

Fourth Amendment to the External Quality Review Services Contract

This Amendment to Contract Number MED-16-012 is effective as of November 1, 2018, between the Iowa Department of Human Services (Agency) and Health Services Advisory Group, Inc. (Contractor).

Section 1: Amendment to Contract Language

The Contract is amended as follows:

Revision 1. Contract Duration. The Contract is hereby extended from January 1, 2019, through December 31, 2019.

Revision 2. Section 1.3.1.3, Readiness Review Key Deliverables and Content, is hereby added to the Contract:

1.3.1.3 Readiness Review Key Deliverables and Content

A. Readiness Review Tool(s)

1. Contractor shall provide, subject to Agency approval, a Readiness Review tool(s) to assess the MCO's level of compliance with State and Federal requirements, as well as their ability to provide the requested services to the State as set forth in Attachment F (SOW), RFP MED-18-029.

B. MCO Desk Audits

1. Contractor shall perform a desk audit of the one identified contracted Medicaid MCO during the term of this contract. The desk audit should include, but not be limited to, a review of the following:
 - a. Relevant policies and procedures;
 - b. Program descriptions;
 - c. Training materials;
 - d. Educational materials;
 - e. Incentive programs;
 - f. Provider agreement templates;
 - g. Provider access standards;
 - h. Manuals and handbooks;
 - i. Quality data; and
 - j. Any other documents to demonstrate readiness to implement, such as:
 - i. MCO project implementation plan;
 - ii. Staffing plan;
 - iii. Geo access maps;
 - iv. Financial statements; and
 - v. Self-assessments from network providers.
2. Contractor shall discuss with the Agency potential areas of concerns that will be addressed during the on-site review of the MCO. The Readiness Review is an iterative process, and the Contractor shall provide the Agency with regular

updates on the information identified in the review findings report prior to submission of the final report for the MCO reviewed.

C. MCO On-site Reviews

1. Contractor shall perform an on-site review of the identified Medicaid MCO during the term of the contract. The on-site review should include, but not be limited to, a review of the following:
 - a. Credentialing files;
 - b. Critical processes and operating functions, such as:
 - i. Service authorization validation;
 - ii. Training; and
 - iii. Care coordination.
 - c. Demonstrations of IT systems and testing, such as:
 - i. Critical MCO Systems;
 - ii. Interface for eligibility, enrollment and encounter data; and
 - iii. Claims processing.
 - d. Staff interviews.
2. Contractor shall submit a draft readiness review findings report after the MCO on-site review to the Agency, identifying MCO deficiencies. The draft readiness review report will include a corrective action plan (CAP) template for the MCO to complete and submit as part of its CAP submission to Agency and Contractor. The Readiness Review is an iterative process, and the Contractor shall provide the Agency with regular updates on the information identified in the review findings report prior to the submission of the final report for the MCO reviewed.

D. Follow Up on Identified Issues

1. The CAP template will detail all issues and deficiencies identified in the Readiness Review process. Contractor will review the MCO's CAP and timeline to remedy all deficiencies noted in the draft readiness review report.
2. Identify any issues or deficiencies that are the result of State activity.
3. Once submitted by the MCO, the CAP template will serve as the weekly status report and activity log for follow up on identified issues. Contractor will document the status of review for each deficiency and associated resolution by the MCO in the CAP template.

E. Reporting

1. Contractor shall submit the following:
 - a. Draft MCO readiness review report that includes the findings generated from the desk audit and on-site review. The report shall include the CAP template for the MCO to complete and submit as part of its CAP submission to Agency and Contractor;

- b. CAP status review that documents Contractor's review of the MCO's CAP and timeline to remedy all deficiencies noted in the draft readiness review report;
 - c. Meeting agendas and activity work plan documenting the Readiness Review process, which shall include updates on information identified in the MCO readiness review findings report;
 - d. Final report for the MCO reviewed as part of the Readiness Review process.
2. If any protected health information (PHI) is contained in any of the reports submitted, the format and transmittal of reports shall comply with HIPAA standards.

F. Contents of Readiness Review

1. Compliance with MCO Contract

Contractor shall evaluate the MCOs' compliance with the requirements found in their contract with the State for Medicaid managed care services. To the extent that MCO contracts have not been finalized, Contractor shall assume the MCO requirements will be consistent with those found in Attachment F (SOW), RFP MED-18-029. The Contractor's review shall include, but not be limited to, the following areas:

- a. General and Administrative Requirements, including but not limited to requirements for:
 - i. Licensure and Accreditation;
 - ii. Subcontractor Requirements;
 - iii. Maintenance of Records;
 - iv. Disclosures;
 - v. Organizational Structures;
 - vi. Written Policies and Procedures;
 - vii. Implementation Plan; and
 - viii. Confidentiality of Member Medical Records and Other Information, including HIPAA compliance.
- b. Scope and Covered Benefits, including but not limited to requirements for:
 - i. Covered Benefits;
 - ii. Continuity of Care; and
 - iii. Coordination with Medicare.
- c. Long Term Services and Support, including but not limited to requirements for:
 - i. Level of Care and Support Assessments;
 - ii. Community-Based Case Management; and
 - iii. 1915(c) and 1915(i) Waivers.
- d. Billing and Collections, including but not limited to requirements for:
 - i. Healthy Behavior Programming;
 - ii. Copayments;

- iii. Patient Liability; and
- iv. IDPH Sliding Scale.
- e. Provider Network Requirements, including but not limited to requirements for:
 - i. Network Development and Adequacy; and
 - ii. Requirements by Provider Type.
- f. Enrollment, including but not limited to requirements for:
 - i. Enrollment Discrimination; and
 - ii. Member Disenrollment.
- g. Member Services, including but not limited to requirements for:
 - i. Marketing;
 - ii. Member Communications;
 - iii. Member Services Helpline;
 - iv. Nurse Call Line;
 - v. Electronic Communications;
 - vi. Member Website;
 - vii. Health Education and Initiatives;
 - viii. Cost and Quality Information;
 - ix. Advance Directive Information;
 - x. Member Rights;
 - xi. Redetermination Assistance;
 - xii. Member Stakeholder Engagement;
 - xiii. Stakeholder Education;
 - xiv. Implementation Support; and
 - xv. Grievance Appeals and State Fair Hearings.
- h. Care Coordination.
- i. Quality Management and Improvement, including but not limited to requirements for:
 - i. Contractor Quality Management/Quality Improvement (QM/QI) Program;
 - ii. Critical Incidents; and
 - iii. Provider Preventable Conditions.
- j. Utilization Management, including but not limited to requirements for:
 - i. Utilization Management Program; and
 - ii. Prior Authorization.
- k. Program Integrity, including but not limited to requirements for:
 - i. General Expectation;
 - ii. Program Integrity Plan;
 - iii. Required Fraud and Abuse Activities;
 - iv. Reporting Fraud and Abuse;
 - v. Coordination and Program Integrity Efforts;
 - vi. Verification of Services Provided;
 - vii. Obligation to Suspend Payments to Providers;

- viii. Required Provider Ownership and Control Disclosures;
- ix. Contractor Reporting Obligations for Adverse Actions Taken on Provider
 - x. Applications for Program Integrity Reasons 42 CFR 455.10023; and
 - xi. Enforcement of Iowa Medicaid Program Rules.
- l. Information Technology, including but not limited to requirements for:
 - i. Information system Services;
 - ii. Contingency and Continuity Planning;
 - iii. Data Exchange;
 - iv. Claims Processing;
 - v. Encounter Claims Submission;
 - vi. Third Party Liability Processing; and
 - vii. Health Information Technology.
- m. Performance Targets and Reporting Requirements, including but not limited to requirements for:
 - i. Provider Network Reports and Performance Targets;
 - ii. Quality Management Reports and Performance Targets;
 - iii. LTSS Reports and Performance Targets;
 - iv. Quality of Life Reports and Performance Targets;
 - v. Utilization Reports and Performance Targets; and
 - vi. Claims Reports and Performance Targets.

2. Compliance with Federal Requirements

Per 42 CFR 438.66, the Contractor's review shall include certain areas to ensure that the MCO's performances will be satisfactory. Contractor's review shall focus on the requirements that are necessary for quality operations with a priority on the core services of member enrollment/disenrollment, processing of grievances and appeals, violations subject to intermediate sanctions, and violations of the conditions for federal financial participation. If not covered in the previously mentioned requirements in Section 1.3.1.3.A, Contractor shall ensure that the review meets all regulatory obligations as such regulations may be modified from time to time. The review shall include, but not be limited to, the following areas:

- a. Operations and Administration, including but not limited to:
 - i. Administrative Staffing and Resources;
 - ii. Delegation and Oversight of MCO Responsibilities
 - iii. Enrollee and Provider Communications;
 - iv. Grievances and Appeals;
 - v. Member Services and Outreach;
 - vi. Provider Network Management; and
 - vii. Program Integrity and Compliance.
- b. Service Delivery, including but not limited to:
 - i. Case Management/Care Coordination;
 - ii. Service Planning;
 - iii. Quality Improvement; and

- iv. Utilization Review.
- c. Systems Management
 - i. Claims Management; and
 - ii. Encounter Data and Enrollment Information Management.
- 3. Information Technology Review
 - a. In addition to the requirements listed in Section 1.3.1.3.F.1.1, Contractor shall ensure that the Readiness Review assesses the MCO's IT systems to ensure they are prepared to provide all functions required for meeting the State's needs. If not covered in the previously mentioned requirements in previous Contract Sections, Contractor shall ensure that the review shall include, but not be limited to, the following areas:
 - i. Technical and Functional System Designs and Scalability;
 - ii. Architectural Review including SaaS, Cloud Based Services, On-Premise and Off-Premise, and Data and Security Compliance Standards and HIPAA, Integration of Services Utilization of Service Oriented Architecture;
 - iii. Claims Processing and Adjudication;
 - iv. Encounter Data Management;
 - v. Provider Network Management, with a focus on:
 - a) Eligibility;
 - b) Enrollment/De-enrollment;
 - c) Prior Authorization;
 - d) Referrals;
 - e) Credentialing and re-credentialing;
 - f) SLAs/Pricing Agreements;
 - g) Appeals and Grievances; and
 - h) Service and Supports.
 - vi. Member Network Management, with a focus on;
 - a) Eligibility;
 - b) Enrollment/De-enrollment;
 - c) Credentialing;
 - d) Appeals and Grievances; and
 - e) Services and Supports.
 - b. Information Systems Capability Assessment

Contractor shall conduct an Information Systems Capability assessment (ISCA) for each of the MCOs. The purpose of the ISCA is to examine the MCO's information systems, data processing, and reporting procedures to determine the extent to which they support the production of valid and reliable state performance measures and the capacity to manage the health care of the MCO's enrollees. The ISCA shall include the following components:

 - i. Information Systems;
 - ii. Hardware;

- iii. Security;
- iv. Administrative Data;
- v. Enrollment Systems;
- vi. Ancillary Systems;
- vii. Provider Compensation and Monitoring; and
- viii. Electronic Health Records.

Revision 3. Section 1.3.2, Performance Measures, is hereby amended by adding the following text at the end of the Section:

- 11. Unless otherwise identified, the Contractor shall provide all identified deliverables for the Readiness Review in an Agency approved format and in accordance with timeframes established in the Agency approved work plan.

Revision 4. Section 1.3.4.2, Payment Methodology, is hereby amended by adding the following text at the end of the Section:

For the Readiness Review, the Contractor may invoice 80% of the amount for each milestone requested in the month that the milestone is acknowledged in writing by the Agency as completed. The remaining 20% withhold may be invoiced upon the Agency acknowledgment in writing that the transition of monitoring of outstanding readiness review items to the Agency has been completed, and will be paid upon Agency confirmation that this milestone has been met according to performance measures and the Agency approved work plan.

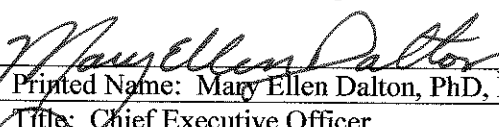
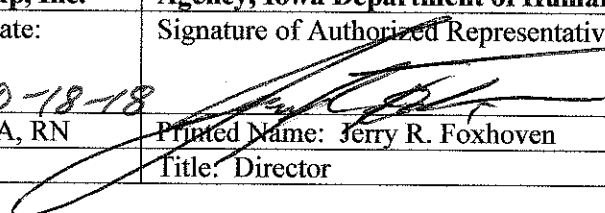
Revision 5. Attachment A of the Contract (replaced by the Third Amendment to this contract) is hereby deleted and replaced with the attached Attachment A.

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, Health Services Advisory Group, Inc.		Agency, Iowa Department of Human Services	
Signature of Authorized Representative:	Date:	Signature of Authorized Representative:	Date:
	10-18-18		10-23-18
Printed Name: Mary Ellen Dalton, PhD, MBA, RN		Printed Name: Jerry R. Foxhoven	
Title: Chief Executive Officer		Title: Director	

ATTACHMENT A: PRICING SCHEDULE

MCO External Quality Review	Payment Amount per MCO Reviewed					
	Year 1 3/15/16 - 12/31/16	Year 2 1/1/17 - 12/31/17	Year 3 1/1/18 - 12/31/18	Option Year 4 1/1/19 - 12/31/19	Option Year 5 1/1/20 - 12/31/20	Option Year 6 1/1/21 - 12/31/21
Protocol 1: Assessment of Compliance with Medicaid Managed Care Regulations	\$78,100.00	\$73,588.00	\$76,458.00	\$79,446.00	\$82,554.00	\$85,780.00
Protocol 2: Validation of Measures Reported by the MCO	\$ 2,032.00	\$22,310.00	\$23,107.00	\$23,934.00	\$24,794.00	\$25,690.00
Protocol 3: Validation of Performance Improvement Projects (PIPs)	\$ 4,833.00	\$12,364.00	\$12,858.00	\$13,373.00	\$13,907.00	\$14,462.00
Protocol 4: Validation of Encounter Data Reported by the MCO	\$17,467.00	\$32,370.00	\$42,504.00	\$44,204.00	\$45,974.00	\$47,810.00
Protocol 5: Validation Of MCO Enrollee And Provider Surveys	\$ -	\$11,106.00	\$11,552.00	\$12,013.00	\$12,494.00	\$12,993.00
Protocol 6: Calculation Of Performance Measures	\$ -	\$44,558.00	\$46,340.00	\$48,192.00	\$50,121.00	\$52,125.00
Protocol 7: Implementation of Performance Improvement Projects (PIPs)	\$ -	\$ 6,182.00	\$ 6,429.00	\$ 6,687.00	\$ 6,954.00	\$ 7,231.00
Protocol 8: Focused Studies						
One-time Study	\$ -	\$15,967.00	\$16,605.00	\$17,269.00	\$17,960.00	\$18,678.00
Comparative Analysis	\$ -	\$ 7,084.00	\$ 7,369.00	\$ 7,662.00	\$ 7,969.00	\$ 8,286.00
Validation Of MCO Quality Management/ Quality Improvement (QM/QI) Plans	\$ -	\$ 1,479.00	\$ 1,538.00	\$ 1,600.00	\$ 1,664.00	\$ 1,731.00
Quality Strategy Plan	\$ -	\$ 5,738.00	\$ 5,967.00	\$ 6,206.00	\$ 6,455.00	\$ 6,713.00

PAHP/PIHP External Quality Review	Payment Amount per PAHP/PIHP Reviewed			
	Year 3 1/1/18 - 12/31/18	Option Year 4 1/1/19 - 12/31/19	Option Year 5 1/1/20 - 12/31/20	Option Year 6 1/1/21 - 12/31/21
Protocol 1: Assessment of Compliance with Medicaid Managed Care Regulations	\$19,114.50	\$19,861.50	\$20,638.50	\$21,445.00
Protocol 2: Validation of Measures Reported by the PAHP	\$ 5,776.75	\$ 5,983.50	\$ 6,198.50	\$ 6,422.50
Protocol 3: Validation of Performance Improvement Projects (PIPs)	\$ 3,214.50	\$ 3,343.25	\$ 3,476.75	\$ 3,615.50
Protocol 4: Validation of Encounter Data Reported by the PAHP	\$10,626.00	\$11,051.00	\$11,493.50	\$11,952.50
Protocol 5: Validation Of MCO Enrollee And Provider Surveys	\$ 2,888.00	\$ 3,003.25	\$ 3,123.50	\$ 3,248.25
Protocol 6: Calculation Of Performance Measures	\$11,585.00	\$12,048.00	\$12,530.25	\$13,031.25
Protocol 7: Implementation of Performance Improvement Projects (PIPs)	\$ 1,607.25	\$ 1,671.75	\$ 1,738.50	\$ 1,807.75
Protocol 8: Focused Studies				
One-time Study	\$ 4,151.25	\$ 4,317.25	\$ 4,490.00	\$ 4,669.50
Comparative Analysis	\$ 1,842.25	\$ 1,915.50	\$ 1,992.25	\$ 2,071.50
Validation Of PAHP Quality Management/ Quality Improvement (QM/QI) Plans	\$ 384.50	\$ 400.00	\$ 416.00	\$ 432.75
Quality Strategy Plan	\$ 1,491.75	\$ 1,551.50	\$ 1,613.75	\$ 1,678.25

MCO Readiness Review	Not to Exceed Payment Amount per MCO Reviewed
Milestone 1: Project Initiation - DHS approval of Readiness Review tool and associated documents (interview questionnaire, cover letter, instructions, timeline, and kickoff presentation)	\$25,000.00
Milestone 2: Desk Review - Completion of conference call with DHS to discuss initial desk review findings and areas of concern	\$25,000.00
Milestone 3: Information Systems (IS) Review - Submission of Final Summary of Findings and Recommendations	\$25,000.00
Milestone 4: On-Site Readiness Review - Completion of conference calls with DHS to discuss on-site review findings and areas of concern	\$35,000.00
Milestone 5: Readiness Review Report - Submission of final Readiness Review report to DHS	\$10,854.00
TOTAL (all Milestones including 20% withhold completed or met)	\$ 120,854.00