Thirteenth Amendment to the MED-20-001 Contract

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

Section 1: Amendment to Contract Language
The Contract is amended as follows:

Revision 1 Section 3.2.6.8.3.1 is amended to read as follows:

3.2.6.8.3.1.1 Carve out Iowa Medicaid managed care prescriptions and other products from the 340B program. If this methodology is chosen, the Contractor shall ensure that the entity: (i) uses only non-340B drugs, vaccines, and diabetic supplies for all Iowa Medicaid managed care enrollees served; (ii) only bills the Contractor for drugs, vaccines, and diabetic supplies purchased outside the 340B program; (iii) does not bill the Contractor for drugs, vaccines, or diabetic supplies purchased through the 340B program; and (iv) consults the Iowa Medicaid Managed Care Pharmacy Identification for assistance in identifying Medicaid managed care enrollees.

Revision 2. Exhibit I has been amended 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.

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 June 30, 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.

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.

Revision 3: The document attached to this Amendment as Exhibit 1 is hereby incorporated into the Contract as Special Contract Attachment 3.2-06.

Revision 4: Federal Funds. The following federal funds information is provided:

Contract Payments include Federal Funds? Yes **DUNS #:** 080218547 **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		**Agency, Iowa Department of Human Services**	
Signature of Authorized Representative: 	Date: 09-26-2022	Signature of Authorized Representative: Kelly Garcia Kelly Garcia (Oct 26, 2022 11:48 CDT)	Date: Oct 26, 2022
Printed Name: Mitch Wasden		Printed Name: Kelly Garcia	
Title: Plan President and CEO		Title: Director	

Special Contract Attachment 3.2-06

	Iowa Total Care Revised Rates, Net Withhold						
Rate Cell	CY19 Proxy MMs	SFY23 Rates Net Additional Payments	Withhold PMPM	SFY23 Rates Net Withhold, Net Additional Payments	GME PMPM	GEMT PMPM	SFY23 Rates, Net Withhold Gross Additional Payments
Children 0-59 days M&F	24,253	$ 2,297.88	$ 45.96	$ 2,251.92	$ 4.45	$ 4.07	$ 2,260.44
Children 60-364 days M&F	93,890	$ 329.62	$ 6.59	$ 323.03	$ 4.45	$ 1.71	$ 329.20
Children 1-4 M&F	314,290	$ 172.53	$ 3.45	$ 169.08	$ 4.45	$ 0.95	$ 174.48
Children 5-14 M&F	617,110	$ 167.33	$ 3.35	$ 163.98	$ 4.45	$ 0.59	$ 169.02
Children 15-20 F	104,202	$ 275.86	$ 5.52	$ 270.35	$ 4.45	$ 2.66	$ 277.46
Children 15-20 M	95,865	$ 210.31	$ 4.21	$ 206.11	$ 4.45	$ 1.76	$ 212.32
CHIP - Hawki	193,806	$ 162.65	$ 3.25	$ 159.39	$ -	$ 0.44	$ 159.83
Non-Expansion Adults 21-34 F	146,774	$ 423.42	$ 8.47	$ 414.95	$ 4.45	$ 4.61	$ 424.01
Non-Expansion Adults 21-34 M	32,601	$ 274.12	$ 5.48	$ 268.63	$ 4.45	$ 2.77	$ 275.85
Non-Expansion Adults 35-49 F	82,566	$ 612.52	$ 12.25	$ 600.27	$ 4.45	$ 5.22	$ 609.95
Non-Expansion Adults 35-49 M	34,238	$ 469.45	$ 9.39	$ 460.06	$ 4.45	$ 3.81	$ 468.31
Non-Expansion Adults 50+ M&F	15,993	$ 756.89	$ 15.14	$ 741.75	$ 4.45	$ 5.39	$ 751.59
Pregnant Women	35,546	$ 276.36	$ 5.53	$ 270.83	$ 4.45	$ 4.03	$ 279.31
WP 19-24 F (Medically Exempt)	4,043	$ 965.80	$ 19.32	$ 946.48	$ -	$ 15.31	$ 961.79
WP 19-24 M (Medically Exempt)	3,598	$ 1,193.27	$ 23.87	$ 1,169.41	$ -	$ 10.53	$ 1,179.93
WP 25-34 F (Medically Exempt)	12,594	$ 1,041.10	$ 20.82	$ 1,020.28	$ -	$ 13.50	$ 1,033.77
WP 25-34 M (Medically Exempt)	12,658	$ 1,077.96	$ 21.56	$ 1,056.40	$ -	$ 20.45	$ 1,076.85
WP 35-49 F (Medically Exempt)	18,553	$ 1,408.73	$ 28.17	$ 1,380.55	$ -	$ 16.85	$ 1,397.40
WP 35-49 M (Medically Exempt)	16,802	$ 1,277.97	$ 25.56	$ 1,252.41	$ -	$ 22.94	$ 1,275.35
WP 50+ M&F (Medically Exempt)	26,321	$ 1,744.67	$ 34.89	$ 1,709.78	$ -	$ 22.90	$ 1,732.68
WP 19-24 F (Non-Medically Exempt)	98,274	$ 252.63	$ 5.05	$ 247.58	$ -	$ 2.95	$ 250.53
WP 19-24 M (Non-Medically Exempt)	81,045	$ 189.47	$ 3.79	$ 185.68	$ -	$ 2.97	$ 188.65
WP 25-34 F (Non-Medically Exempt)	113,937	$ 335.87	$ 6.72	$ 329.15	$ -	$ 2.76	$ 331.91
WP 25-34 M (Non-Medically Exempt)	99,569	$ 295.68	$ 5.91	$ 289.76	$ -	$ 4.52	$ 294.28
WP 35-49 F (Non-Medically Exempt)	109,923	$ 550.36	$ 11.01	$ 539.35	$ -	$ 3.99	$ 543.35
WP 35-49 M (Non-Medically Exempt)	104,975	$ 488.74	$ 9.77	$ 478.97	$ -	$ 5.89	$ 484.85

WP 50+ M&F (Non-Medically Exempt)	181,018	$ 854.08	$ 17.08	$ 836.99	$ -	$ 5.79	$ 842.78
ABD Non-Dual <21 M&F	41,000	$ 1,037.08	$ 20.74	$ 1,016.34	$ 4.45	$ 4.82	$ 1,025.61
ABD Non-Dual 21+ M&F	95,092	$ 1,760.17	$ 35.20	$ 1,724.97	$ 4.45	$ 21.94	$ 1,751.36
Residential Care Facility	2,083	$ 7,681.83	$ 153.64	$ 7,528.20	$ 4.45	$ 9.82	$ 7,542.47
Breast and Cervical Cancer	800	$ 2,253.00	$ 45.06	$ 2,207.94	$ -	$ 0.67	$ 2,208.62
Dual Eligible 0-64 M&F	128,275	$ 626.76	$ 12.54	$ 614.22	$ -	$ 1.35	$ 615.57
Dual Eligible 65+ M&F	38,893	$ 227.74	$ 4.55	$ 223.19	$ -	$ 1.22	$ 224.41
Custodial Care Nursing Facility <65	8,392	$ 4,889.73	$ 97.79	$ 4,791.93	$ 4.45	$ 11.39	$ 4,807.77
Custodial Care Nursing Facility 65+	55,785	$ 3,705.07	$ 74.10	$ 3,630.97	$ -	$ 1.29	$ 3,632.26
Elderly HCBS Waiver	39,317	$ 3,705.07	$ 74.10	$ 3,630.97	$ -	$ 3.38	$ 3,634.34
Non-Dual Skilled Nursing Facility	770	$ 4,889.73	$ 97.79	$ 4,791.93	$ 4.45	$ 19.48	$ 4,815.87
Dual HCBS Waivers: PD; H&D	6,259	$ 4,889.73	$ 97.79	$ 4,791.93	$ -	$ 3.79	$ 4,795.72
Non-Dual HCBS Waivers: PD; H&D; AIDS	5,619	$ 4,889.73	$ 97.79	$ 4,791.93	$ 4.45	$ 17.16	$ 4,813.54
Brain Injury HCBS Waiver	6,319	$ 4,889.73	$ 97.79	$ 4,791.93	$ 4.45	$ 6.02	$ 4,802.40
ICF/ID	5,822	$ 7,343.64	$ 146.87	$ 7,196.77	$ 4.45	$ 5.43	$ 7,206.65
State Resource Center	1,714	$ 7,343.64	$ 146.87	$ 7,196.77	$ 4.45	$ 0.71	$ 7,201.93
Intellectual Disability HCBS Waiver	54,700	$ 7,343.64	$ 146.87	$ 7,196.77	$ 4.45	$ 3.29	$ 7,204.51
PMIC	1,408	$ 3,746.08	$ 74.92	$ 3,671.16	$ 4.45	$ 12.62	$ 3,688.22
Children's Mental Health HCBS Waiver	3,442	$ 3,746.08	$ 74.92	$ 3,671.16	$ 4.45	$ 5.59	$ 3,681.20
CHIP - Children 0-59 days M&F	193	$ 2,297.88	$ 45.96	$ 2,251.92	$ -	$ 4.07	$ 2,255.99
CHIP - Children 60-364 days M&F	1,092	$ 329.62	$ 6.59	$ 323.03	$ -	$ 1.71	$ 324.75
CHIP - Children 1-4 M&F	3	$ 172.53	$ 3.45	$ 169.08	$ -	$ 0.95	$ 170.03
CHIP - Children 5-14 M&F	62,849	$ 167.33	$ 3.35	$ 163.98	$ -	$ 0.59	$ 164.57
CHIP - Children 15-20 F	9,676	$ 275.86	$ 5.52	$ 270.35	$ -	$ 2.66	$ 273.01
CHIP - Children 15-20 M	9,771	$ 210.31	$ 4.21	$ 206.11	$ -	$ 1.76	$ 207.87
TANF Maternity Case Rate	3,257	$ 6,628.73	$ 132.57	$ 6,496.16	$ -	$ -	$ 6,496.16
Pregnant Women Maternity Case Rate	3,081	$ 5,823.95	$ 116.48	$ 5,707.47	$ -	$ -	$ 5,707.47
Total	**3,253,713**	**$ 713.31**	**$ 14.27**	**$ 699.04**	**$ 2.49**	**$ 3.56**	**$ 705.09**