

**Contract Amendment #17
Attachment B17**

Changes to Statement of Work

Item	Change From:	Change To:	Justification
1	<p>15.7.14 In the event LDH or its agent recovers any amounts assessed to a provider as a result of an LDH audit as provided for within this Section from the MCO's capitation payment or any other method, the MCO may pursue recovery from the provider. However, the MCO is prohibited from recouping a State-identified overpayment from a provider when the MCO is responsible for the overpayment, unless approved in writing by LDH. If the MCO recovers State-identified improper payments, the MCO shall submit corrected encounter data within thirty (30) calendar days upon notification by LDH.</p>	<p>15.7.14 In the event LDH or its agent recovers any amounts assessed to a provider as a result of an LDH audit as provided for within this Section from the MCO's capitation payment or any other method, the MCO may pursue recovery from the provider. However, the MCO is prohibited from recouping a State-identified overpayment from a provider when the MCO is responsible for the overpayment, unless approved in writing by LDH. If the MCO recovers State-identified improper payments, t<u>he MCO shall submit corrected encounter data within thirty (30) calendar days upon notification by of notice of the overpayment from LDH, regardless of whether the MCO recovers the overpayment from the provider.</u></p>	<p>This revision is to clarify the process for provider overpayments.</p>
2	<p>6.1.4. The MCO shall provide core benefits and services to Medicaid members. The core benefits and services that shall be provided to members are:</p> <p>...</p> <ul style="list-style-type: none"> • Other benefits and services in the Alternative Benefit Plan approved by CMS. 	<p>6.1.4. The MCO shall provide core benefits and services to Medicaid members. The core benefits and services that shall be provided to members are:</p> <p>...</p> <ul style="list-style-type: none"> • <u>Routine patient costs for items and services furnished in connection with participation in a qualifying clinical trial in accordance with Section 1905(gg) of the Social Security Act</u> • Other benefits and services in the Alternative Benefit Plan approved by CMS. 	<p>This revision corrects the omission of routine costs related to clinical trials, which has been a covered service.</p>
3	<p>6.3.4.2 As of January 1, 2019, the statewide universal prior authorization form shall be posted and utilized as specified in Act 423 of the 2018 Louisiana Regular Session. In order to obtain necessary information for prior authorization processing, the following therapeutic drug classes shall be considered specialty for prior authorization purposes only: Hepatitis C Direct Acting Antiviral Agents (as directed by LDH) Spinraza and Synagis. MCOs shall utilize the LDH form and criteria for these specialty classes filled in an outpatient pharmacy setting.</p>	<p>6.3.4.2 As of January 1, 2019, the statewide universal prior authorization form shall be posted and utilized as specified in Act 423 of the 2018 Louisiana Regular Session. In order to obtain necessary information for prior authorization processing, the following therapeutic drug classes shall be considered specialty for prior authorization purposes only: Hepatitis C Direct Acting Antiviral Agents (as directed by LDH), <u>Spinraza[®], Aduhelm[®], and Synagis[®]</u>. MCOs shall utilize the LDH form and criteria for these specialty classes filled in an outpatient pharmacy setting.</p> <p>The MCO shall adhere to the provisions of La. R.S. 46:153.3(C)(1) which exempt HIV/AIDS drugs from the prior authorization process.</p>	<p>This revision allows a specialty prior authorization (PA) form to collect necessary information to process a PA for Aduhelm.</p>

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	The MCO shall adhere to the provisions of La. R.S. 46:153.3(C)(1) which exempt HIV/AIDS drugs from the prior authorization process.		
4	<p>6.4.4. Specialized Behavioral Health Covered Services:</p> <p>...</p> <ul style="list-style-type: none"> o Crisis Stabilization (under age 21) • Therapeutic Group Homes (under age 21): Therapeutic Group Homes have a non-Medicaid funded room and board component that must be addressed prior to placement. <p>...</p>	<p>6.4.4. Specialized Behavioral Health Covered Services:</p> <p>...</p> <ul style="list-style-type: none"> o Crisis Stabilization <u>Youth</u> (under age 21) • <u>Crisis Stabilization Adults (age 21 and older)</u> • Therapeutic Group Homes (under age 21): Therapeutic Group Homes have a non-Medicaid funded room and board component that must be addressed prior to placement. <p>...</p>	This revision adds crisis stabilization services for adults to the list of covered services following CMS approval of a State Plan Amendment.
5	6.27.1.3. The approved in lieu of services are authorized and identified in the MCO Manual.	6.27.1.3. The approved in lieu of services are authorized and identified in <u>Attachment F, In Lieu of Services</u> the MCO Manual.	This revision corrects the reference to Attachment F, which includes the full list of authorized in lieu of services and their effective dates.
6	<p>9.12 Payment for Hospital Services</p> <p>The MCO is not responsible for reimbursement of graduate medical education (GME) payments or disproportionate share hospital (DSH) payments to providers. The MCO must use the increased hospital funds received above the base rate (subject to risk adjustment) to the Full Medicaid Payment, as detailed in Attachment D – Rate Certification, for reimbursement of inpatient and outpatient hospital services.</p>	<p>9.12 Payment for Hospital Services</p> <p>The MCO is not responsible for reimbursement of graduate medical education (GME) payments or disproportionate share hospital (DSH) payments to providers. The MCO must use the increased hospital funds received above the base rate (subject to risk adjustment) to the Full Medicaid Payment, as detailed in Attachment D – Rate Certification, for reimbursement of inpatient and outpatient hospital services.</p> <p><u>In accordance with 42 CFR §438.6(c), the Department shall utilize a CMS approved directed payment arrangement for specified hospitals. The payment arrangement will utilize a uniform percentage increase for qualified hospitals, based upon assigned tiered provider classes, for inpatient and outpatient MCO Covered Services provided to Enrollees. CMS approval of a directed</u></p>	This revision adds the directed payment arrangements approved by CMS for State Fiscal Year 2023.

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		<p><u>payment arrangement is for one (1) rating period and it is not renewed automatically. As such, this directed payment arrangement must be approved by CMS annually.</u></p> <p><u>This directed payment arrangement will be made through a separate payment term outside of the monthly Capitation Payment.</u></p> <p><u>The Contractor shall make directed payments to qualified hospitals as directed by the Department and in accordance with the written approval from CMS for the applicable rating period.</u></p> <p><u>9.12.1 For State Fiscal Year (SFY) 2023, pursuant to CMS approvals, LDH will provide a uniform percentage increase for in-state providers of inpatient and outpatient hospital services (excluding freestanding psychiatric hospitals, freestanding rehabilitation hospitals, and long-term acute care hospitals) and a separate uniform percentage increase for long-term acute care, psychiatric services, and rehabilitation services for both inpatient and outpatient hospital services for the rating period covering July 1, 2022 through June 30, 2023. This directed payment arrangement shall be detailed in Attachment D, Rate Certification.</u></p> <p><u>LDH shall utilize an interim payment process, whereby interim directed payments will be calculated based upon 2019 utilization data and paid to qualified hospitals on a quarterly basis. LDH shall provide a quarterly interim direct payment report to the Contractor for each quarter, which identifies the qualified hospitals and the applicable interim directed payment for that quarter. The Contractor shall pay the interim directed payments to the appropriate qualified hospitals, as specified in that report, within three (3) Business Days of receipt of the report from LDH, unless otherwise directed in writing by the Hospital and Facility Finance Director or the LDH Undersecretary. The Contractor shall not deviate from the payments set forth in the quarterly interim direct payment report, unless otherwise directed in writing by the Hospital and Facility Finance Director or the LDH Undersecretary. If the Contractor fails to pay an interim directed payment in full or within the specified time period for a given quarter, LDH may penalize the Contractor using one (1) or more of the following:</u></p> <ul style="list-style-type: none"> <u>• One (1) or more remedies in the Contract Non-Compliance section, including, but not limited to, monetary penalties;</u> 	

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		<ul style="list-style-type: none"> • <u>Termination of the Contract; and</u> • <u>A partial or complete forfeiture of any interest earned on the directed payments provided to the Contractor.</u> <p><u>In accordance with Federal regulations, directed payments must be based on actual utilization and delivery of services. As such, within twelve (12) months of the end of SFY 2023, LDH will perform a reconciliation and provide the Contractor with a reconciliation report that will contain the adjustments to be made to each qualified hospital's next quarterly interim directed payment. If the Contractor fails to perform the reconciliation in accordance with the instructions or within the specified time period, LDH may penalize the Contractor using one (1) or more of the following:</u></p> <ul style="list-style-type: none"> • <u>One (1) or more remedies in the Contract Non-Compliance section, including, but not limited to, Contract termination;</u> • <u>Table of Monetary Penalties; and</u> • <u>A partial or complete forfeiture of any interest earned on the net directed payments provided to the Contractor.</u> 					
7	20.3 Monetary Penalties [new monetary penalties]	<p>20.3 Monetary Penalties</p> <table border="1" data-bbox="1005 998 2158 1391"> <tr> <td data-bbox="1005 998 1427 1208"><u>Payment for Hospital Services – Interim Payments</u></td> <td data-bbox="1427 998 2158 1208"><u>Up to 0.5% of the interim directed payment amount for each failure to provide an interim payment in full to an eligible hospital in accordance with the quarterly payment report within three (3) business days of receipt of the report from LDH.</u></td> </tr> <tr> <td data-bbox="1005 1208 1427 1391"><u>Payment for Hospital Services – Reconciliation</u></td> <td data-bbox="1427 1208 2158 1391"><u>Up to 0.5% of the net directed payment amount for each failure to perform the directed payment reconciliation in accordance with the instructions provided by LDH within the specified time period.</u></td> </tr> </table>	<u>Payment for Hospital Services – Interim Payments</u>	<u>Up to 0.5% of the interim directed payment amount for each failure to provide an interim payment in full to an eligible hospital in accordance with the quarterly payment report within three (3) business days of receipt of the report from LDH.</u>	<u>Payment for Hospital Services – Reconciliation</u>	<u>Up to 0.5% of the net directed payment amount for each failure to perform the directed payment reconciliation in accordance with the instructions provided by LDH within the specified time period.</u>	This revision adds monetary penalties for noncompliance with the directed payment provisions added in Item 6.
<u>Payment for Hospital Services – Interim Payments</u>	<u>Up to 0.5% of the interim directed payment amount for each failure to provide an interim payment in full to an eligible hospital in accordance with the quarterly payment report within three (3) business days of receipt of the report from LDH.</u>						
<u>Payment for Hospital Services – Reconciliation</u>	<u>Up to 0.5% of the net directed payment amount for each failure to perform the directed payment reconciliation in accordance with the instructions provided by LDH within the specified time period.</u>						