AMENDMENT NO. 2 TO B06800

Contract Start Date:	January 1, 2008	Total Contract Amount:	Per Member/Per Month
Original Contract Expiration Date:	December 31, 2008	Original Contract Amount:	Per Member/Per Month
Current Contract Expiration Date:	December 31, 2008	Previous Amendment(s) Total:	N/A
Requested Contract Expiration Date:	December 31, 2008	Amendment Amount:	N/A

This amendment is by and between the State of Minnesota, through its Commissioner of the Department of Human Services (STATE) and **Medica** (MCO), identified as Contract No. **B06800** to further the Minnesota Medical Assistance Health Care Program for the provision of prepaid medical and remedial services pursuant to the Special Needs BasicCare Program; and

WHEREAS, the STATE and the MCO wish to exercise the option to amend this contract as provided in Article 21 of the original Contract; and

WHEREAS, the definition of Inpatient Hospitalization no longer excludes free-standing residential chemical dependency facilities; and

WHEREAS, for chemical dependency treatment services, when the termination of enrollment occurs while the Enrollee is receiving Inpatient Hospitalization services, this is in reference to inpatient hospital-based services only; and

WHEREAS, the STATE requires MCOs to provide follow-up renewal calls to Enrollees who are receiving services through the MCO, at least sixty days prior to the enrollees' renewal dates; and

WHEREAS, to reflect that the current language describing the Managed Care Withhold is removed; and

WHEREAS, to reflect the current language that allows the MCO to provide the STATE written notice of non-renewal less than one hundred fifty days prior to the contract end is removed; and

WHEREAS, effective July 1, 2008, the MCO shall assume responsibility for all chemical dependency treatment services and treatment-related room and board effective upon the date of the Recipient's enrollment into the MCO. For services that were authorized by the CCDTF or any other STATE-contracted MCO prior to the Recipient's enrollment, the language allowing for a one month transition period is removed; and

WHEREAS, the STATE and the MCO have agreed to amend the 2008 Contract to include these legislative and procedural changes.

Therefore, the parties agree that:

REVISION 1. 2.64 "Inpatient Hospitalization" is amended as follows:

2.64 ~~means~~ includes inpatient medical, mental health and chemical dependency hospitalization, services.~~but excludes free-standing residential chemical dependency facilities.~~

REVISION 2. 3.21 "Notification and Termination of Coverage" is amended as follows:

3.21.2 When termination takes place due to ineligibility for Medical Assistance or for participation in the SNBC program, or the Enrollee requests disenrollment, and the Enrollee is receiving Inpatient Hospitalization services, excluding chemical dependency treatment services provided in free-standing residential centers which are not inpatient-hospital based services, on the effective date of ineligibility, coverage shall cease at midnight, Minnesota time, on the first day following discharge from the hospital. The MCO's liability for ongoing Inpatient Hospitalization 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. 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.

REVISION 3. 3.23(A) "~~Notification~~Call Prior to Renewal" is amended as follows:

3.23(A) The MCO shall place a follow-up renewal call to each Enrollee at least sixty (60) days prior to the Enrollee's eligibility renewal date as authorized by Minnesota Statutes, § 256.962, subd. 7(b),~~make a best effort to notify Enrollees of their eligibility renewal date,~~ utilizing the best available eligibility renewal data to be provided by the STATE.

REVISION 4. 4.17 "Managed Care Withhold" is deleted in its entirety as follows:

~~**4.17 Managed Care Withhold.** For Capitation Payments made on or after January 1, 2008, the STATE shall withhold five (5.0) percent from the SNBC rates. SNBC Medicaid Nursing Facility payments are excluded from the withhold provision. 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. Withheld funds shall be returned to the MCO pursuant to Section 4.17.1.~~

~~**4.17.1 Withhold Return Scoring for Calendar year 2008**~~

~~(A) The withheld funds will be returned to the MCO for calendar year 2008 based on the following scoring system for each of the nine performance targets listed below:~~

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

~~(2) Grievance and Appeal reporting shall be worth a total of 15 points;~~

~~(3) Claims payment timeliness shall be worth a total of 10 points;~~

~~(4) Identifying treating Provider in encounters shall be worth a total of 20 points~~

~~(5) MDH QA Examination deficiencies shall be worth a total of 10 points;~~

~~(6) Member service phone responsiveness shall be worth a total of 10 points;~~

~~(7) Psychiatrist UR/QA advisor shall be worth a total of 5 points;~~

(8) Compliance with section 6.46.8 (B) shall be worth 10 points. Compliance means that the MCO has conducted an access survey of its primary care clinics; the MCO demonstrates that this information has been distributed to members and prospective members as required, and that the MCO provides copies of this information to the State.

(B) The percentage of the MCOs withheld funds to be returned shall be calculated by summing all earned points, dividing the sum by 100, 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 Sections 4.17.2.A, B, C, E, F, G H, and I. Points assigned for these performance targets will be all or none (e.g. 20 points or 0 points), except for the fourth performance target of identifying treating Provider in encounters, where partial number of points will be assigned as specified in Section 4.17.2.D.

(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.

4.17.2 Administrative and Access/Clinical Performance Targets for SNBC for Calendar Year 2008. Pursuant to the specific terms in Section 4.17.3., 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 across all public programs including SNBC.

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

(1) Provides the completed Denial, Termination or Reduction Notice (DTR) report as required in Section 8.2.4. for SNBC, MSHO, and MSC/MSC+ combined and as stated below, and

(2) Has no DTR activity for a given quarter, and notifies the STATE'S Ombudsman Office by e-mail or in writing by the 15th day of the month following the quarter, or

(3) Correctly completes as an aggregate at least 90 percent, calculated out to two decimal places with no rounding, of the required data fields on DTRS submitted electronically in a report format designated by the STATE.

The STATE agrees to provide a report to the MCO, on a quarterly basis, of the MCO'S status on completion of required data fields. The MCO shall have 60 days from receipt of the quarterly report to resubmit DTR data.

(B) Grievance and Appeal Reporting.

(B)(a) Provides the completed Grievance and Appeal report as required in section 8.6, and as stated below; and

(B)(1) Reports that it hHas no Grievance and Appeal activity for a given quarter, and notifies the STATE'S Ombudsman Office by e-mail or in writing by the 15th day of the month following the quarter; or

(2) Correctly completes as an aggregate at least 90 percent, calculated out to two decimal places with no rounding, of the required data fields on the Grievances and Appeals submitted electronically in a report format designated by the STATE.

The STATE agrees to provide a report to the MCO, on a quarterly basis, of the MCO'S status on completion of required data fields. The MCO shall have 60 days from receipt of the quarterly report to resubmit Grievance and Appeal data.

(C) Claims Payment Timeliness.

(1) Pays at least 90 percent of all combined SNBC, MSHO, PMAP, and MSC/MSC+ Clean Claims within 30 days of receipt and at least 99 percent of all Clean Claims paid within 90 days of receipt in accordance with 42 CFR 447.45.

(2) Provide an annual report to the STATE, by April 15th of the following year, in a format agreed upon by the STATE and the MCO, covering claims payment timeliness for all claims paid under this contract in the previous year.

(3) For purposes of this section, a Clean Claim is defined as a bill for services that can be processed without obtaining additional information from the Provider of the service or from a third party, and has no defect or impropriety, including any lack of any required substantiating documentation or particular circumstance or has no particular circumstances requiring special treatment that prevents timely payment from being made on the claim pursuant to the MCO'S requirement for submission of a bill. Calculations shall be based on the payment of claims and percentages on a yearly aggregate, and shall not be rounded to the next point. The STATE shall be allowed access to MCO information required to audit a sample of claims from the MCO to validate the reported information.

(D) Identifying Valid Treating Provider in Encounters.

(1) Provides valid treating provider information for combined SNBC, MSHO, PMAP, and MSC/MSC+ submitted encounter data for physician and mental health provider types, as required in the most recent version of the STATE document titled "Method Used to Develop Percent of Valid Treating Provider Numbers The calculation shall be computed as whole numbers with rounding to the nearest whole number (e.g., 45.6 becomes 46, 45.5 becomes 45).

(2) For purposes of this section, the STATE shall calculate the percentage of encounter claims lines with valid treating provider numbers divided by the total number of claims lines (X12 837 standard transaction format claim type, with provider types 10, 14, 20, 25, 41, 42, 47, or 68). Group (pay-to) provider numbers, and pseudo provider numbers shall not be considered to be valid treating provider numbers. Duplicate claim lines shall be excluded from the calculation.

(3) The percentage of encounters with valid treating provider numbers will then be applied against the available points (e.g. 80% valid treating provider is equivalent to 16 of 20 points). If the percentage is 90% or greater, the MCO will receive all 20 points.

(4) For the purpose of calculating the return of the managed care withhold under this section, treating providers will not include PCAs.

(5) 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 treating provider percentage.

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

(1) Comply with the MDH licensing requirements and have no repeated 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.

(F) Member Services Phone Responsiveness.

(1) Maintain an annual telephone abandonment rate of 10 percent or less for incoming calls to the member services department for SNBC, MSHO, PMAP and MSC/MSC+ combined, and an average annual time spent on hold, prior to initial person-to-person contact, an average of 120 seconds or less, from 8:00 a.m. to 4:30 p.m. (Central Time), or the regular hours of operation for the MCO, if longer. This does not apply to major subcontractors of the MCO.

(2) The MCO shall provide a report to the STATE, in a format agreed upon by the STATE and the MCO, on the MCO'S telephone call abandonment rate and the telephone call hold time during the Contract Year. The report shall be submitted no later than April 15th of the following year.

(G) Psychiatrist UR/QA Advisor.

(1) MCO contracts with, has access to, or has on its administrative staff for SNBC, MSHO, PMAP and MSC/MSC+ combined one or more board certified psychiatrists for consultation on quality and utilization issues regarding mental health issues. The UR/QA Advisor is responsible for oversight and evaluation of the Utilization Management (UM) and Quality Assurance (QA) as demonstrated by:

(a) Providing UM and QA policies and procedures for mental health services;

(b) Reviewing consistency of the application of UM decision criteria and implementation of corrective action when needed; and

(c) Participating in UM and QA committee meetings.

(2) The MCO shall submit a copy of its contract(s) with the board certified psychiatrist(s) or organizational chart, the psychiatrist(s) job description and resume, and the amount of

~~funds it paid to the psychiatrist(s) or percentage Full-Time Employee for utilization review and quality assurance support during the Contract Year, to the STATE no later than April 15 of the following year.~~

~~(H) **Access Survey**. Completion of and submittal to the STATE of the access survey required in 6.48.7(B) and distribution to potential enrollees and enrollees as required.~~

~~**4.17.3 Return of Withheld Funds for Funds Withheld for Calendar Year 2008.** □~~

~~(A) The funds returned shall be calculated as follows:~~

~~(1) The difference between the total CY 2008 Base Rate minus NF add-on portion of the SNBC Capitation Payments to the MCO as of 5/31/08, divided by 0.95 (95%), and the total CY 2008 Base Rate minus NF add-on portion of the SNBC Capitation Payments and the total CY 2008 SNBC Capitation Payments to the MCO as of 5/31/09.~~

~~(2) This amount has been reduced to reflect removal of the MERC funding if appropriate.~~

~~(B) The percentage determined in 4.17.1.B. shall be multiplied by 4.17.4.A.~~

~~(C) The amount of the unreturned withheld funds shall be limited to 20 percent of all funds withheld from the MCO.~~

REVISION 5. 5.2 "Contract Non-Renewal and Termination" is amended as follows:

5.2.1 Notice of Non-Renewal.

5.2.1 (A) 150 or More Days 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.

~~**5.1.2. (B) Less than 150 Days Prior to the end of the Contract.** If the MCO provides the STATE written notice prior to the end of the contract term but less than one hundred and fifty (150) days prior to, the Contract will end at 11:59:59 p.m. on the last day of the month which falls one hundred and fifty (150) days from the date the notice is given, unless the parties agree in writing to a different date.~~

REVISION 6. Section 6.54.2(D) "Chemical Dependency (CD) Treatment Services" is amended as follows:

6.54.2(D)(2) Effective July 1, 2008, the MCO ~~the MCO~~ shall assume responsibility for all treatment and treatment-related room and board effective upon the date of the Recipient's enrollment into the MCO. For ~~MSC/MSC+ and MSHO~~ 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 a new Rule 25 assessment or re-assessment is completed by the MCO, and determines a different level of need for services. ~~for a one month transition period. During this transition period, if the end date of the current treatment authorization period is prior to the end of the first month of MCO enrollment, the MCO may~~

~~require a new Rule 25 assessment or a reassessment during the first month if continued services are needed or requested by either the Provider or the Recipient.~~

EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND ALL PREVIOUS AMENDMENTS REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties hereto have executed this contract amendment. This contract amendment is hereby accepted and considered binding in accordance with the terms outlined in the preceding statements.

APPROVED:

STATE OF MINNESOTA
DEPARTMENT OF HUMAN SERVICES

By: [redacted]

Title: Assistant Commissioner

Date: 9/5/08

MEDICA
(Two corporate officers must execute)

By: [redacted]

Title: SVP

Date: 8-25-08

and

By: [redacted]

Title: EVP

Date: 8/25/08