

**ORIGINAL** *and*

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

Amendment #: 1  
CFMS #: 713200  
DOA #: 305-200602  
DHH #: 058562  
Original Contract Amt 1,275,000  
Original Contract Begin Date 2012-06-01  
Original Contract End Date 2015-05-31

MVA Medical Vendor Administration  
(Regional/ Program/ Facility)  
**AND**  
Myers and Stauffer, LLC  
Contractor Name

**AMENDMENT PROVISIONS**

Change Contract From: Maximum Amount: 1,275,000

CF-1 Block 13 Maximum Contract Amount \$1,275,000.00 FY12=\$39,583 FY13=\$468,750 FY14=\$400,000 FY15=\$366,667  
CFR-1 Block 14 The contractor shall be compensated on an hourly rate based on the level of staff providing services. Hourly rates, inclusive of travel and any and all other costs associated with the services provided, vary by position as indicated on Fee Schedule (Attachment C). Payment will be based on approval of invoices and deliverables. For each month in the contract period, invoices are due by the fifteen of the month for the prior month's deliverables.  
Statement of Work - see attached

Change To: Maximum Amount: 1,475,020

CF-1 Block 13 Maximum Contract Amount \$1,475,020 FY12=\$0, FY13=\$641,366.25, FY14=\$458,911.75, FY15=\$374,742.00  
CFR-1 Block 14 The contractor shall be compensated according to the Terms of Payment section of the Statement of Work (Attachment B). Payment will be based on approval of invoices and deliverables. For each month in the contract period, invoices are due by the fifteen of the month for the prior month's deliverables.  
Statement of Work - see attached

Justification:

With 22 months of operational experience, Bayou Health's accounting needs are clearer. At the time the contract was executed, it was not possible to anticipate the level of effort necessary to validate encounter data submitted by the prepaid health plans. In order to contain costs, while maintaining necessary oversight, the contract terms of payment are being modified to provide required deliverables on a fixed price basis.

This Amendment Becomes Effective: 2013-11-01

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**

Myers and Stauffer, LLC

*Michael D. Johnson* 2/21/14  
CONTRACTOR SIGNATURE DATE

PRINT NAME Michael D. Johnson

CONTRACTOR TITLE Member

**STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS**

Secretary, Department of Health and Hospital or Designee

*J. Ruth Kennedy* 2/24/13  
SIGNATURE DATE

NAME J. Ruth Kennedy

TITLE Medicaid Director

OFFICE Bureau of Health Services Financing

PROGRAM SIGNATURE DATE  
NAME

**APPROVED**  
Office of the Governor  
Office of Contractual Review

MAR 31 2014

*Pamela Bartfay Rice*  
DIRECTOR

## STATEMENT OF WORK

Attachment B

### BACKGROUND

The Department of Health and Hospitals is transforming its Medicaid and Children's Health Insurance Program (CHIP) program by moving away from a fee-for-service delivery model and transitioning its members to a coordinated care delivery system with full implementation June 1, 2012. This new managed care delivery system (Bayou Health) consists of two models:

- A traditional capitated managed care model whereby private managed care organizations (MCOs) receive a per-member per-month fee for each enrollee covered to provide benefits and services. Each MCO is required to process claim payments for their members. Three MCOs have been selected to deliver care under this service model. Those MCOs selected to begin delivering care in 2012 are Amerigroup, LaCare, and Louisiana Health Connections.
- An enhanced primary care case management (PCCM) system whereby a private managed care network receives a per-member per-month fee to provide enhanced care management services. Providers in that network will have an opportunity to share in cost savings resulting from coordinating care. Under this shared savings model, the Department's MMIS vendor, Molina, will continue to process claims for payment. The PCCM's selected to deliver care under this model beginning in 2012 are Community Health Solutions and United Healthcare Community Plan.

### GOAL/PURPOSE

To provide accounting services to support implementation of Medicaid managed care, specifically minimizing the Department's risk in the areas of member care and administration, data quality, and financial management. Myers and Stauffer LC will assist the Department with accomplishing its goal of ensuring that Bayou Health plan members are receiving high quality coordinated care at the lowest cost.

### OUTCOMES

The contractor shall:

- 1) Provide assistance monitoring and reporting as it relates to the Bayou Health Plans; and,
- 2) Provide assistance with encounter data management to facilitate and provide for complete and accurate encounter data available for financial rate setting and member services oversight of the Bayou Health Plans.

### DELIVERABLES/PERFORMANCE INDICATORS

Health plan monitoring and reporting

- a) On a semiannual schedule, perform an analysis of health plan submitted cost reports per the Supplemental Financial Reporting guides. These quarterly reports were designed by the Department to assist with the monitoring of Medical Loss Ratios and Administrative Costs;
- b) Monitor membership changes and claims to assist with the identification of denial of service trends by each of the health plans;
- c) Provide a comparison of Louisiana health plan models to other state Medicaid managed care health plans identifying opportunities for improvement and documented successes;

- d) Provide a comparison or contrast of the two (2) Louisiana delivery models with a focus on the cost savings achieved on behalf of the Department;
  - e) At an interval to be determined by the Department, perform an analysis and assessment on the accuracy and completeness of the reported encounters by the health plans;
  - f) Other analyses as determined by the Department.
- 1) Encounter data management
- a) Analyze the encounter processes and documentation (i.e. Companion Guides) utilized by the Fiscal Agent Contractor (FAC);
  - b) Meet with each managed care entity participating in Bayou Health and submitting encounters to the Department's FAC to gain and document an understanding of the claims adjudication, adjustment, and void processes;
  - c) Identify potential issues and concerns with the processes outlined above;
  - d) Obtain all encounter claim data accepted by the FAC as submitted from the MCOs. Perform quality assurance processes to arrive at a clean set of data;
  - e) Work with the FAC to establish a process whereby encounters are obtained in a routine, weekly process;
  - f) Analyze the weekly encounter submissions submitted by the MCOs to the FAC and report to the Department on volumes and potential issues identified;
  - g) Review encounter submission error reports with MCOs and address identified issues with each plan;
  - h) Document issues and MCO commitments made to the Department and assist with Determination of achievement of goals/commitments;
  - i) Document and assist the Department with modification requests submitted to the FAC and monitor the progress and success of the requests;
  - j) Conduct monthly meetings with the MCOs and address common errors, edits, or problems identified by the MCOs as a barrier to successful encounter submissions;
  - k) Obtain cash disbursement journals (CDJ) and other necessary financial records from each of the MCOs reflecting the payments to providers for medical services;
  - l) Reconcile the CDJ to the MCO submitted encounter data, identifying potential issues or missing encounters;
  - m) Provide initial exception reports to each of the MCOs to explain or correct potential issues in the encounter data;
  - n) Provide completion reports on a frequency as determined by the Department. We anticipate that the initial report frequency would be on a monthly basis;
  - o) Conduct additional analyses to measure the reliability and accuracy of encounter and member data used to establish capitation rates (i.e., inaccurate encounter and member data could lead to higher than necessary capitation rates);
  - p) Maintain a database of all encounters including an audit status and audit amount for each encounter, and;
  - q) Coordinate with the Department's actuary, and any other third parties users requiring access to audited encounter data, as directed by the Department.

## TERMS OF PAYMENT

The contract shall begin on June 1, 2012 and end on May 31, 2015. For the 36 month contract term, the contract amount shall not exceed. ~~\$1,275,000~~ **\$1,475,020.**

~~The contractor shall be compensated on an hourly rate based on the level of staff providing services. Hourly rates, inclusive of travel and any and all other costs associated with the services provided, vary by position as follows:~~

Member/Principal	\$300
Managers	\$250
Statistician	\$350
Registered Nurse	\$185
Senior Accountant/Analyst	\$175
Staff Accountant/Analyst	\$120
Paraprofessional/Support Staff	\$60

~~Payment will be based on approval of invoices and deliverables. For each month in the contract period, invoices are due by the fifteenth of the month for the prior month's deliverables. Contractor must submit final invoices within 15 days after termination of contract.~~

### Fixed Deliverable Pricing

The contractor shall be compensated a fixed price basis per bimonthly deliverable. The bimonthly deliverable shall consist of one *Comparison of Louisiana Managed Care Organization Encounter Claims to Cash Disbursements* report for each Bayou Health Prepaid Plans. There shall be 9 bimonthly deliverables to be provided during the remaining term of the contract (11/01/13 – 6/30/15). Each bimonthly deliverable shall be compensated at a fixed price of \$55,000. All costs above the agreed upon fixed price of \$55,000 per bimonthly deliverable will be incurred by the contractor. Total payments for fixed price deliverables shall not exceed \$495,000 for the remaining term of the contract.

Payment will be based on approval of invoices and deliverables. DHH must provide the contractor with written approval for services billed on a fixed price basis, and a copy of such approval must be submitted with the invoice. For each month in the contract period, invoices are due by the fifteenth of the month for the prior month's deliverables. Contractor must submit final invoices within 15 days after termination of contract.

### Hourly Basis Pricing

Exclusive of fixed price deliverables, the contractor shall be compensated on an hourly rate. The hourly rate, inclusive of travel and any and all other costs associated with the services provided, regardless of the position or level of staff providing services, is \$146.42. Compensation on an hourly basis shall not exceed \$80,530 for the remaining period of the contract.

Payment will be based on approval of invoices and deliverables. DHH must provide the contractor with written approval for services billed on an hourly rate basis, and a copy of such approval must be submitted with the invoice. For each month in the contract period, invoices are due by the fifteenth of the month for the prior month's deliverables. Contractor must submit final invoices within 15 days after termination of contract.

## MONITORING PLAN

- 1) The contractor will maintain a current work plan of all project tasks, activities and resources including estimated start and completion dates, actual start and completion dates, estimated and actual task hours, and completion percentages of all in-process tasks. This work plan will be submitted and approved by DHH.

- 2) The contractor will submit a monthly invoice supported by timesheets which identify staff providing service (name and position), dates and time serviced by project task.
- 3) Status reports will be submitted to the Department by the 15th of the following month.
- 4) Project monitoring will also include contract monitor review and approval of:
  - a) Project work plan
  - b) Monthly status reports
  - c) Monthly invoices

#### **CONTRACTOR REQUIREMENTS**

Perform services in accordance with applicable professional standards promulgated by the AICPA.

Notify the contract monitor within three business days of any encounters matters that could impede the timely completion of deliverables.

Notify the contract monitor within three business days of any of any potential risks to the Department identified.

Report immediately to the Medicaid Deputy Director for Managed Care and Deputy Director and the Department's Office of the Inspector General any matters of fraud identified.