

## AMENDMENT NO. 1 TO B- 36017

Contract Start Date:	January 1, 2010	Total Contract Amount:	Per Member/Per Month
Original Contract Expiration Date:	December 31, 2010	Original Contract Amount:	Per Member/Per Month
Current Contract Expiration Date:	December 31, 2010	Previous Amendment(s) Total:	N/A
Requested Contract Expiration Date:	December 31, 2010	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 Health Plans**, Managed Care Organization ("MCO"), identified as Contract No. B-36017 to further the Minnesota Medical Assistance Program for the provision of prepaid medical and remedial services pursuant to Title XIX of the Social Security Act; and

WHEREAS, the Legislature has required changes in the rates paid to MCOs and in certain benefits; and

WHEREAS, the STATE and the MCO have agreed to amend the SNBC 2010 contract, including the Preferred Integrated Networks portion of this contract, to include these legislative changes.

Therefore, the parties agree that the contract identified above shall be modified as follows:

**REVISION 1. Non-administrative rate reduction.** For services rendered on or after September 1, 2010, Medical Assistance rates are reduced by three percent (3%) of the contract rate attributable to non-administrative services. This rate reduction applies to all non-administrative services, except Medicare cost-sharing for dual eligible enrollees, and is included in the rate tables attached as Appendix 1B.

The citation is Minnesota Laws, Special Session Ch. 1, Article 25, Section 3, subd. 6 (b).

**REVISION 2. Non-primary care physician and professional services ratable reduction.** Effective October 1, 2010, contract rates paid to managed care plans and county-based purchasing plans for non-primary care physician and professional services are reduced seven percent (7.0%), which is included in the rate tables attached as Appendix 1B. The reduction does not apply to physical therapy services, occupational therapy services, speech pathology and related services, and services provided by psychiatrists and advanced practice nurses with a specialty in mental health, Medicare cost-sharing.

The citation is Minnesota Laws, Special Session Ch. 1, Article 16, Section 25; amending MS § 256B.76, Subd. 1 (d).

**REVISION 3. Rate increase for certain basic care services.** Effective October 1, 2010, contract rates for physical therapy, occupational therapy, and speech language pathology and related services are effectively increased by reducing the ratable reduction applied to these services from 6.5 percent to 4.5 percent for Medical Assistance which is included in the rate tables attached as Appendix 1B. Medicare cost-sharing is not included in this change.

The citation is Minnesota Laws Special Session, Ch. 1, Article 16, Section 28; amending MS § 256B.766.

**REVISION 4.**

**Inpatient ratable reduction.** The inpatient ratable reduction of 1.9% is extended through June 30, 2011, included in the rate tables attached as Appendix 1B. Facilities operated by the Indian Health Service and Indian tribes have been excluded from this reduction.

The citation is Minnesota Laws, Chapter 200, Article 1, Section 2; amending MS § 256.969, subd. 3a (f) and (g).

**REVISION 5**

**Section 7.17.7 (A) (3) (b)** is deleted in its entirety and amended to read:

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. Effective April 1, 2010, the Medical Assistance critical access dental incentive payment will be suspended until June 30, 2010. No payments will be issued for the Medical Assistance critical access dental incentive payments for dental services provided from April 1, 2010 through June 30, 2010. After June 30, 2010, critical access dental payments must be made as described in this section.

The citation is Minnesota Laws 2010, First Special Session Ch. 1, Article 15, Sec. 11; amending MS § 256B.76, Subd. 4)

**REVISION 6.**

**Article 6.8.1** is deleted in its entirety and amended effective September 1, 2010 as follows:

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

(A) posterior fillings are paid at the amalgam rate; (B) application of sealants is covered once every five years per permanent molar for children only; and (C) application of fluoride varnish is covered once every six months. (D) orthodontia is covered for children only.

**Article 6.8.2 (F)** is deleted in its entirety and amended effective September 1, 2010 as follows:

(F) 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;

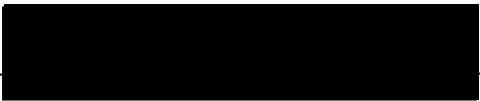
The citation is Minnesota Laws 2010, Ch. 310, art 7, sec. 1 Amending MS § 256B.0625, subd. 9.

**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: 

Name: Brian Osberg

Title: Medicaid Director

Date: \_\_\_\_\_

**Medica Health Plans**  
(Two corporate officers must execute)

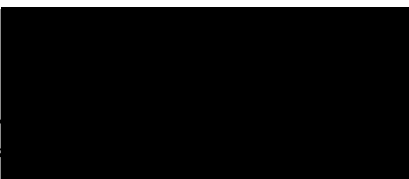
By: 

Name: Glenn Andis

Title: SVP

Date: 8-24-10

and

By: 

Name: John Chauhan

Title: Vp Gen

Date: 8/24/10

Appendix 1B  
Special Needs Basic Care  
September - December 2010 Capitalization Payment Rates  
Non-CHIP Plans

Plan	MERC Care Out		MERC + DBI Add-on <sup>1</sup>	DBI Add-on <sup>1</sup>	MERC + DBI	Risk Adjustment Base Rate <sup>2</sup>	Plan Risk Factor <sup>3</sup>	Plan RA Base <sup>4</sup>	Plan RA Base + MERG <sup>5</sup> Weighted <sup>6</sup>	Plan RA Base + DBI + MERG <sup>5</sup> Weighted <sup>6</sup>	MERC + DBI Add-on <sup>1</sup>	MERC + DBI Add-on <sup>1</sup>	Total Plan Rate (Schedule MERG) <sup>7</sup>	Plan Reimbursement Amount (Schedule MERG) <sup>8</sup>
	1	2												
Blue Cross Minnesota	Jan-10-09	\$22.30	N/A	\$22.30	1.000	\$22.30	1.000	\$22.30	\$22.30	\$22.30	N/A	\$22.30	\$22.30	\$22.30
	Non-Default	\$22.30	\$22.30	\$22.30	1.000	\$22.30	1.000	\$22.30	\$22.30	\$22.30	\$22.30	\$22.30	\$22.30	\$22.30
Blue Cross of Illinois	Jan-10-09	25.05	N/A	25.05	1.000	25.05	1.000	25.05	25.05	25.05	N/A	25.05	25.05	25.05
	Non-Default	25.05	25.05	25.05	1.000	25.05	1.000	25.05	25.05	25.05	25.05	25.05	25.05	25.05
Blue Cross of Michigan	Jan-10-09	27.85	N/A	27.85	1.000	27.85	1.000	27.85	27.85	27.85	N/A	27.85	27.85	27.85
	Non-Default	27.85	27.85	27.85	1.000	27.85	1.000	27.85	27.85	27.85	27.85	27.85	27.85	27.85
Blue Cross of New York	Jan-10-09	31.07	N/A	31.07	1.000	31.07	1.000	31.07	31.07	31.07	N/A	31.07	31.07	31.07
	Non-Default	31.07	31.07	31.07	1.000	31.07	1.000	31.07	31.07	31.07	31.07	31.07	31.07	31.07
Blue Cross of North Carolina	Jan-10-09	33.61	N/A	33.61	1.000	33.61	1.000	33.61	33.61	33.61	N/A	33.61	33.61	33.61
	Non-Default	33.61	33.61	33.61	1.000	33.61	1.000	33.61	33.61	33.61	33.61	33.61	33.61	33.61
Blue Cross of Oklahoma	Jan-10-09	45.29	N/A	45.29	1.000	45.29	1.000	45.29	45.29	45.29	N/A	45.29	45.29	45.29
	Non-Default	45.29	45.29	45.29	1.000	45.29	1.000	45.29	45.29	45.29	45.29	45.29	45.29	45.29
Blue Cross of South Carolina	Jan-10-09	24.85	N/A	24.85	1.000	24.85	1.000	24.85	24.85	24.85	N/A	24.85	24.85	24.85
	Non-Default	24.85	24.85	24.85	1.000	24.85	1.000	24.85	24.85	24.85	24.85	24.85	24.85	24.85
Blue Cross of Tennessee	Jan-10-09	37.19	N/A	37.19	1.000	37.19	1.000	37.19	37.19	37.19	N/A	37.19	37.19	37.19
	Non-Default	37.19	37.19	37.19	1.000	37.19	1.000	37.19	37.19	37.19	37.19	37.19	37.19	37.19
Blue Cross of West Virginia	Jan-10-09	25.31	11.39	36.70	1.000	25.31	1.000	25.31	25.31	36.70	11.39	36.70	36.70	36.70
	Non-Default	25.31	36.70	36.70	1.000	25.31	1.000	25.31	25.31	36.70	11.39	36.70	36.70	36.70

<sup>1</sup> Includes the plan's net.

<sup>2</sup> Does not include MERC Care-Out or DBI Add-On. Includes DBI premium tax.

<sup>3</sup> The plan's risk factor will be adjusted based on the plan's risk score.

<sup>4</sup> The plan's risk factor will be adjusted based on the plan's risk score.

<sup>5</sup> The plan's risk factor will be adjusted based on the plan's risk score.

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This material contains the plan's financial information with Minnesota Medicaid programs, their benefits, eligibility, administration and other factors. This material was prepared solely to provide information to the State of Minnesota in working cases for capitated programs. It may not be applicable for other purposes. Milliman does not intend to benefit and assumes no liability to other parties who receive this work. This material should only be reviewed in its entirety.

**Appendix 1B**  
**Special Needs Basic Care - Preferred Integrated Networks**  
**September 2010 Through December 2010 Capitation Payment Rates**  
**Medica**

Rate Region	MERC Carve-Out Add-on <sup>1</sup>		JBU Add-on <sup>1</sup>	MERC + BEU		2010 Risk Adjustment Rate <sup>2</sup>	Plan Risk Factor <sup>2</sup>	Plan KA Rate <sup>3</sup>	Plan KA Rate + IRU <sup>3</sup> + BEU <sup>3</sup>		Plan KA Rate + BEU <sup>3</sup> + MERC <sup>3</sup> - Withhold <sup>3</sup>	Plan KA Rate + BEU <sup>3</sup> + MERC <sup>3</sup> - Withhold <sup>3</sup>		MERC Add-on - Withhold <sup>3</sup>	Total Plan Rate (Includes MERC) <sup>3</sup>	Plan Reimbursement Amount (Excludes MERC) <sup>3</sup>
	1	2		3	4				5	6		7	8			
Metro 2	Apr. 1A (C)	Apr. 1A (C)				Apr. 1A (C)		(6+7)	(6+7)	(6+7)	(6+7)	(6+7)	(6+7)	(6+7)	(6+7)	(6+7)
	517.67	N/A	517.67	1.1067	541.45	575.51	541.45	575.51	575.51	575.51	575.51	575.51	575.51	575.51	575.51	575.51
Non-Facilitated/Non-Dead	63.11	\$72.23	137.34	1.3583	3,602.67	3,255.79	3,602.67	3,255.79	3,255.79	3,255.79	3,255.79	3,255.79	3,255.79	3,255.79	3,255.79	3,255.79
	20.60	N/A	20.60	1.1067	486.32	440.03	486.32	440.03	440.03	440.03	440.03	440.03	440.03	440.03	440.03	440.03
Non-Facilitated/Non-Dead	43.42	41.62	85.04	1.3583	2,873.98	1,916.42	2,873.98	1,916.42	1,916.42	1,916.42	1,916.42	1,916.42	1,916.42	1,916.42	1,916.42	1,916.42

<sup>1</sup> Includes 1% premium tax.  
<sup>2</sup> Does not include MERC Carve-Out or BEU Add-On. Includes 1% premium tax.  
<sup>3</sup> The plan risk factor and risk adjusted rates will change each quarter.

Rate Region: \_\_\_\_\_  
 Metro 2: \_\_\_\_\_  
 Anoka, Carver, Dakota, Ramsey, Scott & Washington Counties

This material assumes that the market is favorable with Minnesota Medicaid program, that benefit, 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 used in its entirety.

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