

## First Amendment to the Hawki Contract

This First Amendment to Contract Number MED-19-010 is effective as of July 1, 2019, between the Iowa Department of Human Services (Agency) and Delta Dental of Iowa (Contractor).

### Section 1: Extension of Contract.

The Agency hereby extends the Contract through its first optional extension period. The new end date of the Contract is June 30, 2020.

### Section 2: Amendment to the Contract Language.

The Contract is amended as follows:

**Revision 1: The “Security & Privacy Office Data Confirmation Number” cell in the Contract Information section of the Contract’s Declaration and Execution pages is amended to read as follows:**

<b>Security &amp; Privacy Office Data Confirmation Number:</b> ISPO-18-4
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**Revision 2: Section 1.2.1.4 of the Contract is amended to read as follows:**

**1.2.1.4 Addressing Deficiencies.** To the extent that Deficiencies are identified in the Contractor’s performance and notwithstanding other remedies available under this Contract, the Agency may require the Contractor to develop and comply with a plan acceptable to the Agency to resolve the Deficiencies. Failure to meet performance targets shall subject the Contractor to noncompliance remedies as noted in Special Contract Attachment 3.5.

**Revision 3: Section 1.2.1.5.2.1 of the Contract is amended to read as follows:**

**1.2.1.5.2.1 Capitation Rate Payments.**

The Agency will pay the Contractor on a monthly basis using the capitation payment methodology for enrollees assigned to Contractor. Capitation rates applicable to each Contract term are set forth in the Capitation Rates table in the Special Contract Attachment Section 3.1. The capitation payment will constitute payment in full for the Contractor’s coverage of the enrollees assigned to Contractor as listed in the monthly HIPAA 820 capitation file. Retroactive adjustments to reflect the actual cost of covered services are prohibited.

The Agency will pay any Contractor health insurer fee that may be owed pursuant to Section 9010 of the Affordable Care Act on a retrospective basis upon receipt of information regarding the amount of the fee paid by the Contractor for the premium earned under the terms of this Contract. The retrospective payment will include an adjustment for related income taxes and other adjustments, including tax credits. The Contractor shall submit any requested documentation to the Agency regarding the amount of the fee. A corporate officer for the Contractor shall attest to the accuracy of the documentation.

Contractor shall on a monthly basis reconcile the monthly HIPAA 820 capitation file with the Contractor’s enrollment records. Any discrepancies found between the monthly HIPAA 820

capitation file and the Contractor's enrollment records shall be reported to the Agency within sixty (60) calendar days from the end of the quarter. No adjustment to the capitation payment shall be made for any discrepancies reported after the sixty (60) calendar day period other than as required to avoid Contractor retention of payment in excess of those permitted in the relevant rate table applicable to each Contract period.

The parties agree to work diligently and in good faith to establish and agree to capitation rates before the expiration of any rate period. If the parties are unable to establish new annual capitation rates for a subsequent rate period due to delays or disagreements, the Agency or Contractor may terminate the Contract upon ninety (90) days written notice from expiration of the current rate period and contract amendment term or, if notice is given after the expiration of the current rate period, ninety (90) days written notice from the date of the notice. Upon agreement to the capitation rates, the Agency will perform a reconciliation between the capitation rates paid and the newly agreed upon rates for the rate period. Any discrepancy will be reconciled through the capitation rate payment process.

By agreeing to the rates offered to Contractor through the Contract amendment process, Contractor irrevocably and unconditionally releases, acquits, and forever discharges the State of Iowa, the Agency, and all of the Agency's officers, directors, employees, agents, and attorneys, from any and all liability whatsoever from any and all claims, demands and causes of action of every nature whatsoever that Contractor may have or may ever claim to have now existing or hereafter arising that relate to or arise out of any assertion regarding the actuarial soundness of the agreed rates.

**Revision 4: Section 1.3.A.2.4 of the Contract is amended to read as follows:**

**A.2.4 12-Month Enrollment Period**

Unless this Contract is terminated earlier, the enrollee will remain enrolled with the Contractor for a period of twelve (12) months as long as the enrollee remains eligible for the Hawki program, but subject to the right of disenrollment as specified in this Contract and subject to the enrollee's right of choice when applicable.

**Revision 5: Section 1.3.A.2.13 of the Contract is amended to read as follows:**

**A.2.12 Enrollee Engagement**

Contractor shall ensure the provision of enrollee engagement by utilizing partners to work with providers and enrollees to promote successful compliance with treatment plans and use of preventive care. This will include educating enrollees about good oral hygiene, prevention and maintenance of teeth and gums. The Contractor will work with key community service organizations including the Department of Public Health, to provide resources for community partners so they can assist in education and awareness activities at the local level and support enrollee education and compliance, including linking enrollees with participating dental providers. The Contractor shall develop member education activities that increase beneficiary awareness and access to services.

**Revision 6: Section 1.3C of the contract is amended to read Beneficiary Notifications:**

**C. Beneficiary Notifications**

**Revision 7: Sections 1.3.G.2.08 and 1.3.G.2.09 are deleted and marked “Reserved – Not applicable to a dental-only PAHP.”**

**Revision 8: New Section 1.3.HS.3.01 is added to the Contract immediately below Section 1.3.H.3.01, and the new section reads as follows:**

HS.3.01 In the event that the Agency takes action impacting a member’s entitlement to medical assistance, the Agency will mail a notice to the member at least 10 days before the date of action in accordance with state and federal legal obligations.

**Revision 9: Section 1.3.I.7.03 of the Contract is amended to read as follows:**

*1.7.03 Program Integrity Activity Reporting*

*1. Monthly Reporting.* In addition to any reporting required by the federal regulations, including 42 C.F.R. § 438.608(d)(3), the Contractor shall provide the Agency with a monthly Program Integrity Activity Report outlining the Contractor’s program integrity activities for the previous calendar month. To the extent that the federal regulations require reporting less frequently than the provisions in this Contract, the reporting requirements of this Contract are in addition to the less frequent reporting requirements under the federal regulations.

In the monthly Program Integrity Activity Report, the Contractor shall provide the information requested by the Agency, in the format requested by the Agency, including, but not limited to:

- (a) A list of the Contractor’s program integrity related activities for the month.
- (b) Identification of the Contractor’s progress in meeting the program integrity goals and objectives of the Contractor’s program integrity work plan.
- (c) Identification of the recoupment totals for the reporting period.
- (d) A summary of state fiscal year to date information with respect to program integrity.
- (e) With respect to each provider reviewed:
  - 1) The name and NPI of the provider.
  - 2) The data source, referral, or other reason for the review.
  - 3) Identification of any action taken by the Contractor, including, but not limited to, suspension, termination, recoupment, payment reduction, denial of enrollment or reenrollment, identification as excluded pursuant to 42 C.F.R. § 455.
  - 4) Identification of the reason for the action and, if a payment or recoupment is involved, all of the relevant financial information related to the action.

*2. Quarterly Audit Report.* In addition to any reporting required by the federal regulations, including 42 C.F.R. § 438.608(d)(3), the Contractor shall provide the Agency with a quarterly audit report. To the extent that the federal regulations require reporting less frequently than the provisions of this Contract, the reporting requirements of this Contract are in addition to the less frequent reporting requirements under the federal regulations.

On a quarterly basis the Contractor shall submit a detailed audit report to the Agency which outlines the Contractor’s program integrity related activities, as well as identifies the Contractor’s progress in meeting program integrity related goals and objectives. The audit report

should also specify individual provider recoupment, repayment schedules, and actions taken for each audit or investigation. The Agency shall review and approve, approve with modifications, or reject the audit report and specify the grounds for rejection. Recoupment totals and summaries for each reporting period (quarterly unless otherwise specified by the Agency) must also be submitted in the audit report.

3. *Reporting Suspected Fraud, Waste, or Abuse.* The Contractor shall report possible fraud or abuse activity to the Agency. The Contractor shall initiate an immediate investigation to gather facts regarding the possible fraud or abuse. Documentation of the findings of the investigation shall be delivered to the Agency in a timeframe identified by the Agency, of the identification of suspected fraud or abuse activity. In addition, the Contractor shall provide reports of its investigative, corrective, and legal activities with respect to fraud and abuse to the Agency in accordance with contractual and regulatory requirements. The Contractor and its subcontractors shall cooperate fully in any Agency reviews or investigations and in any subsequent legal action. The Contractor shall implement corrective actions in instances of fraud and abuse detected by the State Agency or other authorized agencies or entities. The Contractor shall report to the Agency the following information monthly and in the manner required by the Agency: (i) the number of complaints of fraud and abuse made to the Agency that warrant preliminary investigation; and (ii) for each complaint which warrants investigation: (a) the name and ID number; (b) source of the complaint; (c) type of provider; (d) nature of the complaint; (e) approximate dollars involved; (f) disposition of the case; (g) service type; and (i) any other relevant information requested by the Agency.

**Revision 10: Section 1.3.L.4.01 is amended to read as follows:**

L.4.01 The Agency or the Contractor may identify persons with special health care needs as defined by the Agency. See the additional obligations as set forth in Section. 4 § 438.208(c)(1).

**Revision 11: The following text is incorporated into the Contract as Special Contract Attachment entitled Section 3.1(B):**

**3.1(B) Rate Sheet for rating period 7/1/2019 through 6/30/2020**

**Capitation Rates (12 month rates):**

State of Iowa Department of Human Services SFY 2020 Hawki Dental Capitation Rate Development Gross and Net Capitation Rates		
Rate Cell	SFY 2020 Gross Rate	SFY 2020 Net 2% Withhold Rate
CHIP Hawki	\$ 23.26	\$22.79

Notes

Net SFY 2020 capitation rate developed by applying a 2% withhold.

**Medical Loss Ratio**

The Medical Loss Ratio applicable to the rating period is as follows:

Date Range	Applicable MLR
7/1/2019 – 6/30/2020	88%

**2% Withhold Payment Obligations:**

Performance Measure	Required Contractual Standard	Withhold Payment Obligation	
		Perf. Level	Percentage of Withhold Payable
Preventive Dental Visits	Increase in total number of children 1-18 years of age who had at least one preventive dental visit during the measurement year.	30% or above	100%
		29%	80%
		28%	60%
		27%	40%
		26%	20%
		25% or below	0%

**Revision 12:** The following text is incorporated into the Contract as Special Contract Attachment entitled Section 3.4 Capitation Payment:

**For the time period of August July 1, 2019 through June 30, 2020**

The Contractor shall be paid a monthly capitation payment of \$23.26 (\$22.79 with 2% hold) per member per month.

**Revision 13:** The document attached hereto entitled Section 3.5 Contract Compliance is hereby incorporated into the Contract as Special Contract Attachment 3.5.

**Revision 14. Federal Funds.** The following federal funds information is provided:

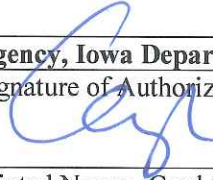
<b>Contract Payments include Federal Funds?</b> Yes	
<b>The Contractor for federal reporting purposes under this contract is:</b> Department of Health and Human Services/Centers for Medicare and Medicaid Services	
<b>DUNS #:</b> 847610995	
<b>The Name of the Pass-Through Entity:</b> Iowa Department of Human Services	
<b>CFDA #:</b> 93.778	<b>Federal Awarding Agency Name:</b> Department of Health and Human Services/Centers for Medicare and Medicaid Services
<b>Grant Name:</b> Children’s Health Insurance Program	

**Section 3: 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 4: 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.

<b>Contractor, Delta Dental of Iowa</b>		<b>Agency, Iowa Department of Human Services</b>	
Signature of Authorized Representative:	Date:	Signature of Authorized Representative:	Date:
	6/20/19		7-15-19
Printed Name: Jeffrey S. Russell		Printed Name: Gerd Clabaugh	
Title: President and CEO		Title: Interim Director	