

# MEDICAID CONTRACT AMENDMENT

## IMMINENT PERIL JUSTIFICATION

*July 19, 2023*

## SUSPENDING AGENTS:

### CONTRACT AMENDMENT:

MCO 3.0 Contract Amendment 3 provides the rate certification for July 1, 2023 through June 30, 2024.

### JUSTIFICATION:

This amendment establishes actuarially sound capitation rates for the managed care organizations (MCOs) for State Fiscal Year 2024. Capitation rates are the mechanism by which the MCOs are paid to provide coverage of critical healthcare services to more than 1.8 million managed care enrollees. Additionally, the Medical Loss Ratio (MLR) provision is being revised to comply with the CMS requirement to align the MLR reporting period with the capitation rate year, in accordance with 42 C.F.R. §438.74. The amendment also adds four high-cost drugs to the risk pool as a risk mitigation strategy. The high drug risk pool language must be added to the MCO Contract prior to the start of the rating period.

Any delay in the execution of this amendment has the potential to disrupt and jeopardize the provision of medically necessary services to Louisiana's most vulnerable population.

### EFFECTIVE DATE:

July 1, 2023