



**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: 2000123594 (3)

Vendor: MCNA Insurance Company, d/b/a MCNA Dental Plans

Description: Provide dental services to Medicaid enrollees

Approved By: Pamela Rice

Approval Date: 12/15/2015

Your amendment that was submitted to OSP has been approved.

AMENDMENT TO
AGREEMENT BETWEEN STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

Amendment #: 3

LaGov #: 2000123594

MVA
(Regional/ Program/
Facility) Medical Vendor Administration

CFMS #: 728797

DHH #: 060160

AND
MCNA Insurance Company, d/b/a MCNA Dental Plans
Contractor Name

Original Contract Amt 484,300,137
Original Contract Begin Date 07-01-2014
Original Contract End Date 06-30-2017

AMENDMENT PROVISIONS

Change Contract From: Maximum Amount: 484,300,137
See Attachment A-3.

Change To: Maximum Amount: 484,300,137
See Attachment A-3.

Justification:
A contract amendment is necessary to update the programmatic, bond and retainage requirements.

This Amendment Becomes Effective: 10-01-2015

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
MCNA Insurance Company, d/b/a MCNA Dental Plans
CONTRACTOR SIGNATURE Carlos Lacasa DATE 10/16/15
PRINT NAME Carlos Lacasa
CONTRACTOR TITLE Senior Vice President and General Counsel

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS
Secretary, Department of Health and Hospital or Designee
J. Ruth Kennedy 10-19-15
SIGNATURE DATE
NAME J. Ruth Kennedy
TITLE Medicaid Director
OFFICE Bureau of Health Services Financing

PROGRAM SIGNATURE DATE
NAME

MCNA Contract Amendment #3
Attachment A-3
Effective 7/01/2015

Exhibit/ Attachment	Document	Change From:	Change To:	Justification
Attachment C	Contract Maximum Amounts and Terms of Payment		Replace with revised version	A revision is necessary to update the verbiage related to capitation payment withholding.
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	<p>III.B.2.D</p> <p><u>EPSDT Services</u></p> <p>1. In accordance with 42 CFR §441.56(b)(1)(vi) and periodicity charts posted on Louisiana Medicaid's website at www.lamedicaid.com, the DBPM shall provide dental screening services furnished by direct referral to a dentist for children beginning at 3 years of age.</p> <p>2. In accordance with 42 CFR §441.56(c)(2), the Contractor shall provide dental care, at as early an age as necessary, needed for relief of pain and infections, restoration of teeth and maintenance of dental health.</p>	<p>III.B.2.D</p> <p><u>EPSDT Services</u></p> <p>1. In accordance with 42 CFR §441.56(b)(1)(vi) and periodicity charts posted on Louisiana Medicaid's website at www.lamedicaid.com, the DBPM shall provide dental screening services furnished by direct referral to a dentist for children beginning at 3 years of age.</p> <p>2. In accordance with 42 CFR §441.56(c)(2), the Contractor shall provide dental care, at as early an age as necessary, needed for relief of pain and infections, restoration of teeth and maintenance of dental health.</p> <p>3. The DBPM shall accurately report, via encounter data submissions all dental screenings and access to preventive services as required for DHH to comply with federally</p>	A revision is necessary to correct the website reference.

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Exhibit/ Attachment	Document	Change From:	Change To:	Justification
		<p>3. The DBPM shall accurately report, via encounter data submissions all dental screenings and access to preventive services as required for DHH to comply with federally mandated CMS 416 reporting requirements (Appendix X – EPSDT Reporting). Instructions on how to complete the CMS 416 report may be found on CMS’s website at: http://www.cms.gov/MedicaidEarlyPeriodicScrn/03_StateAgencyResponsibilities.asp#TopOfPage</p> <p>See the DBPM Systems Companion Guide for format and timetable for reporting of EPSDT data at: http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47)</p>	<p>mandated CMS 416 reporting requirements (Appendix X – EPSDT Reporting). Instructions on how to complete the CMS 416 report may be found on CMS’s website at: http://www.cms.gov/MedicaidEarlyPeriodicScrn/03_StateAgencyResponsibilities.asp#TopOfPage http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Early-and-Periodic-Screening-Diagnostic-and-Treatment.html</p> <p>See the DBPM Systems Companion Guide for format and timetable for reporting of EPSDT data at: http://new.dhh.louisiana.gov/index.cfm/newsroom/category/47 http://new.dhh.louisiana.gov/index.cfm/page/2067/n/383.</p>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-	<p>III.B.3.B.4.a</p> <p>The monthly capitated payment shall</p>	<p>III.B.3.B.4.a</p> <p>The monthly capitated payment shall be</p>	Appendix L is being removed because a more comprehensive

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	PAHP-MVA	be based on Medicaid recipients eligible for DBPM participation during the month and paid in the weekly payment cycle nearest the 15th calendar day of the month (see Appendix L – Fiscal Intermediary (FI) Payment Schedule).	based on Medicaid recipients eligible for DBPM participation during the month and paid in the weekly payment cycle nearest the 15th calendar day of the month (see Appendix L – Fiscal Intermediary (FI) Payment Schedule).	<p>schedule of payments is available at: http://www.lamedicaid.com/provweb1/BayouHealth/BH_Index.htm.</p> <p>DHH will consult with MCNA in advance of proposed schedule changes to address any concerns.</p>
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	III.B.3.B.4. Add new section	III.B.3.B.4.f. Withhold of Capitation Rate (1) A withhold of the aggregate capitation rate payment shall be applied to provide an incentive for DBPM compliance with the requirements of this contract. (2) The withhold amount will be equivalent to two percent (2%) of the monthly capitation rate payment for all DBPM enrollees.	A revision is necessary to provide additional details regarding the monthly retainage.

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			<p>(3) If DHH has not identified any DBPM deficiencies, DHH will pay to the DBPM the withhold of the DBPM's payments withheld in the month subsequent to the withhold.</p> <p>(4) If DHH has determined the DBPM is not in compliance with a requirement of this Contract in any given month, DHH may issue a written notice of non-compliance and DHH may retain the amount withheld for the month prior to DHH identifying the compliance deficiencies.</p> <p>(5) Monthly retention of the withhold amount may continue for each subsequent month so long as the identified deficiencies have not been corrected. If the same or similar deficiency(s) continues beyond timeframes specified for correction as determined by DHH and documented</p>	

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			<p>in a written notice of action to the DBPM. DHH may permanently retain the amount withheld for the period of non-compliance consistent with the administrative actions, monetary penalties, sanctions and liquidated damages provisions of this Contract. The timeframe specified in the written notice of action shall be considered the cure period not less than 30 days unless the deficiency reasonably requires resolution in a shorter time frame after which amounts retained may be permanently withheld.</p> <p>(6) Amounts withheld for failure to achieve established performance measurement goals, as defined in Section III.B.3.B.11.I.iii., may be permanently retained at DHH's discretion.</p> <p>(7) No interest shall be due to the DBPM</p>	

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			on any sums withheld or retained under this Section. (8) The provisions of this Section may be invoked alone or in conjunction with any other remedy or adjustment otherwise allowed under this Contract.	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	III.B.3.B.10.a.x <ul style="list-style-type: none">• Ensure the provision of all core dental benefits and services specified in the Contract. Accessibility of benefits/services, including geographic access, appointments, and wait times shall be in accordance with the requirements in this RFP. These minimum requirements do not release the DBPM from ensuring that all necessary covered dental benefits and services required by its members are provided pursuant to this RFP.• Provide core dental services directly	III.B.3.B.10.a.x <ul style="list-style-type: none">• Ensure the provision of all core dental benefits and services specified in the Contract. Accessibility of benefits/services, including geographic access, appointments, and wait times shall be in accordance with the requirements in this RFP. These minimum requirements do not release the DBPM from ensuring that all necessary covered dental benefits and services required by its members are provided pursuant to this RFP.• Provide core dental services directly or enter into written agreements with providers or organizations that shall provide core dental services to the	A revision is necessary to correct the website references.

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		<p>or enter into written agreements with providers or organizations that shall provide core dental services to the members in exchange for payment by the DBPM for services rendered.</p> <ul style="list-style-type: none">• Not execute contracts with individuals or groups of providers who have been excluded from participation in Federal healthcare programs under either section 1128 or section 1128A of the Social Security Act [42 CFR §438.214(d)] or state funded healthcare programs. The list of providers excluded from federally funded healthcare programs can be found at http://exclusions.oig.hhs.gov/search.aspx and www.EPLS.gov and Health Integrity and Protection Data Bank at http://www.npdb-hipdb.hrsa.gov/index.jsp.	<p>members in exchange for payment by the DBPM for services rendered.</p> <ul style="list-style-type: none">• Not execute contracts with individuals or groups of providers who have been excluded from participation in Federal healthcare programs under either section 1128 or section 1128A of the Social Security Act [42 CFR §438.214(d)] or state funded healthcare programs. The list of providers excluded from federally funded healthcare programs can be found at http://exclusions.oig.hhs.gov/search.aspx and www.EPLS.gov the Systems for Award Management at https://www.sam.gov and Health Integrity and Protection Data Bank at http://www.npdb-hipdb.hrsa.gov/index.jsp.	

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Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	<p>III.B.11.a.xx.</p> <p>In accordance with 42 CFR §456.111 and 456.211, the DBPM Utilization Review plan must provide that each enrollee's record includes information needed for the UR committee to perform UR required under this section. This information must include, at least, the following:</p> <ul style="list-style-type: none"> • Identification of the enrollee; • The name of the enrollee's dentist; • Date of admission, and dates of application for and authorization of Medicaid benefits if application is made after admission; • The plan of care required under 42 CFR 456.80 and 456.180; • Initial and subsequent continued stay review dates described under 42 CFR 456.128, 456.133; 456.233 and 456.234; • Date of operating room reservation, 	<p>III.B.3.B.11.a.xx.</p> <p>In accordance with 42 CFR §456.111 and 456.211, the <u>The</u> DBPM Utilization Review plan must provide that each enrollee's record includes information needed for the UR committee to perform UR required under this section. This information must include, at least, the following:</p> <ul style="list-style-type: none"> • Identification of the enrollee; • The name of the enrollee's dentist; • Date of admission, and dates of application for and authorization of Medicaid benefits if application is made after admission; • The plan of care. required under 42 CFR 456.80 and 456.180; • Initial and subsequent continued stay review dates described under 42 CFR 456.128, 456.133; 456.233 and 456.234; • Date of operating room reservation, if applicable; and • Justification of emergency admission, if 	A revision is necessary to remove federal regulations unrelated to the deliverables of the contract.

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		if applicable; and <ul style="list-style-type: none"> Justification of emergency admission, if applicable. 	applicable.	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	III.D.1.A The DBPM shall comply with all state and federal laws and regulations relating to fraud, abuse, and waste in the Medicaid and CHIP programs.	III.D.1.A The DBPM shall comply with all state and federal laws and regulations relating to fraud, abuse, and waste in the Medicaid and CHIP programs, <u>including but not limited to 42 CFR §438.1-438.812 and La.R.S. 46:437.1-437.14; and LAC 50.I.4101-4235 .</u>	A clarification is necessary to ensure compliance with federal law.
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	III.D.1.H The DBPM shall report to DHH, within three (3) business days, when it is discovered that any DBPM employees, network provider, contractor, or contractor's employees have been excluded, suspended, or debarred from any state or federal healthcare benefit program.	III.D.1.H The DBPM shall report to DHH, within three (3) business days, when it is discovered that any DBPM employees, network provider, contractor, or contractor's employees have been excluded, suspended, or debarred from any state or federal healthcare benefit program <u>through the following url: http://new.dhh.louisiana.gov/index.cfm/page/219 or DHH prior approved method.</u>	A revision is necessary to ensure information is received by the appropriate DHH section.

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Exhibit/ Attachment	Document	Change From:	Change To:	Justification
Exhibit 3	RFP305PUR- DHHRFP- DENTAL- PAHP-MVA	Addition of new section	<u>III.D.1.I</u> <u>The DBPM shall have surveillance and utilization control programs and procedures (42 CFR §456.3, §456.4, §456.23) to safeguard Medicaid funds against unnecessary or inappropriate use of Medicaid services and against improper payments. The DBPM shall have internal controls and policies and procedures in place that are designed to prevent, detect, and report known or suspected fraud, waste, and abuse activities.</u>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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Exhibit/ Attachment	Document	Change From:	Change To:	Justification
Exhibit 3	RFP305PUR- DHHRFP- DENTAL- PAHP-MVA	Addition of new section	<u>III.D.1.J</u> <u>The DBPM, as well as its subcontractors and providers, whether contract or non-contact, shall comply with all federal requirements (42 CFR Part 455) on disclosure reporting. All tax-reporting provider entities that bill and/or receive Louisiana Medicaid funds as the result of this Contract shall submit routine disclosures in accordance with timeframes specified I 42 CFR Part 455, Subpart B and Louisiana Medicaid Policies and procedures, including at the time of initial contracting, contract renewal, within thirty-five (35) days of any change to any of the information on the disclosure form, at least once annually, and at any time upon request.</u>	
Exhibit 3	RFP305PUR- DHHRFP- DENTAL- PAHP-MVA	Addition of new section	<u>III.D.1.K</u> <u>The DBPM, as well as its subcontractors and providers, whether contract or non-contact, shall comply with all federal requirements (42 C.F.R. §1002) on exclusion and debarment screening. All tax-reporting provider entities</u>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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			<u>that bill and/or receive Louisiana Medicaid funds as the result of this Contract shall screen their owners and employees against the federal exclusion databases (such as LEIE and System for Award Management). Any unallowable funds made to excluded individuals as full or partial wages and/or benefits shall be refunded to and/or obtained by the State and/or the DBPM dependent upon the entity that identifies the payment of unallowable funds to excluded individuals</u>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	Addition of new section	<u>III.D.1.L</u> <u>The DBPM is prohibited from taking any actions to recoup or withhold improperly paid funds already paid or potentially due to a provider when the issues, services or claims upon which the recoupment or withhold are based meet one or more of the following criteria:</u> <ul style="list-style-type: none">1. <u>The improperly paid funds have already been recovered by the State of Louisiana, either by Louisiana</u>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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			<p><u>Medicaid directly or as part of a resolution of a state or federal investigation and/or lawsuit, including but not limited to false claims act cases; or</u></p> <p>2. <u>The improperly paid funds have already been recovered by the States Recovery Audit Contractor (RAC) contractor; or</u></p> <p>3. <u>When the issues, services or claims that are the basis of the recoupment or withhold are currently being investigated by the State of Louisiana, are the subject of pending Federal or State litigation or investigation, or are being audited by the Louisiana RAC.</u></p>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	Addition of new section	<p><u>III.D.1.M</u></p> <p><u>This prohibition described above in Section III.D.1.L shall be limited to a specific provider(s), for specific dates, and for specific issues, services or claims. The DBPM shall confer with DHH before initiating any</u></p>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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			<u>recoupment or withhold of any program integrity related funds. (See Section III.D.5.D.) to ensure that the recovery recoupment or withhold is permissible. In the event that the DBPM obtains funds in cases where recovery recoupment or withhold is prohibited under this Section, the DBPM will return the funds to DHH.</u>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	Addition of new section	<p><u>III.D.1.N</u></p> <p><u>The DBPM shall comply with all federal and state requirements regarding fraud waste, and abuse, including but not limited to Sections 1128, 1156, and 1902(a)(68) of the Social Security Act.</u></p>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	Addition of new section	<p><u>III.D.1.O</u></p> <p><u>Reporting and Investigating Suspected Fraud and Abuse</u></p> <p>1. <u>The DBPM shall cooperate with all appropriate state and federal agencies, including MFCU, in</u></p>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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			<p><u>investigating fraud and abuse.</u></p> <p>2. <u>The DBPM shall have methods for identification, investigation, and referral of suspected fraud cases (42 CFR §455.13, §455.14, §455.21).</u></p> <p>3. <u>The DBPM shall notify MFCU and DHH simultaneously and in a timely manner regarding all internal (such as identified patterns of data mining outliers, audit concerns, critical incidences) and external (such as hotline calls) tips with potential implications to Louisiana Medicaid providers' billing anomalies and/or to safety of Medicaid enrollees that results in a full investigation (42 CFR §455.15). Along with a notification, the DBPM shall take steps to triage and/or substantiate these tips and provide simultaneous and timely updates to MFCU and DHH when the</u></p>	

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			<p><u>concerns and/or allegations of any tips are authenticated.</u></p> <p>4. <u>The DBPM shall report all tips, confirmed or suspected fraud, waste and abuse to DHH and the appropriate agency as follows:</u></p> <p>a) <u>All tips (any program integrity case opened within the previous two (2) weeks) shall be reported to DHH and MFCU;</u></p> <p>b) <u>Suspected fraud and abuse in the administration of the program shall be reported to DHH and MFCU;</u></p> <p>c) <u>All confirmed or suspected provider fraud and abuse shall immediately be reported to DHH and MFCU; and</u></p> <p>d) <u>All confirmed or suspected enrollee fraud and abuse shall be reported immediately to DHH and local law enforcement.</u></p> <p>5. <u>The DBPM shall utilize a Fraud Reporting Form deem satisfactory by the agency to whom the report is to be made under the terms of this</u></p>	

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			<p><u>Contract.</u></p> <p>6. <u>The DBPM shall be subject to a civil penalty, to be imposed by DHH, for willful failure to report fraud and abuse by recipients, enrollees, applicants, or providers to DHH MFCU, as appropriate.</u></p> <p>7. <u>The DBPM shall promptly perform a preliminary investigation of all incidents of suspected and/or confirmed fraud and abuse. Unless prior written approval is obtained from the agency to whom the incident was reported, or to another agency designated by the agency that received the report, after reporting fraud or suspected fraud and/or suspected abuse and/or confirmed abuse, the DBPM shall not take any of the following actions as they specifically relate to Medicaid claims:</u></p> <p>a) <u>Contact the subject of investigation about any matters</u></p>	

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			<p><u>related to the investigation</u></p> <p>b) <u>Enter into or attempt to negotiate any settlement or agreement regarding the incident, or</u></p> <p>c) <u>Accept any monetary or other thing of valuable consideration offered by the subject of the investigation in connection with the incident.</u></p> <p>8. <u>The DBPM shall promptly provide the results of its preliminary investigation to DHH or the agency to whom the incident was reported, or t another agency designated by the agency that receive the report.</u></p> <p>9. <u>The DBPM shall cooperate fully in any further investigation or prosecution by any duly authorized government agency, whether administrative, civil or criminal. Such cooperation shall include providing, upon request, information, access to records, and access to interview DBPM employees and consultants, including but not</u></p>	

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			<u>limited to those with expertise in the administration of the program and/or dental questions or in any matter related to an investigation.</u>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	Addition of a new section	<u>III.D.1.P-U</u> <u>P. The State shall not transfer its law enforcement functions to the DPBM.</u> <u>Q. The DBPM, subcontractor and providers, whether contract or non-contract, shall, upon request and as required by this Contract or state and/or federal law, make available to the MFCU any and all administrative, financial and dental records relating to the delivery of items or services for which Louisiana Medicaid monies are expended. Such records will be made available at no cost to the requesting agency. In addition, the MFCU shall, as required by this Contract or state and/or federal law, be</u>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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			<p><u>allowed access to the place of business and to all Medicaid records of any contractor, subcontractor or provider, whether contract or non-contract, during normal business hours, except under special circumstances when after hour admission shall be allowed. Special circumstances shall be determined by the MFCU.</u></p> <p>R. <u>The DBPM and/or subcontractors shall include in any of its provider agreements a provision requiring, as a condition of receiving any amount of Medicaid payment, that the provider comply with this Section, Section III.D of this Contract.</u></p> <p>S. <u>The DBPM shall notify DHH when the DBPM denies a provider credentialing application or disenrolls a provider for program integrity-related reasons or otherwise limits the ability of providers to participate in the program for program</u></p>	

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			<u>integrity reasons.</u> <u>T. Except as described in Section III.D of this Contract, nothing herein shall require the DBPM to ensure non-contract providers are compliant with Louisiana Medicaid contracts or state and/or federal law.</u> <u>U. In accordance with the Affordable Care Act and Louisiana Medicaid policy and procedures, the DBPM shall report overpayments made by DHH to the DBPM as well as overpayments made by the DBPM to a provider and/or subcontractor.</u>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	III.D.2.C.10 - 11 10. procedures for timely consistent exchange of information and collaboration with the DHH Program Integrity Unit; and 11. provisions that comply with 42 CFR §438.610 and all relevant state and	III.D.2.C.10 – 13 <u>10. fraud, waste and abuse training shall include, but not limited to:</u> <u>a. Annual training of all employees; and</u> <u>b. New hire training within thirty (30) days of beginning date of employment;</u> 11. procedures for timely consistent	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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		federal laws, regulations, policies, procedures, and guidance (including CMS' Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and Prepaid Networks) issued by Department, HHS, CMS, and the Office of Inspector General, including updates and amendments to these documents or any such standards established or adopted by the state of Louisiana or its Departments.	exchange of information and collaboration with the DHH Program Integrity Unit; and 11.12. provisions that comply with 42 CFR §438.610 and all relevant state and federal laws, regulations, policies, procedures, and guidance (including CMS' Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and Prepaid Networks) issued by Department, HHS, CMS, and the Office of Inspector General, including updates and amendments to these documents or any such standards established or adopted by the state of Louisiana or its Departments; <u>and</u> <u>13. require new employees to complete and attest to training modules within thirty (30) days of hire related to the following in accordance with federal and state laws:</u> <u>a. MCO Code of Conduct Training;</u> <u>b. Privacy and Security – Health Insurance Portability and Accountability Act;</u> <u>c. Fraud, waste and abuse;</u> <u>d. Procedures for timely consistent</u>	

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Exhibit/ Attachment	Document	Change From:	Change To:	Justification
			<u>exchange of information and collaboration with DHH; and</u> <u>e. Provisions that comply with 42 CFR §438.610 and all relevant state and federal laws, regulations, policies, procedures, and guidance (including CMS' Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and Prepaid Networks) issued by Department, HHS, CMS, and the Office of Inspector General, including updates and amendments to these documents or any such standards established or adopted by the state of Louisiana or its Departments.</u>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	III.D.3.A Prohibited Affiliations An individual who is debarred, suspended, or otherwise excluded from participating in procurement activities under the federal acquisition regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines	III.D.3.A Prohibited Affiliations An individual who is debarred, suspended, or otherwise excluded from participating in procurement activities under the federal acquisition regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549. The DBPM shall comply	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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		<p>implementing Executive Order No. 12549. The DBPM shall comply with all applicable provisions of 42 CFR Part 376 (2009, as amended), pertaining to debarment and/or suspension. The DBPM shall screen all employees and contractors to determine whether they have been excluded from participation in Medicare, Medicaid, the Children's Health Insurance Program, and/or any federal healthcare programs. To help make this determination, the DBPM shall search the following websites:</p> <ul style="list-style-type: none"> • Office of Inspector General (OIG) List of Excluded Individuals/Entities (LEIE) http://exclusions.oig.hhs.gov/search.aspx • Healthcare Integrity and Protection Data Bank (HIPDB) The Data Banks, www.npdb-hipdb.hrsa.gov/resources/HIPDBGuidebook.pdf • Data Bank homepage, 	<p>with all applicable provisions of 42 CFR Part 376 (2009, as amended), pertaining to debarment and/or suspension. The DBPM shall screen all employees and contractors to determine whether they have been excluded from participation in Medicare, Medicaid, the Children's Health Insurance Program, and/or any federal healthcare programs. To help make this determination, the DBPM shall search the following websites <u>to comply with requirements set forth at 42 CFR §455.436</u> :</p> <ul style="list-style-type: none"> • Office of Inspector General (OIG) List of Excluded Individuals/Entities (LEIE) http://exclusions.oig.hhs.gov/search.aspx; • Healthcare Integrity and Protection Data Bank (HIPDB) The Data Banks, www.npdb-hipdb.hrsa.gov/resources/HIPDBGuidebook.pdf; • Data Bank homepage, http://www.npdb-hipdb.hrsa.gov/index.jsp; • Excluded Parties List Serve (EPLS): https://explore.data.gov/Information-and-communications/Excluded-Parties-List 	

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		<p>http://www.npdb-hipdb.hrsa.gov/index.jsp</p> <ul style="list-style-type: none"> Excluded Parties List Serve (EPLS): <p>https://explore.data.gov/Information-and-communications/Excluded-Parties-List-System-EPLS-lbxfj-jivs.</p> <p>The DBPM shall conduct a search of these websites monthly to capture exclusions and reinstatements that have occurred since the previous search. Any and all exclusion information discovered should be immediately reported to DHH. Any individual or entity that employs or contracts with an excluded provider/individual cannot claim reimbursement from Medicaid for any items or services furnished, authorized, or prescribed by the excluded provider or individual. This prohibition applies even when the Medicaid payment itself is made to another provider who is not</p>	<p>System EPLS-lbxfj-jivs.</p> <ul style="list-style-type: none"> <u>Louisiana Exclusion Database (LED);</u> <u>The System of Award Management (SAM); and</u> <u>Other applicable sites as may be determined by DHH.</u> <p>The DBPM shall conduct a search of these websites monthly to capture exclusions and reinstatements that have occurred since the previous search. Any and all exclusion information discovered should be immediately reported to DHH <u>within three (3) business days</u>. Any individual or entity that employs or contracts with an excluded provider/individual cannot claim reimbursement from Medicaid for any items or services furnished, authorized, or prescribed by the excluded provider or individual. This prohibition applies even when the Medicaid payment itself is made to another provider who is not excluded. For example, a pharmacy that fills a prescription written by an excluded provider for a</p>	

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		excluded. For example, a pharmacy that fills a prescription written by an excluded provider for a Medicaid beneficiary cannot claim reimbursement from Medicaid for that prescription. Civil monetary penalties may be imposed against providers who employ or enter into contracts with excluded individuals or entities to provide items or services to Medicaid beneficiaries. See Section 1128A (a) (6) of the Social Security Act and 42 CFR 1003.102(a)(2).	Medicaid beneficiary cannot claim reimbursement from Medicaid for that prescription. Civil monetary penalties may be imposed against providers who employ or enter into contracts with excluded individuals or entities to provide items or services to Medicaid beneficiaries. See Section 1128A (a) (6) of the Social Security Act and 42 CFR 1003.102(a)(2).	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	III.D.4 Excluded Providers Federal Financial Participation (FFP) is not available for services delivered by providers excluded by Medicare, Medicaid, or CHIP except for emergency dental services.	III.D.4 Excluded Providers Federal Financial Participation (FFP) is not available for services delivered by providers excluded by Medicare, Medicaid, or CHIP except for emergency dental services. <u>The DBPM is responsible for the return of any money paid for services provided by an excluded provider.</u>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.
Exhibit 3	RFP305PUR-DHHRFP-	III.D.5.A-B	III.D.5.A-B	A revision is necessary to ensure consistency

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	DENTAL-PAHP-MVA	A. In accordance with 42 CFR § 455.1(a)(1) and §455.17, the DBPM shall be responsible for promptly reporting suspected fraud, abuse, waste and neglect information to the State Office and Attorney General Medicaid Fraud Control Unit (MFCU) and DHH within five (5) business days of discovery, taking prompt corrective actions and cooperating with DHH in its investigation of the matter(s). Additionally, the DBPM shall notify DHH within three (3) business days of the time it receives notice that action is being taken against the DBPM or DBPM employee, network providers contractor or contractor employee or under the provisions of Section 1128(a) or (b) of the Social Security Act (42 U.S.C. §1320a-7) or any contractor which could result in exclusion, debarment, or suspension of the DBPM or a contractor from the Medicaid or CHIP program, or any program listed in	A. In accordance with 42 CFR § 455.1(a)(1) and §455.17, the DBPM shall be responsible for promptly reporting suspected fraud, abuse, waste and neglect information to the State Office and Attorney General Medicaid Fraud Control Unit (MFCU) and DHH within five (5) <u>three (3)</u> business days of discovery, taking prompt corrective actions and cooperating with DHH in its investigation of the matter(s). Additionally, the DBPM shall notify DHH within three (3) business days of the time it receives notice that action is being taken against the DBPM or DBPM employee, network providers contractor or contractor employee or under the provisions of Section 1128(a) or (b) of the Social Security Act (42 U.S.C. §1320a-7) or any contractor which could result in exclusion, debarment, or suspension of the DBPM or a contractor from the Medicaid or CHIP program, or any program listed in Executive Order 12549 B. The DBPM, through its compliance officer, shall report all activities on a quarterly	with the program integrity protocol utilized by the Bayou Health MCOs.

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		<p>Executive Order 12549</p> <p>B. The DBPM, through its compliance officer, shall report all activities on a quarterly basis to DHH. If fraud, abuse, waste, neglect and overpayment issues are suspected, the DBPM compliance officer shall report it to DHH immediately upon discovery. Reporting shall include, but are not limited to:</p> <ol style="list-style-type: none"> 1. Number of complaints of fraud, abuse, waste, neglect and overpayments made to the DBPM that warrant preliminary investigation; 2. Number of complaints reported to the Compliance Officer; and 3. For each complaint that warrants investigation, the DBPM shall provide DHH, at a minimum, the following: <ul style="list-style-type: none"> • Name and ID number of provider and member involved if available; • Source of complaint; 	<p>basis to DHH. If fraud, abuse, waste, neglect and overpayment issues are suspected, the DBPM compliance officer shall report it to DHH immediately upon discovery. Reporting shall include, but are not limited to:</p> <ol style="list-style-type: none"> 1. Number of complaints of fraud, abuse, waste, neglect and overpayments made to the DBPM that warrant preliminary investigation (<u>defined at 42 CFR §455.14</u>); 2. Number of complaints reported to the Compliance Officer; and 3. For each complaint that warrants investigation (<u>defined at 42 CFR §455.15 and §455.16</u>), the DBPM shall provide DHH, at a minimum, the following: <ul style="list-style-type: none"> • Name and ID number of provider and member involved if available; • Source of complaint; • Type of provider; • Nature of complaint; • Approximate dollars involved if applicable; and 4. Legal and administrative disposition of the case and any other information 	

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		<ul style="list-style-type: none"> • Type of provider; • Nature of complaint; • Approximate dollars involved if applicable; and <p>4. Legal and administrative disposition of the case and any other information necessary to describe the activity regarding the complainant.</p>	<p>necessary to describe the activity regarding the complainant.</p> <p><u>4. The DBPM, through its compliance officer, shall attest monthly to DHH that a search of the websites referenced in the Section III.D.4 has been completed to capture all exclusions.</u></p>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	<p>III.D.5.C.2.j</p> <p>j. The DBPM must provide one (1) free copy per calendar year of any part of member's record upon member's request.</p> <p>All documentation and/or records maintained by the DBPM or any and all of its network providers shall be maintained for at least six (6) years after the last good, service or supply has been provided to a member or an authorized agent of the state or federal government or any of its authorized agents unless those records are subject</p>	<p>III.D.5.C.2.j</p> <p>j. The DBPM must provide one (1) free copy per calendar year of any part of member's record upon member's request.</p> <p><u>k.</u> All documentation and/or records maintained by the DBPM or any and all of its network providers shall be maintained for at least six (6) years after the last good, service or supply has been provided to a member or an authorized agent of the state or federal government or any of its authorized agents unless those records are subject to review,</p>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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		to review, audit, investigations or subject to an administrative or judicial action brought by or on behalf of the state or federal government	audit, investigations or subject to an administrative or judicial action brought by or on behalf of the state or federal government.	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	Addition of a new section	<u>III.D.5.D</u> <u>D. Rights of Review and Recovery by DBPM and DHH</u> <u>1. The DBPM is responsible for investigating possible acts of provider fraud, abuse, and waste for all services under this contract, including those services that the DBPM subcontracts to outside entities.</u> <u>2. The DBPM has the exclusive right of review and recovery for twelve (12) months from the original date of service of a claim to initiate a “complex” review of such claim to determine a potential overpayment and/or underpayment, by delivering notice to the provider in writing of initiation of such a review. No such notice shall be required in instances resulting from suspected fraud, which the DBPM has identified and referred</u>	A revision is necessary to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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			<p><u>to the Department, the Medicaid Fraud Control Unit, or other appropriate law enforcement agency. A “complex” review is one for which a review of medical, financial and/or other records is necessary to determine the existence of a mispayment.</u></p> <p><u>3. The DBPM shall complete its review and notify the provider of the results of such review within sixty (60) days of the date of receipt of documentation from the provider, not to exceed one hundred and twenty (120) days of the date of the notice to the provider. The DBPM shall notify the Department, on at least a quarterly basis, the results of reviews as well as instances of suspected fraud.</u></p> <p><u>4. The DBPM shall not retain the exclusive right of review and/or recovery beyond twelve (12) months from the original date of service of a claim for a “complex” review, but the DBPM may conduct audits of providers’ claims for a five (5) year period from the date of service of a claim. Such audits must be communicated to the Department at least quarterly.</u></p>	

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			<p>5. <u>If the DBPM does not initiate action with respect to a “complex” claim review within the twelve (12) month-period from the date of service of the claim, the Department or its agent may recover from the provider any overpayment which they identify and said recovered funds will be returned to the State.</u></p> <p>6. <u>The DBPM shall not retain the exclusive right of review and/or recovery from the initial date of service of a claim for which the Department or its agent identifies mispayments as a result of “automated” claims reviews. An “automated” review is one for which an analysis of the paid claims is sufficient to determine the existence of a mispayment. No additional documentation is required to be submitted from the provider to determine the existence of an overpayment.</u></p> <p>7. <u>DHH may recover from the provider any overpayments which they identify through an “automated” review and said recovered funds will be returned to the State.</u></p> <p>8. <u>DHH must notify the DBPM of an</u></p>	

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			<p><u>identified mispayment from a “complex” or “automated” review prior to notifying any providers. The DBPM shall have thirty (30) calendar days from the date of notification of potential mispayments to indicate whether the claims were corrected or adjusted prior to the date of the notification from the Department or its agent.</u></p> <p><u>9. The DBPM shall not correct the claims nor initiate an audit on the claims upon notification by the Department or its agent.</u></p> <p><u>10. In the event the provider does not refund overpayments identified by the Department or its agent to the State, or arrange for an acceptable payment plan with the State, within thirty (30) calendar days of notification to the provider of the overpayment, the Department or its agent will notify the DBPM and the DBPM shall initiate a payment withhold on the provider in the amount due to the Department. The MCO shall collect and refund the overpayment to the Department</u></p>	
Exhibit 3	RFP305PUR-	III.E.19.C.2	III.E.19.C.2	A revision is necessary

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	DHHRFP- DENTAL- PAHP-MVA	<p>The DBPM shall also:</p> <p>a) Include in the sample, claims for services with hard benefit limits, denied claims with member responsibility, and paid claims (excluding ancillary and anesthesia services);</p> <p>b) Stratify paid claims sample to ensure that all provider types (or specialties) are represented in the pool of generated EOBs. To the extent that the DBPM considers a particular specialty (or provider) to warrant closer scrutiny, the DBPM may over sample the group. The paid claims sample should be for a minimum of two hundred (200) to two hundred-fifty (250) claims per year; and</p> <p>c) The DBPM shall track any complaints received from members and resolve the complaints according to its established policies and procedures. The resolution may be member education, provider education, or a</p>	<p>The DBPM shall also:</p> <p>a) Include in the sample, claims for services with hard benefit limits, denied claims with member responsibility, and paid claims (excluding ancillary and anesthesia services);</p> <p>b) Stratify paid claims sample to ensure that all provider types (or specialties) <u>and all claim types are proportionally represented in the sample pool from the entire range of services available under the contract.</u> are represented in the pool of generated EOBs. To the extent that the DBPM considers a particular specialty (or provider) to warrant closer scrutiny, the DBPM may over sample the group. The paid claims sample should be for a minimum of two hundred (200) to two hundred-fifty (250) claims per year <u>to be reported on a quarterly basis; and</u></p> <p>c) <u>Surveys may be performed at any point after a claim has been paid. This sampling may be performed by mail, telephonically or in person (e.g., case</u></p>	to ensure consistency with the program integrity protocol utilized by the Bayou Health MCOs.

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		referral to DHH. The DBPM shall use the feedback received to modify or enhance the EOB sampling methodology.	<u>management on-site visits); and</u> <u>ed)</u> The DBPM shall track any complaints received from members and resolve the complaints according to its established policies and procedures. The resolution may be member education, provider education, or a referral to DHH. The DBPM shall use the feedback received to modify or enhance the EOB sampling methodology. <u>e) Within three (3) business days, results indicating that paid services may not have been received, shall be referred to the DBPM's fraud and abuse department for review and to DHH through the following url:http://new.dhh.louisiana.gov/index.cfm/page/219.</u> <u>f) Reporting shall include the total number of survey notices sent out to members, total number of surveys completed, total services requested for validation, number of services validated, analysis of interventions related to complaint resolution, and number of surveys referred to DHH for further review.</u>	

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Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	<p>III.E.19.D Remittance Advices</p> <p>In conjunction with its payment cycles, each remittance advice generated by the DBPM to a provider shall, if known at that time, clearly identify for each claim, the following information:</p> <ul style="list-style-type: none"> • The name of the member; • Unique member identification number; • Patient claim number or patient account number; • Date of service; • Total provider charges; • Member liability, specifying any co-insurance, deductible, copayment, or non-covered amount; • Amount paid by the DBPM; • Amount denied and the reason for denial; and • In accordance with 42 CFR 455.18 and 455.19, the following statement shall be included on each remittance advice sent to providers: “I 	<p>III.E.19.D Remittance Advices</p> <p>In conjunction with its payment cycles, each remittance advice generated by the DBPM to a provider shall, if known at that time, clearly identify for each claim, the following information:</p> <ul style="list-style-type: none"> • The name of the member; • Unique member identification number; • Patient claim number or patient account number; • Date of service; • Total provider charges; • Member liability, specifying any co-insurance, deductible, copayment, or non-covered amount; • Amount paid by the DBPM; • Amount denied and the reason for denial; • <u>Adjustments and Voids shall appear on the RA under “Adjusted or Voided claims” either as Approved or Denied;</u> and • In accordance with 42 CFR 455.18 and 	A revision is necessary to ensure consistency across all managed care organizations’ claims processing requirements.

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		understand that payment and satisfaction of this claim will be from federal and state funds, and that any false claims, statements, documents, or concealment of a material fact, may be prosecuted under applicable federal and/or state laws."	455.19, the following statement shall be included on each remittance advice sent to providers: "I understand that payment and satisfaction of this claim will be from federal and state funds, and that any false claims, statements, documents, or concealment of a material fact, may be prosecuted under applicable federal and/or state laws."	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	Addition of new section	<u>III.E.19.E.g-h</u> g) <u>Within five (5) business days of receipt of a claim, the MCO shall perform an initial screening, and either reject the claim, or assign a unique control number and enter it into the system for processing and adjudication.</u> h) <u>Fully adjudicate (pay or deny) all pending claims within sixty (60) calendar days of the date of receipt.</u>	A revision is necessary to ensure consistency across all managed care organizations' claims processing requirements.
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	III.L.10.a The DBPM agrees to comply with all applicable provisions of 42 CFR Part 376 (2009, as amended), pertaining to	III.L.10.a The DBPM agrees to comply with all applicable provisions of 42 CFR Part 376 (2009, as amended), pertaining to debarment	A revision is necessary to correct the website references.

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		<p>debarment and/or suspension. As a condition of enrollment, the DBPM must screen all employees and subcontractors to determine whether they have been excluded from participation in Medicare, Medicaid, the Children's Health Insurance Program, and/or all federal healthcare programs. To help make this determination, the DBPM may search the following websites:</p> <p>Office of Inspector General (OIG) List of Excluded Individuals/Entities LEIE http://exclusions.oig.hhs.gov/search.aspx;</p> <p>the Health Integrity and Protection Data Bank (HIPDB) http://www.npdb-hipdb.hrsa.gov/index.jsp;</p> <p>the Louisiana Exclusion Database (LED); and/or the Excluded Parties List Serve (EPLS) www.EPLS.gov.</p>	<p>and/or suspension. As a condition of enrollment, the DBPM must screen all employees and subcontractors to determine whether they have been excluded from participation in Medicare, Medicaid, the Children's Health Insurance Program, and/or all federal healthcare programs. To help make this determination, the DBPM may search the following websites:</p> <p>Office of Inspector General (OIG) List of Excluded Individuals/Entities LEIE http://exclusions.oig.hhs.gov/search.aspx;</p> <p>the Health Integrity and Protection Data Bank (HIPDB) http://www.npdb-hipdb.hrsa.gov/index.jsp;</p> <p>the Louisiana Exclusion Database (LED); and/or the Excluded Parties List Serve (EPLS) www.EPLS.gov System for Award Management http://www.sam.gov.</p>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-	<p>VI.C. Retainage</p> <p>The Department shall secure a</p>	<p><u>VI.C. Retainage Performance Bond</u></p> <p>The Department shall secure a retainage of</p>	<p>A revision is necessary to add a performance bond as security for the</p>

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	PAHP-MVA	retainage of 10% from all billings under the contract as surety for performance. On successful completion of contract deliverables, the retainage amount may be released on an annual basis. Within ninety (90) days of the termination of the contract, if the contractor has performed the contract services to the satisfaction of the Department and all invoices appear to be correct, the Department shall release all retained amounts to the contractor.	10% from all billings under the contract as surety for performance. On successful completion of contract deliverables, the retainage amount may be released on an annual basis. Within ninety (90) days of the termination of the contract, if the contractor has performed the contract services to the satisfaction of the Department and all invoices appear to be correct, the Department shall release all retained amounts to the contractor. 1. <u>The DBPM shall be required to establish and maintain a performance bond for as long as the DBPM has Contract-related liabilities of fifty thousand dollars (\$50,000) or more outstanding, or fifteen (15) months following the termination date of this contract, whichever is later, to guarantee: (1) payment of the Contractor's obligations to DHH and (2) performance by the DBPM of its</u>	contract.

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			<p><u>obligations under this contract (42 CFR §438.116).</u></p> <p>2. <u>The bond must be obtained from an agent appearing on the United States Department of Treasury's list of approved sureties. The bond must be made payable to the state of Louisiana. The contract and dates of performance must be specified in the bond.</u></p> <p>3. <u>The bond amount shall be equal to one hundred percent (100%) of the total capitation payment paid to the Contractor in the first (1st) month of the contract year. The bond amount shall be reevaluated and adjusted annually. The bond must be submitted to DHH by the end of the second (2nd) month of each contract year.</u></p> <p>4. <u>All bonds submitted to DHH must be original and have the raised engraved seal on the bond and on the Power of Attorney page. The DBPM must retain a photocopy of the bond.</u></p>	

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			5. <u>Any performance bond furnished shall be written by a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Service list of approved bonding companies which is published annually in the Federal Register, or by a Louisiana domiciled insurance company with at least an A-rating in the latest printing of the A.M. Best's Key Rating Guide to write individual bonds up to ten (10) percent of policyholders' surplus as shown in the A.M. Best's Key Rating Guide or by an insurance company that is either domiciled in Louisiana or owned by Louisiana residents and is licensed to write surety bonds. No surety or insurance company shall write a performance bond which is in excess of the amount indicated as approved by the U.S. Department of the Treasury Financial Management Service list or by a Louisiana domiciled</u>	

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			<u>insurance company with an A-rating by A.M. Best up to a limit of 10 percent of policyholders' surplus as shown by A.M. Best; companies authorized by this Paragraph who are not on the treasury list shall not write a performance bond when the penalty exceeds fifteen (15) percent of its capital and surplus, such capital and surplus being the amount by which the company's assets exceed its liabilities as reflected by the most recent financial statements filed by the company with the Department of Insurance. In addition, any performance bond furnished shall be written by a surety or insurance company that is currently licensed to do business in the state of Louisiana.</u>	
Exhibit 3	RFP305PUR-DHHRFP-DENTAL-PAHP-MVA	Appendix L – Fiscal intermediary (FI) Payment Schedule	Appendix L will be removed.	A more comprehensive schedule of payments is available at http://www.lamedicaid

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				.com/provweb1/Bayou Health/BH Index.htm . DHH will consult with MCNA in advance of proposed schedule changes to address any concerns.

Contract Maximum Amounts and Terms of Payment

Maximum Contract Amounts:

The maximum contract amounts outlined below are based on projected enrollment into the DBP times projected Per Member Per Month capitation rate for each contract year. DBPM payments shall be made for actual enrollment in accordance with the monthly capitated rates specified in contract Attachment E – Mercer Certification, Rate Development Methodology and Rates.

Contract year 1 July 1, 2014 to June 30, 2015			
Rate Cell Description	Projected Member Months	Projected Per Member Per Month Capitation Rate	Maximum Contract Amount
LaCHIP Affordable Plan	38,192	\$11.85	\$452,575
Medicaid Children	7,903,166	\$15.48	\$122,341,011
CHIP	1,418,385	\$15.48	\$21,956,596
Medicaid Adult	3,614,180	\$1.26	\$4,553,866
		Year 1 Total	\$149,304,048
Contract year 2 July 1, 2015 to June 30, 2016			
Rate Cell Description	Projected Member Months	Projected Per Member Per Month Capitation Rate	Maximum Contract Amount
LaCHIP Affordable Plan	40,674	\$18.28	\$563,320
Medicaid Children	8,416,872	\$15.48	\$131,170,146
CHIP	1,510,580	\$15.48	\$24,575,981
Medicaid Adult	3,849,101	\$1.96	\$4,983,508
		Year 2 Total	\$161,964,719
Contract year 3 July 1, 2016 to June 30, 2017			
Rate Cell Description	Projected Member Months	Projected Per Member Per Month Capitation Rate	Maximum Contract Amount
LaCHIP Affordable Plan	43,318	\$18.28	\$614,616
Medicaid Children	8,998,783	\$15.48	\$139,040,351
CHIP	1,608,767	\$15.48	\$26,050,542
Medicaid Adult	4,099,293	\$1.96	\$5,309,783
		Year 3 Total	\$173,031,360
		3 year Maximum Contract Amount	\$484,300,137

DHH reserves the right to re-negotiate the PMPM rates:

- a. If the rate floor is removed;
- b. If a result of federal or state budget reductions or increases;
- c. If due to the inclusion or removal of a Medicaid covered dental service(s) not incorporated in the monthly capitation rates; or
- d. In order to comply with federal requirements.

Terms of Payment:

- 1. DHH shall make monthly capitated payments for each member enrolled into the DBPM in accordance with the capitation rates specified in contract Attachment E –

Mercer Certification, Rate Development Methodology and Rates. Capitation rates will be developed in accordance with 42 CFR 438.6 and will include claims for retroactive coverage.

2. DBPM agrees to accept payment in full and shall not seek additional payment from a member for any unpaid costs, including costs incurred during the retroactive period of eligibility.
3. DHH reserves the right to defer remittance of the PMPM payment for June until the first Medicaid Management Information System (MMIS) payment cycle in July to comply with state fiscal policies and procedures.
4. The monthly capitated payment shall be based on Medicaid recipients eligible for DBPM participation during the month, as specified in III.B.3.B.11. i) ii. (p. 57, 2nd to last bullet), and paid in accordance with a schedule to be provided by DHH.

Effective Date of Enrollment

DBPM enrollment for members in a given month will be effective at 12:01AM on the first (1st) calendar day of the month of Medicaid eligibility.

Retainage

~~The Department shall secure a retainage of 10% from all billings under the contract as surety for performance. The retainage amount may be released annually by the Department upon the DBPM's successful completion of contract deliverables each year during the contract term. Contractor shall be deemed to have successfully completed its contract deliverables in a contract year if the Department determines, exercising reasonable discretion, that contractor has substantially satisfied the performance requirements contained in Section III. B of the RFP. The Department shall provide contractor with an assessment of contractor's performance on a quarterly basis for tracking purposes.~~

Withhold of Capitation Rate

1. A withhold of the aggregate capitation rate payment shall be applied to provide an incentive for DBPM compliance with the requirements of this contract.
2. The withhold amount will be equivalent to two percent (2%) of the monthly capitation rate payment for all DBPM enrollees.
3. If DHH has not identified any DBPM deficiencies, DHH will pay to the DBPM the withhold of the DBPM's payments withheld in the month subsequent to the withhold.
4. If DHH has determined the DBPM is not in compliance with a requirement of this Contract in any given month, DHH may issue a written notice of non-compliance and DHH may retain the amount withheld for the month prior to DHH identifying the compliance deficiencies.
5. Monthly retention of the withhold amount may continue for each subsequent month so long as the identified deficiencies have not been corrected. If the same or similar deficiency(s) continues beyond timeframes specified for correction as determined by DHH and documented in a written notice of action to the DBPM. DHH may permanently retain the amount withheld for the period of non-compliance consistent with the administrative actions, monetary penalties, sanctions and liquidated damages provisions of this Contract. The timeframe specified in the written notice of action shall be considered the cure period not less than 30 days unless the deficiency reasonably requires resolution in a shorter time frame after which amounts retained may be permanently withheld.

- 6. Amounts withheld for failure to achieve established performance measurement goals, as defined in Section III.B.3.B.11.l.iii., may be permanently retained at DHH's discretion.**
- 7. No interest shall be due to the DBPM on any sums withheld or retained under this Section.**
- 8. The provisions of this Section may be invoked alone or in conjunction with any other remedy or adjustment otherwise allowed under this Contract.**