

Eleventh Amendment to the MED-20-001 Contract

This Eleventh Amendment to Contract Number MED-20-001 is effective as of March 1, 2022, between the Iowa Department of Human Services (Agency) and Iowa Total Care, Inc. (Contractor).

Section 1: Amendment to Contract Language

The Contract is amended as follows:

Revision 1. Section 1.3.3.3 Graduate Medical Education (GME) Payments and Other Supplemental Payments is amended to read as follows.

To the extent there are supplemental payments identified in the rate sheet and associated actuarial certification, Contractor shall pass these payments through to the identified providers as directed by the Agency. Such payments may include Graduate Medical Education, Ground Emergency Medical Transportation, the University of Iowa Average Commercial Rate supplemental payment, or any other such directed payments or pass-through payments as identified in the rates. Refer to Exhibit I.

~~The Contractor shall comply with Agency policy and process regarding distribution of GME payments.~~

~~1.3.3.3.1 University of Iowa Health Care Physician Supplemental¹~~

~~Pay out GME as directed in the rate sheet applicable to each payment period.~~

~~1.3.3.3.2 Other Supplemental Payments~~

~~Pay other supplemental payments to providers as directed by the Agency when supplements are built into the rates and to the extent the supplements are permissible under federal law.~~

Revision 2. Exhibit I has been added and reads as follows.

Exhibit I: State Directed Payments

I.1 UIHC Physician ACR Payments - Description of Arrangement

University of Iowa Physician Average Commercial Rate (ACR) payments were the pass-through payments incorporated into the historical capitation rates. After the originally developed SFY19 rates were certified, the State began working with CMS to develop an approvable alternative minimum fee schedule for physician and professional services at qualifying Iowa State-Owned or Operated Professional Services Practices, in accordance with 42 CFR 438.6(c),

The methodology used to calculate the initial estimate for this arrangement is described below and is consistent with the information submitted by the State in the 438.6(c) pre-print approved by CMS for SFY22.

¹ Added by Amend. 3, Rev. 4.

The additional payment made to these qualifying physicians under the minimum fee schedule provide support for contracting and maintain access for Medicaid beneficiaries to the applicable physicians and the MCOs. Under this arrangement, in accordance with 42 CFR 438.6(c)(2)(i)(B), a supplemental payment for covered physician services will be made for the services provided by a faculty or staff member of a qualifying Iowa State-Owned or Operated Professional Services Practice to reflect the reimbursement of the approved minimum fee schedule. Currently, only physicians affiliated with the University of Iowa meet this definition. Base reimbursement for these services is Iowa Medicaid reimbursement, which based on the historical mix of services for the applicable providers, is approximately 74% of Medicare. The supplemental (directed) payment brings the final reimbursement to an Average Commercial Rate level, which is approximately 377% of Medicaid, or around 279% of Medicare.

Historically, this payment arrangement has been based on actual utilization within the contract period and was structured such that the MCOs paid the customary Medicaid rate when adjudicating claims. For the SFY22 contract period the Hospital ACR directed payment will be reimbursed outside of the Health Link capitation rates via a separate payment term structure. Effective March 2020, the MCOs began paying the enhanced ACR amount when adjudicating claims. The CY19 data reflects the Medicaid reimbursement for all claims under this arrangement. Consistent with prior cycles, the basis for the supplemental payment is the difference between the customary Medicaid rate and the average commercial rate (minimum fee schedule) for specific physician service procedure codes. The MCOs are responsible for paying the calculated differential payments to qualifying practices based on actual utilization within the contract period.

I.2 UIHC Hospital ACR Payments - Description of Arrangement

The University of Iowa Hospital Average Commercial Rate (ACR) payments is a new state-directed alternative minimum fee schedule payment for inpatient and outpatient hospital services at qualifying Iowa State-Owned teaching hospitals with more than 500 beds and either or more distinct residency specialty or subspecialty programs recognized by the American College of Graduate Medical Education. The directed payment is effective July 1, 2021 and is structured in accordance with 42 CFR 438.6(c). The University of Iowa Hospitals and Clinics (UIHC) is the only eligible hospital for this qualified directed payment at this time.

For the SFY22 contract period the Hospital ACR directed payment will be reimbursed outside of the Health Link capitation rates via a separate payment term structure. The Actuarial contractor is required to develop estimates for the separate payment term and include a description of the arrangement when certifying the Health Link capitation rates. The methodology used to estimate the payments associated with the hospital directed payment is similar to the physician arrangement described previously. The basis for the supplemental payment is the difference between the provider's negotiated Medicaid managed care reimbursement and the average commercial rate (minimum alternative fee schedule) calculated using an ACR payment-to-charge ratio for inpatient and outpatient (both acute and behavioral health) hospital services. The MCOs are responsible for paying the calculated differential payments to qualifying providers based on actual utilization on a per claim basis within the contract period.

Once actual utilization for SFY22 is available, the Actuarial contractor and the Agency will calculate revised PMPMs using the actual claims incurred for each rate cell under the arrangement and actual membership for the contract period. Any differences between the original Hospital ACR estimate (calculated as the rate cell specific PMPMs x SFY22 membership) and actual claims incurred under the arrangement will be paid out as a lump sum payment/recoupment from the Agency to the MCOs. After the rating period is complete and the State makes any necessary reconciliation payment/recoupment, the Actuarial vendor will submit a rate certification addendum outlining the distribution methodology and revised PMPMs that reflect the final payments made under this arrangement for SFY22.

The methodology used to calculate the initial estimate for this arrangement is described below and is consistent with the information submitted by the State in the 438.6(c) pre-print that was approved on August 12, 2021.

The additional payment made to these qualifying hospitals under the minimum fee schedule provide support for contracting and maintain/expand access to services essential for Medicaid beneficiaries. Under this arrangement, in accordance with 42 CFR 438.6(c)(2)(i)(B), a supplemental payment for qualifying Inpatient and Outpatient hospital services will be made to reflect the reimbursement of the approved minimum fee schedule. Currently, only the University of Iowa Hospitals and Clinics meets the eligibility criteria for the directed payment arrangement. Base reimbursement for these services is Iowa Medicaid reimbursement, which based on the historical mix of services for the applicable providers, is approximately 75% of Medicare for Inpatient services and 89% of Medicare for Outpatient services. The supplemental (directed) payment brings the final reimbursement to an Average Commercial Rate level, which is approximately 238% of Medicare for Inpatient services and 302% for Outpatient services

I.3 Ground Emergency Transportation (GEMT) Payment Program - Description of Arrangement

Effective July 1, 2019, the State has implemented the Ground Emergency Medical Transportation (GEMT) Payment Program in accordance with 42 CFR 438.6(c). The GEMT Payment Program is made to qualifying Emergency Medical Service (EMS) providers within Iowa for Emergency Medical Transportation services. The Agency provided the Actuarial contractor with the list of applicable providers and procedure codes that will be receiving the prospective provider-specific payment rates during the SFY22 contract period. The provider-specific rates reflect an approved minimum fee schedule and are based on CMS- approved GEMT cost reports submitted by the EMS providers. The EMS additional payments will provide support for contracting and maintain access for Medicaid beneficiaries to receive GEMT services. Under this arrangement, in accordance with 42 CFR 438.6(c)(2)(i)(B), the supplemental payment for covered emergency transportation services will be billed under procedure code A0999 for the services provided by an approved EMS provider participating in the GEMT Payment Program. The A0999 procedure codes associated with the GEMT directed payment arrangement were excluded from the CY19 base data underlying rate development to avoid duplication with this supplemental payment calculation.

The payment arrangement for the SFY22 contract period will be based on actual emergency transportation service utilization within the contract period and is structured such that the MCOs pay both the customary Medicaid rate and the supplemental provider-specific prospective rate when adjudicating claims. The provider-specific prospective payment rate, billed under procedure code A0999, represents the additional uncompensated actual costs necessary to perform EMS transports based on submitted cost reports. Base reimbursement for the eligible emergency transportation services is Iowa Medicaid reimbursement. The supplemental (directed) payment brings the final reimbursement to approximately 10 times the standard Medicaid reimbursement.

I.4 Nursing Facility COVID-19 Relief Rate (NF CRR) Directed Payment - Description of Arrangement.

Effective March 13, 2020, COVID-19 Relief Rate (CRR) payments are available to Medicaid certified skilled nursing facilities (SNF) and nursing facilities (NF) during the period of the federal public health emergency who meet one of the following requirements:

1. The facility has a designated isolation unit for the treatment of COVID-19; or
2. The facility, in its entirety, is designated for the treatment of COVID-19.

CRR payments are \$300 per day made to eligible facilities for each enrollee residing in a designated isolation unit or COVID-19 designated facility who:

1. Is discharging from a hospital to the nursing facility; or
2. Is pending test results for COVID-19; or
3. Has a positive COVID-19 diagnosis.

The purpose of these payments is to provide financial assistance to facilities that incur unexpected costs when caring for Medicaid members who are diagnosed with or quarantined for potential COVID-19.

These additional expenses can be burdensome to facilities and the current rate methodology does not capture these expenses in a timely manner. The designated isolation area would allow for a higher infection control protocol, higher staff ratios, and dedicated staff to avoid cross contamination.

The effective date a facility could qualify to receive CRR payments starts March 13th, 2020 and extends through the end of the federal public health emergency which is expected to end December 31, 2022. The \$300 daily CRR payment is in addition to the already established per diem rates. Providers will submit claims with the “disaster related” condition code added to the claim form in order to receive the CRR payment. Base reimbursement for these services is Iowa Medicaid Nursing Facility per diems, which is approximately \$201 per day using the CY19 utilization across all Nursing Facility providers. The \$300 daily add-on therefore reflects an approximately 150% increase in reimbursement when the NF CRR payment is made. Thus, a total of approximately \$501 per day, or 250% of the standard Medicaid Nursing Facility Reimbursement depending upon the facility and specific per diem, is paid when a facility meets the CRR payment criteria. The directed payment is

specific to the COVID-19 pandemic and is not made to all Nursing Facilities for all services rendered.

CRR payments are a temporary measure available to provide financial assistance to facilities due to unexpected higher costs when caring for Medicaid members who are impacted by COVID-19. IME will develop a separate schedule to report the cost and additional funds related to COVID-19 during the emergency declaration. Increased and new costs will not be allowed for the normal room and board that are rebased biannually

I.5 ARPA Section 9817 Home and Community Based Services (HCBS) - Description of Arrangement.

The State Medicaid Agency directs the MCOs to make payments to eligible HCB service providers for targeted projects approved in the Iowa Spending Plan for Implementation of the American Rescue Plan Act of 2021, Section 9817.

The Contractor shall make a onetime payment to providers of HCB services for:

- a) Recruitment and Retention Provider Grants.
- b) HCBS Employee Training and Scholarship Grants
- c) Health Informational Technology (IT) Infrastructure
- d) Expand Remote Support through HCBS Provider Technology Grants

Recruitment and Retention Provider Grants:

The directed payment for direct care workers was developed in consultation with CMS and is based on CMS guidance related to the American Rescue Plan Act of 2021 (ARP) and Iowa's ARP 9817 spending plan. The direct care worker directed payment, as described in the directed payment pre-print, is a one- time payment from Iowa to the contracted Health Link managed care organizations (MCOs) for each full- time equivalent direct care worker.

The directed payment is an investment in recruiting and retention for direct care workers including those that provided applied behavioral analysis, behavioral health intervention services, prevocational, supported employment, adult day care, in-home family therapy, family , community support supported community living, consumer directed attendant care, day habilitation, respite, home-based habilitation or was a consumer choices option (CCO) participant employing direct care workers for dates of service between July 1, 2021, and June 30, 2022, and paid by a Medicaid contracted MCO.

Iowa Medicaid identified direct care workers and CCO employees for whom each MCO is responsible for payment, to ensure that only one payment will be received. Iowa Medicaid determined the amount per full time equivalent to be distributed to each eligible HCBS provider and CCO participant. Iowa Medicaid issued the directed payments to the MCOs based on the number of qualifying direct care worker full- time equivalents to ensure that only one MCO receives payment to direct recruitment and retention grant funds to each Home and Community Based Service (HCBS) provider or CCO participant.

Iowa Medicaid will reconcile these payments for each MCO by HCBS provider or CCO participant to ensure the integrity of the investment in recruiting and retention. The information on payments made, including the HCBS provider or CCO participants identifiable information and date of payment, will be collected and reconciled. A specific procedure code has been established for the claims to distinguish these payments. Iowa Medicaid has retained auditing rights to determine if payments have been paid to the correct HCBS provider or CCO participant.

In aggregate the value of the directed payment that was made to the MCOs is \$106,524,204 and has been allocated between the contracted Health Link MCOs.

HCBS Employee Training and Scholarship Grants:

The Contractor shall make one-time payments to providers of HCB services for the purposes of employee training and scholarship in accordance with the approved Spending Plan and Narrative as described below.

Iowa Medicaid is distributing funds to the MCOs for eligible providers from the ARPA HCBS Employee Training and Scholarship grant. The provider payments are intended to serve the purpose of assisting qualified HCBS providers to fund employee training and scholarships for education and training in nursing, behavioral health, and other health care fields. Grant funds must be used to cover costs related to training and education that will enhance the quality of direct services provided and cover the costs related to a course of study that is expected to lead to career advancement with the provider or in the HCBS field.

Eligible Providers:

- 1915(c) HCBS Waiver service providers
- 1915(i) HCBS Habilitation service providers.
- Rehabilitation Service providers including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response and Subacute Mental Health service providers.
- Home Health Care
- Personal Care and Private Duty Nursing Services
- Self-directed Personal Care Services
- School-based services

To be eligible for grant funds, eligible providers must have:

- billed a Managed Care Organization or Fee-for-Service Medicaid for health-related services provided between July 1, 2020, and June 30, 2021.
- continued to provide patient care after April 1, 2021.
- has not permanently ceased providing patient care directly or indirectly.
- with respect to Medicare, any state Medicaid program, and any Federal health care program, the eligible provider is not:
 - suspended or excluded from participation;
 - suspended from receiving payments;

- under any other sanction or penalty.

Application:

1. During the application period ICDAC and agency providers may apply for up to \$100,000 in training and scholarship funds by completing the on-line application, attestation, and terms and conditions and Minority Impact Statement prior to the close of the application period.
2. Iowa Medicaid Provider Services will record the applications as they are received on the spreadsheet provided by the project team.
3. Following the close of the application period, Provider Services will send the spreadsheet the contains the listing of the ICDAC and Agency providers who submitted applications to the project lead.

The Project Lead will review the spreadsheet of the ICDAC and Agency providers who submitted applications for eligibility. Providers identified as not eligible will be notified by Provider Services.

Calculation of the distribution amount:

Calculation of the distribution amount will be based on the budget submitted by the applicant for qualified training and scholarship expenditures.

The employee training and scholarship grant program was established in consultation with stakeholders. Up to \$100,000 per agency organization was deemed to be both reasonable and appropriate based on input from these HCBS providers, direct care workers and other Medicaid members they serve.

Health Informational Technology (IT) Infrastructure.

The contractor shall make one-time payments to providers of HCB services for the purposes of investment in Health IT infrastructure.

Iowa Medicaid is distributing funds to the MCOs for eligible providers from the ARPA HCBS Health IT Infrastructure grant. The provider payments are intended to serve the purpose of assisting qualified HCBS providers to fund the purchase and updating or electronic health record platforms, electronic service record software, and telehealth equipment and software. Funds may also be requested to cover training and development costs related to use of Health IT data management, data mining, and use of data in population health management. Grant funds must be used to cover costs related to Health IT that will enhance the quality of direct services provided.

Eligible Providers:

- 1915(c) HCBS Waiver service providers
- 1915(i) HCBS Habilitation service providers.

- Rehabilitation Service providers including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response and Subacute Mental Health service providers.
- Home Health Care
- Personal Care and Private Duty Nursing Services
- Self-directed Personal Care Services
- School-based services

To be eligible for grant funds, eligible providers must have:

- billed a Managed Care Organization or Fee-for-Service Medicaid for health-related services provided between July 1, 2020, and June 30, 2021.
- continued to provide patient care after April 1, 2021.
- has not permanently ceased providing patient care directly or indirectly.
- with respect to Medicare, any state Medicaid program, and any Federal health care program, the eligible provider is not:
 - suspended or excluded from participation;
 - suspended from receiving payments;
 - under any other sanction or penalty.

Application:

1. During the application period agency providers may apply for up to \$200,000 in Health IT Infrastructure grant funds by completing the on-line application, attestation, and terms and conditions and Minority Impact Statement prior to the close of the application period.
2. Iowa Medicaid Provider Services will record the applications as they are received on the spreadsheet provided by the project team.
3. Following the close of the application period, Provider Services will send the spreadsheet the contains the listing of the agency providers who submitted applications to the project lead.

The Project Lead will review the spreadsheet of the agency providers who submitted applications for eligibility. Providers identified as not eligible will be notified by Provider Services.

Calculation of the distribution amount:

- Calculation of the distribution amount will be based on the budget submitted by the applicant for qualified Health IT Infrastructure expenditures.
- The Health IT Infrastructure grant program was established in consultation with stakeholders. Up to \$200,000 per agency organization was deemed to be both reasonable and appropriate based on input from these HCBS providers, direct care workers and other Medicaid members they serve.

Expand Remote Support through HCBS Provider Technology Grants:

The contractor shall make one-time payments to providers of HCB services for the purposes of investment in technology and equipment that supports the direct delivery of HCB services.

Iowa Medicaid is distributing funds to the MCOs for eligible providers from the ARPA HCBS Expand Remote Support Through HCBS Provider Technology grant. The provider payments are intended to serve the purpose of assisting qualified HCBS providers to fund the purchase of technology and equipment to support the direct delivery of HCBS.

Eligible Providers:

- 1915(c) HCBS Waiver service providers
- 1915(i) HCBS Habilitation service providers.
- Rehabilitation Service providers including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response and Subacute Mental Health service providers.
- Home Health Care
- Personal Care and Private Duty Nursing Services
- Self-directed Personal Care Services
- School-based services

To be eligible for grant funds, eligible providers must have:

- billed a Managed Care Organization or Fee-for-Service Medicaid for health-related services provided between July 1, 2020, and June 30, 2021.
- continued to provide patient care after April 1, 2021.
- has not permanently ceased providing patient care directly or indirectly.
- with respect to Medicare, any state Medicaid program, and any Federal health care program, the eligible provider is not:
 - suspended or excluded from participation;
 - suspended from receiving payments;
 - under any other sanction or penalty.

Application:

1. During the application period agency providers may apply for up to \$50,000 in provider technology grant funds by completing the on-line application, attestation, and terms and conditions and Minority Impact Statement prior to the close of the application period.
2. Iowa Medicaid Provider Services will record the applications as they are received on the spreadsheet provided by the project team.
3. Following the close of the application period, Provider Services will send the spreadsheet the contains the listing of the agency providers who submitted applications to the project lead.

The Project Lead will review the spreadsheet of the agency providers who submitted applications for eligibility. Providers identified as not eligible will be notified by Provider Services.

Calculation of the distribution amount:

- Calculation of the distribution amount will be based on the budget submitted by the applicant for qualified technology and equipment expenditures.
- Expand Remote Support through HCBS Provider Technology grant program was established in consultation with stakeholders. Up to \$50,000 per agency organization was deemed to be both reasonable and appropriate based on input from these HCBS providers, direct care workers and other Medicaid members they serve.

Revision 3. Federal Funds. The following federal funds information is provided:

Contract Payments include Federal Funds? Yes	
DUNS #: 809245525	
The Name of the Pass-Through Entity: Iowa Department of Human Services	
CFDA #: 93.778 Title XIX: The Medical Assistance Program	Federal Awarding Agency Name: Centers for Medicare and Medicaid Services (CMS)
CDFA #: 93.767 Children’s Health Insurance Program	Federal Awarding Agency Name: Centers for Medicare and Medicaid Services (CMS)

Section 2: Ratification & Authorization

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and that this Amendment constitutes a legal, valid, and binding obligation.

Section 3: Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

Contractor, Iowa Total Care, Inc.		Agency, Iowa Department of Human Services	
Signature of Authorized Representative: 	Date: 06-13-2022	Signature of Authorized Representative:  <small>Kelly Garcia (Jun 22, 2022 21:53 CDT)</small>	Date: Jun 22, 2022
Printed Name: Mitch Wasden		Printed Name: Kelly Garcia	
Title: Plan President and CEO		Title: Director	