SNBC 2011 Contract

UCARE MINNESOTA

MINNESOTA DEPARTMENT OF HUMAN SERVICES CONTRACT FOR MINNESOTA SPECIAL NEEDS BASIC CARE PROGRAM SERVICES FOR PEOPLE WITH DISABILITIES

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MINNESOTA DEPARTMENT OF HUMAN SERVICES CONTRACT FOR SPECIAL NEEDS BASIC CARE

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 (hereinafter STATE), and **UCare Minnesota**, Managed Care Organization (MCO) (hereinafter MCO); and

WHEREAS, the STATE, pursuant to Minnesota Statutes, §256B.69, subd. 28, may contract with Medicare Advantage Special Needs Plans to provide Medicaid services and/or integrated Medicare and Medicaid services to Medicaid eligible people with disabilities who are between the ages of eighteen (18) through sixty-four (64); and

WHEREAS, the Special Needs BasicCare (SNBC) service delivery system is designed to: 1) support Enrollees by assuring access to necessary primary, specialty, rehabilitative and acute care medical services; 2) integrate Medicare and Medicaid service delivery including the provision of prescription drugs under both programs for those who are Dually Eligible; 3) facilitate seamless transitions to Medicare Part D drug coverage for those who become Dually Eligible while enrolled; 4) facilitate choices among a range of Providers; 5) facilitate, to the extent of an Enrollee's ability, the Enrollee's involvement in his or her own decisions about care; 6) focus on the person being served in the context of his or her living situation and disability diagnosis; and

WHEREAS, the MCO has entered into a contract with the Centers for Medicare and Medicaid Services (CMS) to provide Medicare Parts A, B, and D services pursuant to the Medicare Modernization Act (MMA), the MCO is participating in Medicare Advantage as a Dual Eligible Special Needs Plan (SNP) approved to serve a subset of Dual Eligibles as defined by the State of Minnesota, and meets or will meet CMS qualifications to participate as a low income benchmark plan for Medicare Part D services; and

WHEREAS, accordingly the STATE and the MCO agree to comply with the laws, regulations, and general instructions of CMS regarding the coordination of Medicare and Medicaid benefits; and

WHEREAS, the STATE has authority to enter into contracts for the provision of prepaid medical and remedial services under Medicaid, pursuant to: 1) Title XIX of the Social Security Act, 42 U.S.C. § 1396 et. seq; 2) 42 CFR Parts 434 and 438; 3) Minnesota Statutes, § 256B.69 (hereinafter the Prepaid Medical Assistance Program, or PMAP); and 4) a Medicaid waiver under § 1915(a) of the Social Security Act; and

WHEREAS, the STATE and the MCO agree to continue to coordinate and share Medicare and Medicaid information about SNBC Enrollees.

Through this renewal contract, numbered **B48636,** the STATE and the MCO have agreed to renew the 2010 Contract, numbered B36021, for the next Contract Year, January 1, 2011 through December 31, 2011;

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

Article. 1 Overview. This Contract implements the Minnesota Special Needs BasicCare (SNBC) program. SNBC creates an alternative health care and support services delivery system for people with disabilities, who are eighteen (18) years or older, and are eligible for Medicaid or have Dual Eligibility for Medicaid and Medicare. 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"). All references to Special Needs Plan or SNP in the Contract pertain only to MCO's SNBC product.

Article. 2 Definitions

2.1 638 Facility means facilities 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 the definition set out in Minnesota Rules, Part 9505.2165, subpart 2. 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 Article 8; 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 Adjudicated means that a claim has reached its final disposition of paid or denied.

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

2.6 Adult Guardianship means:

(A) Private Guardian refers to a person or party who has been appointed and ordered by the court to execute the powers, authority, duties and responsibilities involved in the protective arrangement of a guardianship, whereby the agent manages the personal life affairs, as needed, for a ward, who has been deemed or determined to be an incapacitated person by the court in accordance with Minnesota Statutes, §§ 524.5-101 through 524.5-502.

(B) Public Guardian refers to when the Commissioner of the Minnesota Department of Human Services is ordered and appointed by the court to act as public guardian for an adult with a mental disability who lacks resources to employ a guardian, but needs this level of supervision and protection, and has no other private party willing and able to act as private guardian, in accordance with Minnesota Chapter Law 252A and Public Guardianship Rule #175, Minnesota Rules, parts, 9525.3010-9525.3100.

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 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 Assessment means determining the: 1) functioning; 2) health status, including high risk health conditions; 3) living environment; 4) social supports; 5) mental and/or chemical dependency problems; 6) developmental disability; and 7) language or comprehension barriers of an Enrollee. This includes, but is not limited to, identifying appropriate services and evaluating effectiveness of services.

2.11 Assistive Technology Device means any item, piece of equipment or product system, whether acquired commercially, modified or customized, that is used to increase, maintain or improve the functional capabilities of a disabled individual. Assistive Technology Devices may include, but are not limited to, durable medical equipment, and devices designed and/or intended for repeated use that assist and/or support an individual so that they may meet their functional needs.

2.12 Assistive Technology Service means any service that directly assists an individual with a disability in the selection, acquisition or use of an Assistive Technology Device. Assistive Technology Services include, but are not limited to: 1) assessments; 2) plan development; and 3) device trials, training and evaluation.

2.13 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.

2.14 Authorized Representative means a person who has assumed the responsibilities outlined in and pursuant to Minnesota Rules, Part 9505.0085, Subpart 2.

2.15 Basic Care Rate means the rate for provision and administration of state plan services covered in the MCO's contract, (excluding nursing facility services).

2.16 Benefit Period means, under Medicare, the period of consecutive days that begins with the first day on which an Enrollee is furnished Inpatient Hospital or extended care services by the MCO and ends at the close of a period of sixty (60) consecutive days during which the Enrollee was neither furnished Inpatient Hospital services nor met the criteria for payment for a Skilled Nursing Facility.

2.17 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).

2.18 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.

2.19 Care Management means the overall method of providing on-going health care in which the MCO manages the provision of primary health care services with additional appropriate services provided to an Enrollee. See section 6.1.3.

2.20 Care System means any entity that an MCO contracts with and delegates some portion of its Care Management and/or Primary Care responsibilities.

2.21 Case Management means the assignment of an individual who coordinates Medicare and Medicaid health services for an Enrollee.

2.22 Child means an individual less than twenty-one (21) years of age pursuant to Minnesota Statutes, § 256B.055, subd. 9.

2.23 Child with a Severe Emotional Disturbance (SED) means a child with a severe emotional disturbance as defined in Minnesota Statutes, § 245.4871, subd. 6.

2.24 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.

2.25 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) the results of which will be reported upon completion of the trial regardless of their positive or negative nature.

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

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

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

2.29 Community Alternative Care (CAC) Waiver means the Home and Community Based Services waiver program, authorized by a federal waiver under Section 1915(c) of the Social Security Act, 42 U.S.C. § 1396(n)(c), and pursuant to Minnesota Statutes § 256B.49 for people with disabilities who require the level of care provided in a hospital.

2.30 Community Alternatives for Disabled Individuals (CADI) Waiver means the Home and Community-Based Services waiver program, authorized by a federal waiver under Section 1915(c) of the Social Security Act, 42 U.S.C. § 1396n(c), and pursuant to Minnesota Statutes, § 256B.49, for people with disabilities who require the level of care provided in a Nursing Facility.

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

2.32 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.

2.33 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.

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

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

2.36 County Case Management System means a county or multi-county entity with which the MCO contracts for case management and related functions.

2.37 Covered Service means a health care service as defined in Minnesota Statutes, §256B.0625, and Minnesota Rules, Parts 9505.0170 through 9505.0475, and as applicable, Minnesota Statutes §§ 256B.49 and 256B.092, and that was provided in accordance with the MCO's Service Delivery Plan and the MCO Certificate of Coverage, as approved by the STATE.

2.38 Cut-Off Date means the last day on which new 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.

2.39 Developmental Disability means a person who has been determined by the Local Agency to have a disability as defined in Minnesota Rules, Part 9525.0016, subpart 2, item B, or a Related Condition as defined in Minnesota Statutes § 252.27 subd. 1a, and Minnesota Rules part 9525.0016 subpart 2, item A.

2.40 Developmental Disability Screening (DD Screening) means, a screening performed by the county, that is available to a person with a diagnosis of Developmental Disability which evaluate the level of care needed when the assessment indicates that the person is at risk of

placement in an Intermediate Care Facility (ICF/DD), Nursing Facility, or Home and Community-Based Services.

2.41 Developmental Disability (DD) Screening Document means a form designated by the STATE used to record the outcomes of an assessment, screening or case management activities. See Minnesota Statutes, § 256B.092, subd. 8(b).

2.42 Developmentally Disabled (DD) Waiver means the Home and Community-Based Services waiver program, authorized by a federal waiver under § 1915(c) of the Social Security Act, 42 U.S.C. § 1396n(c), and pursuant to Minnesota Statutes, § 256B.092 subd. 4, for people with disabilities who are at risk of the level of care provided in an Intermediate Care Facility (ICF/DD) for an Enrollee with a Developmental Disability .

2.43 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, and this program: 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.

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

2.45 Emergency Performance Interruption (EPI) means any event, including, but not limited to: wars, terrorist activities, natural disasters, significant system failures, 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.

2.46 Emergency Care means the provision of Covered Services that are required to treat an immediate Medical Emergency as defined at section 2.86.

2.47 Enrollee means a SNBC eligible person whose enrollment in the MCO has been entered on 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.

2.48 End Stage Renal Disease (ESRD) means chronic kidney failure, or a stage of renal impairment requiring either a regular course of dialysis or kidney transplantation to maintain life.

2.49 EPSDT (or C&TC) means the Early, Periodic, Screening, Diagnosis and Treatment (EPSCT) Program required under 42 CFR § 441.50, known in Minnesota as the Child and Teen checkups (C&TC) Program, that provides comprehensive health services for Medical Assistance-eligible Children under age twenty-one (21).

2.50 Excluded Time as defined in Minnesota Statutes § 256G.02, subd. 6(a), (b) and (c) means any period an enrollee spends in a hospital, sanitarium, nursing home, shelter other than an emergency shelter, halfway house, foster home, semi-independent living domicile or services program, residential facility offering care, board and lodging facility; maternity home, battered women's shelter, or correctional facility; or any facility based on an emergency hold; any period spent on a placement basis in a training and habilitation program, including a rehabilitation facility or work or employment program; or receiving personal care assistant services, semi-independent living services, day training and habilitation programs and assisted living services; and any placement for a person with an indeterminate commitment, including independent living.

2.51 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.

2.52 Family Planning Service means a family planning supply (related 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.

2.53 Fraud means the definition set out in Minnesota Rules, Part 9505.2165, Subpart 4.

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

2.55 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.

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

2.57 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.

2.58 Health Care Professional means a physician, optometrist, chiropractor, psychologist, dentist, 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.

2.59 Home and Community-Based Waiver Services (HCBS) means services provided under a federal waiver under § 1915(c) of the Social Security Act, 42 U.S.C. § 1396n(c), and pursuant to Minnesota Statutes, § 256B.092, subd. 4, and § 256B.0915. These services are for Enrollees who meet specific eligibility criteria including being at risk of institutional care if not

for the provision of HCBS services. The services are intended to prevent or delay ICF-MR placements, Nursing Facility placements or neurobehavioral rehabilitative hospitalizations.

2.60 Home Care Services means a health service that meets the criteria for Medical Necessity, and is ordered by a physician and documented in a service plan that is reviewed by the physician at least once every sixty (60) days for the provision of home health services that are provided to the enrollee at the enrollee's residence that is a place other than a hospital or long-term facility, or as specified in Minnesota Statutes § 256B.0625. Services include:

(A) Home health aide services as listed in Minnesota Statutes, § 256B.0625 subd. 6(a) and §§ 256B.0651 and 256B.0653, subd. 3.

(B) Skilled nursing visits provided by a certified Home Health Care Agency as authorized by Minnesota Statutes, § 256B.0625, subd.6a. and § 256B.0653, subd. 4.

(C) Home care therapies as listed in Minnesota Statutes, § 256B.0625 subd. 8, and § 256B.0651; and

(D) Durable medical equipment, and associated supplies when accompanied by a home care service as described in Minnesota Statutes § 144A.43 subd.3 (10).

2.61 Hospice means a public agency or private organization or subdivision of either of these that is primarily engaged in providing hospice care for individuals with terminal illnesses, authorized under Section 1861(dd) of the Social Security Act and described in 42 CFR § 418.100 et seq.

2.62 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, and includes the set of services as determined by the Medicare program under §1861(dd) of the Social Security Act and defined in 42 CFR § 418.3.

2.63 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, any payment to: 1) 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.

2.64 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 U.S.C. 1603). Indian Health Care Provider includes a 638 Facility and providers of Indian Health Service Contract Health Services (IHS CHS) .

2.65 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.

2.66 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, to American Indian Enrollees..

2.67 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.

2.68 Informed Choice means a voluntary decision made by the enrollee or the enrollee's legal representative, after becoming familiar with the alternatives, and having been provided sufficient relevant written and oral information at an appropriate comprehension level and in a manner consistent with the enrollee's or the enrollee's legal representative's primary mode of communication.

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

2.70 Institutionalized means Recipients who are coded in MMIS as being in a Nursing Facility or in an ICF/DD, at the time of enrollment or after initial enrollment, those Enrollees who are living in a Nursing Facility, or an ICF/DD at capitation.

2.71 Intermediate Care Facility for Persons with Developmental Disability (ICF/DD) means a program licensed to provide services to Persons with Developmental Disability under Minnesota Statutes, § 252.28 and Chapter 245A, and a physical plant licensed as a supervised living facility under Chapter 144, which together are certified by the Minnesota Department of Health as meeting the standards in 42 CFR § 440.150, for an intermediate care facility which provides services for Persons with Developmental Disability who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs.

2.72 Lead Agency means a county, tribal health entity, or a participating MCO that is responsible to put into effect appropriate Home and Community Based waiver functions as delegated by the STATE, for any Enrollee who meets waiver program eligibility criteria under Medicaid HCBS Waivers, § 1915(c).

2.73 Legal Representative means the parent or parents of a person who is under 18 years of age, or a guardian or conservator, or guardian *ad litem* who is authorized by the court to make decisions about services for a person. Parents or private guardians or conservators who are unable to make decisions about services due to temporary unavailability may delegate their powers according to Minnesota Statutes, §§ 524.5 through 426.

2.74 Level of Care Criteria means classifications and questions developed by the Minnesota Departments of Health and/or Human Services used to determine an Enrollee’s Nursing Facility

care needs or the criteria used by STATE to determine neurobehavioral hospital level of care, hospital level of care or an intermediate level of care.

2.75 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 agency that is responsible for DD, CADI or TBI waiver services.

2.76 Long Term Care Consultation (LTCC) means the assessment of Enrollees, pursuant to Minnesota Statutes, § 256B.0911, for the purpose of preventing or delaying Nursing Facility placements or for admission to or transitioning out of Nursing Facilities and to offer cost-effective alternatives appropriate for the Enrollee's needs, and to assure appropriate admissions to a Nursing Facility. LTCC assessments shall be completed by a social worker, public health nurse, registered nurse, using a form determined by the STATE to determine eligibility for Nursing Facility placement or home and community based services.

2.77 Long Term Care Hospital means a Minnesota hospital or a metropolitan statistical area hospital located outside Minnesota in a county contiguous to Minnesota that meets the requirements under 42 CFR § 412.23(e).

2.78 MA-EPD means the enrollee is eligible for Medical Assistance because they are an employed disabled person who is age 16-64 who would not otherwise be MA-eligible. Enrollees on MA-EPD must pay a premium to be eligible. This includes persons who receive services through the CAC, CADI, DD and TBI waiver programs.

2.79 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.

2.80 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).

2.81 Marketing means any communication from the 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 remain enrolled in that particular MCO's product, or to disenroll from or not enroll in another MCO's product.

2.82 Marketing Materials means materials that are produced in any medium by or on behalf of an MCO and can reasonably be interpreted as intended to market to potential or current Enrollees. Marketing Materials include any informational materials targeted to potential or current Enrollees that: 1) promote the MCO or any SNBC product offered by the MCO; 2)

informs potential or current Enrollees that they may enroll or remain enrolled in an SNBC plan offered by the MCO; 3) explain the benefits of enrollment in an MCO or rules that apply to Enrollees; or 4) explain how Medicare services are covered under the SNBC product, including conditions that apply to such coverage.

2.83 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; 2) a change that 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 which involves a termination of a sole source Provider where the termination is for cause. Such changes include both Medicare and Medicaid Providers and pharmacy benefit managers (PBM). For purposes of this section, termination of a Provider for cause does not include the inability to reach agreement on contract terms.

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

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

2.86 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.

2.87 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.

2.88 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) recognized as the prevailing standard or current practice by the Provider's peer group; and 3) is either:

(A) A preventive health service defined under Minnesota Rules, Part 9505.0355; or

(B) A preventive health service is rendered:

(1) In response to a life threatening condition or pain;

(2) To treat an injury, illness or infection;

(3) To treat a condition that could result in physical or mental disability;

(4) To care for the mother and unborn child through the maternity period; or

(5) To achieve a level of physical or mental function consistent with prevailing community standards for diagnosis or condition.

2.89 Medicare means the federal insurance program for aged and disabled people as defined under 42 U.S.C. § 1395 et seq.

2.90 Medicare Advantage (MA) means the managed care program established for beneficiaries of Medicare Part A and enrolled under Part B, pursuant to the Medicare Modernization Act of 2003 (MMA).

2.91 Medicare Advantage Organization (MAO) means a public or private entity organized and licensed by a State as a risk-bearing entity (with the exception of provider-sponsored organizations receiving waivers) that is certified by CMS as meeting the MA contract requirements, pursuant to 42 CFR § 422.2.

2.92 Medicare Advantage Plan (MA Plan) means health benefits coverage offered under a policy or contract by an MA organization that includes a specific set of health benefits offered at a uniform premium and uniform level of cost-sharing to all Medicare beneficiaries residing in the service area of the MA plan (or in individual segments of a service area, pursuant to 42 CFR § 422.304(b)(2)), pursuant to 42 CFR § 422.2.

2.93 Medicare Advantage Special Needs Plan (MA SNP) means an MA Plan that exclusively enrolls, or enrolls a disproportionate percentage of, special needs Enrollees as set forth in 42 CFR § 422.4(a)(1)(iv) and provides Part D benefits under 42 CFR Part 423 to all Enrollees; and has been designated by CMS as meeting the requirements of a MA SNP as determined on a case-by-case basis using criteria that include the appropriateness of the target population, the existence of clinical programs or special expertise to serve the target population, and whether the proposal discriminates against sicker members of the target population, pursuant to 42 CFR § 422.2.

2.94 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 (MMA).

2.95 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.

2.96 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.

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

2.98 MMIS means the Medicaid Management Information System.

2.99 Minnesota Senior Care Plus (MSC+) means the mandatory PMAP program for Enrollees age sixty five (65) and over. MSC+ uses § 1915(b) waiver authority for state plan services, and § 1915(c) waiver authority for Home and Community-Based Services. MSC+ includes Elderly Waiver services for Enrollees who qualify, and one hundred and eighty (180) days of Nursing Facility care.

2.100 Minnesota Senior Health Options (MSHO) means the Minnesota prepaid managed care program, pursuant to Minnesota Statutes, § 256B.69, subd. 23, that provides Medicaid services and/or integrated Medicare and Medicaid services for Medicaid eligible seniors, age sixty-five (65) and over. MSHO includes Elderly Waiver services for Enrollees who qualify, and one hundred and eighty (180) days of Nursing Facility care.

2.101 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.

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

2.103 Nursing Facility (NF) means a long term care facility certified by the Minnesota Department of Health for services provided and reimbursed under Medicaid. Nursing Facility is also known as a Nursing Home.

2.104 Nursing Facility (NF) Add-On means the monthly per capita value of Nursing Facility services that are expected to be utilized within the Contract Year by those Enrollees who are eligible for Medical Assistance and in the community prior to being Institutionalized within the same period.

2.105 Nursing Facility Resident (NFR) means a Recipient who is coded as being in a Nursing Facility living arrangement in MMIS at the time of requested enrollment or after initial enrollment; NFR Recipients are those Enrollees who have been residing in the Nursing Facility for thirty (30) consecutive days.

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

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

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

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

2.110 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 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).

2.111 Person with Physical Disability means a person who: 1) has been certified disabled by the Social Security Administration (SSA) or the State Medical Review Team (SMRT); and 2) does not meet the definition for a person with a developmental disability, or the definition of a person who has Serious and Persistent Mental Illness.**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 § 422.208(a).

2.113 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.

2.114 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 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.

2.115 Potential Enrollee means a Medical Assistance Recipient who may voluntarily elect to enroll in a given managed care program, but is not yet an Enrollee of a SNBC MCO.

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

2.117 Preferred Integrated Network (PIN) means a project that demonstrates the integration of physical and mental health services within MCOs and their coordination with social services in accordance with Minnesota Statutes, § 245.4682, subd. 3.

2.118 Primary Care means all Medicare and Medicaid 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.

2.119 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.

2.120 Priority Service 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).

2.121 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.

2.122 Protected Information means private information concerning individual STATE clients that the MCO may handle in the performance of their duties under this Agreement, 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 Minnesota Government Data Practices Act (MGDPA), Minn. Stats. Chapter 13;

(B) Medical records (as governed by the Minnesota Health Records Act, Minnesota Statutes, § 144.291 through 144-298);

(C) Health records (as governed by the Minnesota Health Records Act [Minn. Stat. §§144.291-144.298]);

(D) Chemical health records (as governed by 42 U.S.C. § 290dd-2 and 42 CFR §§2.1. to §2.67);

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

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

(G) 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.

2.123 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.

2.124 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, or definitions of Covered Services under the Medical Assistance program.

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

2.126 Rate Cell means the pricing data attributed to an Enrollee to determine the monthly prepaid Capitation Payment that will be paid by the STATE and CMS to the MCO for health 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: 1) county of residence; 2) living arrangement; and 3) Medicare status.

2.127 Recipient means a person who has been determined by the Local Agency to be eligible for the Medical Assistance program. Recipient also means a beneficiary under the Medicare program.

2.128 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 Enrollee or Recipient must obtain health services from a designated Primary Care Provider located in the Enrollee's or Recipient'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 Enrollee or Recipient from using the personal care assistance choice, flexible use option, or consumer directed community services for a period of twenty-four (24) or thirty-six (36) months of eligibility.

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

2.130 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.

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

2.132 Service Area means the counties of Minnesota in which the MCO agrees to offer coverage under this Contract. See Appendix I for MCO Service Areas.

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

2.134 Skilled Nursing Facility (SNF) means a facility that is certified by Medicare to provide inpatient skilled nursing care, rehabilitation services or other related health services. Such services can only be performed by, or under the supervision of, licensed nursing personnel.

2.135 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 who are ages eighteen (18) through sixty-four (64).

2.136 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.

(A) Institutional Spenddown means a type of Spenddown for enrollees who are long term care facility residents. A spenddown is used for people who have income in excess of the Medical Assistance standard.

(B) Medical Spenddown means a type of spenddown for enrollees who live in the community that are eligible for Medical Assistance with a medical spenddown. A spenddown is used for people who have income in excess of the Medical Assistance standard.

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

2.138 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 by or participation in the MCO; 2) denial (full or partial) of a claim or service by the MCO; 3) failure by the MCO to make an initial determination in thirty (30) days; or 4) any other Action.

2.139 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 what 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.

2.140 Telemedicine Consultation 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.

2.141 Traumatic Brain Injury (TBI) Waiver means the Home and Community-Based Services waiver program, authorized by a federal waiver under § 1915(c) of the Social Security Act, 42 U.S.C. § 1396n, and pursuant to Minnesota Statutes, §§ 256B.0915, 256B.093 and 256B.49, for people with acquired or traumatic brain injury who are at risk of the level of care provided in specialized nursing facilities or neurobehavioral hospitals.

2.142 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 6.1.14(G)

2.143 Unique Minnesota Provider Identifier (UMPI) means the unique identifier assigned by the STATE for atypical providers that are not eligible for a NPI.

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

2.145 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.

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) Service Area. Only those eligible persons residing within counties of the State of Minnesota shall be eligible for enrollment in SNBC.

(B) Eligible Persons. Any Recipient who resides within the Service Area may enroll in the MCO at any time during the duration of this Contract, subject to the limitations contained in this Contract.

(C) Eligibility Determination. Eligibility for Medical Assistance will be determined by the Local Agency. Eligibility for Medicare will be determined by CMS.

(D) Enrollment Exclusions. The following populations are excluded from enrollment in the MCO under the SNBC program:

(1) Recipients eligible for the Refugee Assistance Program pursuant to 8 U.S.C. § 1522(e).

(2) Residents of State Regional Treatment Centers, unless the MCO approves placement. For purposes of this Contract, approval by the MCO would include a placement that is court-ordered within the terms described in section 6.1.23(C). For purposes of this section, the Woodhaven Senior Community is not considered a State institution.

(3) Individuals who are Qualified Medicare Beneficiaries (Q.M.B.), as defined in § 1905(p) of the Social Security Act, 42 U.S.C. § 1396d(p), and who are not otherwise eligible for Medical Assistance.

(4) Individuals who are Specified Low-Income Medicare Beneficiaries (S.L.M.B.), as defined in § 1905(p) of the Social Security Act, 42 U.S.C. § 1396a(a)(10)(E)(iii) and § 1396d(p), and who are not otherwise eligible for Medical Assistance.

(5) Undocumented, and non-immigrant non-citizen Medical Assistance Recipients who are eligible only for emergency Medical Assistance under Minnesota Statutes, § 256B.06, subd. 4.

(6) Persons up to eighteen (18) years of age or over sixty-five (65). Enrollees who turn 65 years of age while already enrolled may choose to remain in SNBC.

(7) Any person committed to a regional treatment center with a diagnosis of sexual psychopathic personality as defined by Minnesota Statutes, § 253B.02, subd. 18b, or a diagnosis of sexually dangerous person as defined by Minnesota Statutes, § 253B.02, subd. 18c.

(8) Persons living in an acute care hospital, Long Term Care Hospital or children's hospital. These individuals may be eligible to enroll upon discharge, if they meet the other eligibility criteria.

(9) Persons with a diagnosis of End Stage Renal Disease (ESRD) prior to enrollment in the MCO.

(10) Individuals who have Medicare coverage through United Mine Workers.

(11) Enrollees who become Medicare eligible after enrollment in the MCO and who refuse to receive their Medicare benefits through the MCO.

(12) Persons who are eligible for Medicare Part A only, or Medicare Part B only.

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

(14) Recipients eligible for the emergency Medical Assistance program.

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

(E) Eligibility Determinations for SNBC. In order to be eligible to enroll in the MCO for SNBC, the individual must:

(1) Be age eighteen (18) through age sixty-four (64);

(2) Be eligible for Medical Assistance;

(3) Be residing within the Service Area; and

(4) Be either of the following:

(a) Certified as disabled through the Social Security Administration (SSA) or the State Medical Review Team (SMRT); or

(b) A person with Developmental Disability for purposes of the DD waiver, as determined by the Local Agency.

(F) Additional Eligibility Parameters Hospice. Enrollees who elect to enroll in the Medicare Hospice program while enrolled are not required to disenroll from the MCO's SNBC product. End Stage Renal Disease. Enrollees who are identified by CMS as having ESRD after enrollment are not required to disenroll from the MCO's SNBC product. Individuals who develop ESRD while enrolled in a health plan (e.g., a commercial or group health plan, or a Medicaid plan) offered by the MCO are eligible to elect the Medicare Advantage plan offered by that MCO. In order to be eligible, there must be no break in coverage between enrollment in the MCO, and the start of coverage in the Medicare Advantage plan offered by the same MCO. An

individual who elects the SNBC SNP plan and who is medically determined to first have ESRD after the date on which the enrollment form is signed (or receipt date stamp if no date is on the form), but before the effective date of coverage under the SNBC SNP plan is still eligible to elect the SNBC SNP plan.

(3) Spenddown. Medical Assistance Recipients who otherwise meet all the enrollment requirements for SNBC are eligible to enroll in the MCO if they agree to pay their Spenddown as required on a monthly basis. The value of the first three (3) months of Spenddown obligation is deducted from the Capitation Payment. MA-EPD. Persons who are on Medical Assistance for Employed Persons with Disabilities (MA-EPD), remain eligible for SNBC only if they continue to pay their premiums.Enrollees Over Age 65. Enrollees who enrolled in the MCO's SNBC product before reaching age sixty-five (65) may remain enrolled in the MCO's SNBC product after reaching age sixty-five (65), only if they maintain eligibility for Medical Assistance, are not accessing any EW services, or choose not to access EW services. Enrollees who do not have a Spenddown may choose to enroll in the MCO's MSHO or MSC+ products.

(6) Persons in Excluded Time. Persons with a disability who establish Medicaid eligibility in one county and then move to another county may be considered to be in Excluded Time, if they are receiving designated Excluded Time services or reside in a designated Excluded Time facility. Persons in Excluded Time as defined in this section may enroll in SNBC.

(7) County of Residence. Eligibility for SNBC is based on county of residence. Persons in Excluded Time status will be eligible to enroll in the product as long as they continue to reside in the service area and meet all other enrollment criteria. The capitation rate for an Enrollee in Excluded Time will be based on the Enrollee's current county of residence.Waiver Status. People who are receiving services under the CADI, TBI, CAC, or DD waiver are eligible to enroll in SNBC. Once Enrollees reach age sixty-five (65), the Enrollee is no longer eligible for the SNBC program if he or she chooses to receive EW services. If the Enrollee chooses to continue with services under the CADI, TBI, CAC or DD waiver, he or she may continue to receive services through SNBC provided they maintain eligibility for Medical Assistance. Medicare Status. Only Medicare eligible persons who are eligible for both Medicare Parts A and B, or Recipients who are eligible for Medical Assistance without Medicare, may enroll in SNBC.

3.1.2 Enrollment

(A) Nondiscrimination. The MCO will accept all eligible Recipients who select the MCO. The MCO will enroll all eligible Recipients who select the MCO, without regard to physical or mental condition, health status or need for or receipt of health care

services, claims experience, medical history, genetic information, disability (if eligible), 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.

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

(D) Period of Enrollment. The MCO agrees to retain Medicare eligible Enrollees for three months after losing their Medicaid eligibility in the MCO, including Enrollees who no longer meet the requirements for managed care enrollment, as part of the MCO's Medicare Special Needs Plan enrollment.

(E) Single MCO Entity Provider. If the MCO is a single entity Provider in a Rural Area, the MCO must allow Recipients: 1) to choose from at least two Participating Providers; and 2) to obtain services from any other Provider when the circumstances allow pursuant to 42 CFR § 438.52(b)(2)(ii).

(F) Enrollment Limitation. The STATE may further limit the number of Enrollees in the MCO if in the STATE or CMS's judgment, or by MCO request, the MCO is unable to demonstrate a capacity to serve additional Enrollees. Enrollees already enrolled in the MCO shall be given priority to continue that enrollment if the STATE and CMS determine that the MCO does not have the capacity to accept all those seeking enrollment in the MCO's SNBC product.

(G) The MCO shall enroll any eligible Recipients during any open enrollment period required by the STATE or CMS.

(H) Voluntary Enrollment. Recipient enrollment in the MCO for the SNBC program shall be voluntary.

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

(J) Enrollee Change of MCO. If multiple MCOs are available, Enrollees may change to a different MCO at any time. Enrollment changes with a new MCO will be effective on the first day of the following month, and subject to the enrollment provisions in this section.

(K) No Random Provider Assignment. In no circumstance shall the MCO randomly assign an Enrollee to a Primary Care Provider upon reenrollment.

(L) Choice of Health Care Professional. The MCO must allow an Enrollee to choose his or her health 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, column 3 of page 41,006 and column 1 of page 41,007 of the Federal Register, June 14, 2002.

(M) Health Care Home.

(1) 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:

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

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

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

3.1.3 MCO Enrollment Responsibilities. The MCO shall:

(A) Use integrated enrollment forms and process as defined under this contract for enrollment under both Medicare and Medicaid, for Dual Eligible Enrollees. The form shall include primary language spoken by the member, including American Sign Language and preferred modes for those who use assistive devices, including email, for communications.

(B) Assure that prospective Enrollees are eligible for Medical Assistance by checking the Medicaid eligibility verification system (EVS) or MN-ITS, before having the Recipient complete an enrollment form. Persons who are found to be ineligible for Medical Assistance are ineligible for enrollment in SNBC.

(C) Prior to submitting or entering an enrollment form to the STATE, or entering enrollment information on MMIS, the MCO must verify (or must contractually arrange for verification of) Medicare status of the Potential Enrollee via the Medicare Advantage and Prescription Drug User Interface (MARx) or other system as directed by the STATE and CMS. A copy of the CMS eligibility screen print must be included with any enrollment form submitted to the STATE.

(D) The MCO must ensure that appropriate MCO staff has access to the MN-ITS and appropriate Medicare eligibility and managed care systems or Case Management systems as directed by the STATE and CMS, including MARx.

(E) The MCO must have recipients sign an enrollment form that incorporates a Statement of Informed Enrollment and Enrollee Rights. This Statement of Informed Enrollment shall include, but is not limited to the following:

(1) An explanation that the Enrollee is assigning their Medicaid benefits, and for Dual Eligibles also their Medicare benefits to the MCO.

(2) The Enrollees right to disenroll on a monthly basis, and that upon disenrollment, they will return to the fee-for-service system, unless otherwise required to enroll in PMAP or MSC+.

(3) Unless requested by the Enrollee, the MCO may not disenroll any Enrollee who is part of the eligible population, as long as the Enrollee meets enrollment criteria.

(4) For Recipients or Enrollees who are under Adult Guardianship, the MCO must ensure that the State Legal Guardian signs the enrollment form.

(F) Medicare Advantage Enrollment. A STATE and MCO workgroup will develop a process to provide seamless enrollment for current SNBC Enrollees who become eligible for Medicare, and require conversion into the SNBC- integrated Medicare Advantage program.

(G) Supplemental Enrollment Application. For Enrollees who become eligible for Medicare coverage after enrollment in the MCO, the MCO must obtain a signature on the MCO's supplemental enrollment application that will be mailed by either the STATE or the MCO, as determined by the TPA contract procedures.

(H) Screening Document Entry.

(1) The MCO will be responsible to enter, on an annual basis, specified fields from screening documents into MMIS for community non-waiver Enrollees, excluding people who have DD but are non-waiver Enrollees. The MCO may enter the information or may contract with a Local Agency or Care System to enter screening documents. The MCO shall submit to the STATE's security liaison a signed data privacy statement for all MCO employees and subcontractors who will be responsible for entering specified fields from screening documents into MMIS.

(2) The STATE shall offer training to MCOs and its subcontractors on this process.

(3) The MCO shall download and install the required internet access software "Blue Zone" onto workstations for those staff that will be responsible for entering Screening Documents.

(4) The MCO shall be responsible for entering screenings for non-waiver community Enrollees.

(I) Remedies. If the MCO does not comply with the requirements of this section, the STATE may seek remedies including, but not limited to, the partial breach remedy specified in section 5.4 of this contract.

3.1.4 Effective Date of Coverage.

(A) MCO coverage of Enrollees shall commence as follows:

(1) For SNBC Duals only, when enrollment has been approved on or before the last day of the month, medical coverage shall commence at midnight, Minnesota time, on the first day of the month following the month in which enrollment was approved. Enrollments received after capitation must be submitted directly to the STATE.

(2) For SNBC non-Duals, 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 enrollment was entered on the STATE MMIS.

(B) Inpatient Hospitalization and Enrollment.

(1) For SNBC non-Dual Enrollees receiving Inpatient Hospitalization services, enrollment will be delayed until the first day of the month following discharge.

(2) For SNBC Dual Enrollees receiving Inpatient Hospitalization services will be enrolled in accordance with (1).

(C) Hospital costs for any Enrollee who is receiving Inpatient Hospitalization services on the first date of coverage shall not be the responsibility of the MCO, if the Enrollee belonged to a different MCO or obtained his or her care in the fee-for-service system prior to enrollment.

(D) If an Enrollee disenrolls and is required to enroll in another managed care product such as Families and Children or Seniors, but is hospitalized on the first of the month when another managed care product such as Families and Children or Seniors enrollment is effective, the effective date of coverage will be postponed until the first day of the month following the month of discharge from the hospital.

(E) CD Services and Enrollment.

(1) For non-Duals, Recipients who are receiving Inpatient Hospitalization Chemical Dependency (CD) services, enrollment will be delayed until the first day of the month following the Recipient's discharge from the hospital from which they are receiving inpatient hospital-based CD services.

(2) For Duals receiving inpatient hospital-based CD services, enrollment will not be delayed. The MCO will be financially responsible for inpatient hospital-based CD services, and for CD room and board services that were authorized in combination with CD treatment pursuant to the Rule 25 assessment criteria.

(F) Maintenance of Enrollment Forms. Original enrollment forms and any Medicare assignment supplemental forms shall be maintained by either the STATE or MCO, whoever enrolls the Enrollee, and may be imaged in accordance with Minnesota Statutes, § 15.17.

(G) STATE and CMS SNBC Enrollment; Enrollment TPA Services. Enrollment in SNBC for Medicaid in MMIS will be performed by the STATE or MCO.The STATE and MCO agree that coordination of enrollment processes for Medicare SNP and Medicaid benefits will be consistent with the requirements of42 CFR § 422.107 (c) (6), regarding verification of the Enrollee's eligibility for both Medicare and Medicaid.

(b) MCO agrees to use the real-time data exchange and enrollment processes further described in sections 3.1.2(G), 3.1.3(B), 3.1.3(H) and 3.1.4(H).

(2) The STATE will continue to be available to provide enrollment TPA services to the SNBC MCOs. The charge and scope of duties for this service will be negotiated between the MCO and the State in an additional contract. These duties will include, but not be limited to the submission of Medicare SNP enrollment to CMS on a monthly basis.

(H) Capability to Receive Enrollment Data Electronically.

(1) The MCO shall have the capability to receive enrollment data electronically via a medium prescribed by the STATE.

(2) If there is a disruption of the STATE's electronic capabilities, the MCO has fifteen (15) days to disseminate enrollment information to its Enrollees.

(3) 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 this requirement. Additional enrollment parameters for MCOs who contract with the STATE for TPA services are subject to the terms and conditions of the separate TPA contract.

(4) 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.

3.1.5 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 affiliated 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) Be free from any form of aversion or deprivation procedures as described in Minnesota Rules, parts 9525.2700 through 9525.2810.

(G) 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.

(H) Provided with adequate access to health care services in accordance with 42 CFR § 438.206 through § 438.210.

(I) Freedom to exercise his or her rights and that exercising these rights will not adversely affect the way the Enrollee is treated.

3.2 MCO and Potential Enrollee/ Enrollee Communication. The SNBC MCO agrees to integrate all Medicare (including Part D) and Medicaid materials provided to Enrollees and Potential Enrollees to the extent allowed by CMS and the STATE. The STATE and the MCO will develop model materials for this purpose using guides provided by CMS. The MCO will work with the STATE to assure that where CMS language misrepresents or does not cover information about all Medicare and Medicaid benefits available to Duals, clarifying language is included.

3.2.1 Compliance with Title VI of the Civil Rights Act. Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d et. seq. and 45 CFR Part 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 “LEP”) 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 Americans with Disabilities Act Compliance. (Americans with Disabilities Act of 1990, 42 U.S.C., § 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 visual impairment or 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/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) Written material for SNBC will include both Medicare and Medicaid information. 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 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered speak a non-English language in the MCO's Service Area. For purposes of this section, "prevalent" means a non-English language spoken by a significant number or percentage of Enrollees and Potential Enrollees. 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 Enrollees or Recipients, that targets Recipients 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, that targets Recipients or Enrollees under this Contract and are disseminated to Recipients or Enrollees by the MCO in the English language must be understandable to a person who reads at the seventh 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 Recipients or Enrollees must be in at least a 10-point type size, with the exception of the ID 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 Enrollee and Recipient 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 IHS or 638 facilities.

(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 Materials

(A) General Marketing. The MCO shall participate with the STATE in the development of general Marketing Materials, member materials and enrollment materials.

(B) Prior Approval of Materials.

(1) The MCO shall present to the STATE and/or CMS for approval all Marketing Materials for SNBC that the MCO or its subcontractors plan to use during the contract period, including but not limited to Marketing scripts for such activities as presentations or radio advertisements, 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 that 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.

(2) The MCO must submit all materials for review in a final format to the STATE prior to receiving an approval from the STATE, including Medicare and Part D materials. When the MCO submits the material for review, the MCO shall include information on the purpose, the intended audience and the timeline for use of the material being reviewed. The STATE and CMS shall review all Medicare related materials. The STATE shall review Medicaid only materials. Upon receiving STATE approval of SNBC materials, the MCO is responsible for submitting materials subject to CMS review directly to CMS for review. If CMS requires changes to the STATE approved material, the MCO shall submit a copy of the final document to the STATE. If Care Management or Case Management is delegated to an organization with disability expertise, Marketing and enrollment materials for this product must include specific information on how to contact these organizations when appropriate.

(C) Direct Marketing. The MCO may do direct Marketing of its SNBC product to SNBC eligible individuals. Direct Marketing of the SNBC program by SNBC Care Systems or delegated entities is prohibited. Direct Marketing includes, but is not limited to telephone contacts, mailings, face-to-face Marketing, promotions, individual and group meetings. If the MCO directly markets to eligible individuals within a given Service Area, it must market to both institutional and community eligible individuals and to potential Enrollees with all types of disabilities, including physical disabilities, Mental Illness, and Developmental Disabilities.

(D) Notices to Recipients. The STATE may send MCO notices to all eligible Recipients who reside in the Service Area, at MCO expense. The MCO's notices must not contain false or materially misleading information.

(E) Indirect Marketing. The MCO, acting indirectly through the publications and other material distributed by the Local Agency or the STATE, or through mass media advertising (including the Internet), may inform Recipients who reside in the Service Area as defined in Appendix II of this Contract of the availability of medical coverage through the MCO, the location and hours of service and other plan characteristics. The MCO may also 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 to which the Provider subscribes have an equal opportunity to be represented. Indirect marketing provisions cover all providers. Indirect Marketing activities must comply with Medicare marketing rules and requirements as authorized by Chapter 42 of the Code of Federal Regulations, Parts 422 and 423.

(F) Use of Subcontractors for Marketing. The MCO may not use subcontractors to market SNBC to SNBC-eligible individuals not currently enrolled in the MCO.

(G) Marketing Standards and Restrictions. In its Marketing, the MCO must establish and maintain a system for confirming that enrolled Recipients have in fact enrolled in the MCO and understand the rules applicable under the plan, and have made an Informed Choice to enroll. 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. The MCO may provide health education materials for Enrollees in Providers' offices. The MCO, its agents and Marketing representatives shall not:

(1) Offer or grant any reward, favor, compensation or provide for cash or any other monetary rebate, as an inducement to a Recipient or a SNBC Enrollee to enroll or remain enrolled in the MCO. This restriction does not prohibit the MCO from explaining any legitimate benefits a Recipient might obtain as an Enrollee of the MCO, or from offering incentives to Enrollees for taking part in preventive health care services, medical management incentive programs, or activities designed to improve the health of MCO Enrollees. The MCO shall not seek to influence a Recipient's enrollment with the MCO in conjunction with the sale of any private insurance.

(2) Engage in any discriminatory activities.

(3) Offer or grant any reward, favor or compensation to a person, county or organization not directly hired or contracted by the MCO to conduct marketing, who in the process of informing potential Enrollees about Medical Assistance or other Medicare Programs, steers or attempts to steer the potential enrollee toward a specific plan or limited number of plans.

(4) Engage in any activities that could mislead or confuse Recipients, or misrepresent the MCO.

(5) Make any written or oral assertions or statements that a Recipient or Enrollee must enroll in the MCO in order to obtain or maintain Medical Assistance and Medicare covered benefits, or that the MCO is endorsed by CMS, Medicare, the STATE, or federal government. The MCO may explain that it is approved for participation in Medicare.

(6) Conduct door-to-door solicitation to current or potential SNBC Enrollees. In addition, the MCO must comply with Medicaid regulations that do not allow direct or indirect telephone or other cold-call marketing activities to potential SNBC Enrollees.

(7) Distribute Marketing Materials for which the MCO has not received STATE and/or CMS approval.

3.2.5 Enrollee and Potential Enrollee Information.

(A) Prior Approval Required. The MCO agrees that the integrated Medicare (including Part D) and Medicaid Certificate of Coverage (COC) / Evidence of Coverage (EOC) sent to each MCO Enrollee, and all Marketing Materials, plans, procedures, mailings, enrollment forms and revisions that are designed for Recipients, shall be used only after receiving approval in accordance with section 3.2.4(B). The MCO must revise its COC for all substantial changes in its Grievance and Appeals procedures, and its health care delivery systems, including changes in procedures to obtain access to or approval for

health care services. All revisions to the Certificate of Coverage must be approved in writing by the STATE and CMS in accordance with section 3.2.4(B), and issued to Enrollees prior to implementation of the change. Approvals by the STATE for these materials shall not be unreasonably withheld. The MCO must submit its documents in a final format 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.

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

(A) Certificate of Coverage (COC). A Certificate of Coverage (COC) that has received prior approval by the STATE and CMS (for Dual Eligible Enrollees), and that includes the following:

(1) For Dual Eligible Enrollees, the MCO will cooperate with the D-SNP Integrated Member Materials work group to adjust the CMS Medicare model EOC to incorporate STATE requirements. The MCO will use the model developed by the D SNP Materials work group to develop its own COC, which is then submitted to the STATE and includes information as below in section 3.2.6(A)(2)(a) through (y).

(2) For non-Dual Enrollees, the STATE will provide annually to the MCO a model Certificate of Coverage (COC) or COC Addendum as the base document. After the MCO has incorporated its specific information, the completed COC or COC Addendum will be submitted to the STATE for prior approval. The COC must include the following:

(a) A statement that Enrollees are accountable to make efforts to maintain their health and inform health care Providers of changes in their health.

(b) A description of the MCO's medical and remedial care program, including specific information on benefits, limitations and exclusions;

(c) A description of the MCO's policies related to access to Case Management or Care Management services from the MCO;

(d) An explanation of the MCO's Early and Periodic Screening, Diagnosis and Treatment (EPSDT), known in Minnesota and hereinafter as the Child and Teen Checkups (C&TC) program;

(e) A description of Enrollee appeal rights for denial of prescription drug coverage;

(f) A description of the Enrollee's rights and protections as specified in 42 CFR § 438.100;

(g) Cost sharing, if applicable;

(h) Notification of the open access of Family Planning Services and services prescribed by Minnesota Statutes, § 62Q.14;

(i) Information about providing coverage for prescriptions that are dispensed as written (DAW);

(j) A statement informing Enrollees that the MCO shall provide language assistance to Enrollees that ensures meaningful access to its programs and services;

(k) 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 COC, the STATE shall consult with tribal governments;

(l) A description of how Enrollees may access services to which they are entitled under Medical Assistance, but are not provided under this Contract;

(m) A description of Medical Necessity for mental health services listed in Minnesota Statutes, § 62Q.53;

(n) A description of how transportation is provided;

(o) A description of how the Enrollee may obtain services, including: hours of service; appointment procedures; Service Authorization requirements and procedures; what constitutes Medical Emergency and Post Stabilization care; the process and procedures for obtaining both Medical Emergency and Post Stabilization care, including a 24-hour telephone number for Medical Emergency Services; procedures for Urgent Care, and Out of Plan care; how Enrollees may access Home and Community-Based Services through the county, and how to obtain accessibility information required under section 6.13.8. 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;

(p) A toll-free telephone number that the Enrollee may contact regarding MCO coverage or procedures, and updated information regarding Providers, language spoken and open and closed panels of Providers;

(q) The number of the 24-hour telephone nurse line where an RN can be reached for assistance related to urgent medical needs or emergency care;

(r) A description of all Grievance, Appeal and State Fair Hearing rights and procedures available to Enrollees, including the MCO's internal Grievance System procedures, the availability of an expert medical opinion from an external organization pursuant to section 8.9.10, the ability of internal Grievances, Appeals

and State Fair Hearings to run concurrently, and the availability of a second opinion within the MCO. This includes, but is not limited to:

(s) For State Fair Hearing: the right to a hearing; the method for obtaining a hearing; and the rules that govern representation at the hearing.

i) The right to file Grievances and Appeals.

ii) The requirements and timeframes for filing a Grievance or Appeal.

iii) The availability of assistance in the filing process.

iv) The toll-free numbers that the Enrollee can use to file a Grievance or an Appeal by phone.

(t) An explanation that when an Appeal is requested by the Enrollee:

i) 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

ii) 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.

(u) Any Appeal rights under state law available to Providers to challenge the failure of the MCO to cover a service;

(v) 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 Services;

(w) 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;

(x) A description of the Enrollee's right to request information about Physician Incentive Plans from the MCO, including whether the prepaid plan uses a Physician Incentive Plan that affects the use of referral services, the type of incentive arrangements, whether stop-loss protection is provided, and a summary of survey results; and

(y) 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) Pharmacy Directory. An integrated Medicare and Medicaid pharmacy directory.

(C) Provider Directory.

(1) An integrated Medicare and Medicaid Provider directory that lists the contracted Providers within the MCO's network, primary care Providers, Care Systems, specialty and sub-specialty Providers, hospitals, and Nursing Facilities as specified in a State document entitled "Provider Directory Guidelines." The directory must also include names, locations, and telephone numbers. The MCO must include a statement on how an Enrollee can request a listing of home care agencies.

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

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

(4) The Provider directory document may be listed on the MCO's web site. The directory 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. The MCO must retain documentation of the Enrollee's affirmative choice to receive the Provider Directory electronically in the form of written direction from the Enrollee or a documented phone call followed by an MCO confirmation letter to the Enrollee that explains that the Enrollee may change to the other method at any time. Upon a request from CMS or the STATE, within ten (10) business days the MCO must provide a copy of the Enrollee's documentation of the choice.

(D) Membership Card. An integrated Medicare and Medicaid membership card that conforms to the requirements in Minnesota Statues, § 62J.60 subd. 3, and has been approved by the STATE prior to printing, that identifies the Recipient as an MCO Enrollee and contains an MCO telephone number to call regarding coverage, procedures and Grievances and Appeals. The membership 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. The card may include data elements required by CMS for Medicare eligible Enrollees.

(E) 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.

(F) Primary Care Network List (PCNL).

(1) Primary Care Network List Specifications. The MCO will provide a Primary Care Network List (PCNL) or a Provider directory that provides information about the MCO's Medicare and Medicaid Provider network and that includes a description of the essential components of the MCO, to be used to educate consumers. This document must follow the STATE specifications as indicated in the STATE document "PCNL Guidelines," posted on the STATE's managed care website. The PCNL must include information on how to access Home Care, transportation, and DME supplies. The PCNL must be prior approved by the STATE in accordance with section 3.2.5. The document must be printed on a grade of paper that is equivalent to bond paper that 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 may be on un-coated offset paper or on glossy paper. The paper must be 8 ½" x 11" or 17" x 11". A 17" x 11" document must fold to 8 ½" x 11". The document must contain the following information:

(a) A list of Participating Providers with addresses and phone numbers including clinics, Primary Care physicians, specialists, hospitals, nursing homes, and Care Systems Providers. The MCO may satisfy or partially satisfy the requirement to list specialists by listing multi-specialty clinics. The document 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 phone number where a Potential Enrollee may call to obtain the information. The information required by this section may also be posted on the MCO's web site but the MCO must continue to provide paper copies to the STATE and the counties

(b) A toll-free telephone number that the Recipient may contact regarding MCO coverage or procedures, and updated information regarding Providers, spoken languages, and open and closed panels of Providers.

(c) Information that oral interpretation is available for any language and written information will be available in prevalent non-English languages.

(d) Information that written materials about how to obtain accessible accommodation information required under section 6.13.8, Compliance with Service Accessibility Requirements, is available.

(e) Information about how to access mental health, chemical dependency, Home Care, dental, and Medical Emergency and Urgent Care services.

(f) A description of the MCO's Care Systems, Case Management systems and any other distinguishing information that will assist the Enrollee in making a decision to enroll in the MCO's SNBC product. If the MCO limits access to Providers by

use of a Care System model, the MCO must describe which Providers are available to Enrollees based on the Care System chosen.

(g) 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.

(h) Any restrictions on the Enrollee's freedom of choice among network Providers.

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

(2) 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 'Certificate 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 document.

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

(4) When the MCO is new to a Service Area, the MCO must supply the STATE, or in certain circumstances, the Local Agency, with the final, printed and approved PCNL pursuant to the STATE's specifications, in quantities sufficient to meet the STATE's need. 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 it must be submitted to the STATE along with a cover letter detailing all changes. The PCNL must be approved in writing by the STATE before copies are provided to the STATE. 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 to the MCO any issues or problems regarding distribution of the PCNLs.

(G) 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.

(H) Additional Information. The MCO shall furnish the following information to Recipients and Enrollees upon request:

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

(2) Information regarding the education, licensure, and board certification and recertification of the health care professionals in the MCO's 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; and

(3) Any 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.

3.2.7 SNBC Enrollee Orientation and Customer Service.

(A) MCO will provide welcome calls to new enrollees that will include basic information on how to access services.

(B) MCO will maintain key county contact telephone numbers for customer service and other personnel to use in assisting enrollees who require a referral to the county for additional community services.

3.2.8 SNBC Enrollee/Potential Enrollee Education.

The STATE will not 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. This does not prohibit the MCO or its subcontractors from providing information to Recipients eligible for SNBC for the purposes of educating Recipients about Provider choices available through the MCO. Also see section 3.2.4(G) on Marketing Standards and Restrictions.

3.2.9 Significant Events. The MCO must notify the STATE as soon as possible of significant events affecting the level of service either by the MCO or its Medicare and Medicaid 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 of the possibility that a Material Modification is likely to occur. A Material Modification shall be reported in writing to the STATE no less than one hundred twenty (120) days prior to the effective date or within two working

days of becoming aware of it, whichever occurs first. An MCO may terminate a sub-contract without 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 that will be affected by such 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 the Enrollee must choose a new Primary Care Provider from the MCOs remaining choices; or the Enrollee has been reassigned from a terminated sole source Provider.

(b) The notice shall also inform the Enrollee that, in either case, the Enrollee has the opportunity to disenroll at any time. 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 Provider; 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 the 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. The MCO shall assure that Primary Care Provider clinics are educated and understand the product covered by this contract prior to listing the clinic in the PCNL.

3.2.10 Contract with CMS for Special Needs Plan. The MCO shall notify the STATE of any material changes in its contract with CMS as a Special Needs Plan, including but not limited to termination of the contract by either party.

(A) The MCO shall inform the STATE regarding significant changes in its Medicare Program or the administration of Medicare Programs, in order to facilitate operating SNBC in as fully integrated a manner as possible.

(B) The MCO will notify the STATE of changes, including but not limited to terminations of SNPs, changes in type of SNP approved or applied for, denial of a SNP application or failure to meet the CMS Low Income Subsidy (LIS) requirements, Part D

issues that may materially affect the SNP, or a decision to conduct a Federal investigative audit that may lead to the termination of the SNP, within thirty (30) days of such actions for any SNP that may enroll Dual Eligibles. The MCO also agrees to inform the STATE of any requests to CMS for service area changes in its SNP(s) service area within Minnesota and of final approval, denial or withdrawal of such requests to CMS within fifteen (15) days of submission of such requests to CMS and within fifteen (15) days of receipt of notice from CMS, whichever is applicable.

(C) Additional Benefits and Premiums. The MCO/SNP will notify the STATE of proposed changes with the understanding that the STATE will not share this information unless required to do so by law. The process of notification is as follows:

(1) Prior to the submission of annual Medicare Advantage bids to CMS, the MCO/SNP will consult with the STATE about any changes in proposed Plan Benefit Packages (PBPs), including changes in current benefits or additional premiums the SNP is expecting to request to have approved through the bid; and

(2) Notify the STATE of the status of final changes to benefits or premium levels, on or before September 1st of each Contract Year.

(D) Corrective Action Request. The MCO will notify the STATE and provide copies of any corrective action requests and subsequent corrective plans submitted to CMS related to compliance with SNP Medicare Advantage or Part D requirements within thirty (30) days of submission to CMS.

3.2.11 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 contracted Provider, within fifteen (15) days after the MCO's, or if applicable its subcontractor's, receipt or issuance of the contracted Provider termination notice, to an Enrollee who receives his or her Primary Care from or was seen on a regular basis by that contracted Provider. A sample Enrollee notice must be prior approved by the STATE. The MCO must provide the following information to the STATE;

(A) Date the contracted Provider is 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 Required MCO participation in STATE Programs. The MCO must comply with Minnesota Statutes, §§ 256B.0644 and 62D.04, subd. 5.

3.4 Termination of Enrollee Coverage.

3.4.1 Disenrollment from SNBC. The Enrollee may disenroll from the MCO's SNBC product at the end of any month of consecutive enrollment. Disenrollment will be effective according to the termination of coverage schedules outlined in section 3.4. If the Enrollee disenrolls from the MCO's SNBC product, the Enrollee shall return to the Medical Assistance fee-for-service system, or into other available options. Except as provided in this section, the MCO may not orally or in writing or by any action or inaction encourage an Enrollee to disenroll. If Enrollee's request for disenrollment is not acted on in a timely fashion, the disenrollment is considered effective as of the first day of the month following the disenrollment request. If the Enrollee is sixty-five (65) or older and does not have a Medical Spenddown, the Enrollee must enroll in MSC+ or MSHO; Enrollees sixty-five (65) or older who have a Medical Spenddown must return to Medical Assistance fee-for-service.

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

(A) Required termination includes:

(1) The Enrollee becomes ineligible for Medical Assistance.

(2) The Enrollee becomes ineligible for Medicare Part A or Part B. If the Enrollee loses eligibility for both Parts A and B but remains eligible for Medical Assistance, the Enrollee remains eligible for SNBC.

(3) The Enrollee moves out of the MCO's Service Area as defined in Appendix II**Error! Reference source not found.** of this Contract 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.

(4) The Enrollee no longer meets the eligibility criteria for SNBC;

(5) The Enrollee does not pay the Medical Spenddown in full for three months directly to the STATE as described in section 3.1.1(F)(3). The Enrollee will not be allowed to re-enroll in SNBC after termination for non-payment unless all past due Medical Spenddowns are paid in full and the Enrollee no longer has a Medical Spenddown at the time of application.

(6) The Enrollee elects to change MCOs as described in 42 CFR § 422.62 (election of coverage for Medicare Advantage plan.)

(7) SNBC Enrollees rejected by CMS will be re-enrolled into fee-for-service unless the Enrollee is sixty-five (65) years or older and has no Spenddown, in which case the Enrollee will be enrolled in MSC+, and the capitation payment will be adjusted.

(B) Optional Termination includes the circumstances as listed in 42 CFR § 422.74(b)(1) as follows:

(1) The Enrollee has engaged in disruptive behavior, and the request for disenrollment meets the requirements listed in 42 CFR § 422.74(d)(2). Disenrollment will be allowed only upon review and approval by CMS; or

(2) The Enrollee provided fraudulent information on his or her enrollment form or permits abuse of his or her enrollment card.

3.4.3 Termination by MCO. The MCO may not request disenrollment of Enrollee for any reason, except a Dual Eligible Enrollee as described in section 3.4.2(B).

3.4.4 Notification and Termination of Coverage. Notification and termination of coverage shall become effective at the following times:

(A) For SNBC Duals, when a disenrollment request has been received by the STATE on or before the last day of the month, medical coverage shall cease at midnight, Minnesota time, on the first day of the month following the month in which termination was approved.

(B) For SNBC non-Duals, when termination has been entered on the STATE MMIS after the Cut-Off Date, medical 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.

(C) When termination takes place due to ineligibility for Medical Assistance or Enrollee becomes ineligible for participation in the SNBC program, 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 eligibility for Medical Assistance was terminated.

(D) 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 discharge from the hospital.

3.4.5 Reinstatement. An Enrollee whose termination from the MCO has been entered into MMIS by the monthly Cut-Off Date may be reinstated for the following month with no lapse in coverage if the Enrollee re-establishes his/her Medical Assistance eligibility and such eligibility is entered into MMIS by the last business day of the month.

3.4.6 Re-enrollment. An Enrollee who loses Medical Assistance eligibility for not more than three months, or for any break of time within a three month period, may be re-enrolled for the month following disenrollment and subsequent months in the same MCO without completing a new enrollment form. The status of the one hundred (100) day SNF/NF benefit at disenrollment will resume upon re-enrollment. The State shall pay the Medical Assistance

portion of the Capitation Payment for the month of coverage in which the Enrollee was reinstated.

3.5 Reporting Requirements.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 § 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, which the STATE may reasonably require to administer this Contract. The MCO shall provide to 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 of the following: Medicare and Medicaid medical and dental diagnostic and treatment encounters; all pharmaceuticals including Medicare Part D covered items; supplies and medical equipment dispensed to Enrollees; Nursing Facility services; and Home Care Services for which the MCO is financially responsible. Encounter data shall include all paid lines associated with a claim, and include in the encounter submission 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 formats: a) the X12 837 standard format for physician and professional services (837P), inpatient and outpatient hospital services, Nursing Facility services (837I), and dental services that are the responsibility of the MCO (837D); and b) the 5.1 NCPDP for 1.1 batch pharmacy, and for physician-dispensed pharmaceuticals. The MCO may submit the 5.1 NCPDP 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 Guide, 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 , the 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 the Provider allowed and paid amounts effective January 1, 2011 for the NCPDP 1.1 pharmacy claim format, and

effective April 1, 2011 for the 837P, 837D and 837I professional, dental and institutional claim formats respectively. 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 co-payments. 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. 9b(b), the data reported herein is non-public and is defined in Minnesota Statutes, §13.02.

(5) The MCO will submit Medicaid drug information, effective for paid dates occurring on or after January 1, 2011 on pharmacy (NCPDP 1.1), and effective for paid dates occurring on or after April 1, 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 1.1 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 Medicaid 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, affiliation 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 require the Provider to follow the process established by the STATE for the 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 new 5010 transaction standards that are required to be operational no later than January 1, 2012. The MCO also shall cooperate with the STATE as necessary to ensure compliance.

(9) All encounter data for Nursing Facility and Skilled Nursing Facility services must be submitted according to procedures as prescribed by the STATE in the current EDI specifications on the STATE website at http://www.dhs.state.mn.us/provider/mco.

(10) The MCO shall be responsible for submitting claim-level encounter data that distinguishes between the Skilled Nursing Facility (SNF) and the Nursing Facility (NF) days used by the Enrollee.

(11) 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) (C) The MCO shall submit encounter claims at least monthly 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 a 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 X12 835 standard transaction format and in accordance with the *Remittance Advice Companion Guide* 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 (the Provider that actually provided the service within the groups below), when the Provider is part of a group practice that bills on the CMS 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 CMS 837P format or 837D format and will require a treating Provider are:

(1) Community Mental Health Clinics;

(2) Physician Clinics;

(3) Dental Clinics;

(4) Local Agency Contracted Mental Health Providers;

(5) Indian Health Care Providers, where applicable;

(6) Federally Qualified Health Centers;

(7) Rural Health Clinics; and

(8) Chiropractic Clinics.

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) The MCO must require any subcontractors 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.

(J) Coding Requirements.

(1) The MCO must use the most current version of the following coding sources:

(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' Healthcare Common Procedure Coding System (HCPCS Level 2);

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

(e) National Drug Codes.

(f) Current local home care codes including units of service.

(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.

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

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

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

(L) Final Encounter Data Cut-Off Dates for Risk Adjustment. Final encounter data for risk adjustment shall be submitted for Capitation Payment dates listed in the chart in (M) below:

(M) Encounter Data Due Dates:

Capitation Payment Dates	Final Encounter Data Due Dates	Assessment Periods
January 2011 – March 2011	November 2010	June 1, 2009 – May 31, 210
April 2011 - June 2011	February 1, 2011	September 1, 2009 – August 31, 2010
July 2011 - September 2011	May 1, 2011	December 1, 2009 – November 30, 2010
October 2011 - December 2011	August 1, 2011	March 1, 2010 – February 28, 2010
January 2012 - March 2012	November 1, 2011	June 1, 2010 – May 31, 2011

3.5.2 Other Reporting Requirements. The MCO must provide the STATE and CMS with the following information in a format and time frame determined by the STATE and CMS. 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) Care Management and Case Management Systems. The MCO will provide descriptions of changes in Care Management and Case Management systems annually by September 15th of each year. Descriptions must include, but not be limited to a copy of the SNP Model of Care as submitted to CMS.

(E) Provider Information.

(1) The MCO must submit annually by April 15th of the Contract Year a complete list of Participating Providers for both Medicare and Medicaid services, 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 Participating Providers, in the same format, by the 15th day of October of the Contract Year. (Note: this excludes pharmacists, transportation providers, and interpreters.)

(2) The MCO must submit annually by April 15th of the Contract Year a list of the names, types of service(s) provided, and counties of service of all Nursing Facility Providers it uses for delivery of service. This list may be included in the same manner as the provider information submitted above and must be updated according to the same schedule.

(3) 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.

(4) The MCO will notify the STATE of terminations or additions to its contracted Care System entities by April 15th of the Contract Year.

(F) Financial Statements. Financial statements and other information as specified by the STATE to determine the MCO's financial and risk capability, all financial information required under applicable provisions of 42 CFR § 422.516, and any other information necessary for the administration or evaluation of the Medicare program.

(G) Proposed Plan Benefit Packages (PBPs) and Bids. The MCO/SNP will provide a copy of its CMS submitted bid to the STATE's actuarial firm within thirty (30) days of final submission to CMS for the purpose of assuring that the STATE does not duplicate payments on any provided services. The MCO will provide a copy of the MCO's approved CMS bid to the STATE's actuarial firm, if the approved bid differs significantly from the submitted bid. The STATE will not directly review this 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, as described in section 9.6.

(H) HCC Risk Adjustment. The MCO SNP will notify the STATE or its actuarial firm of its restated mid-year HCC risk adjustment score and additional HCC Frailty factor score. Scores will be from restated data based upon the preceding calendar year as reported by CMS. The MCO SNP will send this information to the STATE, or its actuaries, within thirty (30) days of CMS making it available to the MCO. The

actuarial firm may share information about the risk score with the STATE, but the STATE will not receive copies of this information. The MCO must identify this information as trade secret prior to, or at the time of its submission for the STATE to consider classifying it as non-public, as described in section 9.6.

(I) HOS Health Survey. The SNP will share Health Outcomes Survey (HOS) survey results with the State within thirty (30) days of receiving the results.

(J) Quality Assurance Materials. Information as specified in Article 7 on Quality Assurance and Improvement.

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

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

(M) 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.

(a) 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 4.21

(b) The MCO shall also provide actual results of such an alternative comprehensive payment arrangement.

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

(N) Third Party Resources. Pursuant to section 11.2.2, the MCO shall report to the STATE any additional third party resources, including Long Term Care Insurance, except for Medicare, during any interim when Medicare capitation is not yet available.

(O) Third Party Payments. Pursuant to section 11.3, the MCO shall report all recovery/Cost Avoided amounts on the encounter claim as third party payments. The MCO shall also report an estimate of Medicare payment, and may base the estimate on the methodology used for submitting bids to CMS to derive the amount.

(P) Costs Avoided and Recovered. Pursuant to section 11.3 the MCO shall, on a quarterly basis, disclose to the STATE all Cost Avoided and recovered amounts, including Medicare. Medicare cost avoidance and recovery amounts must include fee-for-service Medicare. The MCO shall also report an estimate of Medicare payment, and may base the estimate on the methodology used for submitting bids to CMS to derive the amount.

(Q) Quality Assurance Workplan. The MCO shall submit its Quality Assurance Workplan, pursuant to section 7.1. If the MCO has submitted this report under either its Families and Children or MSHO/MSC+ contract, and that report addresses SNBC, this report is waived.

(R) § Disclosure of Ownership Information. By September 1st of Contract Year, the MCO shall report to the STATE full disclosure information in order to assure compliance with 42 CFR § 438.610. The MCO shall also report full disclosure information within thirty-five (35) days of a request from the STATE or upon a change in MCO ownership. The required information includes:

(1) The name and address of each Person 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;

(2) A statement as to whether any Person with an Ownership or Control Interest as identified in paragraph 3.5.2(R)(1) is related to any other Person with 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 named disclosing entity.

(S) 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 re-submitted with the next monthly report, and shall be

reported separately as a corrected file. The MCO shall not re-submit 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.

(T) Health Care Expenditures. Pursuant to Minnesota Statutes, § 16A.725, the MCO shall provide to the STATE, no later than February 1st of each Contract Year, all health care service expenditures, for the previous State fiscal year. The first report shall include expenditures certified by the MCO paid July 1st through June 30th of the year preceding the Contract Year, combining expenditures under all of the MCO's Minnesota Health Care Program (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 and MinnesotaCare)

(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.)

(U) 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 the quarter. The MCO must certify the quarterly report in accordance with section 9.17.

(V) Reporting Provider Payment Rates.

(1) According to guidelines developed by the State, in consultation with health care providers and MCOs, each MCO must annually provide to the State information on reimbursement rates paid by the MCO to provider types and vendors for administrative services under contract with the plan, pursuant to Minnesota Statutes, § 256B.69, subd. 9b (b). In addition, each MCO must provide to the State in the form and manner specified by the State:

(2) The amount of the payment received from the STATE under this contract that is paid to health care providers for patient care;

(3) Aggregate provider payment data, categorized by inpatient payments and outpatient payments, with the outpatient payments categorized by payments to primary care providers and non-primary care providers;

(4) The process by which increases or decreases in payments made to the plan under this section, that are based on actuarial analysis related to provider cost increases or decreases, or that are required by legislative action, are passed through to health care providers, categorized by payments to primary care providers and non-primary care providers; and

(5) Specific information on the methodology used to establish provider reimbursement rates paid by the MCO.

(6) The MCO will submit the provider payment data report on August 15, of the Contract Year. This report will include aggregate provider payment data, information on legislatively mandated provider rate changes, and information and data on provider reimbursement rates and rate methodologies.

(7) The MCO agrees to participate in a workgroup with the STATE to develop a data allocation methodology for determining the Medicaid portion of provider payments, to be reported under section (6) above.

(W) Dental CHIPRA Data Files Submission. In accordance with section 501(e) of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIP RA) to promote and improve access to dental services for children, the MCO shall submit quarterly data files to the STATE that include information about dental providers in the MCO's network. The MCO must provide certification of the quarterly data at the same time that it submits the data or by the 5th day of the month following the month of submission. If for any reason the data needs to be corrected, a new data certification will be required. The data files shall comply with the specifications and submission guide outlined in the document entitled, "*Insure Kids Now (IKN) Provider Data Submission Technical Information*" modified by the STATE and posted on the DHS managed care website.

(X) 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

(Y) Medicaid Drug Report. The MCO will provide to the STATE Medicaid drug information in a format determined by the STATE for collection of the STATE's drug rebates. The report shall include the required data elements from the standard transaction format for the NCPDP 5.1 for pharmacy encounter claims submitted for outpatient pharmacy drugs provided on dates of service from March 23. 2010 through December 31, 2010 to Medicaid eligible enrollees. The MCO must ensure that the report contains only information for which the MCO submitted a pharmacy encounter

claim during the specified time frame. The report will also include any new data fields that were added to the pharmacy encounter data transaction format and identified by the STATE for the purpose of rebate collection. The report will be due sixty (60) days after the STATE provides the report specifications to the MCO.

3.5.3 Electronic Reporting Data Capability

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

3.5.4 E-Mail Encryption. The MCO shall use the PGP (Pretty Good Privacy) and S/MIME (Security Multipurpose Internet Mail Extensions) 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.

3.6 SNP Participation Requirements; Medicare Savings.

(A) The MCO agrees to participate in Medicare Advantage as a Dual Eligible SNP approved to serve the State's Dual Eligible subset as specified under the SNBC program and to meet CMS requirements as a low income benchmark plan for Part D benefits.

(B) The MCO/SNP agrees to apply any Medicare savings not utilized to buy down the Medicare Part D premium to meet the LIS standard or required to be returned to CMS for the benefit of Dual Eligible Enrollees of the SNP and agrees to consult with the STATE about any such benefits offered prior to the submission of its bids to CMS. If there are significant changes after CMS approval, the MCO agrees to notify the STATE of changes in such benefits following the approval of the bid.

3.6.2 Integration of Medicare and Medicaid Benefits. The MCO will cooperate with the STATE to promote the continued integration of Medicare and Medicaid benefits for Enrollees. The MCO shall respond to reasonable requests from the STATE for Special Needs Plan operational, benefit, network, financial and oversight information that directly impacts the continued integration of Medicare and Medicaid benefits in order to maintain a seamless service delivery of Medicare and Medicaid benefits to Enrollees. The MCO shall notify the STATE of significant changes in Medicare information to beneficiaries, benefits, networks, service delivery, oversight results or policy that are likely to affect the continued integration of Medicare

and Medicaid benefits under this contract. The STATE shall notify the MCO of Medicaid changes that are likely to impact its CMS SNP contract.

3.6.3 Health Care Homes in Integrated Programs. Pursuant to Minnesota Statutes, Ch. 256B.0751, subd. 4, the development of Health Care Homes does not preclude alternative models and payment mechanisms for persons who are enrolled in integrated Medicare and Medicaid programs under Minnesota Statutes, § 256B.69. The MCO will participate in work groups with other MCOs and the STATE to develop alternative models to be implemented in 2011.

Article. 4 Payments

4.1.1 Payment of Capitation. Except as noted below, on the 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 of this Contract, per month, per Recipient enrolled with the MCO as full compensation for goods and services provided hereunder in that month, except for the Capitation Payment for those Enrollees who have been reinstated, for which the STATE agrees to pay the MCO on the next available warrant.

4.1.2 Exceptions. Section 4.1.1 does not apply to:

(A) Capitation Payments for services provided in the month of May and June, for which payment shall be made no earlier than the first day of each July, during the term of this Contract; 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, 2011 and April 30, 2011. A second delay may take place between August 1, 2011 and December 31, 2011.

(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.

4.2 Medicaid Capitation Payment. The STATE will pay to the MCO a Medicaid Capitation Payment for each SNBC Enrollee in accordance with Article 4 for the month in which coverage becomes effective and thereafter until termination of Enrollee coverage according to section 3.1.4 becomes effective. For SNBC Enrollees with only Part A or Part B, the STATE will pay the Medicaid capitation until the Enrollee is disenrolled from SNBC. During periods when an Enrollee with only one part of Medicare is enrolled in SNBC, the MCO or its subcontractors may

bill Medicare fee-for-service for services covered by Medicare. If the Enrollee has permanently lost both Medicare Parts A and B, the Enrollee remains enrolled in SNBC as a Medicaid Enrollee.

4.3 Payment for CD Room and Board Services. 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 host county contract 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.

4.4 Disability Risk Adjusted Payment System.

(A) Risk Adjustment Methodology. In order to account for variation in risk or health status across Enrollees, the STATE will calculate an MCO specific risk score for the Medicaid portion of the acute care rates on a quarterly basis using a capitation risk adjustment method based on disease categories assigned by the Chronic Illness and Disability Payment System (CDPS).

(B) Development of Weights. The risk adjustment method utilizes two sets of weights, one for Medical Assistance only (non-Dual) enrollees, and one for Dual Eligible enrollees. These two models are identical in structure, but distinct with respect to specific values of the risk factor weights. The weights were developed using multiple regression methods and were based upon the fee-for-service population for people with disabilities. The model includes: 1) demographic information; 2) diagnoses from health care claims and costs for services provided to individuals during Calendar Year 2005; 3) Institutional status (MMIS indication of living arrangement of NF, ICF and ICF/DD upon enrollment); and 4) home and community based waiver status (MMIS indication of one of the following waivers upon enrollment; CAC, CADI, TBI and DD). The risk adjustment weights are found in Exhibit III.

(C) Individual Risk Score. For all MCO enrollees with one or more months of Medical Assistance eligibility in the assessment period, the STATE will use all diagnoses from fee-for-service and encounter claims to apply the CDPS grouper software. The resultant CDPS indicator, along with age, gender, Institutional and waiver status elements are used to determine an individual risk score.

(D) MCO Aggregate Risk Score. Individual risk scores will be aggregated into MCO average risk adjustment scores, which will be applied to the rates for the subsequent quarter as follows. Individual risk scores are weighted by multiplying the individual risk scores by MCO-specific individual enrollee member months in the assessment period. These individual results are summed, and divided by the total number of MCO Enrollee months in the assessment period to arrive at the MCO average risk score. Average scores for each MCO will be updated on a rolling quarterly basis. The development methodology used in the risk adjustment calculations are described in the user guidance document entitled, "*Acute Care Capitation Risk Adjustment for Minnesota Special Needs Plans Serving People with Disabilities* (SNBC/MnDHO)."

(E) Base Rates. Based on fee-for-service data for all eligible enrollees, the STATE will calculate eight base rates based on the following factors: Dual and non Dual status, institutional (NF, ICF, ICF/DD) and community status, and metro (Anoka, Carver, Dakota, Hennepin, Ramsey, Washington, Wright and Scott and Sherburne counties) and non-metro (the remaining counties) status. The STATE agrees not to rebase the base rates for risk adjustment during the term of this contract. Base rates are provided in Appendix II.

(F) New Enrollees. The State will utilize diagnoses from fee-for-service and encounter data to determine new enrollee risk scores. The first quarter risk scores will be calculated by the STATE based on fee-for-service data and/or encounter data. Risk scores in subsequent quarters will be calculated by the STATE based on fee-for-service data and/or encounter data submitted by any MCO in which a given recipient was enrolled during the assessment period pursuant to section 3.5.1(M) of this contract as available from both sources. If an Enrollee has no fee-for-service or encounter claim experience, the Enrollee will be assigned the MCO risk score plan average.

(G) Risk Adjustment Payment. For Contract Year, the MCO's aggregate risk score will be based on the MCO's Enrollees' experience during the assessment period as listed in section 3.5.1(M) of this contract. The STATE shall base the risk factor for each subsequent quarter of payment on the MCO specific Enrollees' risk factor for an annual period that is advanced by one quarter of experience and used to calculate the risk adjusted payments to the MCO.

4.5 Capitation Payment Rates. Monthly rates paid to the MCO shall be paid by the STATE according to Appendix II of this Contract.

(A) For the Contract Year, payments for SNBC Enrollees shall be:

(1) Monthly payments paid by the STATE to the MCO shall be at 100% of the statewide Base Rate in Appendix II, Appendix 1B, 1C, column 3, multiplied by the MCO's risk factor in column 4. The dollar value of risk adjustment rate (column 5) is shown in Appendix 1B and 1C, column 5, and may change on a quarterly basis.

(2) The sum of column 5 plus DHU (column 2) reduced by eight percent (8%) withhold as shown in column 6, plus (if applicable) the NF add-on (column 8) is the total capitation payment to the MCO and is identified in Appendix 1B and 1C, column 11.

(3) A targeted mental health case management (MH-TCM) add-on will be included in the capitation rates as shown in column 9. MH-TCM is subject to the withhold and will not be risk adjusted.

4.6 Payment for Medicaid Covered Medicare Cost Sharing The MCO is responsible for payment of Medicaid covered Medicare cost sharing where applicable. Medicaid covered Medicare cost sharing is included in the rates.

4.7 Medical Education and Research Trust Fund Money (MERC). Appendix II, 1A, 1B and 1C include for calendar year 2010:

(1) A set of capitation rates with MCO specific MERC and Disproportionate Hospital Utilization (DHU) (for non-Duals only) 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 (for non-Duals only) funding out of the rates.

(4) The dollar difference between (column 7) and (column 6) 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 MCO's specific DHU rate is in column 2.

(B) The STATE shall:

(1) Reduce the payments to the MCO by the amount in 4.7(A)(4) above;

(2) Make payments to the MERC Trust Fund on behalf of the MCO in the amount of the lesser of (D) or the aggregate dollar amount carved out of the Medical Assistance capitation rates and paid to the MERC Trust Fund in STATE fiscal year 2009 (the base year for MERC); and

(3) Reflect on the remittance advice the total reimbursement amount to the MCO, and the amount of medical education dollars carved out.

(4) Once the MERC limit described in 4.7(B)(2) is reached, the carve-out will continue, but the transfer of the MERC funds will stop.

4.8 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.

4.9 Risk Adjustment Appeals. The MCO may appeal to the STATE the following quarter's risk factor. Any appeal of risk factors must be filed with the STATE within two weeks of notification of the new risk factors. The basis for any appeal by the MCO under this section shall be limited to whether or not the STATE correctly calculated the MCO'S risk factor based on encounter data submitted in a timely manner.

(A) If the MCO appeals under this section, the STATE shall continue to pay the MCO the MCO'S subsequent quarter's risk factor until the appeal is resolved. If on appeal, the STATE is found to have miscalculated the MCO'S risk factor, the STATE shall adjust the MCO'S subsequent rates to correct the miscalculation.

(B) The MCO and the STATE shall each pay half the cost of investigating and resolving the appeal, regardless of outcome.

(C) The MCO and the STATE shall work together to develop a review mechanism to ensure that this section of the Contract is accurately implemented.

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

4.11 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), 1842(c)(2) and 1902 (a)(37) of the Social Security Act (42 U.S.C. §1395(h)(C)(2), 42 U.S.C. §1395u(c)(2), 42 U.S.C. §1396 (a)(37)), 42 CFR §§ 447.45 and 447.46, and Minnesota Statutes, §256B.69, subd. 6(b), 16A.124 and §62Q.75.

4.12 Renegotiation of Prepaid Capitation Rates. The prepaid capitation rates for Recipients enrolled in the MCO shall be subject to renegotiation not more than once per contract term unless required by State or federal law, regulation or directive, or necessary due to changes in eligibility or benefits. Renegotiated rates will require CMS approval according to section 4.15.

4.13 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.

4.14 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 Article 4 of this Contract.

4.15 CMS Approval of Contract. Approval of the Contract by CMS is a condition for Federal Financial Participation (FFP). Payment of rates are conditional upon CMS approval and if not approved would reopen negotiations pursuant to section 4.12. If CMS approval is not received, payment continues at rates established in the most recent contract, pending federal approval of renegotiated rates and will be adjusted to the new rates as of the federally approved effective date.

4.16 Medical Assistance Copayments for SNBC. Medical Assistance Enrollees must make copayments for the following services.

(A) Exceptions The following individuals or services are exempt from copayments:

(1) Children under age 21;

(2) Pregnant women;

(3) Enrollees expected to reside for thirty (30) days in an institution;

(4) Enrollees receiving Hospice care;

(5) An American Indian who receives services from an Indian Health Care Provider or through contracted health services (IHS CHS) referral from an IHS facility;

(6) Emergency Services;

(7) Family Planning;

(8) Services paid for by Medicare for which Medical Assistance pays the coinsurance and deductible;

(9) Copayments that exceed one per day per Provider for non-emergency visits to a hospital-based emergency room and

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

(B) 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 seven dollars ($7.00) per month.

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

(D) Upon notification to the MCO that a Medical Assistance Enrollee has been a resident of a Nursing Facility or ICF/DD 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 and a data certification to the STATE for all copayments the MCO has reimbursed to its Providers in the previous quarter not 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.

4.16.2 Co-payment and Family Income. For SNBC non-Duals only, individuals identified by the commissioner with income at or below one hundred percent (100%) of the federal poverty guidelines, total monthly co-payments 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 limit on copayments as authorized by Minnesota Statutes, § 256B.0631, subd. 1(b)(3).

4.16.3 Collection of Copayments. The MCO may delegate to the Providers of these services the responsibility to collect the copayment. The MCO may not reduce or waive the copayment as an inducement to Enrollees to enroll or continue membership in the MCO.

4.16.4 Inability to Pay Copayment. The MCO must ensure that no Provider deny Covered Services to an Enrollee because of the Enrollee's inability to pay the copayment pursuant to 42 CFR § 447.53. The MCO must also ensure that Enrollees retain the ability to seek services from other Providers.

4.16.5 MCO Waiver of SNBC Medicaid Copayments. The MCO has chosen to waive Medicaid copayments for community Enrollees for the term of this Contract. The MCO shall have a uniform policy to assure that the same amounts of copayments for the same types of services are waived for all SNBC community Enrollees. Copayments for the following services will be waived for Dual and non-Dual community Enrollees:

(A) Non-emergency use of the emergency department; and

(B) Medicaid Prescription drugs (those prescription drugs covered by Medicaid rather than Medicare, for Dual Eligible Medicare Enrollees and prescription drugs for those eligible for Medicaid only).

(C) If MCO chooses to waive Medicaid copayments for community Enrollees, then (A) and (B) will not apply.

4.16.6 Notification to Enrollees of Copayments. The MCO shall explain the copayment policy in the MCO's Certificate of Coverage and other materials for Enrollees. Unless CMS has approved waiver of payment of copayments by the MCO as an additional benefit in the MCO's Medicare bid process, the MCO shall not offer waiver of copayment as an inducement to enroll nor describe it in any of the MCO's Marketing Materials.

4.17 Managed Care Withhold. For Capitation Payments made for months of service on or after January 1st of the Contract Year, the STATE shall withhold nine point five percent (9.5%) from the basic care portion of the SNBC rates. SNBC Medicaid Nursing Facility payments are excluded from the withhold provision.

4.17.1 Return of Withhold. Of this total, 52/63% (5.0/9.5 x 100) of the withheld funds shall be returned no sooner than July 1st and no later than July 31st of the following year only if, in the judgment of the STATE, performance targets in the contract are achieved. The remaining 47.37% (4.5/9.5 x 100) of withheld funds shall be returned without any consideration of performance no sooner than July 1st and no later than July 31st of the following year as required by Minnesota Statutes, § 256B.69, subd. 5a.

4.17.2 Withhold Return Scoring for the Contract Year.

(A) The withheld funds will be returned to the MCO for calendar year 2010 based on the following scoring system for each of the performance targets listed below:

(1) Denial, termination or reduction of services notice (DTR) shall be worth a total of twenty (20) points;

(2) Grievance and Appeal reporting shall be worth a total of twenty (20) points;

(3) Identifying treating Provider in encounters shall be worth a total of thirty (30) points, fifteen (15) points for each measure;

(a) Valid Treating Provider fifteen (15) points; and

(b) NPI Pay-To-Provider, fifteen (15) points.

(4) MDH QA Examination deficiencies shall be worth a total of ten (10) points;

(5) Compliance with section 6.13.8(B) shall be worth five (5) points. Compliance means that the MCO will create a process for obtaining updated access information from primary care clinics, and the MCO demonstrates that access information continues to be distributed to Enrollees and prospective Enrollees as required, and that the MCO provides copies of this information to the STATE.

(6) Maintaining a local or regional stakeholders group as required in section 7.3.5 shall be worth a total of five (5) points. The MCO will submit documentation that demonstrates the MCO responds to significant concerns raised by stakeholder group participants.

(B) The percentage of the MCO's withheld funds to be returned shall be calculated by summing all earned points, dividing the sum by ninety (90), and converting to a percentage. No partial whole number of points will be assigned if the MCO fails to completely meet performance targets described in section 4.17.3. Points assigned for these performance targets will be all or none (e.g. 20 points or 0 points), except DTR, Grievance and Appeal Reporting worth five points for each quarter submission, and the ED Utilization measure explained above..

(C) If the STATE determines that any of the performance target measures are not dependable, the measure(s) will be eliminated and the MCO shall be scored based on the remaining performance target measures.

(D) Managed Care Withhold Measures. The measure for identifying treating Providers (section 4.17.3(C) will be calculated from: (1) encounter data submitted no later than May 31st of the year subsequent to the Contract Year by the MCO to the STATE, pursuant to section 3.4.1; (2) additional data sources approved by the STATE and in the STATE's possession; or (3) as otherwise stated below. The following provider number measures shall be computed out to the second decimal (e.g. 45.63). These measures include:

(1) Valid Treating Provider,

(2) NPI Pay-To-Provider.

4.17.3 Administrative and Access/Clinical Performance Targets for SNBC. Pursuant to the specific terms in section 4.17.3 below, the points assigned to each performance target will

be awarded to the MCO if the MCO meets all of the requirements of the specific performance target.

(A) Denial, Termination, or Reduction Notice Reporting.

(1) Correctly submits to the STATE the completed Denial, Termination or Reduction Notice (DTR) report as required in section 8.6, or

(2) Reports that it has no DTR activity for a given quarter, and notifies the STATE's Ombudsman Office by e-mail or in writing by the 30th day of the month following the end of a quarter.

(B) Grievance and Appeal Reporting.

(1) Correctly submits to the STATE the completed Grievance and Appeal report as required in section 8.x and 8.x; or

(2) Reports that it has no Grievance and Appeal activity for a given quarter, and notifies the STATE's Ombudsman Office by e-mail by the 30th day of the month following the quarter

(C) Identifying Valid Treating and Pay-To Provider Encounters

(1) There are two measures of valid treating and pay-to Provider NPIs in submitted encounter data. The methods for the calculation of the NPI Treating Provider, and NPI Pay-To Provider are posted on the DHS Partners and Providers, Managed Care Organizations website at: www.dhs.state.mn.us/dhs16_139763.

(a) Valid NPI Treating Provider Measure. Provides valid treating Provider information in the submitted encounter data for listed procedure codes, as required in the most recent version of the STATE document titled, "*2011 NPI Treating Provider, NPI Pay-To Provider, PCA Treating provider UMPI/NPI, Lead Screening and ED Utilization Managed Care Withhold Technical Specifications*." If the percentage in Contract Year 2010 is ninety-five percent (95%) or greater, the MCO will receive all fifteen (15) points.

(b) Valid NPI Pay-To Provider Data Measure. Assess all non-pharmacy encounters for completeness of Pay-To Provider NPI data. This measure shall include all managed care encounter claims except pharmacy, transportation and interpreter services encounters. If the percentage is ninety-five percent (95%) or greater, the MCO will receive all fifteen (15) points.

(2) The STATE shall inform the MCO twice each year, in April for the previous calendar year's data and September, for the first six months of the current year's data, of the MCO's preliminary NPI Treating Provider percentage and NPI Pay-To Provider Measure percentages. These reports contain measurement estimates and are not the final rates that will be used to determine if the MCO achieved its

performance targets. The STATE provides these estimates to aid the MCO's compliance efforts and the return of withhold.

(D) Minnesota Department of Health (MDH) QA Final Examination Deficiencies.

(1) Comply with the MDH licensing requirements and have no repeated Minnesota Health Care Programs deficiencies that remain after the MCO's corrective action(s) that initially resulted from the MCO's MDH QA Examination, or

(2) If the MCO is not examined during the Contract Year, but remains in compliance with MDH licensing requirements and any corrective actions assigned by MDH, the MCO will receive all points available for this performance target.

(E) Access Survey. The MCO will continue to update and make accessible to potential Enrollees and Enrollees the access survey information previously collected as required in section 6.13.8(B). By December 15th of the Contract year the MCO shall submit a report describing how the MCO provided this information to its SNBC members.

(F) MCO Stakeholder Group for SNBC. The MCO will maintain a local or regional stakeholder group as required in section 7.3.5. The MCO will submit twice per Contract year to the STATE on June 15th and December 15th, documentation in the form of stakeholder meeting agendas and meeting minutes that demonstrate the MCO response to significant concerns raised by stakeholder committee participants.

4.17.4 Return of Withheld Funds. The funds available to be returned shall be calculated as follows.

(A) The difference between:

(1) The total Contract Year 2011 basic care portion (Appendix 1A or 1B, column 11 or column 13, minus NF add-on portion in column 8) of the SNBC Plan Reimbursement Amounts (column 11 or 13) to the MCO as of May 31 of Contract Year, divided by 0.905 (to equal 90.5%) and

(2) The total Contract Year 2011 basic care portion of the 2010 SNBC Plan Reimbursement Amount (column 11 or 13) to the MCO as of May 31st of the year subsequent to the Contract Year. .

This amount has been reduced to reflect removal of the MERC funding.

(B) The amount of the withheld funds to be returned to the MCO shall be calculated as follows:

(1) The amount determined in 4.17.1.B. shall be multiplied by.5263 (5.0/9.5 x 100) or 52.63%.

(2) The amount in (1) shall be multiplied by the percentage determined in 4.17.1.B, subject to the limitation in (3).

(3) The difference between (1) and (2), the amount of the unreturned funds that are kept by the STATE shall not exceed twenty percent (20%) of all funds in (1).

(4) .4737 (4.5/9.5 x 100) or 47.37% of the amount determined in 4.17.3(A).

(5) The resulting amount from the calculation in (3) and (4) will be returned to the MCO.

4.18 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 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 the MCO may make a claim under this section.

4.18.1 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.

4.18.2 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 Article 4.

4.18.3 Two Year Limit to Assert Claim.

(A) The STATE shall in no event assert any claim for, seek the reimbursement of or make any adjustment for any alleged overpayment made by the STATE to the MCO pursuant to Article 4 more than two years after the date such payment was actually received by the MCO from the STATE.

(B) The MCO shall in no event assert any claim for, seek the reimbursement of or make any adjustment for any alleged overpayment made by the STATE to the MCO pursuant to this section 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 under section 4.9 in order to assert any claims regarding risk adjusted payments.

(C) Payment Offset. When possible, a recovery for an overpayment or reimbursement due to an underpayment shall be offset against or added to future payment made according to this Article.

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

4.19 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 Article 4 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.

4.19.1 One Year Limit to Assert Claim.

(A) The STATE shall not assert any claim for, seek the reimbursement of or make any adjustment for any alleged overpayment made by the STATE to the MCO under this section 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 4.19.1(C) does not apply to duplicate payments made because of multiple identification numbers for the same Enrollee, payments for full months for an Enrollee while incarcerated in a facility, and payments for full months after the death of the Enrollee.

(B) The MCO shall in no event assert any claim for, seek the reimbursement 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 under section 4.9 in order to assert any claims regarding risk adjusted payments.

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

4.20 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.

4.21 Health Care Home Care Coordination Payment for Integrated Programs; 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) The MCO will consider Medicare status, and any additional Medicare resources that may be available when determining Health Care Home care coordination payment rates for Dual Eligible Enrollees; and

(2) If a clinic or clinician is a certified Health Care Home and but the MCO has an alternative comprehensive payment arrangement that is inclusive of care coordination and tied to outcome measures related to patient health, patient experience and cost effectiveness with that clinic or clinician, upon documentation 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 4.21(A) above and from any additional Health Care Home care coordination fee. See section 3.5.2(M)(2) for documentation of the comprehensive alternative payment arrangement. 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) The STATE will make payment to the MCO for Enrollees in or above Tier One of the classifications developed in Minnesota Statutes, § 256.0753.

4.22 Skilled Nursing Facility/Nursing Facility Benefit.

4.22.1 100-Day SNF/NF Benefit Period.

(A) For any Recipient who enrolls in the MCO's SNBC product while in a community setting the MCO shall have financial responsibility for Nursing Facility services for 100 days. The 100 days begin at the time of the Enrollee's date of admission to a Skilled Nursing Facility (SNF) or Nursing Facility (NF) on or after the first effective date of enrollment. Both Medical Assistance and Medicare covered days shall be counted toward the 100 day benefit period, except that the MCO shall not pay for nursing home services for new admits to a facility that occurs during Denial of Payment for New Admits (DOPNA) violation periods, since these days are not covered under the STATE's fee-for-service program. The 100 days shall be counted cumulatively. After the 100-day benefit period is expended, the STATE shall assume responsibility for Medical Assistance Nursing Facility Days. The 100-day benefit period may be applied to an individual more than once if the requirements of the 180-day Separation Period are met as specified in section 4.23.1.

(B) The MCO may accrue the following types of days toward the cumulative 100-day benefit period:

(1) Medicare SNF days. The MCO is responsible for services covered under the Medicare Advantage SNF benefit regardless of whether NF liability is indicated on the STATE's Medical Assistance file. Medicare SNF days for the Enrollee incurred prior to the begin date of the 100-day NF benefit do not count toward the 100-day benefit.

(2) Swing Bed Days. These include Medicare SNF days and Medicaid room and board days provided in swing beds that meet all other requirements for use of swing beds, including claims processing procedures and Minnesota Department of Health approval.

(3) Medicaid NF days. These may include Medicaid leave days. Leave days must be for hospital or therapeutic leave of an Enrollee who has not been discharged from a long term care facility. According to current Medical Assistance standards, payments for hospital leave days are limited to eighteen (18) consecutive days for each separate and distinct episode of Medically Necessary hospitalization, and payments for therapeutic leave days are limited to thirty-six (36) leave days per calendar year. Days during a DOPNA period do not count towards the Medicaid or Medicare benefit period.

(C) The MCO may not accrue the following types of days toward the cumulative one hundred (100) day Benefit Period for SNBC:Days during a DOPNA period do not count towards the Medicaid or Medicare Benefit Period;

(2) Respite days do not count towards the Medicaid or Medicare Benefit Period; and

(3) Institutional SNF or NF days that accrue during a Hospice election period do not count toward the 100-day SNF/NF benefit period. Institutional room and board for these days is paid by the STATE on a fee-for-service basis.

(D) The MCO shall provide information required by subcontractors to fulfill delegated administrative responsibilities, for example, NF liability spans.

(E) The MCO will remain liable for the one hundred (100) -day SNF/NF benefit across contract years.

4.22.2 Responsibility for Tracking 100-Day Benefit. The MCO shall be responsible for tracking accrual of days toward the 100-day SNF/NF benefit period for SNBC Enrollees to whom the benefit applies. During the 100-day benefit period, reimbursement for NF services provided by a Nursing Facility subcontractor can only be made through the MCO and not through the Medical Assistance fee-for-service claims system. Before Medicaid NF claims can be paid by the STATE, the MCO shall be required to provide documentation to the STATE demonstrating that it has paid for 100 days of SNF/NF services and the STATE will verify the information documented by the MCO. Acceptable documentation shall include but is not limited to the following:

(A) Provider claims submitted to the MCO for Nursing Facility services;

(B) Documentation of Medicare covered services, including coinsurance claims for Medicare covered days;

(C) Internal patient account summaries;

(D) Service Authorizations if used by the MCO;

(E) Claim denials for any days billed after the MCO'S 100-day Benefit Period has ended; or

(F) Other documentation as agreed upon by the STATE, the MCO and the Nursing Facility.

4.23 Responsibility for Payment of Medical Assistance NF Days. After the 100 day Benefit Period is expended for SNBC, the STATE shall assume responsibility for Medical Assistance Nursing Facility Days.

4.23.1 180-Day Separation Period. If the MCO has not previously had liability for NF services for an Enrollee, the 180-Day Separation Period is defined as 180 consecutive Institutional or community days after the MCO has already paid for 100 days of SNF/NF services as required under the 100-day SNF/NF benefit policy.

4.23.2 Continuous Separation Period.

(A) If the MCO has already been liable for 100 days of SNF/NF services, then the one hundred eighty (180) day Separation Period is defined as one hundred eighty (180) consecutive Institutional or community days after the MCO has already been liable for 100 days of SNF/NF services. In either case, after this separation period has expired, the MCO shall be liable for a new, distinct 100-day SNF/NF benefit period for any Enrollee who is still community on the last day of the separation period. If an Enrollee becomes institutionalized prior to the end of the separation period, no new SNF/NF Benefit Period is applied.

(B) If the MCO has not previously had liability for SNF/NF services for an enrollee and the enrollee leaves the NF, there is no separation period and the MCO will be assigned NF liability for the enrollee upon return to the community.

(C) If an Enrollee is hospitalized and/or placed in a Nursing Facility during the 180-day Separation Period for thirty (30) days or less, the Enrollee shall still be considered to be residing in the community and these days shall be counted toward the 180-day Separation Period. If the Enrollee spends more than thirty (30) consecutive days in a hospital and/or Nursing Facility, the counting of the 180-day Separation Period shall begin over again if and when the Enrollee returns to the community.

(D) The STATE shall have the responsibility for tracking the 180-day Separation Period. The MCO shall cooperate with the STATE in verifying the 180-day Separation Period. On a monthly basis, the STATE shall identify SNBC Enrollees with Community payment categories for who the 100 day NF benefit is not in effect. Of these, if the Enrollee is not within a one hundred and eighty (180) day Separation Period, the STATE shall begin a new 100-day NF Benefit Period on the first day of the next available month.

(E) The STATE enrollment data will contain information indicating the MCO's Nursing Facility benefit period.

4.24 Long-Term Care Consultation for SNBC. The MCO must determine the Enrollee's risk of Nursing Facility admission or current need for Nursing Facility care to ensure that each Enrollee eligible to receive Nursing Facility benefits under section 6.1.23(B)(14)(a) of this contract is screened in accordance with Minnesota Statutes, §256B.0911.

(A) The MCO may choose either to use the Local Agency for its Long-Term Care Consultation responsibilities or work in cooperation with the Local Agency to carry out its Long-Term Care Consultation responsibilities. All other Long Term Care Consultation (LTCC) functions shall remain the responsibility of the Local Agency.

(B) The MCO may use LTCCs performed by a Local Agency for the LTCC responsibilities referenced in this section. If the MCO chooses to use the LTCCs performed by the Local Agency, it must abide by all Level of Care determinations made by that Local Agency. The MCO shall not be financially responsible for costs of LTCCs.

(C) The MCO may work in cooperation with a Local Agency to carry out the LTCC responsibilities referenced in this section. If the MCO chooses to work in cooperation with a Local Agency, it shall conduct the pre-admission screening process as follows:

(1) The MCO must conduct screenings for hospital discharges and emergency placements using the most current Pre-Admission Screening (PAS) process and convey information obtained during the screenings or a copy of the Screening Document to the Local Agency.

(2) The MCO must conduct OBRA Level 1 screenings and convey any information obtained during the screenings to the Local Agency and send a copy to the NF.

(3) The MCO must allow the Local Agency to conduct OBRA Level II evaluations when indicated, provide the Nursing Facility with documentation of the OBRA Level II evaluations, and enter long term care Screening Document information. Telephone screenings must be entered into the system.

(4) For Enrollees living in the community and entering a Nursing Facility, the MCO must conduct an in-person, pre-admission screening using the most current PAS tool and Level of Care Criteria tool. The MCO shall convey information obtained during the screenings or a copy of the Screening Document to the Local Agency.

(5) The MCO must inform all Enrollees that they may qualify for services under the State's HCBS waivers or Home Care Services and refer the Enrollee to the county of residence for assistance.

(6) The MCO must work with/communicate to the local agency using Form #5181 prior to an Enrollee entering a Nursing Facility to allow the Local Agency to send out to the Enrollee Form #3543 regarding long term care.

(7) MCO must obtain approval from State for any Enrollee under 21 years of age for admission into a Nursing Facility as authorized by Minnesota Statutes §256B.0911, subd. 4d (f).

4.25 End Stage Renal Disease (ESRD) Payments. For Enrollees identified by CMS as having ESRD, the MCO will continue to receive the Medicaid capitation rate as appropriate for these Enrollees.

4.26 Long Term Care Ineligibility Periods. The STATE will notify the MCO when a Recipient has an ineligibility period. As long as the Recipient remains enrolled, the MCO shall be required to reassume financial responsibility for all services covered under SNBC after the ineligibility period has passed. During the ineligibility period payment for Nursing Facility services will be the responsibility of the Enrollee.

4.27 Other Remedies. Nothing in this Article is intended to limit the MCO from seeking other remedies it may be entitled to by law.

Article. 5 Term, Termination and Partial Breach

5.1 Term. The term of this Contract shall be the Contract Year from **January 1, 2011** (Effective Date), and shall remain in effect through **December 31, 2011** (Termination Date). Coverage will begin at 12:00 a.m. on January 1st and end at 11:59:59 p.m. on December 31st (Central Standard Time) unless this Contract is: (1) terminated earlier pursuant to section 5.2; (2) extended through: (a) an amendment pursuant to Article. 21, 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 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. 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 County Based Purchasing. After the STATE approves any new counties for County-Based Purchasing, the STATE shall provide the MCO with no less than one hundred

and eighty (180) days written notice of intent to remove any counties from the MCO's Service Area.

5.1.4 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 Provisions.

5.2.1 MCO Notice of Non-Renewal Prior to the End of the 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.

5.2.2 Termination Without Cause. This Contract may be terminated by the STATE at any time without cause, upon a one hundred and twenty (120) calendar day written notice to the MCO, unless CMS terminates its agreement with the SNP, in which case notice to the MCO shall be ninety (90) calendar days.

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) 150-Day Notice. 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 5.5, prior to termination.

(2) 30-Day Notice. 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 MDH 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 MDH 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; or

(e) Loss of Medicare contractual agreement with CMS.

(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 on June 30th of that 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) calendar days in advance of the termination, or immediately as determined by the STATE, if termination is for a material breach listed in 5.2.3(B)(2). Such notice must be approved by the STATE and CMS. Such notice must include a description of alternatives available for obtaining Medicare 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 notice shall be sent by the Parties by U.S. Postal Service certified mail, return receipt requested. The required notice periods set forth in section 5.2 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.

5.3.1 Quality of Services. If the STATE 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 or to enforce remedies pursuant to section 5.4.1 and 5.4.3.

5.3.2 Failure to Provide Services. The MCO shall be subject to one of the remedies listed in section 5.4.3. 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, and if the failure has adversely affected or has a substantial likelihood of adversely affecting the Enrollee.

5.4 Partial Breach. 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 listed in section 5.4.3 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.

5.4.1 Determination of Remedy. In determining the remedy, the STATE shall consider the following factors:

(A) The number of Enrollees or Recipients affected by the breach;

(B) The effect of the breach on Enrollees' or Recipients' health and access to health services;

(C) If only one Enrollee or Recipient is affected, the effect of the breach on that Enrollee's or Recipient's health;

(D) Whether the breach is an isolated incident or part of a pattern of breaches; and

(E) The economic benefits derived by the MCO by virtue of the breach.

5.4.2 Opportunity to Cure. The STATE shall give the MCO reasonable written notice of a breach by the MCO prior to imposing a remedy under this section. The MCO shall have a period of time not to exceed sixty (60) calendar days from the date it receives the notice of breach, 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.

5.4.3 Remedies for Partial Breach. If the STATE determines that the MCO failed to cure the breach within the time period specified in section 5.4.2, the STATE may enforce one or more of the following remedies:

(A) Withhold Medical Assistance capitation or a portion thereof until such time as the partial breach is corrected to the satisfaction of the STATE.

(B) Monetary payments from the MCO to the STATE in the amount of up to one thousand Dollars ($1,000) per day offset against payments due the MCO by the STATE, until such time as the problem is corrected to the satisfaction of the STATE.

(C) Monetary payments from the MCO to the STATE in the amount of up to one thousand dollars ($1,000) per day, offset against capitation payments, from the time the notification by the MCO should have occurred or the time the correction should have been made until the time when notification by the MCO is actually made or the correction is made. This paragraph allows the STATE to enforce a remedy against the MCO for actions that have been corrected prior to coming to the attention of the STATE.

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

(E) If the MCO does not comply with the Marketing requirements specified in section 3.15 of this Contract, the STATE may require the MCO to cease all SNBC Marketing activities until such time as the MCO has complied with section 3.2 of this contract as defined by the STATE.

(F) Provide to the STATE and CMS, or designated CMS evaluator, data abstracted from medical records comparable to the data that would have been available from encounter reporting required in this Contract, if encounter data is not submitted pursuant to Article 3 of this Contract.

(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.

5.4.4 Temporary Management. In addition to the remedies listed in section 5.4.3, 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; and

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

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

5.5 Mediation Panel The MCO may request the recommendation of a three (3) person mediation panel within three (3) working days of receiving notice of a remedy, 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 (3) three days after receiving the recommendation of the mediation panel.

5.5.1 Non-CBPs 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.

5.5.2 CBPs. 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. See Minnesota Statutes, § 256B.69, subd. 3a(d) and (f).

Article. 6 Benefit Design and Administration. All terms of Article 6 apply unless otherwise stated. Medicare services provided by the MCO shall comply with the requirements of this Article.

6.1 SNBC Covered Services. The MCO shall provide, or arrange to have provided, to all SNBC Enrollees comprehensive preventive, diagnostic, therapeutic and rehabilitative services as defined in: 1) Minnesota Statutes, § 256B.0625 and corresponding Minnesota Rules, Parts 9505.0170 to 9505.0475; 2), and 2) Home Care Services as defined in Minnesota Statutes, §§ 256B.0651 through 256B.0656 excluding personal care assistant services, private duty nursing services and personal care Qualified Professional supervision services as authorized by Minnesota Statutes, § 256B.69, subd. 28. Except for sections 6.1.29 (Prescription Drugs and Over-the-Counter Drugs.) and 6.1.39 (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 Day of this Contract. Sections 6.1.29 and 6.1.39 shall be provided to the extent that the above law and rules are in effect.

The MCO shall also provide, or arrange to have provided to Enrollees, Medicare benefits as provided pursuant to 42 U.S.C. § 1395, and Specialized Medicare Advantage (MA) plans for Special Needs Enrollees, known as Special Needs Plans (SNPs), established by the Medicare Modernization Act (MMA) of 2003, pursuant to the MCOs MA/SNP contract with CMS.

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 2.88. For purposes of this paragraph, mandated services do not include the benefits described in Minnesota Statutes, Chapter 256B.

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

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

6.1.2 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.

6.1.3 Care Management Systems. The MCO shall be responsible for the Care Management of all Enrollees. This system is designed to ensure access to and to integrate the delivery of Medicare and Medicaid preventive, primary, acute, post acute, rehabilitative, specialty and pharmacy services. The MCO's Care Management system must be designed to coordinate the provision of 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. The MCO shall also coordinate the services it furnishes to its Enrollees with the services an Enrollee receives from any other MCO. At a minimum, the MCO's Care Management system must incorporate the following elements:

(A) The MCO shall ensure that the Care Management system has the capacity to coordinate the provision of all Medicare and Medicaid acute and basic care services, including services which the MCO subcontracts to a Care System;

(B) The MCO must develop and employ protocols to facilitate annual physician visits for members for primary and preventive care;

(C) 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 and disability conditions of the MCO's Enrollees;

(D) Services which include procedures for promoting rehabilitation of Enrollees following acute events, and for ensuring smooth transitions and coordination of information among acute, sub-acute, rehabilitation, home care and other settings;

(E) Strategies that ensure that all Enrollees and/or authorized family members, representatives, or guardians are involved in treatment planning, and consent to the medical treatment;

(F) Procedures and criteria for making referrals to specialists and sub-specialists;

(G) Procedures for coordinating care for American Indian Enrollees;

(H) Procedures for coordinating with Individual Education Plan (IEP), an Individual Family Service Plan (IFSP) or Individual Community Support Plan (ICSP) including services and supports;

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

(J) Procedures for coordinating with county social services and Case Management systems; and

(K) Transitional care for children between the ages of eighteen (18) and twenty-one (21) who require ongoing services as they transition to adult programs covered under this contract.

6.1.4 Case Management System. The MCO must make available a Case Management system that meets the special needs of SNBC Enrollees. This system will include:

(A) Partnership with Enrollee. The MCO shall ensure that any Case Management services provided through the SNBC program will work in partnership with the Enrollee and/or authorized family members or alternative decision makers, and Primary Care physicians in consultation with any specialists caring for the Enrollee, to develop and provide services and to assure consent to the medical treatment or service.

(B) Risk Assessment. MCO shall conduct a health risk assessment of each members health needs within the first thirty (30) calendar days of enrollment and annually thereafter. The health risk assessment may be conducted through mailed surveys, email, phone or face to face contacts. The risk assessment shall include questions designed to identify health risks and chronic conditions, including but not limited to: 1) activities of daily living, 2) risk of hospitalizations, 3) need for primary and preventive care, 4) mental health needs, 5) rehabilitative services, and 6) protocols for follow up to assure that physician visits, additional assessments or Case Management interventions are provided when indicated. The MCO or its designee shall enter the ADL information collected through the initial health risk assessment into MMIS according to section 3.1.3(H).

(C) Nurse Line. The MCO will maintain telephone access to registered nurse consultation for members on a 24-hour, seven-day-per-week basis. RNs staffing the nurse line must be familiar with communication devices and methods common among people with disabilities and trained in working with chronic and disabling conditions.

(D) Case Management Triage System. The MCO will have written protocols for access to Case Management services for members requiring additional assistance in accessing services, including members who require intensive Case Management due to serious health conditions. The protocol will provide for a range of Case Management services from telephone consultation to face-to-face visits or intensive ongoing intervention based on defined criteria. Case Management will be provided and/or supervised by qualified professionals. For the purpose of this section, a qualified professional means a social worker, licensed social worker, registered nurse, physician assistant, nurse practitioner, public health nurse or a physician.

(2) Notification of Contact Persons.

(a) For new Enrollees, if the name of a case manager or navigation assistant is not provided upon initial enrollment, the MCO must provide each Enrollee with a phone number of a contact person that is knowledgeable about the SNBC program, that a member can call for assistance in transitioning to managed care, including assistance in accessing medications and services that require prior authorization.

(b) If a case manager or navigation assistant is assigned to an Enrollee, the MCO or its subcontractor must provide the name and telephone number of the individual within ten (10) days of assignment or change in assignment.

(c) The MCO will have a process in place which assists Providers, county staff, family members or others who are calling the MCO requesting the identification of a member's current case manager or navigation assistant and contact information. This process must be efficient and not require the callers to make multiple phone calls to find the requested information.

(E) Management of Disability Related Conditions. The MCO will have fast track intervention strategies and Care Management protocols for management of disability related conditions common among members with disabilities such as skin breakdown and urinary tract infections.

(F) Self Management Materials and Education. The MCO will develop or obtain and distribute self management materials and education programs to members with disability related conditions common among members with disabilities.

(G) Communication and Coordination with Counties and Providers. The MCO will establish and maintain written communication protocols for communications with county social service agencies, community agencies, nursing homes, residential and home care providers involved in providing care under fee for service to enrolled SNBC members. Such protocols will include HIPAA compliant electronic communication vehicles.

(2) The MCO will communicate with lead agencies on the authorization of Medical Assistance home care services using the State form #5841, “MCO /Lead Agency Communication Form; Recommendation for Authorization of Home Care Services.”

(3) Communications include the transfer of an Enrollee from one MCO to another MCO or Local Agency in the event an Enrollee is disenrolled from the MCO, using the Universal Transfer Form (UTF) as provided by the STATE.

(H) Coordination with the Local Agency. Referrals and/or coordination with county social service staff will be required when the Enrollee is in need of the following services:Pre-petition screening,

(2) Preadmission screening for HCBS,

(3) County Case Management for HCBS,

(4) Child protection,

(5) Court ordered treatment,

(6) Case Management and service providers for people with developmental disabilities,

(7) Relocation service coordination;

(8) Adult protection,

(9) Assessment of medical barriers to employment,

(10) STATE medical review team or social security disability determination,

(11) Working with Local Agency social service staff or county attorney staff for Enrollees who are the victims or perpetrators in criminal cases.

(I) The MCO shall coordinate with Local Agency human service agencies for assessment and evaluation related to judicial proceedings. If the MCO determines that an assessment is required in order for the Enrollee to receive these services, 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.

(J) Coordination with Veterans Administration. The MCO shall make reasonable efforts to coordinate with services and supports provided by the Veteran's Administration (VA) for Enrollees eligible for VA services.

(K) Assistance with other Support Programs. Enrollees with HIV/AIDS and related conditions may have access to federally funded services under the Ryan White CARE Act, 42 U.S.C. § 300ff-21 to 300ff-29 and Public Law 101-381, Section 2.

(L) Advance Directive Planning. The MCO shall inform members of resources available for advance directive planning based on individual Enrollee needs and cultural considerations.

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 as determined necessary by the assessment. CD services shall be provided in accordance with 42 CFR § 8.12, and Minnesota Statutes § 254B.05, subd. 1.

(A) CD treatment services will also include utilization of the Screening and Brief Intervention and Referral to Treatment (SBIRT) tool designed to improve the effectiveness of early detection of at risk or harmful substance abuse and to provide effective strategies for intervention prior to the need for more extensive or specialized treatment. The SBIRT may be offered in a primary care or emergency care setting.

(B) Additionally, the MCO agrees to participate in a workgroup that will focus on the implementation of Screening, Evaluation, and Treatment (SET) for alcohol abuse and dependence, that may be used in combination with SBIRT in primary care clinic settings by providing immediate treatment options and using the NIAAA Clinician's Guide entitled *Helping Patients Who Drink Too Much*, and associated tools.

6.1.6 Child and Teen Checkup. The MCO agrees to provide, or arrange to provide, Child and Teen Checkup (C&TC) screenings to each Enrollee under age 21, as follows, and shall be subject to 42 U.S.C. § 1396d(r).

(A) Pursuant to 42 CFR § 441.56 and the State Medicaid Manual (SMM; CMS-Pub.45.5) 5122-5123.2, the following C&TC components are currently required and must be performed in accordance with C&TC program standards and according to the periodicity schedule as specified in the current C&TC Chapter of the Provider Manual, which is herein incorporated by reference as applicable:

(1) Assessment of physical growth.

(2) Vision screening.

(3) Hearing screening.

(4) Health history.

(5) Developmental and behavioral assessment.

(6) Physical examination.

(7) Nutritional assessment.

(8) Immunization and review.

(9) Laboratory tests.

(10) Health education and anticipatory guidance.

(11) The MCO agrees to provide, or arrange to provide, dental services according to the C&TC dental periodicity schedule to each enrollee from age one (1) to age twenty-one (21).

(B) In order for the MCO to have an encounter considered countable as a C&TC screening, the MCO must provide all components of the C&TC program in the Enrollee's screening and must be made according to the age-related periodicity schedule.

(C) The MCO must: Notify Enrollees under the age of twenty-one (21) of the availability of C&TC screening at least annually;

(2) Provide and document all of the required screening components according to the C&TC standards and current periodicity schedule (although the MCO may offer additional preventive services beyond these minimal standards); and

(3) Provide all Medically Necessary health care, diagnostic services, treatments and other measures, to correct or ameliorate deficits due to physical or Mental Illness conditions that are discovered during screening services, which are mandatory or optional Medical Assistance-covered services under 42 U.S.C. § 1396d(a). See 42 U.S.C. § 1396d(r)(5). Diagnostic services include up to three maternal depression screenings that occur during a pediatric visit for a child under age one. The STATE recommends the initial maternal screening within the first month after delivery, with a subsequent screen suggested at the four month visit.

(4) Report to the STATE on a monthly basis well-child visit data identified by codes specified by the STATE in a document entitled "*MCO Monthly CATCH 3 Data Submission,*" and submitted electronically in the ASCII file format as required by the STATE. The report for each month must be according to the most current specifications which have been provided by the STATE and is due to the STATE between the 1st and 10th day after the last day of the month. The MCO must report the data of all health services provided to Enrollees under age twenty-one (21) pursuant to section 3.5.1. The MCO shall submit this data to the STATE no later than one month after the date the MCO adjudicated the claim. For all well-child visit data submitted, when the STATE rejects the file, the MCO shall have fifteen (15) days from the date of return to resubmit an accurate file.

(5) Agree to work with the STATE towards WebCATCH implementation.

(D) The STATE agrees:To arrange for C&TC training and consultation, in cooperation with the MCO, on the screening components, screening standards, age-related periodicity schedule, reporting requirements, and other C&TC provider-related matters.

(2) To work with the MCO on policy issues and process improvements regarding C&TC during the Contract Year.

6.1.7 Chiropractic Services. Chiropractic services up to the service limits described in Minnesota Statutes 256B.0625, subd. 8. The MCO may authorize medically necessary services that exceed the limit.

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: Medical Assistance covers dental services for children and pregnant women that are medically necessary. The following guidelines apply:

(1) posterior fillings are paid at the amalgam rate;

(2) application of sealants once every five years per permanent molar for children only; and

(3) application of fluoride varnish once every six months, and

(4) orthodontia is eligible for coverage for children only, and in limited circumstances.

(B) 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.

(C) In addition to the services specified in 6.8.2, 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 full-mouth survey once every five years.

6.1.11 Treatment of End Stage Renal Disease (ESRD).

6.1.12 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 services prescribed by Minnesota Statutes, § 62Q.14.

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

(1) Voluntary planning of the conception and bearing of children, provided that this clause does not refer to abortion services;

(2) Diagnosis of infertility, including counseling and services related to the diagnosis (e.g., 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 any claims Notices sent to the Enrollee, including but not limited to Explanation of Benefit and/or Explanation of Medical Benefit Notices.

6.1.13 Health Care Home. Enrollees with complex or chronic health conditions may access services through a certified Health Care Home.

6.1.14 Specific Home Care Services covered under Minnesota Statutes, § 256B.0651 or 256B.0652, and Section 1861(m) of the Social Security Act except for Personal Care Assistance services, qualified professional supervision for Personal Care Assistance services and private duty nursing. Home care services required to be covered include:

(A) Skilled Nursing visits provided by a certified Home Health Care Agency, for Medical Assistance, up to the service limit described in Minnesota Statutes, § 256B.0652, subd. 4, 256B.0653, subds. 4, and subd. 2(m), telehomecare skilled nurse visit.

(B) Home Health Aide services provided by a certified Home Health Care Agency, for Medical Assistance, up to the service limit described in Minnesota Statutes, § 256B.0652, subd. 4, and § 256B.053, subd. 3, and for Dual Eligibles, for Medicare, as long as the Enrollee meets Medicare criteria.

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

(D) Medical Equipment and Supplies.

(E) For Enrollees who are ventilator-dependent, the limits for these Enrollees are described in Minnesota Statutes, § 256B.0652, subd. 7.

(F) If the MCO requires Service Authorization for Home Care Services, it shall comply with section 6.19.

(G) Tribal Assessment 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.

(H) Sanctioned Vendors of Home Care Services.

(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 have provided or will provide 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 home health care 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 home health care 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 Minnesota Statutes,§ 256B.064 or from the MCO, the MCO must inform the Office of 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.

6.1.15 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" 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 through a Medicare certified hospice agency.

6.1.16 Inpatient Hospital Services. Coverage for Inpatient Hospitalization services shall not exceed the actual semi-private room rate, unless a private room is determined to be Medically Necessary by the MCO. The MCO shall use the same criteria as the STATE to determine Medical Necessity when reviewing for authorization Enrollee's initial admission and continued services in a Neurobehavioral Rehabilitation Hospital. The criteria will be provided to the MCO by the STATE.

6.1.17 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 institutional and residential facilities, but is responsible to provide an interpreter for medical services provided by the MCO outside of the residential facility and the per diem in institutional facilities under this Contract.

6.1.18 Laboratory, Diagnostic and Radiological Services.

6.1.19 Medical Emergency, Post-Stabilization Care, and Urgent Care Services. 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 (7) 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 room 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 6.20. For Medical Emergency services the MCO shall not:

(A) Require Service Authorization as a condition of providing a Medical Emergency service;

(B) Limit what constitutes a Medical Emergency condition based upon lists of diagnoses or symptoms;

(C) Refuse to cover Medical Emergency services based upon the emergency room 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.

(D) Hold the Enrollee liable for payment concerning the screening and treatment necessary to diagnose and stabilize the condition; or

(E) 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.

6.1.20 Medical Equipment, Durable; and Medical Supplies. Medical Supplies and Equipment includes durable and non-durable medical supplies and equipment that provide a necessary adjunct to direct treatment of the recipient's condition. Supplies and equipment may also include devices, controls, or appliances, which enable the client to increase his or her ability to perform activities of daily living, or to perceive, control, or interact with the environment or communicate with others. This also includes ancillary supplies necessary for the appropriate use of such equipment. All safeguards and provider standards apply.

(A) Covered medical supplies, equipment and appliances suitable for use in the home are those that are:

(1) Medically necessary;

(2) Ordered by a physician;

(3) Documented in a plan of care that is reviewed and revised as medically necessary by the physician at least once a year; and

(4) Provided to the Enrollee at the Enrollee's own place of residence that is not a nursing facility, or ICF.

(5) Not covered in the facility per diem rate, but must be modified for the recipient, or the item is necessary for the continuous care and exclusive use of the recipient to meet the recipient's unusual medical need according to the written order of a physician, will be separately reimbursed by the MCO.

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

(B) The MCO must assure access to a wide array of DME providers providing a broad array of specialty items commonly used by people with disabilities to meet the needs of enrollees.

(C) The MCO must have written protocols for expedited authorization processes and alternative delivery mechanisms that might include home repair, or home delivery for wheel chair batteries, oxygen, respiratory equipment and other items that are critical to maintaining a stable and maximum level of functioning for members with disabilities.

6.1.21 Medical Equipment, Assistive Technology.

(A) The MCO shall provide, at minimum, the Assistive Technology Devices and Services covered under the State Medical Assistance Plan, as defined in Minnesota Rules, Part 9505.0310 (also known as "Rule 47"). The use of such devices and services shall meet Medical Necessity standards, and may be subject to Service Authorization criteria by the MCO.

(B) Seamless Access. To the extent possible, and with consideration of health, safety, and staffing limits, Enrollees who have been authorized for assistive devices shall have access to such throughout the continuum of care and service delivery system.

(C) New Orders and Transition. The MCO shall provide a timely response to new orders for assistive technology. During times of transition from one device to another, for whatever reason, the MCO shall make every reasonable effort to ensure that Enrollees do not experience any period of time without access to the assistive technology which they need.

(D) Adequate Supplies. The MCO shall make best efforts to ensure that assistive technology suppliers under contract will have adequate supplies for timely administration of services and supplies available to meet the needs of SNBC enrollees.

(E) Substitution. The Enrollee or Legal Representative and the service coordinator must be consulted with regard to any substitution of assistive technology. Any substitution of Assistive Technology Devices is considered a reduction of services and is subject to notice and appeal rights.

(F) Additional and Alternative Devices and Services. In addition, the MCO may elect to provide alternative and/or additional benefits in the area of Assistive Technology Devices and Services. This may include additional/alternative technology and devices as well as additional/alternative suppliers. For example, the MCO may choose to consider Enrollee-designed, home-made devices, recycled or refurbished equipment, or non-traditional suppliers of such things as batteries and tires.

6.1.22 Medical Transportation Services. Also see section 6.5 for Common Carrier Transportation Services. The MCO must assure sufficient network capacity to serve the medical transportation needs of people with disabilities, ensure minimal wait times for transportation, and must implement written protocols for expedited authorization of services. Medical transportation services includes:

(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; and

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

6.1.23 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.

(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 client in the least restrictive clinically appropriate setting. Services include:

(1) Diagnostic assessment, psychological testing, and explanation of findings to rule out Mental Illness, 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.

(c) The State recommends the following tools:

i) "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

ii) "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 room or urgent care setting (phone and walk-in);

(3) Residential and non-residential crisis response and stabilization services as authorized by Minnesota Statutes § 256B.0624;

(4) Intensive Rehabilitative Mental Health Services provided during a short-term stay in an intensive residential therapy setting(IRTS) as authorized by Minnesota Statutes, § 256B.0622;

(5) Assertive Community Treatment (ACT) that is consistent with DHS established standards and protocols;

(6) Adult Rehabilitative Mental Health Services (ARMHS) as authorized by Minnesota Statutes, § 256B.0623. The MCO may participate in revising standards and guidelines for ARMHS, IRTS and 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 (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, 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 where relevant. 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 prior consent;

(19) Mental health outpatient treatment benefits consistent with DHS guidelines and protocols for dialectical behavior therapy (DBT) for Enrollees diagnosed with severe symptoms and significant dysfunction consistent with the current DSM

criteria for a Borderline Personality Disorder. The MCO may participate in a workgroup with DHS to establish standards and guidelines for DBT.

(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, including chronic disease for example heart disease and diabetes

(21) Adult Mental Health Targeted Case Management (AMH-TCM). The MCO shall make available to Enrollees AMH-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 and § 256B.0625, subd. 20.

(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) A 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:

1. Is based on the information collected through the assessment;

2. Specifies the goals and actions to address the medical, social, educational, and other services needed by the Enrollee;

3. Includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and

4. Identifies a course of action to respond to the assessed needs of the eligible individual.

(iii) Referral and related activities to help the Enrollee obtain needed services including activities that help link the Enrollee with medical, social, educational providers; or 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.

(iv) 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 or 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 AMH-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, subpart 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 AMH-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, subpart 2.B.

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

(B) Children's Mental Health Services. All Mental Health Professional services for Children up to age twenty-one (21) must be delivered by the MCO in a manner so as to establish or sustain the Enrollee at a level of mental health functioning appropriate to the Enrollee's developmental level. This includes:

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

(a) Screen all adolescent clients upon initial access of behavioral health services for the presence of co-occurring mental illness and substance use disorder using a tool that meets the criteria listed in section 6.1.23(A)(1), or use one of the following nationally recognized screening tools:

i) "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 CRAFFT; or

ii) "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 Pediatric Symptom Checklist (PSC) or other mental health tools recommended by DHS.

(b) The MCO will participate in a DHS sponsored workgroup to develop a standard screening protocol to guide screening for co-occurring disorders.

(2) Sub-acute psychiatric care for Children under age twenty-one (21).

(3) Children's Therapeutic Services and Supports pursuant to Minnesota Statutes, § 256B.0943, including:

(a) Day treatment services;

(b) Therapeutic services in preschools; and

(c) Skills training and mental health behavioral aide (MHBA) services.

(4) Children's Mental Health Crisis Response Service pursuant to Minnesota Statutes, § 256B.0944;

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

(6) Inpatient and outpatient treatment;

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

(8) Neuropsychological assessment;

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

(10) Medication management;

(11) 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;

(12) 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;

(13) 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;

(14) Children's residential mental health treatment consistent with Minnesota Statutes § 256B.0945. Access to this level of care must include:

(a) Level of care determination, employing the Child and Adolescent Service Intensity Instrument (CASII) or equivalent measures of symptom severity and functional impact;

(b) Timely and cooperative decision-making with counties and tribes, and

(c) Consistent with STATE guidelines for admission, continued stay and discharge, as published in DHS Bulletin #08-53-03 or the DHS Provider Manual.

(15) The MCO agrees to work with the STATE in implementing Evidence-Based Practices (EBPs), and particularly the Minnesota Model of research-informed practice elements and specific constituent practices in this database; and

(16) The MCO must assure that Mental Health Professionals have a working knowledge of physical, mental health, educational and social service resources that are available in order to assist the Enrollee with accessing the most appropriate treatment in the least restrictive setting as determined by clinical need.

(17) Children's Mental Health Targeted Case Management (CMH-TCM). The MCO shall make available to Enrollees, CMH-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 children with Severe Emotional Disturbance (SED) as authorized by Minnesota Statutes, §§ 245.487 to 245.4889 and § 256B.0625, subd. 20.

(a) The MCO may offer substitute models of CMH-TCM to Enrollees who meet SED criteria with the consent of the Enrollee if the substitute model includes all

four activities that comprise the CMS services definition for TCM services, including:

i) A comprehensive assessment of the Enrollee to determine the need for any medical, educational, social or other services,

ii) Development of a specific care plan that:

1. Is based on the information collected through the assessment;

2. Specifies the goals and actions to address the medical, social, educational, and other services needed by the Enrollee;

3. Includes activities such as ensuring the active participation of the eligible Enrollee, and working with the Enrollee (or the Enrollee's authorized health care decision maker) and others to develop those goals; and

4. Identifies a course of action to respond to the assessed needs of the eligible Enrollee,

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

1. Medical, social, educational providers; or

2. Other 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.

iv) Monitoring and follow-up activities, and contact, necessary to ensure the care plan is implemented and adequately addressing 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 are made to the care plan and to service arrangements with providers.;

v) In addition, all MH-TCM services must meet the following quality standards:

1. Assure adequate access to CMH-TCM for all eligible enrollees pursuant to Minnesota Rules parts 9520.0900 to 9520.0903;

2. The MCO agrees to work with DHS to provide adequate access to CMH-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 9520.0904.

vi) The STATE acknowledges that CMH-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.

1. Offer face-to-face contact with the Child, or if more appropriate, the Child's parent(s) or guardian(s) at least once a month pursuant to Minnesota Rules, 9520.0914 subp. 2. A.

2. Case Managers for CMH-TCM services must meet the qualifications and supervision requirements listed in Minnesota Statutes, 245.4871, subd. 4., and Minnesota Rules, Part 9520.0912.

(C) Court Ordered Treatment. The following procedures apply to mental health services that are court-ordered.The MCO must provide all court-ordered mental health services pursuant to Minnesota Statutes, § 62Q.535, subds. 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 that includes diagnosis and an individual treatment plan, if the evaluation has been performed by one of the Participating Providers.

(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 6.1 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 hospital 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.

(D) Civil Commitment. The MCO shall: 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 mental health case management as court ordered services for Enrollees who are committed, or for Enrollees whose commitment has been stayed or continued.

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

6.1.24 Nursing Facility (NF) Services. See section 4.22 for SNF/NF Benefit.

6.1.25 Obstetrics and Gynecological Services. Such 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 Section 1905(a)(17) of the Social Security Act, Minnesota Rules, Part 9505.0320.

(B) Prenatal Care Services. The MCO must perform the following tasks:All pregnant Enrollees must be screened during their initial prenatal care office visit. 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) Those women who are identified as at-risk according to an approved STATE assessment form must be offered enhanced prenatal services. Enhanced prenatal 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.

6.1.26 Outpatient Hospital Services. Outpatient hospital services include emergency care.

6.1.27 Physician Services and Telemedicine Consultation. Physician Services include Telemedicine Consultation according to 42 CFR § 417.416. Coverage of Telemedicine Consultations is limited to three Telemedicine Consultations per Enrollee per week.

6.1.28 Podiatric Services.

6.1.29 Prescription Drugs and Over-the-Counter Drugs.

(A) Medicaid prescriptions and over-the-counter drugs that are covered under this contract must meet the following criteria: 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) For Dual Eligible persons, the MCO may cover drugs from the drug classes listed in 42 U.S.C. § 1396r-8(d)(2), except that drugs listed in 42 U.S.C. § 1396r-8(d)(2)(E), which are covered by Part D, shall not be covered.

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

(D) If the MCO chooses to have a Medicaid 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 formularies including the SNP's Medicare Part D formulary. 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 MCO agrees to offer SNP formularies appropriately tailored to the special needs of Dual Eligibles in that the number and types of drugs required to be prior authorized are comparable to that currently required under the Medicaid program. The STATE may review public information about the MCO SNP Medicare Part D formularies and may discuss problems or concerns with coverage and prior authorization with the MCO.

(G) The MCO agrees to coordinates the provision of both Medicare and Medicaid drug coverage so that coverage is as seamless as possible for the Dual Eligible Enrollee. The MCO assures that its pharmacy benefits manager (PBM) will administer Medicaid drugs according to Medicaid requirements and shall not apply Medicare rules to Medicaid drugs.

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

(I) 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.

(J) 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.

(K) 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.

(L) 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.

6.1.30 Medication Therapy Management (MTM) Care Services. Pursuant to Minnesota Statutes, § 256B.0625, subd. 13h and the Medication Therapy Management Services listed on the STATE's MHCP Enrolled Providers website (www.dhs.state.mn; 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.

6.1.31 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.

6.1.32 Prosthetic and Orthotic Devices Includes devices and related medical supplies.

6.1.33 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 herein by reference and made part of this contract as applicable.

6.1.34 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.

6.1.35 Rehabilitative and Therapeutic Services. Both evaluation and treatment including:

(A) Physical therapy (including specialized maintenance therapy, pursuant to Minnesota Rules, Part 9505.0390);

(B) Speech therapy (including specialized maintenance therapy), pursuant to Minnesota Rules, Part 9505.0390);

(C) Occupational therapy (including specialized maintenance therapy, pursuant to Minnesota Rules, Part 9505.0390);

(D) Audiology; and

(E) Respiratory therapy.

6.1.36 Second Opinion. MCOs must provide, at MCO expense, a second medical opinion within the MCO network upon Enrollee request pursuant to Minnesota Rules, subpart 9500.1462, A.

6.1.37 Skilled Nursing Facility (SNF) Services. Medical or nursing care services provided in a Medicare certified Nursing Facility that are furnished under physician orders that:

(A) Require the skills of technical or professional personnel, and

(B) Are provided either directly by or under the supervision of such personnel and are required and provided on a daily basis as required under Section 1819 of the Social Security Act and 42 CFR §§ 409.32 and 409.33.

(C) Medicare covers inpatient care in a SNF for up to 100 days of post-hospital care for each Benefit Period. Also see section 4.22 for SNF/NF Benefit. The three day prior hospital stay requirement under 42 CFR § 409.30 is waived.

6.1.38 Specialty Care. To achieve both quality and cost-effective care, the MCO's managed care system must provide facilitated access to specialty services, while still allowing the MCO to retain some oversight on utilization. The MCO's system must include the following elements:

(A) Limited referral. The MCO shall establish guidelines by which an Enrollee may access a course of specialty care.

(B) Standing referral. The MCO shall establish guidelines by which an Enrollee may apply for a standing referral to a specialist, if such a standing referral is necessary for appropriate services. Guidelines for standing referrals must specify the necessary criteria and conditions which must be met for an Enrollee to obtain a standing referral.

(C) Out-of-Network Specialists. The MCO shall have a process for prompt review of requests for access to out-of-network specialists, centers of excellence, and experts, and approve, if such access is Medically Necessary and meets the MCO's Service Authorization guidelines. This will include the provision of out-of-area transportation.

(D) Specialists as Primary Care Providers. In consultation with the Enrollee, the Enrollee's family, or the Enrollee's Authorized Representative, the MCO shall evaluate the need, in individual cases, for permitting a specialist to function as an Enrollee's Primary Care Provider.

(E) Referrals for Rare and Low Prevalence Conditions. The MCO must assure an adequate network including procedures for expedited review of authorized referrals to out of network care as necessary to provide prompt access to specialty care for rare and low incidence conditions so that Enrollees have access to appropriate expertise for such conditions.

6.1.39 Transplants. Covered transplants include: 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).

6.1.40 Tuberculosis Related Services. Includes 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 all other tuberculosis patients should be referred to the Local Public Health Agency for DOT and nurse Case Management Services.

6.1.41 Vaccines and Immunizations Covered vaccines and immunizations, recommended by the Minnesota Department of Health, include, but are not limited to HPV immunizations for males and females ages 18 to 26, and Zostavax for adults age sixty (60) and over , and Varicella immunization, are covered. Zostavax is covered by Medicare for Dual Eligibles.

6.1.42 Vision Care Services. Services including vision examinations, eyeglasses, 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, including specialty frames required by people who cannot wear standard 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, 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.

(A) The MCO shall have a mechanism for timely payment of Substitute Health Services.

(B) Substitute Health Services submitted as encounter data will be considered in calculations of MCO costs.

6.3 Additional Services Permitted. The MCO may provide or arrange to have provided services in addition to the services described in Article 6, as permitted by the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services under Section 1915(a) of the Social Security Act, 42 U.S.C. § 1315 et seq., for Enrollees for whom, in the judgment of the MCO's 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 Non-Traditional, Ancillary, and Needs-Driven Support Services Permitted. The MCO may provide or arrange to have provided highly-individualized informal or non-traditional support services in addition to the services described in Article 6. The provision of such services may or may not be Medically Necessary. However, the provision of any such services shall not affect the calculation of capitation rates pursuant to Article 4.

6.5 Common Carrier Transportation Services.

6.5.1 General. In addition to the transportation services specified in section 6.1.22, and except for the services described in section 6.1.22, the MCO shall provide Common Carrier Transportation , including Volunteer Drivers when available, to its Enrollees for the purpose of obtaining covered health care services. Payment for these services is included in the capitation rates in Appendix II for transporting an Enrollee to or from the site of a non-Emergency service covered under this Contract pursuant to Minnesota Statutes, § 256B.691.

6.5.2 Common Carrier Transportation that is Not the Responsibility of the MCO. The Local Agency shall remain responsible for reimbursing the Enrollee for private automobile transportation to non-Emergency Covered Services, and meals and lodging as necessary. 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. 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 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. 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.

6.6 Limitations on MCO Services.

6.6.1 Medical Necessity. Unless otherwise provided in this Contract, 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. Home and Community Based

Services and services mandated by state or federal law are excluded from the MCO's Medical Necessity determination.

6.6.2 Coverage Limited to Program Coverage. Except as otherwise provided under this Contract, or otherwise mandated by state or federal law, 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 covered under Medical Assistance or Medicare.

6.7 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.

6.7.1 Abortion Services. are not covered.

6.7.2 Circumcision. Circumcision is not covered unless Medically Necessary.

6.7.3 Certain Mental Health Services. Housing associated with Intensive Residential Treatment Services (IRTS) is not covered.

6.7.4 Developmental Disability Case Management. DD Case Management (Rule 185) for Enrollees with Developmental Disabilities, pursuant to Minnesota Rules, parts 9525.0004 through 9525.0036 is not covered.

6.7.5 HIV Case Management is not covered.

6.7.6 Personal Care Assistant Services are not covered.

6.7.7 Qualified Professional Supervision for PCA Servicesis not covered.

6.7.8 Private Duty Nursing is not covered.

6.7.9 ICF/DD services, including Day Training and Habilitationis not covered.

6.7.10 Home and Community Based waiver services is not covered.

6.7.11 Relocation Service Coordination is not covered.

6.7.12 Nursing Facility Per Diem Services. Nursing Facility per diem services are not covered, except as provided for in section 4.22 for 100-day Nursing Facility coverage.

6.7.13 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.

6.7.14 Experimental or Investigative Services are not covered.

6.7.15 Federal Institutions. All claims arising from services provided by institutions operated or owned by the federal government, unless the services are approved by the MCO.

6.7.16 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), unless the services are approved by the MCO, the services are covered by Medicare, or unless the services are court-ordered pursuant to Minnesota Statutes, § 62Q.535, §253B.045, subd. 6, or § 260C.201, subd. 1.

6.7.17 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.

6.7.18 Sex Reassignment Surgery is not covered.

6.7.19 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: (A) identified in an Enrollee's Individual Education Plan (IEP) or (B) the Individual Family Service Plan (IFSP) are not covered.

6.7.20 Incidental Services. Incidental services, including but not limited to rental of television, telephone, barber and beauty services and guest services that are not Medically Necessary.

6.7.21 Out of Country Care. Emergency Care or other health care services received from Providers located outside the United States and Canada. For the purpose of this section, United States includes the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

6.7.22 Prescriptions. Drugs covered under the Medicare Prescription Drug Benefit are not covered for Medicare Eligible Enrollees.

6.7.23 Additional Exclusions. All other exclusions set forth in Minnesota Statutes, §§ 256B.0625 and 256B.69; and Minnesota Rules, Parts 9505.0170 through 9505.0475, and Parts 9500.1450 through 9500.1464.

6.8 Enrollee Liability.

6.8.1 Limitation. Except for section 4.16, the MCO will not bill or hold the Enrollee responsible in any way for any charges or deductibles, for Medically Necessary Covered Services or services provided as Substitute Health Services to Covered Services as part of the MCO's Care Management Plan, including Medicare cost sharing. The MCO shall ensure that its subcontractors also do not bill or hold the Enrollee responsible in any way for any charges or deductibles 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.

(E) For SNBC Enrollees, if a Provider under contract or other arrangement with the MCO charges cost sharing that would exceed the amounts permitted under Medicaid if the Enrollee were enrolled only in Medicaid rather than the SNBC Dual Eligible SNP. Provider contracts shall be consistent with 42 CFR § 422.504 (g)(1)(iii) as published in the Federal Register, Vol. 74, No. 7, January 12, 2009, page 1542.

6.9 Penalty for Illegal Remuneration. If the MCO or its subcontractors violate 42 U.S.C. § 1320a-7b(d)(1), the MCO and its subcontractors may be subject to the criminal penalties stated therein.

6.10 No Payment 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).

6.11 Designated Source of Primary Care. The MCO shall have written procedures that ensure 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. Such procedures include communicating with new enrollees in order to determine whether or not an enrollee has a primary source of care, and to facilitate finding a primary source of care when needed.

6.12 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.

6.13 Access Standards. The MCO shall provide care to Enrollees through the use of an adequate number of primary care physicians, clinics, hospitals, nursing facilities, service locations, service sites, and professional, allied and paramedical personnel for the provision of all Covered Service, pursuant to the following standards:

6.13.1 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. The MCO shall also take into account the urgency of the need for services.

(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.

6.13.2 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.

6.13.3 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.

6.13.4 Hospitals. Transport time: Not to exceed thirty (30) minutes, or the STATE's Generally Accepted Community Standards.

6.13.5 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.

6.13.6 Pharmacy Services. Travel Time: Not to exceed sixty (60) minutes, or the STATE's Generally Accepted Community Standards or other applicable standards.

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

6.13.8 Compliance with Service Accessibility Requirements The MCO shall provide service accessibility information to Enrollees and potential Enrollees upon request, and shall make provisions for reasonably barrier-free access to its own services to Enrollees and potential Enrollees. These provisions include, but are not limited to removing structural and communication barriers for Enrollees needing to access covered health and support services.

(A) The MCO shall establish and maintain a training and orientation protocol that assures that customer service employees taking calls from SNBC enrollees are experienced in working with and have been trained regarding a variety of special needs common among people with disabilities including the use of various communication devices including TTY, and speech patterns common among certain types of disabilities.

(B) The MCO shall update the survey completed on its primary care Provider network regarding information about the physical accessibility of the primary care Provider offices. The MCO shall update the survey in 2010, and every two years (each even Contract Year) thereafter. The MCO shall notify Enrollees and potential Enrollees of the availability of accessibility information that shall be provided upon request. The MCO shall include instructions on how to obtain this information via telephone and electronic means in Marketing Materials. The MCO shall report to the State as set forth in section 4.17.3(E) the methods by which this information was provided to its SNBC members.

(C) Information in this survey must include but is not limited to:

(1) Availability of flexible appointment hours;

(2) Availability of appropriate transfer assistance to exam tables or x-ray equipment;

(3) Scales designed to weigh patients with physical disabilities;

(4) Availability of private waiting areas;

(5) Wheelchair access;

(6) Distance to public transportation; and

(7) Parking lot access.

6.13.9 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 24-hour, seven-day-per-week basis. The MCO must provide a 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.

6.13.10 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) Abused 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, emotional).

(B) Enrollees with Language Barriers. Services include interpreter services, bilingual staff, culturally appropriate assessment and treatment. 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 pursuant to section 6.1.3. 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, pursuant to section 6.1.17.

(C) Cultural and Racial Minorities. Culturally appropriate services rendered by Providers with special expertise in the delivery of health care services to the various cultural and racial minority groups.

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

(F) Hearing Impaired. Access to TDD and hearing impaired interpreter services.

(G) American Indians. Culturally appropriate services rendered by Providers with special expertise in the delivery of health care services to the various tribes.

6.14 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.

6.15 Primary Care Provider. The MCO will reasonably provide each Enrollee with a choice of a Primary Care Provider who will supervise and coordinate the Enrollee's care.

6.16 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.

6.17 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.

6.18 Services Received at Indian Health Care Providers.

6.18.1 Access. American Indian Enrollees, living on or off the 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.

6.18.2 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.

6.18.3 Home Care Service Assessments. The MCO will comply with section 6.1.14(G) for requirements specific to Tribal Community Members and home care assessments.

6.18.4 Copayments for American Indian Enrollees The MCO shall cooperate in assuring that the IHCP and Providers providing Contract Health Services (IHS CHS) through referral from IHS facilities do not charge copayments to American Indians pursuant to section 4.16.

6.18.5 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.

6.18.6 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 IHCPs 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 which 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.

6.18.7 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.

6.19 Service Authorization and Utilization Review.

6.19.1 General Exemption for Medicaid Services. The MCO is exempt from STATE Service Authorization and second surgical opinion procedures at Minnesota Rules, Parts 9505.5000 through 9505.5105, and from certification for admission requirements at Minnesota Rules, Parts 9505.0500 through 9505.0540.

6.19.2 Medical Necessity Standard. The MCO may require Service Authorization for services, except for Medical Emergency services. Service Authorization shall be based on Medical Necessity, pursuant to section 2.88. 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.

6.19.3 Utilization Review. The MCO, and if applicable its subcontractor, must have in place and follow written policies and procedures for utilization review that reflect current standards of medical practice in processing requests for initial or continued Service Authorization of services as 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 authorize or deny an authorization request in amount, duration, or scope that is less than requested, must 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.

6.19.4 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.

6.20 Out of Network and Transition Services.

6.20.1 Out of Network Services. The MCO shall cover Medically Necessary Out-Of-Plan or Out of the 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 the Service Area and requires Urgent Care; or

(D) The Enrollee is Out of the 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.

(E) The Enrollee moves Out of the Service Area as defined in Appendix II of this Contract 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 the Medicare or Medical Assistance fee-for-service rate or billed charges, whichever is less, 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 for which the MCO received a capitation payment from the STATE. 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 Emergency Care.

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

6.20.2 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, including covered State Plan home care services, that an Out of Plan Provider, another MCO, or the STATE had Service Authorized before enrollment in the MCO until a Comprehensive Care Plan is in place.

The care plan must take into account services previously service authorized. 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.

(B) Orthodontia Care. The MCO shall provide, for child Enrollees, orthodontia care if: (i) an Out of Plan Provider or the STATE has Service Authorized such care; (ii) the care falls under an established plan of care; and (iii) the care plan has a definitive end date. Payment to the prior Provider must be at least equivalent to the STATE Medical Assistance fee-for-service rate for orthodontia care. In the alternative, the MCO may transfer the Enrollee to an MCO Provider, if such a transfer would not create undue hardship on the Enrollee, and is clinically appropriate.

(C) At Risk Pregnancy. When the Recipient enrolls in the MCO while in her third trimester of pregnancy, and her non-participating physician has reported her pregnancy to be at-risk on a standardized prenatal risk assessment form, the MCO must authorize the care by non-Participating Providers for services related to prenatal care and delivery, including Inpatient Hospitalization costs for the mother and Child. The MCO need not authorize payment for services by a non-Participating Provider if the non-Participating Provider does not accept from the MCO the Medical Assistance rate that would be paid if the Enrollee was not enrolled in the MCO. As a condition of payment, the MCO must require the non-Participating Provider to agree in writing to refrain from billing the Recipient for any portion of the cost of the authorized service. The MCO may not offer a non-Participating Provider less than the comparable Medical Assistance fee-for-service payment. The MCO is not responsible for additional out-of-plan care for the mother and Child after discharge from the hospital.

(D) Chemical Dependency (CD) Treatment Services.

(1) 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. For SNBC non-Duals, enrollment into the MCO will not be delayed except for those Enrollees currently in an inpatient hospital-based program. 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.

(2) For SNBC Duals, enrollment will not be delayed.

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

(F) 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.

(G) Pharmacy. Upon enrollment the MCO shall continue payment of all drugs an Enrollee is taking under a current prescription, except for those drugs covered by Medicare Prescription Drug Program 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 who have been identified to the MCO by an appropriate representative as requiring such continuation.

6.20.3 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 the Service Area care, the MCO shall reimburse the non-Participating Provider for the Out-of-Plan Care or Out of the Service Area Care. Pursuant to Section 6085 of the Deficit Reduction Act, the MCO may not reimburse more than the comparable Medical Assistance 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 or Medicare fee-for-service rate or its equivalent, unless another rate is required by law.

6.21 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 Medically Necessary service and covering the cost of the service required by the physician's or dentist's order.

6.22 Time Frame to Evaluate Requests for Services.

6.22.1 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 section 8.3.2. 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.

6.22.2 Request for Urgent Services. If the need for services is Urgent or appropriate to decrease the possibility of 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 circumstances shall the review exceed seventy-two (72) hours.

6.22.3 Request for Long Term Care Consultation (LTCC). If the MCO elects to work with a county agency to perform LTCC as described in section 4.24, then the MCO must do this

within ten (10) days. The MCO must provide for a Long Term Care Consultation related to nursing home placement within ten (10) business days of an Enrollee request.

6.22.4 Request for Mental Health and/or Chemical Dependency Services. The MCO must provide Mental Health and/or Chemical Dependency services in a timely manner. Enrollees requiring chemical dependency crisis services or Enrollees needing mental health crisis intervention services should be seen immediately. Other Enrollees in need of mental health and chemical dependency services should have an appropriate assessment performed within two weeks.

6.23 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 that are deaf and use sign language or an alternative mode of communication.

(A) Providers. 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) Access. 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.

6.24 Public Health Goals. These goals were mutually developed by a "PMAP Public Health Goals" ad hoc work group, 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 toward the goal of 100% of participating medical clinics including 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 the standardized prenatal risk assessment tool forms 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.

Article. 7 Quality Assessment and Performance Improvement Program

7.1 Quality Assessment and Performance Improvement Program. The MCO shall provide a Quality Assessment and Performance Improvement Program must be 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. For Dual Eligible Enrollees, the Quality Assessment and Performance Improvement Program must also meet the quality review requirements for Medicare Advantage contractors specified in Title XVIII, §1852(e) of the Social Security Act (42 U.S.C. § 1395w-22) and the implementing regulations at 42 CFR § 422.152-158.

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 and federal 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. 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) Conduct qualitative analysis to determine the cause and effect of all data not within thresholds;

(4) Analyze data not within threshold by medical group or practice; and

(5) Take action to address identified problems of under- and over-utilization, and measure the effectiveness of its interventions.

(B) The MCO shall submit to the STATE upon request a written report that includes performance measurement data summarizing identified under- and over-utilization of services.

7.1.4 Special Health Care Needs. The MCO must have effective mechanisms that assess the quality and appropriateness of care furnished to Enrollees with special health care needs. All Enrollees covered by this Contract are considered to meet the STATE's criteria for special needs.

(A) Identification and Assessment. Pursuant to section 6.1.3, the MCO shall perform assessments on all Enrollees and identify any ongoing special conditions of the Enrollee that may require a course of treatment or regular care monitoring. The MCO must implement mechanisms to assess Enrollees identified and monitor the care 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.

(B) Coordinated Care Plans. For Enrollees with special health care needs as determined through assessment, the MCO shall develop and implement a coordinated care plan. The care plan must be:

(1) Developed in conjunction with the Enrollee's Primary Care Provider and case managers as applicable, with Enrollee participation, and in consultation with any specialists caring for the Enrollee; and

(2) Approved by the MCO in a timely manner, if approval is required by the MCO.

(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. The MCO's mechanism may be to use a standing referral or an approved number of visits as appropriate for the Enrollee's condition and identified needs. The MCO must submit to the STATE a written update of the process used whenever the MCO makes material changes to the described method(s).

7.1.5 Practice Guidelines. The MCO shall adopt preventive and chronic disease practice guidelines appropriate for people with disabilities.

(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 specific needs of the MCO Enrollees who live with disabilities;

(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 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 7.1.7) a written summary that shall include:

(1) How the MCO implemented this subsection, (7.1.5(A) through7.1.5(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 in 7.1.5(D), parts (1)through (4).

(E) Practice Guidelines Provided To State Upon Request. MCO agrees to provide copies of the guidelines to the STATE upon request. This copy of the developed practice guidelines will include a listing of which guidelines are being used, and how the guidelines have been adapted for the SNBC population.

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 nursing facilities, 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) Selection and Retention of Providers. The MCO must implement written policies and procedures for the selection and retention of Providers.

(B) 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.

(C) 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.

(D) 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 U.S.C. § 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 F.R.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.

(E) 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, and for Dual Eligible Enrollees, 42 CFR §422.208.

(F) 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.

(G) Affiliated Provider Access Standards. The MCO shall require all affiliated Providers to meet the access standards required by section 6.13.8 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 1st of each Contract Year, the MCO shall provide the STATE with 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*."

(A) 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. The work plan must include specific references to activities that are to be conducted during the year and impact the SNBC population.

(B) The work plan shall specifically address people with disabilities enrolled SNBC. If SNBC quality improvement activities are incorporated into the broader quality assurance work plan, SNBC activities must be distinct and identifiable within that plan.

(C) SNBC MCOs may combine their Medicare and Medicaid Quality Assurance Work Plans to the extent specifically applicable to the Dual Eligible SNBC population and to the extent the combined plan meets the STATE's requirements. If the SNBC Dual Eligible MCO/SNP submits a separate work plan to CMS, the MCO will provide a timely copy to the STATE.

7.1.8 Annual Quality Assessment and Performance Improvement Program Evaluation. The MCO must conduct an annual quality assessment and performance improvement program evaluation consistent with state and federal regulations, including 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 standard measures and MCO's performance improvement projects. The MCO must submit the written evaluation to the STATE by May 1st of each year.

(A) For SNPs, this evaluation may be combined with the required Medicare evaluation provided it is conducted at the Dual Eligible SNP subset level; is applicable to the SNBC population; and meets the above criteria.

7.2 Performance Improvement Projects (PIPs). The MCO agrees to operate ongoing PIPs that incorporate the standards and guidelines outlined by CMS, with modifications as defined by the STATE. The MCO must conduct performance improvement projects 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. The MCO must conduct the performance improvement project in accordance with state and federal protocols. Projects must comply with 42 CFR § 438.240(b)(1) and (d) and CMS protocol entitled *Conducting Performance Improvement Projects*.

7.2.1 PIP Collaborative. The MCO is encouraged to participate in PIP Collaborative initiatives that coordinate PIP topics and designs between SNPs. The MCO may use their Medicare performance improvement projects to meet Medicaid requirements if they are conducted and reported at the Dual Eligible SNP subset level, applicable to the SNBC population enrolled, and all other requirements below are met. To the extent that additional, different, or separate PIPs are developed and reported to CMS, the SNBC SNP will provide the STATE with copies of PIP proposals to CMS and PIP reports submitted to CMS within fifteen (15) days of submission.

7.2.2 New Performance Improvement Project Proposal. The MCO, in collaboration with the STATE and the care system, will confer on potential performance improvement projects. By September 1st of the Contract Year, the MCO must submit to the STATE for review and approval a written description of the performance improvement project MCO proposes to conduct beginning the first quarter of the next calendar year. The project proposal 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 performance improvement project proposal must include steps one through seven of the CMS protocol. This Performance Improvement Project must be targeted to the MCO's SNBC population. 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.

7.2.3 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 and ten as appropriate.

(B) If the MCO makes changes to the STATE approved PIP success measures, the MCO shall submit changes to the STATE for approval.

(C) Upon request of the STATE, the MCO shall make available to the STATE, or the STATE's designated review agency, a copy of the reports.

7.2.4 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. The report must include any changes to protocol steps one through ten as appropriate. Each completed project must have a separate report.

7.2.5 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 significant improvement. Implementation of the project must begin within the first quarter of the year following the September 1st submission date.

7.2.6 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 review the project with the STATE. 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. SNBC SNPs will provide timely notice to the STATE of the termination of any Medicare PIP applicable to the enrolled SNBC population.

7.2.7 Annual Performance and Incentive Measures.

(A) The STATE will establish a workgroup with the MCO to develop and or determine specific clinical performance and incentive measures. The workgroup will consult with the STATE's Health Services Advisory Council and clinical representatives from the MCO in developing these measures and guidelines.

(B) Performance measures will be developed in collaboration with the STATE, MCO, Care System and stakeholder group (composed of advocacy and clinical professionals experienced in serving people with disabilities).

7.2.8 Disease Management Program. The MCO shall make available a Disease Management Program for its Enrollees with diabetes, asthma and heart disease. These programs shall be adapted to meet the appropriate clinical needs of Enrollees with disabilities served under

this contract. The MCO shall provide information to the State on how the disease management program has been tailored to meet to meet these needs in the annual evaluation, and within thirty (30) days of adoption of any new DM programs applicable to Enrollees under this contract.

(A) DM 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 for Disease Management.

(B) Waiver of DM Program Requirement. If the MCO is able to demonstrate that a Disease Management Program: 1) is not effective based on Provider satisfaction, and is unable to achieve meaningful outcomes; or 2) will have a negative financial return on investment, then the MCO may request that the STATE waive this requirement for the remainder of the Contract Year.

7.3 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. The MCO shall meet the obligations of conducting an annual Enrollee satisfaction survey by the following methods:

7.3.1 Disability Survey. The MCO shall conduct an annual survey of SNBC enrollees to identify unmet healthcare needs and access issues specific to their disabilities. The MCO will participate in a workgroup facilitated by the STATE, which will consult the State stakeholders group in the development of the survey.

7.3.2 Follow-up Plan. The MCO shall implement a follow-up plan to address specific issues identified in the SNBC disability survey.

7.3.3 Enrollee Disenrollment Survey Enrollee disenrollment, as measured by an ongoing survey conducted by the STATE, or its designee, in the manner required by Minnesota Statutes, Chapter 62J. The MCO shall cooperate with the STATE, or its designee, in data collection activities as directed by the STATE. If the MCO or any of its contracted Care Systems conduct an Enrollee disenrollment survey that involves SNBC Enrollees, the MCO must provide the STATE with a copy of the survey results in a timely manner.

7.3.4 Additional Satisfaction Surveys. If the MCO or any of its contracted Care Systems conduct an Enrollee satisfaction survey in addition to the disability survey in 7.3.1 that involves SNBC Enrollees, including the Medicare Consumer Assessment of Health Plans Satisfaction (CAHPS), the MCO must provide the STATE with a copy of the survey results in a timely manner.

7.3.5 Stakeholder Group. The MCO will establish and maintain a local or regional stakeholders group pursuant to Minnesota Statutes § 256B.69 subd. 28(2)(f), and obtain periodic feedback from members on satisfaction with care, problem identification, and suggestions for improving the delivery system. This process must include a way to use this information to improve access to, and quality of, the care delivered to members with disabilities. Results of consumer feedback activity mechanisms shall be shared with the STATE as described in section 4.17.2(A)(6).

7.4 External Quality Review Organization (EQRO) Study. 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 U.S.C. § 1396a(a)(30) and 42 CFR § 438; 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 including policies and procedures of MCO's subcontractor for Care Coordination, and other records, reports and/or data necessary for the external review.

7.4.1 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 a Medicaid review by the STATE, its agent or 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.

(D) All Medicare or accrediting reports related to the services provided under this Contract, findings and results are provided to the STATE within thirty (30) days of receipt.

7.4.2 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.

7.4.3 Review of EQRO Annual Technical Study Report Prior to Publication. The STATE shall allow the MCO to review a final draft copy of the Technical Report prior to the date of publication. The MCO shall provide the STATE any 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.

7.4.4 EQR 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 EQRO in the Annual Technical Report for obligations under this Contract.

7.5 Delegation of Quality Improvement Program Activities. The MCO shall meet the requirements for delegation for any delegated activities related to quality improvement.

7.6 Annual Performance Measures.

(A) The MCO will provide the STATE the following within thirty (30) days of submittal to NCQA: 1) HEDIS report submitted to CMS for the SNBC SNP in an Excel spreadsheet format; and 2) upon request, the documentation submitted to CMS for the SNBC SNP Structure and Process Measures.

(B) The MCO will provide the STATE the following within thirty (30) days of receipt from CMS: the summarized results of the SNBC SNP Structure and Process Measures reported by NCQA.

(C) Review of Care Systems. Reviews of Care Systems and delegated Case Management systems where applicable, shall be conducted according to the annual reviews described in Article 9.

(D) The MCO shall collaborate with the STATE and other MCOs to promote Care Management /Case Management efforts and measure its effectiveness through an intervention on a mutually agreed upon topic by the STATE, the MCO and the other MCOs.

(E) The MCO shall cooperate with any research or evaluation of care provided by the SNBC program.

(F) The MCO shall cooperate with any research or evaluation of Care and/or Case Management conducted by the STATE, CMS or their contractors.

7.7 Documentation of Care Management. The MCO shall maintain documentation sufficient to support its Care Management responsibilities set forth in section 6.1.3. 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 or its agents may evaluate through inspection or other means, the quality, appropriateness, and timeliness of services or administrative procedures performed under this Contract.

7.9 Evaluation Plan. The STATE and the MCO shall work cooperatively with the State's contractors and in consultation with the stakeholder group on a SNBC evaluation plan that will include some of the components described in Article 7.

7.10 Workgroup Participation. The MCO is encouraged to 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.

7.11 Financial Performance Incentives. 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.

7.11.2 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.

7.11.3 Method: Financial Performance Incentives will be calculated from: (1) encounter data submitted by the MCO to the STATE no later than May 31st of the year subsequent to the Contract Year; (2) additional data sources approved by the STATE and in the STATE's possession; or (3) as otherwise stated.

7.11.4 Collaboratives: MCOs are encouraged to join with other MCOs in collaborative initiatives to expand these preventive services.

7.11.5 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 dental 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 9.17.

(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 thirty percent (30%) 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 schedule 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.

7.12 Minnesota Community Measurement. The STATE will work with MDH and the marketplace of purchasers and Providers on the development and application of the Community Measurement programs supporting MHCP. The MCOs shall retain and apply the race and ethnicity data supplied by DHS when needed for MNCM programs supporting MHCP

7.13 Medicare Medication Therapy Management Programs. The SNBC SNP will provide the STATE with a general description of its Medicare Medication Therapy Management programs and protocols upon request of the STATE.

Article. 8 The Grievance System.

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. For SNBC this system must include a Medicare process for Medicare covered services and a Medicaid process, and SNBC Dual Eligible Enrollees shall have the right to choose which or both processes to pursue. The overall system must:

(A) Assure compliance with Medicare and Medicaid requirements; and

(B) Preserve SNBC Enrollees' access to all appropriate levels of Medicare and Medicaid appeals; and

(C) To the extent possible, integrate both processes to make the system easier to navigate for the SNBC Dual Eligible Enrollee.

8.1.2 Timeframes for Disposition. The MCO must dispose of each Grievance and 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. For SNBC, in instances where the MCO's integrated system described in 8.1.1 creates timeline conflicts, the MCO must apply the timeline that benefits the enrollee to the greatest extent.

8.1.3 Legal Requirements. The Grievance and Appeals System must meet requirements of Minnesota Statutes, §§ 62M.06, 256.045, subd. 3a (excluding the reference to Minnesota Statutes §62D.11); 42 CFR § 438, Subpart F. For SNBC, as a Medicare integrated product, the Grievance and Appeals system must also meet the requirements of 42 CFR § 422, Subpart M.

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; and

(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 Provided services, 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 Grievances.

(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 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).

(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. The MCO must submit in advance for STATE approval any DTR notification and member rights form that will be used by subcontractor.

(B) Content of the DTR. 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 paragraph 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 ongoing 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 that must include 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 of the Appeal;

(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;

(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.

(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 8.4.1, 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.

(D) Notice to Enrollee of Right to Quality Improvement Organization Review. The MCO shall ensure that the Enrollee is notified of the right to request an immediate Quality Improvement Organization (QIO) review if the Enrollee believes she or he is being prematurely discharged from the hospital pursuant to 42 CFR § 422.620 and § 422.622. This requirement is limited to hospital discharges and supersedes the otherwise required STATE DTR notice requirement specified in this Article.

(E) Medicare Rights. The MCO shall ensure that the SNBC Enrollee receives notification of termination of Medicare services provided by a skilled nursing facility, home health agency or comprehensive outpatient rehabilitation facility in accordance

with 42 CFR § 422.624. The SNBC enrollee shall also have the right to appeal such termination to an Independent Review Entity (IRE) under 42 CFR § 422.626. This provision supersedes the otherwise required STATE DTR notice under section 8.3.1 of this contract.

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, Parts 9505.0170 through 9505.0475; and

(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; and

(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 8.3.2.

(D) Expedited Authorizations. For expedited Service Authorizations, the MCO must provide the authorization 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. 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 the Enrollee withdraws the Appeal; or if the Enrollee has requested a State Fair Hearing with a continuation of benefits, until the State Fair Hearing decision is reached.

(B) For SNBC, the MCO shall not continue the service if the service is a Medicare-only covered service per Title XVIII of the Social Security Act.

(C) 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. For SNBC, if the Enrollee chooses to file an Appeal through the Medicare process under 42 CFR § 422.582, the Enrollee must file an Appeal within sixty (60) days unless the Enrollee shows good cause. Nothing shall prevent an SNBC Enrollee from pursuing both the Medicare and Medicaid process simultaneously. 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 Medicare Requests for Hearing for SNBC. The SNBC Enrollee may choose the Medicare process of the MCO's system for Medicare covered services as required in 8.1.1. The

MCO must follow 42 CFR §§ 422.600 to 616 that includes Enrollee access to review by an independent review entity, Administrative Law Judge, Medicare Appeals Council and Judicial Review.

8.4.3 Timeframe for Resolution of Standard Appeals. The MCO must resolve each Appeal as expeditiously as Enrollee's health requires, and not to exceed thirty (30) days after receipt of the Appeal.

8.4.4 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, but may not 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).

8.4.5 Timeframe for Extension of Resolution of Appeals. An extension of the timeframes of resolution of Appeals of fourteen (14) days is available for 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.

8.4.6 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 resolution, the MCO must inform the Enrollee of 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.

8.4.7 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.

8.4.8 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.

(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.

8.4.9 Reversed Appeal Resolutions. If a decision by an MCO is reversed by the Appeal process, the MCO must:

(A) Comply with the Appeal decision promptly and as expeditiously as Enrollee's health condition requires; and

(B) Pay for any services the Enrollee already received that are the subject of the Appeal.

8.4.10 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..

8.4.11 Additional Levels of Resolution. This Article 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.

8.4.12 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.

8.5 Reporting of Grievances to the STATE. The MCO must submit to the STATE a quarterly electronic 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..

8.6 Reporting of DTRs to the STATE. The MCO must submit to the STATE a quarterly DTR report, which meets the following requirements: Is a comma-delimited text file, with data 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; and

(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.

8.7 Reporting of Appeals to the STATE. The MCO shall 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 Online Grievance/DTR/Appeals Reporting Web Application (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.

8.8 Submission of Part D Grievances and Appeals. The MCO will send to the STATE a copy of its Part D Grievance and Appeals summary report for SNBC Duals within thirty (30) days of its availability.

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.

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 the request for a State Fair Hearing with the STATE; or

(2) The date the request for a State Fair Hearing was filed.

(C) 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, and; c) the resolution of the Appeal, and 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, and 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) 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 or 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) The MCO must comply with the decision in the State Fair Hearing promptly and as expeditiously as Enrollee's health condition requires.

(B) 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) 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) 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

(B) The MCO shall provide for a second medical opinion for mental health conditions pursuant to Minnesota Statutes, § 62D.103.

(C) The MCO shall provide for a second opinion for chemical dependency 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 at least 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 of the allegations against the Enrollee;

(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 to dispute 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 Restricted Recipients will be assigned.

8.10.3 Reporting of Restrictions.

(A) Until the MCO has access to data in MMIS, within five (5) working days of placement in the Restricted Recipient Program, 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.

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 (Patient Protection Act), Minnesota Statutes, §62Q.47 (mental health parity), Minnesota Statutes, § 62Q.53 (mental health Medical Necessity), Minnesota Statutes, §§ 62Q.56 and 62Q.58 and Minnesota Statutes, § 62Q.19 (essential community providers).

9.1.1 Licensing and Certification for Non-County Based Purchasing Entities. The 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.

9.1.2 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 patients); 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.

(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 is 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 Organization (HMO) or be licensed or certified by the State as a risk-bearing entity.

9.3 Subcontractors.

9.3.1 Written Agreement. All subcontracts must be in writing and, upon renewal, must include a specific reference to the SNBC product and a description of payment arrangements for the SNBC product for people with disabilities. All subcontracts are subject to STATE and CMS review and approval, upon request by the STATE and/or CMS. Payment arrangements must be available for review upon request by the STATE and CMS. Pending renewal of contracts, the MCO must provide education to new Providers about the SNBC product and special needs of SNBC Enrollees. All contracts must include:

(A) Disclosure of Ownership Information. In order to assure compliance with 42 CFR § 438.610, the MCO, before entering into a contract with a subcontractor, must request the following information:

(1) The name and address of each Person 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;

(2) A statement as to whether any Person with an Ownership or Control Interest as identified in 9.3.14(A)(1)is related to any other Person with an Ownership or Control Interest as 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 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 be able to submit to the STATE on September 1st of Contract Year, a letter of assurance stating that the disclosure and ownership information has been requested of all subcontractors, and reviewed by 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 file of all the Providers who do not already have a STATE Provider number (UMPI) or NPI, pursuant to section 3.5.1(K).

9.3.3 Proof of Subcontractor Status. The MCO must submit, upon STATE request, proof of subcontractor status.

9.3.4 Provision of SNBC Information. The MCO shall inform and educate its Primary Care Providers and/or its Care Systems about the integrated Medicare and Medicaid benefits available to people with disabilities and the special needs of persons eligible to enroll under the

SNBC program. Upon request by the STATE, the MCO shall provide to the STATE a written description of these efforts to educate Primary Care Providers.

9.3.5 Subcontractors Audit. The MCO shall require that all subcontractors 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 of this Contract.

9.3.6 Compliance with Federal Law. All subcontracts shall comply with 42 CFR § 434.6(b) for Medical Assistance services, 42 CFR § 422.502 for Medicare services and 42 CFR § 438.6(l) for those requirements that are appropriate to the service or activity delegated under the subcontract.

9.3.7 Health Care Services. Notwithstanding section 9.3.8, 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.

9.3.8 Subcontractual Delegation. The MCO oversees 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 each 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.

9.3.9 Annual Reviews of Care System Subcontractors. By September 15th of the Contract Year the MCO shall conduct a review of each Care System or Care Management system with whom the MCO has a delegated arrangement or subcontract for Enrollees covered under this Contract.

(A) Written audit reports of each Care System and/or Case Management system risk sharing arrangement must be submitted to the STATE in accordance with Article 3.

(B) Annual reviews and written reports must include:

(1) A description of the organizational, service delivery, and Case Management responsibilities and structures;

(2) The Care System or Case Management risk sharing arrangement with the SNP or MCO;

(3) The process used by the MCO to conduct the review;

(4) Any deficiencies and/or concerns raised during the review; and

(5) Any corrective actions taken by either the MCO or by the Care System to address deficiencies and/or concerns raised during the review.

9.3.10 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 U.S.C. § 1396d(l)(2)(B), or a rural health clinic (RHC) as defined in 42 CFR § 440.20, 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 contract with an FQHC or Rural Health Clinic (RHC) that has been designated under Minnesota Statutes, § 62Q.19 as an essential community provider. The MCO is not required to pay any settle-up payments in addition to the negotiated payment rate.

9.3.11 Nonprofit Community Health Clinics, 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 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.

9.3.12 Essential Community Providers Contracting Requirements. The MCO shall offer to contract with any designated essential community provider, 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.

9.3.13 Enrollees Held Harmless.

(A) Except for Medical Assistance copayments pursuant to section 4.16, 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 holds 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/radiologist).

9.3.14 Exclusions of Individuals and Entities.

(A) The MCO must search the Medicare Exclusion Database (MED) or the OIG List of Excluded Individuals/Entities (LEIE) database monthly, and require all subcontractors to search the MED and the LEIE 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 9.15, the MCO shall not enter into any subcontract that is prohibited, in whole or in part, under Section 4707(a) of the BBA or under Minnesota Statutes, § 62J.71.

9.3.15 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 2.88, 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 2.88, and Minnesota Statutes, § 62Q.53 where applicable.

9.3.16 Provider Payment. The MCO agrees to pay health care Providers on a timely basis consistent with the claims payment procedure described in Section 1902(a)(37)(a) of the Social Security Act (42 U.S.C. § 1396a(a)), and 42 CFR § 447.45 and § 447.46.

9.3.17 Complaint Reporting. The MCO shall require:

(A) Participating Primary Care Providers to report quality of care complaints pursuant to Minnesota Rules, Part 4685.1110, subpart 9, (A), and

(B) Care Systems to report any complaints relating to SNBC Enrollees to the MCO on a quarterly basis.

9.3.18 Patient Safety. The MCO, in all future or renewing Provider contracts, shall encourage its Participating Providers 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.

9.3.19 Nursing Facility Subcontracting.

(A) The MCO may develop contracts and negotiate rates with Nursing Facilities. The MCO must include in its payment arrangements for Nursing Facility services provisions that require the Nursing Facilities to cooperate with STATE procedures in the collection of Spenddowns.

(B) If the MCO authorizes Nursing Facility care in a NF where the MCO does not have a contracted rate, the MCO shall pay the NF the appropriate Medicaid or Medicare rate. In non-contracting facilities, the MCO shall be responsible for determining if the NF day meets Medicare or Medicaid requirements based on current Medicare and Medicaid coverage criteria. For Medicaid leave days, fee-for-service pays qualified Nursing Facilities sixty percent (60%) of the applicable case mix payment rate. The MCO shall pay non-contracted facilities whose Nursing Facility occupancy leave rates would otherwise qualify for payment under fee-for-services at this level.

9.3.20 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; and

(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.

9.3.21 Relationships with Providers for SNBC. Pursuant to 42 CFR §422 subpart E, the MCO shall comply with all applicable Provider requirements in that section, including, but not limited to provider certification requirements; anti-discrimination requirements; provider participation and consultation requirements; the prohibition on interference with Provider advice; limits on Provider indemnification; rules governing payments to Providers; and limits on Physician Incentive Plans.

9.3.22 Automatic Termination of Subcontract Clause. The following provision is required to be included in all contracts and/or subcontracts entered into by the MCO, with the exception of contracts for the purchase of items and equipment, including leases of real property which exceed the term of this contract, unless CMS agrees to its omission.

(A) Failure of the MCO to include the clause in such a contract and/or subcontract without the written agreement of CMS to its omission, shall make the related costs incurred after the effective date of the non-renewal or termination, unallowable.

(B) The clause is as follows: "In the event the Medicare contract between CMS and the MCO is terminated or non-renewed, the contract between the STATE and the (name of MCO) shall be terminated unless CMS and the STATE agree to the contrary. Such termination shall be carried out in accordance with the termination requirement stated in 42 C.F.R. § 422.506 and § 422.512.

9.3.23 Business Continuity Plan (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 20.

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 of 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. The MCO must provide that the STATE and CMS may evaluate, through inspection or other means, the enrollment and disenrollment records when there is reasonable evidence of need for such inspection.

9.4.4 Records. 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. 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 the 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 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 SNBC and 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 that 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 Date of Issue of Enrollee Material. 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 3.2.3. 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 3.2.3.

9.8 Reporting of 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.

9.8.1 Notice. 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.

9.8.2 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 period that meet the data specifications.

9.9 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.

9.10 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.

9.11 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.

9.12 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.

9.13 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.

9.14 Voter Registration. The MCO certifies that it will comply with Minnesota Statutes, § 201.162.

9.15 Fraud and Abuse Requirements.

9.15.1 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;

(11) Provision for identifying, investigating, and taking corrective action against fraudulent and abusive practices by Providers, subcontractors, and Enrollees, or MCO employees, officers and agents; and

(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 MCO as high risk for program integrity issues including transportation, PCAs, medical supply, and interpreters. The MCO's direct methods and results shall be included in the Annual Integrity Program Report under section 9.15.1(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 to the STATE in writing, by August 31st of each year of the Contract, detailing the MCO's integrity program, including investigative activities, 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 9.15.1.

(E) Violation Report Process. The MCO shall establish and adhere to a process for reporting to the STATE, CMS and/or the Office of Inspector General for the U.S. Department of Health and Human Services, 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 Actions Terminating Provider Participation. The MCO shall report quarterly to the STATE the name, specialty, and address (in a form approved by the STATE) of each Provider whose participation status, the MCO has taken action to terminate or not renew during the previous quarter.

9.15.2 Fraud and Abuse by MCO, Its Subcontractors, 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 Minnesota Medicaid Fraud Control Unit (MFCU) of the Minnesota Attorney General's Office, 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 MCFU.

(C) The MCO shall report to the STATE and the MFCU any suspected Fraud and/or Abuse by Providers within twenty-four (24) hours after the MCO knows or has reason to believe of such suspected Fraud and/or Abuse. The MCO shall cooperate fully in any investigation of the suspected Fraud and/or Abuse by the STATE and MFCU and in any subsequent legal action that may result from those investigations.

9.15.3 Fraud and Abuse by Recipient. The MCO shall report to the STATE any suspected Fraud and/or patterns of Abuse by Recipients.

9.15.4 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 1 to September 30), the MCO must implement written policies and procedures for the education of all employees including management, contractors and agents that includes information pertaining to the False Claims Acts (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 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 federal False Claims Act, 31 U.S.C. §§ 3729 through 3733;

(2) Administrative remedies for false claims and false statements established under 31 U.S.C. §§3801, et seq.;

(3) (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.

9.16 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 U.S.C. § 423.

9.17 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.

9.17.1 Data 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. The following data must be certified:

(A) Encounter data;

(B) Data Associated with the reporting requirements of the managed care withhold;

(C) Data submission 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 7.11.5;

(F) Tobacco-related health care expenditures; and

(G) Any other data or document determined by the STATE to be necessary to comply with 42 CFR § 438.604.

9.17.2 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. The MCO must certify and report the dollar value of each service that is a non-State Plan service. The MCO must provide this certification no later than May 1st of the Contract Year.

9.17.3 Requirements. Each 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 section 9.17.1.

9.18 Exclusions and Convicted Persons.

(A) 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.

(B) The MCO shall not include in their business entity a director, officer, partner or Person with an Ownership or Control Interest of more than five percent (5 %) of the entities equity 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.

(C) 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.

(D) 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.

(E) 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.

(F) 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 § 1002.3(b)(3).

9.19 Compliance with Public Health Service Act for SNBC. The MCO shall comply with:

(A) Sections 1318(a) and (c) of the Public Health Services Act that pertain to disclosure of certain financial information;

(B) Sections 1301(c)(1) and (c)(8) of the Public Health Services Act, that relate to fiscal, administrative and management requirements and liability arrangements to protect all members of the organization; and to notify the STATE and CMS sixty (60) days prior to any changes in its insolvency arrangements; and

(C) The reporting requirements in 42 CFR § 422.516 that pertain to the monitoring of an organization's continued compliance.

9.20 Receipt of Federal Funds. The MCO will receive federal payments and is therefore subject to laws which are applicable to individuals and entities receiving federal funds. The MCO shall inform all related entities, contractors and/or subcontractors that payments they receive are, in whole or in part, from federal funds.

9.21 Formal Presentations. The MCO shall provide to the STATE copies of any formal presentation by the MCO or its Administrative Services Organization (ASO), including reports, statistical or analytical materials, papers, articles, professional publications, speeches, or testimony (except testimony before the Minnesota Legislature), that is based on information obtained through the administration of this Contract.

Article. 10 Assignment. The MCO shall neither assign nor transfer any rights or obligations under this Contract without the prior written consent of the STATE.

Article. 11 Third Party Liability and Coordination of Benefits.

11.1.1 Agent of the STATE. Pursuant to 42 CFR § 433, subpart D and Minnesota Statutes, § 256B.042, subd. 2; § 256B.056, subd. 6; § 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.

11.1.2 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 of this Contract, 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.

(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.

11.2 Coordination of Benefits. .

11.2.1 Coordination of Benefits. For Enrollees who have private health or long term 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 co-payments or deductibles on behalf of an Enrollee, except for Medical Assistance copayments pursuant to section 4.16. 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.

11.2.2 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 (i.e., other insurer) will provide the service. The MCO must determine whether it is more cost-effective to provide the service or pay the co-pays, coinsurance and deductibles to a Non-Participating Provider. If the MCO refers an Enrollee to a third-party insurer for a service that the MCO covers, and the third-party insurer requires payment in advance of all co-payments, 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.

11.2.3 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 coverage sources include, but are not limited to:

(1) Uninsured/Under insured motorist insurance,

(2) First and third party liability insurance, awards as a result of a tort action,

(3) Workers' Compensation,

(4) Medical payments insurance for accidents (otherwise known as "med pay" provisions or benefits of policy),

(5) Indemnity/accident insurance. and

(6) Long Term Care Insurance

(7) The MCO shall develop procedures to identify trauma diagnoses and investigate potential liability.

(B) 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 of Pooled Trusts; (3) Annuities; or (4) Recovery from a custodial or non-custodial parent under a court order for Medical Support

11.3 Reporting of Recoveries. The MCO shall report on the encounter claim all third party liability payments as required in section 3.5.2(O).

11.3.1 Quarterly Report

(A) The MCO shall, on a quarterly basis, disclose to the STATE all cost avoided and recovered amounts made from private insurance carriers 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.

(B) For SNBC the MCO shall also report an estimate of Medicare payment. The MCO may use the methodology used for submitting bids to CMS in order to derive the estimated amount.

11.4 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.

11.5 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.

11.6 Medicare SNF Days When the STATE requests review of Medicare coverage of SNF days within one hundred and eighty (180) days of the service date, the MCO shall cooperate with the STATE in reviewing such claims, including MCO review of medical records, submitting medical records, and having a dedicated individual available to discuss findings with the STATE.

Article. 12 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. 13 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 Agreement 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:

13.1 Constitutions. The Constitutions of the United States and the State of Minnesota.

13.2 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 FR 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 U.S.C. 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 MCO shall cooperate with the STATE's Medicare Revenue Enhancement Program (MREP) to ensure that Skilled Nursing Facility days are covered pursuant to Medicare guidelines. Cooperation includes but is not limited to filing Requests for Redetermination for which DHS must be allowed up to one hundred and twenty (120) days from the date of denial.

(I) The Americans with Disabilities Act. and regulations promulgated pursuant to it.
(J) § 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. 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.

13.3 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.

13.4 Medicaid Laws. Title XIX of the Social Security Act (42 U.S.C. § 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.

13.5 Environmental Requirements. The MCO shall comply with all applicable standards, order or requirements issued under section 306 of the Clean Air Act (42 U.S.C § 1857(h)), section 508 of the Clean Water Act (33 U.S.C. §.1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15).

13.6 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.

13.7 Anti-Kickback Provisions. The MCO shall be in compliance with the Copeland "Anti-Kickback" Act, 18 U.S.C. § 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.

13.8 Davis-Bacon Act. The MCO shall be in compliance with the Davis-Bacon Act, as amended (40 U.S.C. §§ 276a to 276a-7), as supplemented by Department of Labor regulations (29 CFR Part 5), as applicable.

13.9 Contract Work Laws . The MCO shall be in compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-330), as supplemented by Department of Labor regulations (29 CFR Part 5), as applicable.

13.10 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.

13.11 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. 14 Information Privacy and Security

14.1 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. The MCO shall be in compliance with these requirements consistent with the applicable effective dates contained in state or federal law.

14.2 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 a "Covered Entity" as the term is defined in the Privacy Regulation; and because the MCO receives PHI from the STATE, it also is 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 A have the same meaning as set forth in the Privacy Regulation.

14.3 Duties Relating to Protection of Information.

14.3.1 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 2.122.

14.3.2 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.

14.3.3 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.

14.3.4 Additional Privacy and Security Safeguards. MCO shall comply with the requirements set forth below regarding "Use of Information."

14.4 Use of Information. The 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 Agreement other than as permitted or required by this Agreement or as required by law, either during the period of this agreement 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 Agreement. This includes, but is not limited to, having implemented administrative, physical, and technical safeguards that reasonably and appropriately protect the 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 action may include, but is 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 Agreement, 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 C.F.R. § 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 in violation of this Agreement.

(8) Make available PHI in accordance with 45 CFR §164.524, and Minnesota Statutes, § 13.04, subd. 3,within ten days of the date of the request, excluding Saturdays, Sundays and legal holidays, or 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 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 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.

14.5 Disposition of Data upon Completion, Expiration, or Agreement Termination. Upon completion, expiration, or termination of this Agreement, MCO will return or destroy all Protected Information that the MCO still maintains received from the STATE or created or received by the MCO for purposes associated with this Agreement. MCO will retain no copies of such Protected Information, provided that if 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 Agreement 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.

14.6 Sanctions. In addition to acknowledging and accepting the terms set forth in section 9.10 of this Agreement 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.

14.7 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 Protected Health Information.

14.8 Privacy Act Compliance. The MCO shall comply with the requirements of the Privacy Act, as implemented by 45 CFR Part 5b and 42 CFR Part 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 Parts160 and 164, subparts A and E, to the extent that the requirements are applicable.

14.9 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.

14.10 Requests for Data. 42 CFR § 431.301 (pursuant to 1902(a)(7) of Title XIX and 42 U.S.C. § 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 are appropriate for any population covered under this Contract. The MCO must get prior approval from the STATE for disclosures of such data on the Enrollees covered by this Agreement.

14.10.1 Data Sharing with Local Agency Welfare and Public Health Offices 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.

14.10.2 MN-HIE. The STATE authorizes the MCO to enter into data sharing or subscriber agreements with Minnesota Health Information Exchange (MN-HIE.)

14.11 Authorized Representatives. The STATE's Authorized Representative for data privacy and security is the Minnesota Department of Human Services Privacy Official. MCO's responsible authority for complying with data privacy and security is the MCO's Privacy and/or Security Official(s).

14.12 Indemnification. Notwithstanding section 9.10, the MCO agrees to indemnify and save and hold the STATE, its agents and employees harmless from all claims arising out of, resulting from, or in any manner attributable to any violation by the MCO of any provision of the laws listed in section 2.122 in connection with the performance of the MCO's duties and obligations under this Agreement. This includes, but is not limited to, legal fees and disbursements paid or incurred to enforce the provisions of this Agreement.

Article. 15 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 U.S.C. § 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 U.S.C. § 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. 16 Clinical Laboratory Improvement Amendments (C.L.I.A.) Requirements. All laboratory testing sites providing services under this contract must comply with the C.L.I.A. requirements in 42 CFR Part 493. The MCO shall obtain the valid C.L.I.A. 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-C.L.I.A. certified.

Article. 17 Advance Directives Compliance Pursuant to 42 U.S.C. § 1396a(a)(57) and (58) and 42 CFR § 422.128, 42 CFR § 434.28 and 42 CFR § 489.100-104, the MCO agrees

17.1 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(b)(3), as required in 42 CFR § 438.6(i).

17.2 Providers Documentation. To require MCO's Providers to ensure that it has been documented in the Enrollee's medical records whether or not an Enrollee has executed an Advance Directive;

17.3 Treatment. To not condition treatment or otherwise discriminate on the basis of whether an Enrollee has executed an Advance Directive;

17.4 Compliance with State Law. To comply with State law, whether statutory or recognized by the courts of the State, on Advance Directives, including Laws of Minnesota 1998, Chapter 399, Section 38.

17.5 Education. To provide, individually or with others, education for MCO staff, Providers and the community on Advance Directives.

Article. 18 Disclosure.

18.1 Disclosure Requirements. The MCO must consent to any financial, character, and other inquiries by the STATE.

18.1.1 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.

18.1.2 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 current period and the past six periods. 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; and

(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.

18.2 Disclosure of, Compliance with, and Reporting of Physician Incentive Plans. The MCO may operate a Physician Incentive Plan, as defined in 42 CFR § 422.208(a), only if the requirements of 42 CFR § 422.208 are met.

18.2.1 Disclosure to the STATE. The MCO must report to the STATE in writing, no later than March 31st of each year, that the MCO is in compliance with the Physician Incentive Plan requirements as set forth in 42 CFR § 422.208. The MCO shall maintain in its files the following information in sufficient detail to enable the STATE or CMS to determine the MCOs compliance with 42 CFR § 422.208 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 relationships include: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 (e.g. per member per year or aggregate).

(F) If the MCO has Physician Incentive Plans that place physician/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.

18.2.2 Disclosure to Enrollees. The MCO must provide the following information in accordance with 42 CFR § 422.210 to any Enrollee or Potential Enrollee upon request: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. 19 Federal Audit Requirements and Debarment Information.

19.1 Single Audit Act. MCO will certify that it will comply with the Single Audit Act, OMB Circular A-133, as applicable. The MCO shall obtain a financial and compliance audit made in accordance with the Single Audit Act, A-133, as applicable. Failure to comply with these requirements could result in forfeiture of federal funds.

19.2 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, Minnesota 16C.03, subd. (2), provides the Minnesota 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: 1) 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; 2) violated any federal or state antitrust statutes; or 3) 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: 1) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction; 2) violating any federal or state antitrust statutes; or 3) 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; and

(E) Shall immediately give written notice to the STATE should the MCO come under investigation for allegations of: 1) fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local government) transaction; 2) violating any federal or state antitrust statutes; or 3) committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

Article. 20 Emergency Performance Interruption (EPI):

20.1 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 agreement, the MCO must immediately notify the STATE.Outline Activation Procedures. Outline the procedures used for the activation of the BCP upon the occurrence of an EPI.

(C) Ensure Essential Operations.Ensure that MCO operations continue to produce and deliver essential products and services, particularly Priority 1 and Priority 2 obligations, under this contract. This includes, but is not limited to: 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 1 and Priority 2 functions;

(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.Be Reviewed 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.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.

20.2 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. 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.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 Fee for Service.

(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 contract 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; 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 contract services as a result of the EPI, the MCO shall have the burden of proving that: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 Agreement 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 and resume normal operations for those services, and provide notice to the STATE of the same.

Article. 21 Modifications. Any material alteration, modification or variation in the terms of this contract shall be reduced to writing as an amendment hereto and signed by the parties.

Article. 22 Survival. Notwithstanding the termination of this Contract for any reason, section sections 3.5 and 9.4 (reporting and access to records), section 4.17 (Managed Care Withhold), sections 4.18 and 4.19 (payment error), section 7.11 (Financial Performance Incentives) and Article 14 (Information Privacy and Security, including section 14.12 Indemnification) shall survive the termination of this Contract.

Article. 23 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.

Article. 24 Amendments. Any amendments to this Contract shall be in writing, signed by all parties, and attached hereto.

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.

STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

By:

Name: Brian Osberg

Title: Medicaid Director

Date: 12/21/10

UCARE MINNESOTA

(Two corporate officers must execute)

By:

Print Name: Nancy J. Feldman

Title: President & CEO

Date 12/14/10

and

By:

Print Name: Mark Traynor

Title: Secretary & General Counsel

Date 12/14/10

List of Appendices:

Appendix I: Service Areas

Appendix II: Rates

Appendix I - MCO Service Areas

UCare

SNBC Counties:

Anoka
Benton
Blue Earth
Carlton
Carver
Chippewa
Chisago
Cottonwood
Dakota
Faribault
Fillmore
Hennepin
Houston
Isanti
Jackson
Kandiyohi
Lac Qui Parle
Le Sueur
Lincoln
Lyon
Martin
Mille Lacs
Mower
Murray
Nicollet
Nobles
Olmsted
Pine
Ramsey
Redwood
Rice
Rock
St. Louis
Scott
Sherburne
Stearns
Washington
Watonwan
Winona
Wright
Yellow Medicine.

Appendix II - 1B
Special Needs Basic Care
Calendar Year 2011 Capitation Payment Rates

UCare Minnesota

Rate Regions			MERC Carve Out	DHU Add-on [1]	MERC + DHU	Risk Adjustment Base Rate [1,2]	Plan Acute Risk Factor [3]	Plan RA Rate [1,2,3]
			1	2		3	4	5
			App. 1A (N)	App. 1A (O)		App. 1A (L)		(3 x 4)
Hennepin	Institutionalized	Dual	$23.46	N/A	$23.46	$358.02	1.1122	$398.18
		Non- Dual	183.04	$93.91	276.95	2,784.48	0.8819	2,455.59
	Non-Institutionalized	Dual	27.53	N/A	27.53	424.03	1.1122	471.60
		Non- Dual	104.83	53.78	158.61	1,563.61	0.8819	1,378.93
Metro	Institutionalized	Dual	$7.45	N/A	$7.45	$358.02	1.1122	$398.18
		Non- Dual	58.11	$76.30	134.41	2,784.48	0.8819	2,455.59
	Non-Institutionalized	Dual	8.74	N/A	8.74	424.03	1.1122	471.60
		Non- Dual	33.28	43.70	76.98	1,563.61	0.8819	1,378.93
NW Metro	Institutionalized	Dual	$5.96	N/A	$5.96	$358.02	1.1122	$398.18
		Non- Dual	46.49	$20.54	67.03	2,784.48	0.8819	2,455.59
	Non-Institutionalized	Dual	6.99	N/A	6.99	424.03	1.1122	471.60
		Non- Dual	26.62	11.77	38.39	1,563.61	0.8819	1,378.93
Non-Metro	Institutionalized	Dual	$4.77	N/A	$4.77	$296.22	1.1122	$329.45
		Non- Dual	40.01	$17.68	57.69	2,467.56	0.8819	2,176.11
	Non-Institutionalized	Dual	6.30	N/A	6.30	391.07	1.1122	434.94
		Non- Dual	27.27	12.05	39.32	1,682.03	0.8819	1,483.36

[1] Includes 1% premium tax.

[2] Does not include MERC Carve-Out or DHU Add-On. Includes 1% premium tax.

[3] The plan acute risk factor and risk adjusted rates will change each quarter

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Plan RA Rate + DHU - Withhold [1,3]	Plan RA Rate + DHU + MERC - Withhold [1,3]	NF Add-on [1]	Plan MH-TCM Risk Factor	MH-TCM Add-on - Withhold [1]	Total Plan Rate (Includes MERC) [1,3]	Plan Reimbursement Amount (Excludes MERC) [1,3]
6	7	8	9	10	11	12
(2 + 5) x 0.905	(6 + 1)	App. 1A (Q)		App. 1A (S) x 0.905 x 9	(7 + 8 + 10)	(6 + 8 + 10)
$360.35	$383.81	N/A	0.7868	$80.51	$464.32	$440.86
2,307.30	2,490.34	N/A	0.7868	73.12	2,563.46	2,380.42
426.80	454.33	$16.32	0.7868	$80.51	551.16	523.63
1,296.60	1,401.43	15.52	0.7868	73.12	1,490.07	1,385.24
$360.35	$367.80	N/A	0.7868	$80.51	$448.31	$440.86
2,291.36	2,349.47	N/A	0.7868	73.12	2,422.59	2,364.48
426.80	435.54	$16.32	0.7868	$80.51	532.37	523.63
1,287.48	1,320.76	15.52	0.7868	73.12	1,409.40	1,376.12
$360.35	$366.31	N/A	0.7868	$80.51	$446.82	$440.86
2,240.90	2,287.39	N/A	0.7868	73.12	2,360.51	2,314.02
426.80	433.79	$16.32	0.7868	$80.51	530.62	523.63
1,258.58	1,285.20	15.52	0.7868	73.12	1,373.84	1,347.22
$298.15	$302.92	N/A	0.7868	$80.51	$383.43	$378.66
1,985.38	2,025.39	N/A	0.7868	73.12	2,098.51	2,058.50
393.62	399.92	$16.32	0.7868	$80.51	496.75	490.45
1,353.35	1,380.62	15.52	0.7868	73.12	1,469.25	1,441.98

Rate Regions:	
Hennepin:	Hennepin County
Metro:	Anoka, Carver, Dakota, Ramsey, Scott & Washington Counties
NW Metro:	Sherburne & Wright Counties
Non-Metro:	All other counties not previously listed

This material assumes that the reader is familiar with Minnesota Medicaid programs, their benefits, eligibility, administration and other factors. The material was prepared solely to provide assistance to the State of Minnesota in setting rates for capitated programs. It may not be appropriate for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. This material should only be reviewed in its entirety.