed information pertaining to the False Claims Act (federal and state) and other provisions named in §1902(a)(68)(A) of the Social Security Act. These policies must include detailed provisions regarding the MCO's procedures for detecting and preventing fraud, waste, and abuse. The MCO shall certify to the STATE by February 1st of the Contract Year that it has complied with this requirement for the previous Contract Year, using as its certification the DHS Deficit Reduction Act (DRA) Assurance Statement posted on the STATE's managed care website.

(B) In addition, the MCO must include in its written policies and procedures (and in employee handbook(s) if any) specific discussions of the following:

- (1) The False Claims Act, 31 USC §§ 3729 through 3733;
- (2) Administrative remedies for false claims and false statements established under 31 USC §§ 3801, et seq;
- (3) The Minnesota False Claims Act, Minnesota Statutes, § 15C.02, and any state laws pertaining to civil or criminal penalties for false claims and statements;
- (4) The rights of employees to be protected as whistle-blowers, including the employer restrictions listed in Minnesota Statutes, § 15C.14; and
- (5) The entity's policies and procedures for detecting and preventing fraud, waste and abuse.

**9.10 Data Certifications.** As a condition for receiving payment, the MCO shall certify its data and documents that are utilized by the STATE in determining payments made to the MCO.

**9.10.1 Data and Reporting Submitted to STATE.** The MCO shall provide to the STATE a certification that accompanies its submission of the data indicated below. The MCO may submit a separate written Data Certification, due by the 5th day of the following month for

any submissions in the previous month, which identifies each and every data submission, the date it was submitted, and certifies all data submitted, unless otherwise specified in the Contract. The following data must be certified, if reported:

- (A) Encounter data;
- (B) Data and reports associated with the reporting requirements of the managed care clinical and administrative performance measures;
- (C) Data submissions as requested by the STATE for the development of rates;
- (D) Health care expenditures;
- (E) Dental payment report for Critical Access Dental Designated Providers as specified in section 7.10.4;
- (F) Any other data or document determined by the STATE to be necessary to comply with 42 CFR § 438.604.

**9.10.2 Financial Filing with MDH.** The MCO shall either certify to the STATE that its annual statutory financial filing with the Minnesota Department of Health (MDH) represents only costs related to services covered under the State Plan including the MCO's administrative costs; or the MCO must certify and report the dollar value of each specific service that is a non-State Plan service. The MCO must provide this certification no later than May 1st of the Contract Year.

**9.10.3 Requirements.** Each data or report certification shall meet the following requirements:

- (A) Include an attestation as to the accuracy, completeness and truthfulness of the data or documents being submitted.
- (B) Provide that the attestation is based upon the best knowledge, information and belief of the one certifying on behalf of the MCO.
- (C) Be certified by the MCO's Chief Executive Officer (CEO), Chief Financial Officer (CFO), or an individual with authority to sign for and who reports to either the MCO's CEO or CFO.
- (D) Certification must be submitted concurrently with the data, or pursuant to 9.10.1.

**9.11 Exclusions and Convicted Persons.** The MCO shall not pay for any items or services furnished, ordered or prescribed by excluded individuals or entities pursuant to 42 CFR § 1001.1901.

(A) The MCO shall not include in their business entity a director, officer, partner or Person with an Ownership or Control Interest who is excluded from participation in Medicaid under §§ 1128 or 1128A of the Social Security Act. This includes entities owned or controlled by a sanctioned person pursuant to 42 CFR § 1001.1001.

(B) The MCO shall not make an employment, consulting or other agreement with an individual or entity for the provision of items or services that are significant and material to the MCO's obligations under its Contract with the STATE where the individual or entity is excluded from participation in Medicaid under §§ 1128 or 1128A of the Social Security Act. Significant and material services include, but are not limited to health care, utilization review, medical social work, or administrative services.

(C) The MCO shall not have any agents, Managing Employee, or Persons with an Ownership or Control Interests who have been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or the Title XX services program, in accordance with 42 CFR § 455.106.

(D) The MCO shall report to the STATE, within ten (10) working days of receipt of the following:

(1) Any information regarding excluded or convicted individuals or entities, including those in paragraph (D) above; and

(2) Any occurrence of an excluded, convicted, or unlicensed entity or individual who applies to participate as a Provider.

(E) The MCO shall promptly notify the STATE of any administrative action it takes to limit participation of a Provider in the Medicaid program as mandated by 42 CFR §§ 455.106(b)(2) and 1002.3(b)(3).

**9.12 Conflicts of Interest.** Pursuant to 42 CFR § 438.58, and Minnesota Statutes, § 256B.0914, the MCO shall have in effect conflict of interest rules at least as effective as those in 41 USC § 423.

### **9.13 Federal Audit Requirements and Debarment Information.**

**9.13.1 Single Audit Act.** MCO will certify that it will comply with the Single Audit Act, OMB Circular A-128 and OMB Circular A-133, as applicable. The MCO shall obtain a financial and compliance audit made in accordance with the Single Audit Act, OMB Circular A-128 or A-133, as applicable. Failure to comply with these requirements could result in forfeiture of federal funds.

**9.13.2 Debarment, Suspension and Responsibility Certification.** Federal Regulation 45 CFR § 92.35 prohibits the STATE from purchasing goods or services with federal money from vendors who have been suspended or debarred by the federal government. Similarly, Minn. Statutes, § 16C.03, subd. 2, provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with the STATE. Vendors may be suspended or

debarred when it is determined, through a duly authorized hearing process, that they have abused the public trust in a serious manner.

BY SIGNING THIS CONTRACT, MCO CERTIFIES THAT IT AND ITS PRINCIPALS:

(A) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from transacting business by or with any federal, state or local governmental department or agency; and

(B) Have not within a three-year period preceding this Contract: a) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract; b) violated any federal or state antitrust statutes; or c) committed embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and

(C) Are not presently indicted or otherwise criminally or civilly charged by a governmental entity for: a) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction; b) violating any federal or state antitrust statutes; or c) committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and

(D) Are not aware of any information and possess no knowledge that any subcontractor(s) that will perform work pursuant to this contract are in violation of any of the certifications set forth above.

Shall immediately give written notice to the STATE should MCO come under investigation for allegations of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing: a public (federal, state of local government) transaction; violating any federal or state antitrust statutes; or committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

#### **Article. 10 Third Party Liability and Coordination of Benefits.**

**10.1 Agent of the STATE.** Pursuant to 42 CFR § 433, Subpart D, and Minnesota Statutes, § § 256B.042, subd. 2, 256B.056, subd. 6, 256L.03, subd. 6, 256D.03, subd. 8, 256.015, subd. 1, and 256B.37, subd. 1, the STATE hereby authorizes the MCO as its agent to obtain third party and Medicare reimbursement by any lawful means including asserting subrogation interest, filing liens, asserting independent claims, and to coordinate benefits, for MCO Enrollees.

**10.2 Third Party Recoveries.** The MCO must take reasonable measures to determine the legal liability of third parties to pay for services furnished to MCO Enrollees. To the extent permitted by state and federal law, the MCO shall use Cost Avoidance and/or Post Payment



Recovery Processes, as defined in Article 2, to ensure that primary payments from the liable third party are utilized to offset medical expenses.

(A) **Known Third Parties.** The STATE shall include information about known third party resources on the electronic enrollment data given to the MCO twice a month, as in section 3.3.2(J).

(B) **Additional Resources.** The MCO shall report to the STATE any additional third party resources available to an Enrollee discovered by the MCO on a form provided by the STATE, within ten (10) business days of verification of such information. The MCO shall report any known change to health insurance information in the same manner.

(C) **Cost Benefit.** The MCO's efforts to determine liability and use Cost Avoidance Procedures or Post Payment Recovery Processes shall not require that the MCO spend more on an individual claim basis than could be recovered through those efforts.

(D) **Retention of Recoveries.** The MCO is entitled to retain any amounts recovered through its efforts, provided that:

(1) Total payments received do not exceed the total amount of the MCO's financial liability for those services provided by the MCO to the Enrollee;

(2) STATE fee-for-service and reinsurance benefits have not duplicated this recovery; and

(3) Such recovery is not prohibited by federal or state law.

(E) **Return of Payments.** The MCO may require its capitated Providers to return any third party payments to the MCO.

(F) **Unsuccessful Effort.** If the MCO is unsuccessful in its efforts to obtain necessary cooperation from an Enrollee to identify potential third-party resources after sixty (60) days of such efforts, the MCO may inform the STATE in a format to be determined by the STATE that efforts have been unsuccessful.

### **10.3 Coordination of Benefits.**

**10.3.1 Coordination of Benefits.** For Enrollees who have private health care coverage, the MCO must coordinate benefits in accordance with Minnesota Rules, Part 9505.0070 and Minnesota Statutes, § 62A.046. Coordination of benefits includes paying any applicable copayments or deductibles on behalf of an Enrollee, except for cost-sharing pursuant to sections 4.3 and 4.4. For Enrollees who are also eligible for Medicare, coordination of benefits includes paying any applicable copayments, coinsurance or deductibles on behalf of an Enrollee up to the Medicare allowed amount.

#### **10.3.2 Cost Avoidance.**

(A) General. Except as described in paragraph B, the MCO shall cost avoid all claims or services that are subject to third-party payment to the extent permitted by state and federal law, and may deny a service to an Enrollee if the MCO is assured that a third party (e.g., other insurer) will provide the service. The MCO must determine whether it is more cost-effective to provide the service or pay the copayments, coinsurance and deductibles to a Non-Participating Provider. If the MCO refers an Enrollee to a third-party insurer for a service which the MCO covers, and the third-party insurer requires payment in advance of all copayments, coinsurance and deductibles, the MCO shall make such payments in advance or at the time such payments are required.

(B) Exceptions. For prenatal care services, preventive pediatric services and services provided to a dependent covered by health insurance pursuant to a court order, the MCO must ensure that services are provided without regard to insurance payment issues. The MCO must provide the service first and then coordinate payment with the potentially liable third party.

### **10.3.3 Post-Payment Recoveries.**

(A) Post-Payment Recoveries to be Pursued by the MCO. The MCO shall recover funds post payment in cases where the MCO was not aware of third-party coverage at the time services were rendered or paid for, or the MCO was not able to cost avoid (payment was not available at the time the claim was filed). The MCO shall identify all potentially liable third parties and pursue reimbursement from them. Potentially liable third party coverages include, but are not limited to:

- (1) Medicare,
- (2) Uninsured/underinsured motorist insurance,
- (3) First and third party liability insurance,
- (4) Awards as a result of a tort action,
- (5) Workers' compensation,
- (6) Medical payments insurance for accidents (otherwise known as "med pay" provisions or benefits of policy), and
- (7) Indemnity/accident insurance.

(B) The MCO shall develop procedures to identify trauma diagnoses and investigate potential liability.

(C) Recoveries Not to be Pursued by the MCO. The MCO shall not pursue reimbursement under estate recovery or Medical Support recovery provisions. This applies to recoveries of medical expenses paid for an Enrollee when the following

subsequent recovery actions are taken by a Local Agency or the STATE: 1) Medical Assistance lien or estate recovery; 2) Special Needs or Pooled Trusts; 3) annuities; or 4) from a custodial or non-custodial parent under a court order for Medical Support.

**10.4 Reporting of Recoveries.** The MCO shall report on the encounter claim all third party liability payments (including Medicare reimbursement) as required in section 3.3.1.

**10.4.1 Quarterly Report.** The MCO shall, on a quarterly basis, also disclose to the STATE all cost avoided and recovered amounts made from private insurance carriers, Medicare, and other responsible third parties, using a format provided by the STATE. This report is due by the 20th of the month following the end of the quarter.

**10.5 Causes of Action.** If the MCO becomes aware of a cause of action to recover medical costs for which the MCO has paid under this Contract, the MCO shall file a lien, assert a claim or a subrogation interest in the cause of action. The MCO shall follow the STATE's policy guidelines in settlement of any claim.

**10.6 Determination of Compliance.** The STATE may determine whether the MCO is in compliance with the requirements in this Article by inspecting source documents for: (1) appropriateness of recovery attempt; (2) timeliness of billing; (3) accounting for third party payments; (4) settlement of claims; and (5) other monitoring deemed necessary by the STATE.

**Article. 11 Governing Law, Jurisdiction, and Venue.** This Contract, and amendments and supplements thereto, will be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Contract, or breach thereof, will be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.

**Article. 12 Compliance with State and Federal Laws.** The MCO shall comply with all applicable state and federal laws and regulations in the performance of its obligations under this Contract. Any revisions to applicable provisions of federal or state law and implementing regulations, and policy issuances and instructions, except as otherwise specified in this Contract, apply as of their effective date. If any terms of this Contract are determined to be inconsistent with rule or law, the applicable rule or law provision shall govern.

In the performance of obligations under this Contract, the MCO agrees to comply with provisions of the following laws:

**12.1 Constitutions.** The Constitutions of the United States and the State of Minnesota.

**12.2 Prohibitions Against Discrimination.**

(A) Title VI of the Civil Rights Act of 1964 and pertinent regulations at 45 CFR § 80.

(B) Executive Order 11246 (30 Federal Register 12319), Equal Employment Opportunity, dated September 24, 1965; "Equal Employment Opportunity," as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60,

“Office of Federal Contract Compliance Programs, Equal Employment Opportunity Department of Labor,” as applicable.

(C) Section 504 of the Rehabilitation Act of 1973 and pertinent regulations at 45 CFR § 84.

(D) Section 508 of the Rehabilitation Act of 1973, as amended (29 USC 794d).

(E) Age Discrimination Act of 1975 and pertinent regulations at 45 CFR Part 91.

(F) Minnesota Statutes, § 363A.36.

(G) Title IX of the Education Amendments of 1972.

(H) The Americans with Disabilities Act, Public Law 101-336, Americans with Disabilities Act of 1990, 42 USC § 12101, et seq., and regulations promulgated pursuant to it. The MCO also shall comply with 28 CFR § 35.130(d), which requires the administration of services, programs, and activities in the most integrated setting appropriate to the needs of qualified individuals with disabilities.

(I) Any other laws, regulations, or orders that prohibit discrimination on grounds of race, sex, color, age, religion, health status, physical disability, sexual orientation, national origin, or public assistance status.

**12.3 State Laws.** Minnesota Statutes, § 256B.69 et seq.; Minnesota Rules, Parts 9500.1450 to 9500.1464; Minnesota Statutes, § 256D.03; Minnesota Statutes, § 256L.01 et. seq.; and Minnesota Rules, Parts 9506.0010 to 9506.0400.

**12.3.1 Workers’ Compensation.** In accordance with the provisions of Minnesota Statutes, § 176.182, the MCO shall provide acceptable evidence of compliance with the workers’ compensation insurance coverage requirement of Minnesota Statutes, § 176.181, subd. 2.

**12.3.2 Affirmative Action.** The MCO certifies that it has received a certificate of compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, § 363A.36. County administered MCOs are exempt from this statute.

**12.3.3 Voter Registration.** The MCO certifies that it will comply with Minnesota Statutes, § 201.162.

**12.4 Medicaid Laws.** Title XIX of the Social Security Act (42 USC § 1396 et. seq.), applicable provisions of 42 CFR Part 431.200 et. seq. and 42 CFR Part 438; waivers or variances approved by CMS; the Rehabilitation Act of 1973.

**12.5 Environmental Requirements.** The MCO shall comply with all applicable standards, order or requirements issued under § 306 of the Clean Air Act (42 USC 1857(h)), § 508 of the

Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15).

**12.6 Energy Efficiency Requirements.** The MCO shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (PL. 94-163, 89 Stat, 871), as applicable.

**12.7 Anti-Kickback Provisions.** The MCO shall be in compliance with the Copeland “Anti-Kickback” Act, 18 USC § 874, as supplemented by Department of Labor regulations, 29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work financed in whole or in part by Loans or Grants from the United States,” as applicable.

**12.8 Davis-Bacon Act.** The MCO shall be in compliance with the Davis-Bacon Act, as amended (40 USC §§ 276a to 276a-7), as supplemented by Department of Labor regulations (29 CFR Part 5), as applicable.

**12.9 Contract Work Laws.** The MCO shall be in compliance with the Contract Work Hours and Safety Standards Act (40 USC §§ 327-330), as supplemented by Department of Labor regulations (29 CFR Part 5), as applicable.

**12.10 Regulations about Inventions.** As applicable, the MCO will provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any further implementing regulations issued by HHS.

**12.11 Prohibition on Weapons.** MCO agrees to comply with all terms of the Minnesota Department of Human Services' policy prohibiting carrying or possessing weapons wherever and whenever MCO is performing services within the scope of this Contract. Any violations of this policy by MCO or MCO's employees may be grounds for immediate suspension or termination of the contract.

**Article. 13 Information Privacy and Security.** The MCO will comply with the following requirements regarding Protected Information:

**13.1 HIPAA Compliance.** The MCO and the STATE shall be in compliance with the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), any rules promulgated thereunder, and the Health Care Administrative Simplification Act of 1994, Minnesota Statutes, § 62J.50 et. seq., including but not limited to, compliance with 45 CFR §, Parts 160 and 162, Health Insurance Reform: Standards for Electronic Transactions, except as provided in section 3.3.1(B). The MCO shall be in compliance with these requirements consistent with the applicable effective dates contained in state or federal law.

**13.2 Business Associate and Trading Partner.** The STATE makes available and/or transfers to the MCO certain information in connection with the provision of services provided by the MCO on behalf of the STATE and in making available and transferring certain

information discloses to the MCO certain Protected Health Information (PHI) as defined in 45 CFR § 164.501.

(A) PHI. PHI is considered “private data on individuals” (as defined in Minnesota Statutes, § 13.02, subd. 12) and must be afforded special treatment and protection. PHI is subject to regulatory protection under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), implementing regulations at 45 CFR Parts 160 and 164, the Standards for Security of Protected Health Information and Privacy of Identifiable Health Information (hereinafter Privacy Regulation).

(B) Covered Entity. Both the STATE and the MCO are “Covered Entities” as the term is defined in the Privacy Regulation; and, because the MCO receives PHI from the STATE, it is also a “Business Associate” of the STATE as the term is defined in the Privacy Regulation. Pursuant to the Privacy Regulation, Business Associates of Covered Entities must agree in writing to certain mandatory provisions regarding the use and disclosure of PHI.

(C) Trading Partner. The MCO exchanges electronically transmitted PHI with the STATE, and is a “Trading Partner” in accordance with the Privacy Regulation. Pursuant to the Privacy Regulation, Trading Partners must comply with the requirements of the Privacy Regulation as it relates to conducting standard transactions. The purpose of this section is to assure and document that the parties comply with the requirements of the Privacy Regulation, including, but not limited to, the Business Associate contract requirements at 45 CFR Part 164 and the Administrative requirements for transaction standards between Trading Partners specified at 45 CFR Part 162.

(D) Definitions. Unless otherwise provided for in this Contract, capitalized terms in this Article have the same meaning as set forth in the Privacy Regulation.

### **13.3 Duties Relating to Protection of Information.**

**13.3.1 Proper Handling of Information.** MCO shall be responsible for ensuring proper handling and safeguarding by its workforce members (as defined in the Privacy Regulation), subcontractors, Business Associates, and authorized agents of Protected Information collected, created, used, maintained, or disclosed on behalf of STATE. This responsibility includes ensuring that workforce members and agents comply with and are properly trained regarding, as applicable, the laws listed in section 2.83.

**13.3.2 Minimum Necessary Access to Information.** MCO shall comply with the “minimum necessary” access and disclosure rule set forth in the HIPAA and the MGDPA. The collection, creation, use, maintenance, and disclosure by MCO shall be limited to “that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government.” See, respectively, 45 CFR §§ 164.502(b) and 164.514(d), and Minnesota Statutes, § 13.05 subd. 3.

**13.3.3 Part of Welfare System.** MCO will be considered part of the “welfare system,” as defined in Minnesota Statutes, § 13.46, subd. 1, and agrees to be bound by applicable state and federal laws governing the security and privacy of information.

**13.3.4 Additional Privacy and Security Safeguards.** MCO shall comply with the requirements set forth below regarding “Use of Information.”

**13.4 Use of Information.**

(A) MCO shall:

(1) Not use or further disclose Protected Information created, collected, received, stored, used, maintained or disseminated in the course or performance of this Contract other than as permitted or required by this Contract or as required by law, either during the period of this Contract or hereafter.

(2) Use appropriate safeguards to prevent use or disclosure of the Protected Information by its workforce members, subcontractors and agents other than as provided for by this Contract. This includes, but is not limited to, having implemented administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any Protected Information that it creates, receives, maintains, or transmits on behalf of STATE.

(3) Report to STATE’s privacy official any Privacy Incident or Security Incident of which it becomes aware. The MCO shall comply with any corrective actions required by the STATE as a result of the Privacy Incident or Security Incident. Such corrective actions may include, but are not limited to:

(a) Conducting an internal investigation of the incident;

(b) Providing the STATE a report summarizing the MCO’s internal review and investigative findings of the incident;

(c) Providing notice of a breach, consistent with HIPAA regulation, to any Enrollee whose Protected Information was, or is reasonably believed to have been, accessed; and

(4) Providing updates to the STATE regarding any confirmed or suspected incidents, or lack thereof, involving misuse of the unauthorized data.

(5) Consistent with this Contract, ensure that any agents (including contractors and subcontractors), analysts, and others to whom it provides Protected Information, agree in writing to be bound by the same restrictions and conditions that apply to it with respect to such information.

(6) Document such disclosures of PHI and information related to such disclosures as would be required for STATE to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

(7) Mitigate, to the extent practicable, any harmful effects known to it of a use, disclosure, or breach of security with respect to Protected Information by it not permitted or required by this Contract.

(8) Make available PHI in accordance with 45 CFR § 164.524 and Minnesota Statutes, § 13.04, subd. 3, within ten (10) days of the date of the request, excluding Saturdays, Sundays and legal holidays, of receipt of written request by the STATE.

(9) Make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 CFR § 164.526 within fifteen (15) days of receipt of written request by the STATE.

(10) Make its internal practices, books, records, policies, procedures, and documentation relating to the use, disclosure, and/or security of PHI available to the STATE and/or the Secretary of the United States Department of Health and Human Services (HHS) for purposes of determining compliance with the Privacy Rule and Security Standards, subject to attorney-client and other applicable legal privileges.

(11) Comply with any and all other applicable provisions of the HIPAA Privacy Rule and Security Standards, including future amendments thereto.

(12) Document such disclosures of PHI and information related to such disclosures as would be required for the MCO or the STATE to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

(13) Either: a) provide to STATE information required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528 within fifteen (15) days of receipt of written request by the STATE; or b) upon the STATE's request, respond directly to the individual requesting an accounting of disclosures from the MCO.

(B) The STATE shall:

(1) Only release information that it is authorized by law or regulation to share with MCO.

(2) Obtain any required consents, authorizations or other permissions that may be necessary for it to share information with MCO.

(3) Promptly notify MCO of limitation(s), restrictions, changes, or revocation of permission by an individual to use or disclose Protected Information, to the extent that such limitation(s), restrictions, changes or revocation may affect MCO's use or disclosure of Protected Information.



(4) Not request MCO to use or disclose Protected Information in any manner that would not be permitted under law if done by STATE.

**13.5 Disposition of Data Upon Completion, Expiration, or Agreement Termination.**

Upon completion, expiration, or termination of this Contract, MCO will return or destroy all Protected Information that the MCO still maintains received from the STATE or created or received by MCO for purposes associated with this Contract. MCO will retain no copies of such Protected Information, provided that such return or destruction is not feasible, or if MCO is required by the applicable regulation, rule or statutory retention schedule to retain beyond the life of this Agreement, MCO will extend the protections of this Contract to the Protected Information and refrain from further use or disclosure of such information, except for those purposes that make return or destruction infeasible, for as long as MCO maintains the information.

**13.6 Sanctions.** In addition to acknowledging and accepting the terms set forth in section 19.4 of this Contract relating to liability, the parties acknowledge that violation of the laws and protections described above could result in limitations being placed on future access to Protected Information, in investigation and imposition of sanctions by the U.S. Department of Health and Human Services, Office for Civil Rights, and/or in civil and criminal penalties.

**13.7 MCO's Own Purposes.** The STATE makes no warranty or representations that compliance by the MCO will be adequate or satisfactory for the MCO's own purposes. The MCO is solely responsible for all decisions it makes regarding the safeguarding of PHI or other Protected Information.

**13.8 Privacy Act Compliance.** The MCO shall comply with the requirements of the Privacy Act, as implemented by 45 CFR § 5b and 42 CFR § 401(B), as applicable. The MCO must comply with the confidentiality requirements of 42 CFR § 482.24 for medical records and for all other health and enrollment information on Enrollees that is contained in the MCO's records or obtained from CMS or the STATE. The MCO must use and disclose individually identifiable health information in accordance with the privacy requirements in 45 CFR § 160 and 164, subparts A and E, to the extent that the requirements are applicable.

**13.9 Procedures and Controls.** The MCO agrees to establish and maintain procedures and controls so that no information contained in its records or obtained from the STATE or CMS or from others in carrying out the terms of this Contract shall be used by or disclosed by it, its agents, officers, or workforce members except as provided in Minnesota Statutes Chapter 13 and in § 1106 of the Social Security Act and implementing regulations.

**13.10 Requests for Enrollee Data.** 42 CFR § 431.301 (pursuant to 1902(a)(7) of Title XIX and 42 USC § 1396a(7)) requires the STATE to ensure that disclosures of data concerning Enrollees and Potential Enrollees be limited to purposes directly connected with the administration of the State Plan, as defined in 42 CFR § 431.302. The STATE has not delegated to the MCO the authority to determine whether such disclosures of data (for purposes not directly connected with the administration of the State Plan) are appropriate for any population covered under this Contract; the MCO must obtain prior approval from the STATE for such disclosures

**13.10.1 Disclosure of Enrollee Data; Exceptions.** The MCO may disclose Enrollee data to other parties for studies or research that receive Institutional Review Board approval, or when using aggregated data for studies or for program evaluations, without prior approval by the STATE. Clinical trials are not included in this exception. Any report or presentation associated with studies, research or evaluations by the MCO or produced under this section must be sent to the STATE prior to release of the report or presentation.

**13.10.2 Data Sharing for C&TC .** The STATE authorizes the MCO to enter into data sharing agreements with Local Agency welfare and public health offices for the purpose of administering the C&TC program and county outreach for C&TC. The STATE shall provide, upon request, a model data sharing agreement and technical assistance with establishing the agreement.

**13.10.3 MN-HIE.** The STATE authorizes the MCO to enter into data sharing or subscriber agreements with Minnesota Health Information Exchange (MN-HIE.)

**13.11 Authorized Representatives.** The STATE's authorized representative for data privacy and security is the Minnesota Department of Human Service Privacy Official. MCO's responsible authority for complying with data privacy and security is the MCO's Privacy and/or Security Official(s).

**13.12 Indemnification.** Notwithstanding section 19.4, each party shall be responsible for claims, losses, damages and expenses which are proximately caused by the wrongful or negligent acts or omissions of that party or its agents, employees or representatives acting within the scope of their duties from all claims arising out of, resulting from, or in any manner attributable to any violation by that party of any provision of the laws listed in section 2.83 in connection with the performance of its duties and obligations under this Contract. This includes, but is not limited to, legal fees and disbursements paid or incurred to enforce the provisions of this Contract. The liability of the STATE is provided for under the Tort Claims Act, Minnesota Statutes, § 3.736 and subject to the limitations therein. The liability of the MCO is provided for under the Municipal Tort Claims Act, Minnesota Statutes, § § 466.01 to 466.15 and subject to the limitations therein. The MCO warrants that it is self-insured pursuant to Minnesota Statutes, § 383B.155 with respect to the municipality liability requirements of Minnesota Statutes, § § 466.02 and 466.04. Nothing herein shall be construed to limit either party from asserting against third parties any defenses or immunities (including common law, statutory and constitutional) it may have or be construed to create a basis for a claim or suit when none would otherwise exist. This provision shall survive the termination of this Agreement.

**Article. 14 Lobbying Disclosure.** The MCO certifies that, to the best of its knowledge, understanding, and belief, that:

(A) No Federal Funds Used. No Federal appropriated funds have been paid or will be paid in what the undersigned believes to be a violation of 31 USC § 1352, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of

Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, the modification of any Federal contract, grant, loan, or cooperative agreement, or in any activity designed to influence legislation or appropriations pending before Congress.

(B) Other Funds Used. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(C) Certification. The undersigned will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and will require that all sub-Recipients certify and disclose accordingly. This certification is a material representation of facts upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 USC § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**Article. 15 CLIA Requirements.** All laboratory testing sites providing services under this Contract must comply with the Clinical Laboratory Improvement Amendments (CLIA) requirements in 42 CFR Part 493. The MCO shall obtain the valid CLIA certificate numbers from laboratories used by the MCO, and shall ensure that the certificates remain current. The MCO shall make a written report to the STATE of any laboratories it discovers to be non-CLIA certified.

**Article. 16 Advance Directive Compliance.** Pursuant to 42 USC § 1396a(a)(57) and (58) and 42 CFR § 489.100-104, the MCO agrees:

**16.1 Enrollee Information.** To provide all Enrollees at the time of enrollment a written description of applicable State law on Advance Directives and the following:

(A) Information regarding the Enrollee's right to accept or refuse medical or surgical treatment and to execute a living will, durable power of attorney for health care decisions, or other Advance Directive.

(B) Written policies of the MCO respecting the implementation of the right;

(C) Updated or revised changes in State law as soon as possible, but no later than ninety (90) days after the effective date of the change; and

(D) Information that complaints concerning noncompliance with the Advance Directive requirements may be filed with the State survey and certification agency (i.e. Minnesota Department of Health), pursuant to 42 CFR § 422.128, as required in 42 CFR § 438.6(i).

**16.2 Providers Documentation.** To require MCO's Providers to ensure that it has been documented in the Enrollee's medical records whether an individual has executed an Advance Directive.

**16.3 Treatment.** To not condition treatment or otherwise discriminate on the basis of whether an Enrollee has executed an Advance Directive.

**16.4 Compliance with State Law.** To comply with State law, whether statutory or recognized by the courts of the State, on Advance Directives, including Minnesota Statutes, Chapters 145B and 145C.

**16.5 Education.** To provide, individually or with others, education for MCO staff, Providers and the community on Advance Directives.

#### **Article. 17 Disclosure.**

**17.1 Disclosure Requirements.** The MCO must consent to any financial, character, and other inquiries by the STATE.

**17.1.1 General Disclosures.** Upon request by the STATE, the MCO must disclose the following information as indicated in the sections below:

(A) The MCO shall notify the STATE in a timely manner of changes to the MCO's Government Programs staff and management.

(B) The type of organizational structure, a description of the management plan, the general nature of the MCO's business and general nature of the management plan's business.

(C) The MCO's full legal or corporate name and any trade names, aliases, and/or business names currently used.

(D) The jurisdiction of the MCO and date of incorporation, along with any articles of incorporation and by-laws, if applicable, along with state and federal tax returns for the past five (5) years. If the MCO is an organization other than a corporation, the copies of any agreements creating or governing the organization must be submitted.

(E) The date the MCO commenced doing business in Minnesota, and, if the MCO is incorporated outside of Minnesota, a copy of the MCO's certificate of authority to do business in Minnesota.

(F) Whether the MCO is directly or indirectly controlled to any extent or in any manner by another individual or entity. If so, the MCO must disclose the identity of the controlling entity and a description of the nature and extent of control.

(G) Any agreements or understandings that the MCO has entered into regarding ownership or operation of the MCO.

**17.1.2 Disclosure of Management/Fiscal Agents.** The MCO must disclose the following, if applicable:

(A) A description of the terms and conditions of any contract or agreement between the MCO and the management or fiscal agent.

(B) All corporations, partnerships or other entities providing management of fiscal agent services.

(C) The management or fiscal agent's full legal or corporate name and any trade names currently used. The legal name, aliases, and previous names of management personnel, to the extent known.

(D) The jurisdiction of the management or fiscal agent and date of incorporation, along with any articles of incorporation and by-laws, if applicable, along with state and federal tax returns for the past five years. Copies of any agreements creating or governing the organization must be submitted if the management or fiscal agent is an organization other than a corporation.

(E) The date the management or fiscal agent commenced doing business in Minnesota, and if they are incorporated outside of Minnesota, a copy of their certificate of authority to do business in Minnesota.

**17.2 Disclosure of, Compliance With, and Reporting of Physician Incentive Plans.** The MCO may operate a Physician Incentive Plan, as defined in 42 CFR § 438.700 (b)(6), only if the following requirements are met:

**17.2.1 Disclosure to the STATE.** The MCO must report to the STATE in writing no later than March 31st of the Contract Year that the MCO is in compliance with the Physician Incentive Plan requirements as set forth in 42 CFR § 438.700 (b)(6). The MCO shall maintain in its files the following information in sufficient detail to enable the STATE or CMS to determine the MCO's compliance and shall make that information available to the STATE or CMS upon request. The MCO must take into consideration its contractual relationship with all its subcontractors, including the relationship between its subcontractors and other Providers down to the level of the physician. These include:

(A) The physician/physician group for which risk has been transferred for services not furnished by the physician/physician group, such as referral services;

(B) The type of incentive arrangement such as withhold, bonus or capitation associated with the transfer of risk for the physician/physician group;

(C) The percent of the potential payment to the physician/physician group that is at risk for referrals;

(D) The panel size, and if patients are pooled, the pooling method used to determine if significant financial risk (SFR) exists for the physician/physician group;

(E) If SFR exists, the MCO must provide an assurance that the physician or physician group at SFR has adequate stop-loss protection, including the threshold amounts for individual/professional, institutional, or combination for all services, and the type of coverage (i.e. per member per year or aggregate); and

(F) If the MCO has Physician Incentive Plans that place physicians or physician groups at SFR for the cost of referral services it must conduct Enrollee surveys and provide a summary of the survey results. Additionally, the STATE shall annually conduct the survey of Enrollees who have disenrolled, and make available the survey results to the MCO.

**17.2.2 Disclosure to Enrollees.** The MCO must provide the following information in accordance with 42 CFR § 438.6(h) to any Enrollee or Potential Enrollee upon request:

(A) Whether the MCO or its subcontractors use a Physician Incentive Plan that affects the use of referral services.

(B) The type of incentive arrangement(s) used.

(C) Whether stop-loss protection is provided.

(D) If the MCO was required to conduct an Enrollee survey, a summary of the survey results.

## **Article. 18 Emergency Performance Interruption (EPI).**

**18.1 Business Continuity Plan (BCP).** By April 1st of the Contract Year, the MCO shall have in place a written Business Continuity Plan (BCP) to be enacted in the event of an EPI. The BCP must:

(A) Identify an Emergency Preparedness Response Coordinator (EPRC). Include the appointment and identification of an Emergency Preparedness Response Coordinator (EPRC). The EPRC shall serve as the contact for the STATE with regard to emergency preparedness and response issues and shall provide updates to the STATE as the EPI unfolds. The MCO shall notify the STATE by April 1st of the Contract Year whether there has been any change in the contact information of its appointed EPRC, and must indicate if there are no changes in the notification. If the MCO's EPRC changes at any other time during this Contract, the MCO must immediately notify the STATE.

(B) Outline Activation Procedures. Outline the procedures used for the activation of the BCP upon the occurrence of an EPI.

(C) Ensure Priority Services. Ensure that MCO operations continue to produce and deliver Priority Services under this Contract. This includes, but is not limited to:

- (1) Outlining the roles, command structure, decision making processes and emergency action procedures that will be implemented upon the occurrence of an EPI;
- (2) Providing alternative operating plans for Priority Services;
- (3) Providing procedures to move Enrollees to Fee for Service if the STATE determines such movement is necessary to properly provide service to the Enrollees; and
- (4) Providing procedures to allow Enrollees to go to another clinic if their primary care clinic is not functioning.

(D) Include Reversal Process. Include procedures to reverse the process once the external environment permits the MCO to re-enter normal operations.

(E) Be Reviewed, Exercised and Updated. Be reviewed and revised as needed, at least annually. The BCP shall also be exercised on a regular basis, typically annually. Exercises are not required to consist of large scale tests of multiple applications, but may instead consist of plan reviews, tabletop exercise and/or unit/component tests. When deciding on what type of exercise to use, the MCO shall balance the benefit of each type of exercise against the criticality of the service, costs (direct and indirect) associated with the exercise, and vulnerability of each service to failure.

(F) Be Available to the STATE. Upon written request, be available to the STATE during normal business hours for review and inspection at the MCO's location.

**18.2 EPI Occurrence.** If an EPI occurs, the MCO must:

(A) Implement its BCP within two (2) days of such EPI. In the event that the MCO's BCP cannot or is not implemented in this timeframe, the STATE shall have one or more of the following courses of action and remedies:

- (1) Require joint management of contract operations between MCO and STATE staff.
- (2) Move some or all of the MCO's Enrollees to another MCO.
- (3) Bring some or all of the MCO's contractual duties in-house within the STATE.
- (4) Immediately terminate the contract for the MCO's failure to provide the BCP services.
- (5) Postpone Negotiations.

(6) If requested by the STATE, immediately postpone any active or soon to be active negotiations with the STATE for the following year's Contract until such time as normal operations can be resumed. If, as a result of the EPI, a contract is not executed for the following year prior to December 15th of the Contract Year, the current Contract will be renewed in accordance with Article 5.

(B) Provide Notice to the State. Use best efforts to provide notification to the STATE of any significant closures within the MCO or its network.

(C) Affected Enrollee Access. Allow Enrollees whose Primary Care Provider(s) is significantly affected by the EPI to access other Primary Care Providers or, if found necessary by the STATE, be moved to the Fee for Service Medical Assistance program.

(D) Continuation and Excuse from Services. Continue its duties and obligations under this Contract for as long as is practical. If the MCO believes that, despite the implementation of its BCP, it can no longer provide any or all of the Priority Services, the MCO must provide the STATE prompt written notices of such belief and request the STATE excuse it from those services. The notice and request must include specific details as to: (a) what services the MCO is requesting to be excused from providing; and (b) what circumstances prevent the MCO from providing the services.

(E) Burden for Excuse. If the MCO asserts that it can no longer provide any or all of the Priority Services as a result of the EPI, the MCO shall have the burden of proving that:

(1) Reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events;

(2) That all non-excused obligations will be substantially fulfilled; and

(3) That the STATE was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated. Failure by the MCO to prove any of these points may result in penalties for contract breach in accordance with Article 5.

(F) Relief from Breach. The MCO's liability for breach under Article 5 of this Contract will only be relieved for services excused in writing by the STATE. The STATE will not unreasonably withhold excuse from services for which the MCO has followed the procedures and met the burdens of this section.

(G) Return to Normal Operations. The MCO may suspend the performance of excused services under this Contract until any disruption resulting from the EPI has been resolved. However, the MCO shall make every effort to eliminate any obstacles resulting from the EPI so as to minimize to the greatest extent possible its adverse effects. Once the disruptions from the EPI are resolved to the point that the MCO can reasonably resume normal performance on one or more of the excused services, the MCO shall reverse the BCP process, resume normal operations for those services, and provide notice to the STATE of the same.



## **Article. 19 Miscellaneous.**

**19.1 Modifications.** Any material alteration, modification or variation in the terms of this Contract shall be reduced to writing as an amendment hereto, signed by the parties, and attached hereto.

**19.2 Entire Agreement.** The parties understand and agree that the entire agreement of the parties is contained herein and that this Contract supersedes all oral agreements and negotiations between the parties relating to this subject matter. All appendices, guidance, reference books including companion guides, technical specifications, and webpages referred to in this Contract are incorporated or attached and deemed to be part of the Contract.

**19.3 Assignment.** The MCO shall neither assign nor transfer any rights or obligations under this Contract without the prior written consent of the STATE.

**19.4 Liability.** The STATE and MCO agree that, to the extent provided for in state law, each shall be responsible for the loss, damage or injury arising from its own negligence in performing this Contract.

**19.5 Waiver.** If a party fails to enforce any provision of this Contract, that failure does not waive the provision of that party's right to enforce it.

**19.6 Severability.** If any provision or paragraph of this Contract is found to be legally invalid or unenforceable, such provision or paragraph shall be deemed to have been stricken from this Contract and the remainder of this Contract shall be deemed to be in full force and effect.

**Article. 20 Survival.** Notwithstanding the termination of this Contract for any reason, sections 3.3 and 9.4 (reporting and access to records), section 4.5 (Managed Care Performance Measures and withhold), section 4.7.2 (CMS Approval) sections 4.6 (Payment Errors), sections 5.3 through 5.6 (Deficiencies and sanctions), section 7.10 (Financial Performance Incentives) and Article. 13 (Information Privacy and Security including section 13.12 Indemnification) shall survive the termination of this Contract.

*Signature page follows.*

IN WITNESS WHEREOF, the parties hereto have executed this Contract. This Contract is hereby accepted and considered binding in accordance with the terms outlined in the preceding statements.

**HENNEPIN COUNTY APPROVAL**

The STATE, having signed this contract, and Hennepin County through its Metropolitan Health Plan d/b/a Hennepin Health, having duly approved this Contract on the 20 day of December, 2011, and pursuant to such approval, the proper County officials having signed this Contract, the parties hereto agree to be bound by the provisions herein set forth.

**STATE OF MINNESOTA  
DEPARTMENT OF HUMAN  
SERVICES**

By: \_\_\_\_\_

Name: Scott Leitz

Title: Assistant Commissioner

Date: 12-22-11

**COUNTY OF HENNEPIN  
STATE OF MINNESOTA**

By: \_\_\_\_\_

Printed Name: KAREN A. STURM

Title: CEO of Metropolitan Health Plan

Date: December 20, 2011

Approved as to form: Assistant County Attorney

By: \_\_\_\_\_

Date: 12/20/11

Approved as to execution: Assistant County Attorney

By: \_\_\_\_\_

Date: 12/20/11

**This certifies that the signatories for the County have lawful authority, by virtue of Board Resolution, to bind the County to the term of this Agreement.**

Contract #32408 / SWIFT #0000197294

List of Appendices:

Appendix I-A: Service Area

Appendix I-B: Automatic Assignment Zip Codes

Appendix II: Rates

**Demonstration  
Counties**

Hennepin

**Zip Code**

55440  
55404  
55411  
55407  
55412  
55408  
55403  
55406  
55418  
55429  
55423  
55430  
55405  
55413  
55428  
55443  
55422  
55417  
55419  
55414  
55454  
55409  
55441

**Appendix II-A: Capitation Payment Rates**  
**Hennepin Health**  
**PMAP Rates January-December 2012**  
**Hennepin County**

Age	Sex	1/12-12/12	1/12-12/12	Base Rate	MERC	DHU
		Rate	Rate-MERC	-MERC & DHU	Carve Out	Add-On
ADULTS w/o CHILDREN						
21 - 49	F	\$1,018.26	1,018.26	985.68	(\$0.00)	\$32.58
50 - 64	F	\$1,205.44	1,205.44	1,166.86	\$0.00	\$38.57
21 - 49	M	\$918.25	918.25	888.87	(\$0.00)	\$29.38
50 - 64	M	\$1,293.06	1,293.06	1,251.68	\$0.00	\$41.38

**Appendix II-B: Capitation Payment Rates  
Hennepin Health**

		Hennepin County		Hennepin County		Hennepin County	
		1/12-12/12		1/12-12/12		1/12-12/12	
Age	Sex	Base Rate w MERC*	Base Rate w/o MERC*	Plan Rate w/o MERC**	Plan Rate w rateable	Plan Rate w rateable	Reduction.**
<b>ADULTS w/o CHILDREN</b>							
21 - 49	F	\$1,018.26	\$1,018.26	\$1,018.26	\$993.01	\$993.01	\$25.25
50 - 64	F	\$1,205.44	\$1,205.44	\$1,205.44	\$1,175.54	\$1,175.54	\$29.90
21 - 49	M	\$918.25	\$918.25	\$918.25	\$895.48	\$895.48	\$22.77
50 - 64	M	\$1,293.06	\$1,293.06	\$1,293.06	\$1,260.99	\$1,260.99	\$32.07