



**Office of State Procurement  
PROACT Contract Certification of Approval**

**This certificate serves as confirmation that the Office of State Procurement  
has reviewed and approved the contract referenced below.**

**Reference Number:** 2000107342 ( 13)

**Vendor:** Louisiana Healthcare Connections

**Description:** Amd 13 MCIP; no change in time or money.

**Approved By:** Sue Ellen Hopper

**Approval Date:** 6/25/2018

Your amendment that was submitted to OSP has been approved.

AMENDMENT TO  
AGREEMENT BETWEEN STATE OF LOUISIANA  
LOUISIANA DEPARTMENT OF HEALTH

Amendment #: 13

LAGOV#: 2000107342

LDH #: 060469

(Regional/ Program/ Facility) Medical Vendor Administration  
Bureau of Health Services Financing  
**AND**  
Louisiana Healthcare Connections Inc  
Contractor Name

Original Contract Amount 1,964,731,789  
Original Contract Begin Date 02-01-2015  
Original Contract End Date 01-31-2018  
RFP Number: 305PUR-DHHRFP-BH

**AMENDMENT PROVISIONS**

Change Contract From: From Maximum Amount: \$10,648,356,738.00 Current Contract Term: 2/1/15-12/31/19

See Attachment A13.

Change Contract To: To Maximum Amount: \_\_\_\_\_ Changed Contract Term: \_\_\_\_\_

See Attachment A13.

Justifications for amendment:

Revisions contained in this amendment are within scope and comply with the terms and conditions as set forth in the RFP. This revision is necessary to continue to advance LDH's quality strategy.

This Amendment Becomes Effective: 02-01-2018

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

**CONTRACTOR**

Louisiana Healthcare Connections Inc

CONTRACTOR SIGNATURE [Signature] DATE 6/6/18

PRINT NAME James E. Schlottman

CONTRACTOR TITLE CEO / Plan President

**STATE OF LOUISIANA  
LOUISIANA DEPARTMENT OF HEALTH**

Secretary, Louisiana Department of Health or Designee

SIGNATURE [Signature] DATE 6/13/18

NAME Jen Steele

TITLE Medicaid Director

OFFICE Bureau of Health Services Financing

PROGRAM SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

NAME \_\_\_\_\_

**Contract Amendment #13  
Attachment A-13**

Item Number	Exhibit/ Attachment/ Document	Change From:	Change To:	Justification
1	Exhibit 3  305PUR-DHHRFP-BH-MCO-2014-MVA	<p><b>5.4.2</b> Effective February 1, 2018, a withhold of the monthly capitated payment shall be applied to incentivize quality, health outcomes, and value-based payments.</p> <p>The withhold amount will be equal to two percent of the monthly capitated payment for physical and basic behavioral health for all MCO members, exclusive of maternity kick payments, and the FMP component of the monthly capitated payment.</p>	<p><b>5.4.2</b> Effective February 1, 2018, a withhold of the monthly capitated payment shall be applied to incentivize quality, health outcomes, and value-based payments.</p> <p>The withhold amount will be equal to two percent of the monthly capitated payment for physical and basic behavioral health for all MCO members, exclusive of maternity kick payments, <u>payments under Section 5.18</u>, and the FMP component of the monthly capitated payment.</p>	This revision is necessary to align with the addition of Section 5.18.
2	Exhibit 3  305PUR-DHHRFP-BH-MCO-2014-MVA	Add new subsection.	<p><b>5.18. Voluntary Managed Care Incentive Program</b></p> <p>5.18.1 <u>Effective February 1, 2018, LDH may make incentive payments up to 5 percent, in total, above the approved capitation payments attributable to the enrollees or services covered by the Approved Incentive Arrangements, as defined in LDH’s MCIP Protocol, implemented by LDH. These incentive payments will support the activities, targets, performance measures, or quality-based outcomes specified in LDH’s quality strategy.</u></p> <p>5.18.2 <u>Each MCO has the right to determine whether to participate in one or more of the Approved Incentive Arrangements implemented by LDH. The MCO will receive incentive payments under this Section 5.18</u></p>	This revision is necessary to continue to advance LDH's quality strategy.

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			<p><u>for only those Approved Incentive Arrangements in which it participates. At MCO's sole discretion, a participating MCO may contract with one or more third parties to assist in its achievement of those Approved Incentive Arrangements, including specific provisions pertaining to the rights and obligations of the MCO and such third parties; eligibility for participation; payment amount and timing; recovery of payments (including the amount, time and manner/method); and other such terms particular to that Approved Incentive Arrangement as mutually agreed upon in the contract between MCO and such third party.</u></p> <p>5.18.3 <u>LDH will, for each Approved Incentive Arrangement to be implemented, specify the activities, targets, performance measures, or quality-based outcomes to be achieved and how each will be evaluated. LDH will not implement any Approved Incentive Arrangement that is not consistent with the 42 Code of Federal Regulations 438.6 (b) (2) and this Section 5.18, including:</u></p> <p>5.18.3.1 <u>Approved Incentive Arrangements will be for a fixed period of time and performance will be measured during the rating period under the Contract in which</u></p>	

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			<p><u>the Approved Incentive Arrangement is applied.</u></p> <p>5.18.3.2 <u>Approved Incentive Arrangements will not be renewed automatically.</u></p> <p>5.18.3.3 <u>Approved Incentive Arrangements will be made available to both public and private contractors under the same terms of performance.</u></p> <p>5.18.3.4 <u>Neither an MCO's participation in the managed care incentive program, nor any Approved Incentive Arrangement, will be conditioned on the MCO entering into or adhering to an intergovernmental transfer agreement.</u></p> <p>5.18.4 <u>Each Approved Incentive Arrangement shall define the quality strategy objectives, which may include:</u></p> <p>5.18.4.1 <u>Improving outcomes for diabetic members</u></p> <p>5.18.4.2 <u>Improving outcomes for members with hypertension</u></p> <p>5.18.4.3 <u>Improving member health through increased primary care utilization</u></p>	

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			<p>5.18.4.4 <u>Reducing inappropriate emergency department use</u></p> <p>5.18.5 <u>For each measurement year ending on or after December 31, 2018, LDH will evaluate performance relative to the specified activities, targets, performance measures, or quality-based outcomes to be achieved for the Approved Incentive Arrangement for that measurement year. LDH's evaluation will be based on documentation, submitted by the MCO, reflecting performance.</u></p> <p><u>LDH shall timely notify the MCO regarding achievement, or deficiencies, for the specified activities, targets, performance measures or quality-based outcomes for the Approved Incentive Arrangement for that measurement year. In the event LDH finds a deficiency, LDH will notify the MCO of its findings, including the portion of the incentive payments made attributable to such deficiency. Upon request of MCO, LDH may defer recoupment, and MCO and LDH may confer regarding LDH's findings, proposed action and opportunity for cure. Upon final determination by LDH, which shall be final and not subject to appeal, LDH may recoup from the MCO the portion of the</u></p>	

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			<p><u>incentive payments made attributable to any uncured deficiency. All LDH recoupments made from MCOs pursuant to this Section 5.18 shall be made in accordance with the recoupment terms established by LDH, which terms shall be provided to MCO in writing at least thirty days in advance of LDH recoupment from the MCOs.</u></p> <p>5.18.6 <u>An MCO choosing to participate in Approved Incentive Arrangements implemented under this Section 5.18 shall ensure that any contracts the MCO may have with any third party to fulfill the obligations under this Section 5.18 contain provisions clearly providing for the MCO's right of recovery in situations whereby LDH recoups MCIP payments from the MCO. An MCO's activities to recover such payments, through recoupment, withhold or otherwise, are not subject to the prior notification under Section 15.1.17, or any other notice and reporting obligation set forth in this Contract unless otherwise required by the terms of recoupment specified by LDH under section 5.18.5.</u></p> <p>5.18.7 <u>An MCO's participation in one or more Approved Incentive Arrangements shall have no impact on the MCO's rights or obligations</u></p>	

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			<p><u>under this Contract, except as it relates specifically to the MCIP Program. An MCO's participation in an Approved Incentive Arrangement does not represent a binding obligation on the MCO to achieve the approved targeted health outcomes, and failure to achieve such outcomes shall not be considered a breach of this Contract. Further, except for recoupment of MCIP payments, either directly or via offset, no penalty shall be applied for failure to achieve targeted outcomes. The aforementioned penalty limitation shall not apply to instances of MCO's fraudulent conduct. In the event of a conflict with other terms of this Contract, the provisions of this Section 5.18 and LDH's MCIP Protocol shall prevail.</u></p>	